



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR
HARRISBURG

THE GOVERNOR

February 8, 2006

To the People of Pennsylvania:

In the three years since I took office, I have worked on many fronts to better the lives of all Pennsylvanians. Working together with the members of the General Assembly, my administration has made extraordinary improvements in the efficiency and effectiveness of our state government and equally extraordinary improvements in the services our state government delivers to children, older adults, families, businesses and communities.

My three priorities have been to raise student achievement levels, grow our economy, and improve the quality of life in our cities, towns and rural areas. These priorities have resulted in far-reaching state initiatives that are already showing impressive results. For example, the number of fifth graders meeting the state standards in math and reading has increased significantly since 2002 – from 53 percent to 69 percent of all students in math and from 57 percent to 64 percent of all students in reading. And 20,000 students across the state have been able to earn college credit as they complete their high school graduation requirements.

At the same time, we have seen the unemployment rate fall in Pennsylvania and the number of jobs rise steadily, to an all-time high of 5.73 million in December 2005. Our economic gains have earned us national notice. In a recent ranking of economic growth, Pennsylvania climbed from 46th among the states in 2003 to 15th in 2004, according to the Corporation for Economic Development.

We can all be proud of our achievements in helping more children succeed in school and more Pennsylvanians succeed in the workplace. These are two of the most important ways to ensure growing prosperity across our Commonwealth.

We are making great strides in improving Pennsylvania's competitive economic position, even as we fulfill our collective responsibility to nurture our children and protect our most vulnerable citizens. We have reduced business taxes that impede our ability to compete to attract and retain jobs. In the past three years, we have cut business taxes by \$1.02 billion through a variety of tax reform measures. To further spur business development in the Commonwealth, this budget accelerates the pace of those business tax reductions.

We have also delivered dramatic results in eliminating waste and inefficiency in the operation of our state government. We have already cut wasteful government spending by \$841 million, and I am confident that we will reach my goal of reducing the annual cost of government services by \$1 billion dollars by the end of this calendar year.

We have continued to direct key resources to the protection of our residents and our communities from natural and man-made threats to their safety. Our government has directed additional resources to support active-duty Pennsylvania National Guard members who are putting their lives on the line in Iraq and Afghanistan and who gave up so much to assist in the rescue and rebuilding in the wake of Hurricane Katrina.

We have continued to meet the vital needs of our most vulnerable residents – the elderly, people with disabilities, children and the poor. Confronted with federal funding cuts, sharp increases in health care costs and a growing number of people in need, last year we reformed the Commonwealth's social service programs to make them more efficient and effective, while still maintaining coverage for those enrolled. As a result, we expect to save more than \$321 million by the end of 2005-06 while still maintaining essential services in health care, long-term care and child protective services.

In the coming year we will continue to adhere to the principles I set out last year: No one currently receiving life-sustaining social services in Pennsylvania will lose their eligibility, children will not experience any reduction in services, and Pennsylvania will provide coverage for new individuals and families requiring our assistance. At a time when many other states are cutting crucial services to their disadvantaged residents because of the rising cost of providing care, the Pennsylvania approach is working and our safety net remains intact.

We can point to many successes since 2003, but we must also acknowledge that our work is not done. We must continue to work on our critical long-term goals: creating a more educated workforce that is well prepared for 21st-century employment; building a vibrant state economy that can compete effectively in the ever-more-challenging world of global business; and protecting a green countryside whose pristine rivers, fields and forests are preserved for our children and their children.

To build on and sustain the momentum of my first three years in office, this budget provides the resources necessary to further boost academic gains in our schools, create jobs and support business growth across the most critical sectors of our economy.

In education, new initiatives this year include increased emphasis in our schools on science and high-tech training and a historic level of support for Pennsylvania's public libraries. In economic development, we will launch the **Jonas Salk Legacy Fund: Accelerating Medical Research in Pennsylvania**, with \$500 million of new investment in life sciences research and commercialization activities. We will also launch the **World Trade PA** initiative, which will help Pennsylvania companies successfully compete in the global marketplace.

To further spur business expansion and job creation, this budget builds on our innovative, comprehensive Economic Stimulus Program by offering powerful new incentives for business research and development. Through our ongoing **Growing Greener** initiative, the budget continues to support environmental protection and community development as key components of state economic development.

This budget provides funds for many crucial programs for families, children and others in need, including **Cover All Kids** – a new state program that will insure that all working parents can afford to purchase health insurance for their children. We also build upon Pennsylvania's nationally recognized program to assist seniors on limited incomes afford their medications by launching the **PACE Plus Medicare** program.

The agenda I set forth in this budget is far-reaching and ambitious. It touches all areas of the Commonwealth, from pre-school education to developing trade partners in the global economy. It builds on the strengths of the three previous budgets I introduced and the General Assembly enacted. Pennsylvania has made great strides since I took office in January 2003. We have done much to improve the lives of our people and brighten their futures. But our work is far from done. This budget provides the resources, and the direction, to continue Pennsylvania's exciting march forward to a better future.

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 2006-07.

Sincerely,



Edward G. Rendell



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Commonwealth of Pennsylvania

For the Fiscal Year Beginning

July 1, 2005

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to the Commonwealth of Pennsylvania for its annual budget for the fiscal year beginning July 1, 2005. This award is valid for a period of one year.

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

Overview of Sections within the Budget

Preface

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

A. Overview and Summaries

Provides an overview of program and financial goals and administration policies. It discusses the economic outlook, major operating funds and overall complement. It summarizes the budget for several major Commonwealth funds including the General Fund, Motor License Fund, Environmental Stewardship Fund, Lottery Fund, Tobacco Settlement Fund and Budget Stabilization Reserve (Rainy Day) Fund. It also provides summary information regarding 2006-07 Program Policy Direction and Budget Themes, Federal Block Grants, Public Information & Communications and selected other summaries.

B. Program Budget Summary

Provides a summary of the 2006-07 Budget by major revenue source and provides information for each major program by component categories and subcategories (subdivisions of programs).

C. Summary by Fund

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

D. Tax Expenditures

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

E. Department Presentations

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

F. Capital Budget

Provides detailed information by agency regarding proposed capital budget projects recommended in 2006-07. In addition, proposed funding sources and amounts needed to support the entire capital program for the next five years are listed.

G. Public Debt

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

H. Other Special Funds

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

I. Complement

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

J. Statistical Data

Provides historical data for various Pennsylvania economic indicators.

PREFACE

| | |
|---|--------|
| GOVERNOR’S LETTER | i |
| Distinguished Budget Presentation Award | iii |
| Overview of Sections within the Budget | iv |
| Table of Contents | v |
| Reader’s Guide: | |
| Commonwealth of Pennsylvania Organization Chart | xviii |
| The Budget Process | xix |
| The Capital Budget Process | xxi |
| The Structure of the Budget | xxii |
| Basis of Budgeting for Control and Compliance | xxviii |
| GAAP Basis of Accounting | xxviii |
| Terms Used in the Budget Process | xxix |
| Federal Funds Identification | xxxii |

A. OVERVIEW AND SUMMARIES

| | |
|--|-------|
| Overview of Program and Financial Goals and Policies | A1.3 |
| Statements: | |
| Seven Year Financial Statement — General Fund | A2.3 |
| Seven Year Financial Statements — Special Funds | A2.4 |
| Seven Year Department Summary by Fund | A2.8 |
| Seven Year Commonwealth Program Summary — General and Special Funds | A2.12 |
| Dollar Chart by Program — General and Special Funds | A2.13 |
| Seven Year Commonwealth Program Summary — General Fund | A2.14 |
| Dollar Chart by Program — General Fund | A2.15 |
| Program Summary — General Fund | A2.16 |
| Dollar Charts — General Fund, Income and Outgo | A2.17 |
| Dollar Chart by Character of Expenditure — General Fund | A2.18 |
| 2006-07 Fiscal and Program Policy Direction and Budget Themes: | |
| Challenges Met, Promises Kept and a Better Pennsylvania | A3.5 |
| Making Government Work Smarter | A3.12 |
| Expanding Employment and Opportunity for Pennsylvanians | A3.17 |
| Investing in Our Children, Investing in Our Future | A3.29 |
| Caring for All Pennsylvanians | A3.33 |
| Enhancing Programs for Pennsylvania Seniors | A3.37 |
| Energy and the Environment: New Industries and a Better Quality of Life for the 21 st Century | A3.40 |
| Public Safety and Security – A Commonwealth Priority | A3.42 |
| Federal Block Grants | A4.1 |
| Public Information and Communications | A5.1 |

B. PROGRAM BUDGET SUMMARY

| | |
|---|-----|
| Summary of Revenues and Expenditures — Operating | B5 |
| Seven Year Summary of Commonwealth Programs — Operating and Capital | B6 |
| Direction and Supportive Services | B8 |
| Protection of Persons and Property | B9 |
| Education | B11 |
| Health and Human Services | B12 |
| Economic Development | B14 |
| Transportation and Communication | B15 |
| Recreation and Cultural Enrichment | B16 |
| Debt Service | B17 |

C. SUMMARY BY FUND

General Fund

| | |
|--------------------------------------|-------|
| Financial Statement | C1.5 |
| Notes on Financial Statement..... | C1.6 |
| State Funds by Department | C1.8 |
| Federal Funds by Department | C1.9 |
| Augmentations by Department | C1.10 |
| General Fund Revenue Summary | C1.11 |
| Adjustments to Revenue Estimate..... | C1.12 |
| Revenues | C1.13 |

Motor License Fund

| | |
|---|------|
| Financial Statement | C2.2 |
| Summary by Department..... | C2.3 |
| Motor License Fund Revenue Summary..... | C2.6 |
| Adjustments to Revenue Estimate..... | C2.6 |
| Revenues | C2.7 |

Banking Department Fund

| | |
|----------------------------|------|
| Financial Statement | C3.2 |
| Summary by Department..... | C3.2 |
| Revenues | C3.3 |

Boat Fund

| | |
|----------------------------|------|
| Financial Statement | C4.2 |
| Summary by Department..... | C4.2 |
| Revenues | C4.3 |

Environmental Stewardship Fund

| | |
|----------------------------|------|
| Financial Statement | C5.2 |
| Summary by Department..... | C5.2 |
| Revenues | C5.3 |

Farm Products Show Fund

| | |
|----------------------------|------|
| Financial Statement | C6.2 |
| Summary by Department..... | C6.2 |
| Revenues | C6.3 |

Fish Fund

| | |
|----------------------------|------|
| Financial Statement | C7.2 |
| Summary by Department..... | C7.2 |
| Revenues | C7.3 |

Game Fund

| | |
|----------------------------|------|
| Financial Statement | C8.2 |
| Summary by Department..... | C8.2 |
| Revenues | C8.3 |

Keystone Recreation, Park and Conservation Fund

| | |
|----------------------------|------|
| Financial Statement | C9.2 |
| Summary by Department..... | C9.2 |
| Revenues | C9.4 |

Lottery Fund

| | |
|----------------------------|-------|
| Financial Statement | C10.2 |
| Summary by Department..... | C10.3 |
| Revenues | C10.5 |

Table of Contents

| | |
|--|-------|
| Racing Fund | |
| Financial Statement | C11.2 |
| Summary by Department | C11.2 |
| Revenues | C11.3 |
| Tobacco Settlement Fund | |
| Replacing the Health Investment Plan | C12.2 |
| Financial Statement | C12.3 |
| Summary by Department | C12.4 |
| Revenues | C12.6 |
| D. TAX EXPENDITURES | |
| Tax Expenditure Analysis | D4 |
| Credit Programs | D6 |
| Corporation Taxes | D13 |
| Corporate Net Income | D13 |
| Capital Stock/Foreign Franchise | D17 |
| Gross Receipts | D23 |
| Public Utility Realty | D25 |
| Insurance Premiums | D28 |
| Bank and Trust Company Shares | D30 |
| Mutual Thrift Institutions | D31 |
| Sales and Use Tax | D32 |
| General/Personal Expenditures | D32 |
| Fuels and Utilities | D39 |
| Motor Vehicles/Vessels | D41 |
| Production Expenditures | D44 |
| Other | D46 |
| Cigarette Tax | D57 |
| Malt Beverage Tax | D58 |
| Liquor Tax | D59 |
| Personal Income Tax | D59 |
| Exclusions from Income | D59 |
| Credits | D67 |
| Estimated Taxes | D67 |
| Realty Transfer Tax | D69 |
| Inheritance Tax | D73 |
| Family Related Exemptions and Exclusions | D73 |
| Personal Exclusions and Deductions | D76 |
| Business Related Exclusions and Deductions | D79 |
| Other Exclusions | D79 |
| Liquid Fuels and Fuels Tax | D81 |
| Oil Company Franchise Tax | D81 |
| Alternative Fuels Tax | D81 |
| Motor Carriers Road Tax/IFTA | D87 |

Table of Contents

| | |
|---|------|
| Motor Vehicle Code | D92 |
| Wagering Tax | D96 |
| Admissions Tax | D96 |
| Unemployment Compensation Insurance Tax | D97 |
| Public Transportation Assistance Fund | D98 |
| Motor Vehicle Lease Tax and Motor Vehicle Rental Fee | D98 |
| Tire Fee | D101 |

E. DEPARTMENT PRESENTATIONS

| | |
|---|-------|
| Governor's Office | E1.3 |
| Summary by Fund and Appropriation | E1.5 |
| Program Funding Summary..... | E1.6 |
| Executive Direction | E1.7 |
| Executive Offices | E2.1 |
| Summary by Fund and Appropriation | E2.3 |
| Program Funding Summary..... | E2.7 |
| Executive Direction | E2.9 |
| Legal Services | E2.13 |
| Prevention and Elimination of Discriminatory Practices | E2.14 |
| Development of Artists and Audiences | E2.16 |
| Criminal and Juvenile Justice Planning and Coordination | E2.17 |
| Reintegration of Juvenile Delinquents..... | E2.21 |
| Lieutenant Governor | E3.1 |
| Summary by Fund and Appropriation | E3.3 |
| Program Funding Summary..... | E3.4 |
| Executive Direction | E3.5 |
| Attorney General | E4.1 |
| Summary by Fund and Appropriation | E4.3 |
| Program Funding Summary..... | E4.5 |
| Public Protection and Law Enforcement | E4.6 |
| Auditor General | E5.1 |
| Summary by Fund and Appropriation | E5.3 |
| Program Funding Summary..... | E5.4 |
| Auditing..... | E5.5 |
| Municipal Pension Systems | E5.6 |
| Treasury | E6.1 |
| Summary by Fund and Appropriation | E6.3 |
| Program Funding Summary..... | E6.6 |
| Disbursement..... | E6.7 |
| Interstate Relations..... | E6.10 |
| Debt Service | E6.11 |
| Aging | E7.1 |
| Summary by Fund and Appropriation | E7.3 |
| Program Funding Summary..... | E7.6 |
| Community Services for Older Pennsylvanians | E7.7 |
| Pharmaceutical Assistance..... | E7.10 |

Table of Contents

| | |
|---|--------|
| Agriculture | E8.1 |
| Summary by Fund and Appropriation | E8.3 |
| Program Funding Summary | E8.7 |
| Protection and Development of Agricultural Industries | E8.8 |
| Horse Racing Regulation | E8.14 |
| Emergency Food Assistance | E8.16 |
| Banking | E9.1 |
| Summary by Fund and Appropriation | E9.3 |
| Program Funding Summary | E9.4 |
| Financial Institution Regulation | E9.5 |
| Civil Service Commission | E10.1 |
| Summary by Fund and Appropriation | E10.3 |
| Program Funding Summary | E10.4 |
| Personnel Selection | E10.5 |
| Community and Economic Development | E11.1 |
| Summary by Fund and Appropriation | E11.3 |
| Program Funding Summary | E11.7 |
| Community and Economic Development Support Services | E11.8 |
| Business and Job Development | E11.10 |
| Technology Development | E11.14 |
| Community Development | E11.16 |
| Conservation and Natural Resources | E12.1 |
| Summary by Fund and Appropriation | E12.3 |
| Program Funding Summary | E12.6 |
| Parks and Forests Management | E12.7 |
| Corrections | E13.1 |
| Summary by Fund and Appropriation | E13.3 |
| Program Funding Summary | E13.5 |
| Institutionalization of Offenders | E13.6 |
| Education | E14.1 |
| Summary by Fund and Appropriation | E14.3 |
| Program Funding Summary | E14.10 |
| Education Support Services | E14.11 |
| PreK–12 Education (Basic Education) | E14.12 |
| Investing in Our Students’ Success | E14.19 |
| Library Services | E14.24 |
| Higher Education | E14.26 |
| Emergency Management Agency | E15.1 |
| Summary by Fund and Appropriation | E15.3 |
| Program Funding Summary | E15.6 |
| Emergency Management | E15.7 |
| Fire Prevention and Safety | E15.10 |
| Environmental Protection | E16.1 |
| Summary by Fund and Appropriation | E16.3 |
| Program Funding Summary | E16.8 |
| Environmental Support Services | E16.9 |
| Environmental Protection and Management | E16.10 |

Table of Contents

| | |
|---|--------|
| Fish and Boat Commission | E17.1 |
| Summary by Fund and Appropriation | E17.3 |
| Program Funding Summary | E17.5 |
| Recreational Fishing and Boating | E17.6 |
| Game Commission | E18.1 |
| Summary by Fund and Appropriation | E18.3 |
| Program Funding Summary | E18.4 |
| Wildlife Management | E18.5 |
| Gaming Control Board | E19.1 |
| Summary by Fund and Appropriation | E19.3 |
| Program Funding Summary | E19.4 |
| Gaming Regulation | E19.5 |
| General Services | E20.1 |
| Summary by Fund and Appropriation | E20.3 |
| Program Funding Summary | E20.5 |
| Facility, Property and Commodity Management | E20.6 |
| Health | E21.1 |
| Summary by Fund and Appropriation | E21.3 |
| Program Funding Summary | E21.7 |
| Health Support Services | E21.8 |
| Health Research | E21.11 |
| Preventive Health | E21.13 |
| Health Treatment Services | E21.19 |
| Drug and Alcohol Abuse Prevention and Treatment | E21.22 |
| Higher Education Assistance Agency | E22.1 |
| Summary by Fund and Appropriation | E22.3 |
| Program Funding Summary | E22.4 |
| Financial Assistance to Students | E22.5 |
| Financial Aid to Institutions | E22.7 |
| Historical and Museum Commission | E23.1 |
| Summary by Fund and Appropriation | E23.3 |
| Program Funding Summary | E23.5 |
| State Historic Preservation | E23.6 |
| Museum Assistance | E23.8 |
| Infrastructure Investment Authority | E24.1 |
| Summary by Fund and Appropriation | E24.3 |
| Program Funding Summary | E24.5 |
| PENNVEST | E24.6 |
| Insurance | E25.1 |
| Summary by Fund and Appropriation | E25.3 |
| Program Funding Summary | E25.5 |
| Insurance Industry Regulation | E25.6 |
| Labor and Industry | E26.1 |
| Summary by Fund and Appropriation | E26.3 |
| Program Funding Summary | E26.5 |
| Community and Occupational Safety and Stability | E26.6 |
| Workers' Compensation and Assistance | E26.8 |
| Workforce Investment | E26.10 |
| Vocational Rehabilitation | E26.13 |

Table of Contents

| | |
|--|--------|
| Liquor Control Board | E27.1 |
| Summary by Fund and Appropriation | E27.3 |
| Program Funding Summary..... | E27.4 |
| Liquor Control..... | E27.5 |
| Military and Veterans Affairs | E28.1 |
| Summary by Fund and Appropriation | E28.3 |
| Program Funding Summary..... | E28.5 |
| State Military Readiness | E28.6 |
| Veterans Homes and School..... | E28.8 |
| Compensation and Assistance | E28.11 |
| Milk Marketing Board | E29.1 |
| Summary by Fund and Appropriation | E29.3 |
| Program Funding Summary..... | E29.4 |
| Milk Industry Regulation..... | E29.5 |
| Probation and Parole Board | E30.1 |
| Summary by Fund and Appropriation | E30.3 |
| Program Funding Summary..... | E30.4 |
| Reintegration of the Adult Offender | E30.5 |
| Public Television Network | E31.1 |
| Summary by Fund and Appropriation | E31.3 |
| Program Funding Summary..... | E31.4 |
| Public Television Services | E31.5 |
| Public Utility Commission | E32.1 |
| Summary by Fund and Appropriation | E32.3 |
| Program Funding Summary..... | E32.4 |
| Regulation of Public Utilities | E32.5 |
| Public Welfare | E33.1 |
| Summary by Fund and Appropriation | E33.3 |
| Program Funding Summary..... | E33.10 |
| Human Services Support..... | E33.12 |
| Medical Assistance | E33.13 |
| Increasing the Efficiency and Integrity of the Medical Assistance Program | E33.20 |
| Income Maintenance | E33.23 |
| Mental Health..... | E33.29 |
| Mental Retardation | E33.33 |
| Human Services | E33.36 |
| Revenue | E34.1 |
| Summary by Fund and Appropriation | E34.3 |
| Program Funding Summary..... | E34.5 |
| Revenue Collection and Administration | E34.6 |
| Community Development and Preservation..... | E34.9 |
| Homeowners and Renters Assistance..... | E34.10 |
| Securities Commission | E35.1 |
| Summary by Fund and Appropriation | E35.3 |
| Program Funding Summary..... | E35.4 |
| Securities Industry Regulation | E35.5 |
| State | E36.1 |
| Summary by Fund and Appropriation | E36.3 |
| Program Funding Summary..... | E36.4 |
| Consumer Protection | E36.5 |

Table of Contents

| | |
|--|--------|
| State Employees' Retirement System | E37.1 |
| Summary by Fund and Appropriation | E37.3 |
| Program Funding Summary | E37.4 |
| State Employees' Retirement | E37.5 |
| State Police | E38.1 |
| Summary by Fund and Appropriation | E38.3 |
| Program Funding Summary | E38.6 |
| Public Protection and Law Enforcement | E38.7 |
| Tax Equalization Board | E39.1 |
| Summary by Fund and Appropriation | E39.3 |
| Program Funding Summary | E39.4 |
| Education Support Services | E39.5 |
| Transportation | E40.1 |
| Summary by Fund and Appropriation | E40.3 |
| Program Funding Summary | E40.8 |
| Transportation Support Services | E40.10 |
| State Highway and Bridge Construction/Reconstruction | E40.11 |
| State Highway and Bridge Maintenance | E40.13 |
| Local Highway and Bridge Assistance | E40.15 |
| Mass Transportation | E40.17 |
| Intercity Transportation | E40.19 |
| Air Transportation | E40.21 |
| Safety Administration and Licensing | E40.22 |
| Older Pennsylvanians Transit | E40.24 |
| Legislature | E41.1 |
| Summary by Fund and Appropriation | E41.3 |
| Program Funding Summary | E41.6 |
| Legislature | E41.7 |
| Judiciary | E42.1 |
| Summary by Fund and Appropriation | E42.3 |
| Program Funding Summary | E42.5 |
| State Judicial System | E42.6 |

F. CAPITAL BUDGET

| | |
|--|------|
| Capital Budget Program Summary | F3 |
| Estimated Capital Expenditures — State Funds | F5 |
| Forecast of New Project Authorizations — State Funds | F6 |
| Recommended 2006-07 New Project Authorizations — State Funds | F7 |
| Agriculture | F8 |
| Conservation and Natural Resources | F10 |
| Corrections | F37 |
| Education | F40 |
| Emergency Management Agency | F45 |
| Environmental Protection | F47 |
| Historical and Museum Commission | F50 |
| Public Welfare | F52 |
| Transportation | F54 |
| Summary of Forecast of Future New Project Authorizations — State Funds | F158 |
| Forecast of Future Projects by Department | F159 |
| Summary of Estimated Capital Project Expenditures — State Funds | F162 |
| Estimate of Capital Expenditures by Department | F163 |

G. PUBLIC DEBT

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

H. OTHER SPECIAL FUNDS

| | |
|--|-----|
| Other Special Funds..... | H5 |
| Acid Mine Drainage Abatement and Treatment Fund | H6 |
| Administration Fund | H6 |
| Agricultural College Land Scrip Fund | H7 |
| Agricultural Conservation Easement Purchase Fund | H7 |
| Agricultural Conservation Easement Purchase Sinking Fund | H8 |
| Anthracite Emergency Bond Fund..... | H8 |
| Automobile Theft Prevention Trust Fund..... | H9 |
| Ben Franklin Technology Development Authority Fund..... | H9 |
| Benefit Completion Fund..... | H10 |
| Broadband Outreach and Aggregation Fund..... | H10 |
| Budget Stabilization Reserve Fund | H11 |
| Capital Debt Fund | H11 |
| Capital Facilities Fund | H12 |
| Capitol Restoration Trust Fund..... | H12 |
| Catastrophic Loss Benefits Continuation Fund..... | H13 |
| Children's Trust Fund | H14 |
| Clean Air Fund | H14 |
| Coal and Clay Mine Subsidence Insurance Fund..... | H15 |
| Coal Lands Improvement Fund | H15 |
| Community College Capital Fund | H16 |
| Conrad Weiser Memorial Park Trust Fund | H16 |
| Deferred Compensation Fund | H17 |
| Deferred Compensation Fund – Short-Term Portfolio | H17 |
| Disaster Relief Fund..... | H18 |
| Disaster Relief Redemption Fund..... | H18 |
| DNA Detection Fund | H19 |
| Education Technology Fund..... | H19 |
| Educational Assistance Program Fund | H20 |
| Emergency Energy Assistance Fund..... | H20 |
| Emergency Medical Services Operating Fund | H21 |
| Employment Fund for the Blind | H22 |
| Energy Conservation and Assistance Fund..... | H22 |
| Energy Development Fund..... | H23 |
| Environmental Education Fund | H24 |
| Fire Insurance Tax Fund | H24 |
| Governor Robert P. Casey Memorial Organ and Tissue Donation Awareness Trust Fund | H25 |
| Growing Greener Bond Fund | H26 |
| Growing Greener Bond Sinking Fund..... | H26 |
| Hazardous Material Response Fund | H27 |
| Hazardous Sites Cleanup Fund..... | H27 |
| Higher Education Assistance Fund | H28 |
| Highway Beautification Fund | H29 |
| Historical Preservation Fund | H29 |
| HOME Investment Trust Fund..... | H30 |
| Industrial Development Fund..... | H30 |

Table of Contents

| | |
|---|-----|
| Industrial Sites Cleanup Fund | H31 |
| Insurance Fraud Prevention Trust Fund..... | H31 |
| Insurance Liquidation Fund | H32 |
| Job Training Fund | H32 |
| Keystone Recreation, Park and Conservation Sinking Fund | H33 |
| Land and Water Development Fund..... | H33 |
| Land and Water Development Sinking Fund..... | H34 |
| Liquid Fuels Tax Fund..... | H34 |
| Liquor License Fund..... | H35 |
| Local Criminal Justice Fund | H35 |
| Local Criminal Justice Sinking Fund..... | H36 |
| Local Government Capital Project Loan Fund..... | H36 |
| Low-Level Waste Fund..... | H37 |
| Machinery and Equipment Loan Fund..... | H37 |
| Manufacturing Fund | H38 |
| Medical Care Availability and Reduction of Error Fund | H39 |
| Medical Professional Liability Catastrophe Loss Fund | H40 |
| Military Family and Relief Assistance Fund | H40 |
| Milk Marketing Fund..... | H41 |
| Minority Business Development Fund | H41 |
| Motor Vehicle Transaction Recovery Fund..... | H42 |
| Municipal Pension Aid Fund..... | H42 |
| Municipalities Financial Recovery Revolving Aid Fund..... | H43 |
| Non-Coal Surface Mining Conservation and Reclamation Fund | H43 |
| Nutrient Management Fund..... | H44 |
| Oil and Gas Lease Fund | H44 |
| Patient Safety Trust Fund..... | H45 |
| Pennsylvania Economic Revitalization Fund..... | H45 |
| Pennsylvania Economic Revitalization Sinking Fund | H46 |
| Pennsylvania Historical and Museum Commission Trust Fund..... | H46 |
| Pennsylvania Infrastructure Bank..... | H47 |
| Pennsylvania Municipal Retirement Fund | H47 |
| Pennsylvania Veterans Memorial Trust Fund..... | H48 |
| PENNVEST Bond Authorization Fund..... | H48 |
| PENNVEST Drinking Water Revolving Fund..... | H49 |
| PENNVEST Non-Revolving Equity Fund..... | H49 |
| PENNVEST Fund..... | H50 |
| PENNVEST Redemption Fund..... | H50 |
| PENNVEST Revolving Fund | H51 |
| PENNVEST Water Pollution Control Revolving Fund | H51 |
| Pharmaceutical Assistance Fund | H52 |
| Philadelphia Regional Port Authority Fund | H53 |
| Port of Pittsburgh Commission Fund..... | H53 |
| Public Transportation Assistance Fund | H54 |
| Purchasing Fund | H54 |
| Real Estate Recovery Fund..... | H55 |
| Recycling Fund..... | H56 |
| Rehabilitation Center Fund..... | H57 |
| Remining Environmental Enhancement Fund | H57 |
| Remining Financial Assurance Fund..... | H58 |
| Rightful Owners' Claims Payment Fund..... | H58 |
| School Employees' Retirement Fund | H59 |
| School Retirees' Health Insurance Fund | H60 |
| Self-Insurance Guaranty Fund | H61 |
| Small Business First Fund..... | H62 |
| Solid Waste-Resource Recovery Development Fund..... | H62 |
| Special Administration Fund..... | H63 |
| State College Experimental Farm Fund | H63 |
| State Employees' Retirement Fund..... | H64 |

Table of Contents

| | |
|--|-----|
| State Gaming Fund | H65 |
| State Insurance Fund | H66 |
| State Restaurant Fund | H66 |
| State School Fund..... | H67 |
| State Stores Fund | H68 |
| State Treasury Armory Fund | H68 |
| State Worker's Insurance Fund..... | H69 |
| Storage Tank Fund..... | H70 |
| Substance Abuse Education and Demand Reduction Fund..... | H70 |
| Supplemental State Assistance Fund..... | H71 |
| Surface Mining Conservation and Reclamation Fund..... | H71 |
| Tuition Account Guaranteed Savings Program Fund | H72 |
| Tuition Account Investment Program Fund | H73 |
| Underground Storage Tank Indemnification Fund..... | H74 |
| Unemployment Compensation Benefit Payment Fund | H75 |
| Unemployment Compensation Contribution Fund..... | H75 |
| Vocational Rehabilitation Fund..... | H76 |
| Volunteer Companies Loan Fund..... | H76 |
| Volunteer Companies Loan Sinking Fund | H77 |
| Water Facilities Loan Fund..... | H77 |
| Water Facilities Loan Redemption Fund | H78 |
| Water Supply and Wastewater Treatment Fund..... | H78 |
| Water Supply and Wastewater Treatment Sinking Fund..... | H79 |
| Wild Resources Conservation Fund | H79 |
| Wireless E-911 Emergency Services Fund | H80 |
| Workers' Compensation Security Fund | H81 |
| Workmen's Compensation Administration Fund..... | H82 |
| Workmen's Compensation Supersedeas Fund | H83 |
| I. Complement | |
| Authorized Salaried Complement By Agency..... | I 5 |
| Summary of 2006-07 Complement Changes | I 6 |
| J. Statistical Data | |
| State Population Trends..... | J5 |
| State Employment Trends..... | J7 |
| State Unemployment Trends..... | J9 |
| State Personal Income Trends..... | J10 |



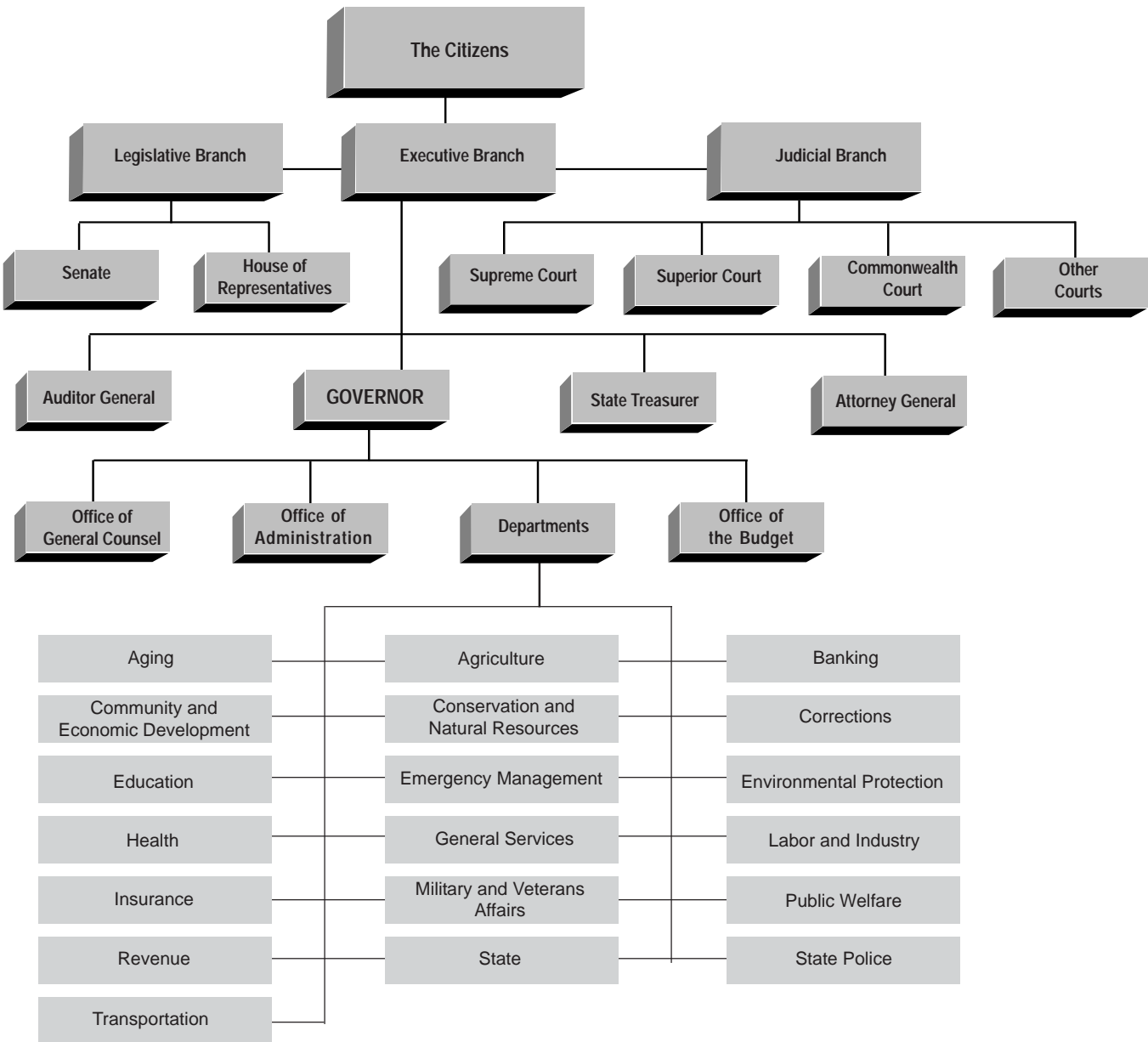
READER'S GUIDE

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

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

BOARDS

Claims
Environmental Hearing
Gaming Control Board
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 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 Governor's Budget is developed with a focus on the results of government programs and provides information about program goals, objectives, accomplishments and effects.

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

PHASES OF THE BUDGET PROCESS

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

PREPARATION

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

Agency budget requests are submitted to the Governor's Budget Office beginning in early October. Agencies prepare and submit their requests 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 Governor's Budget Office.

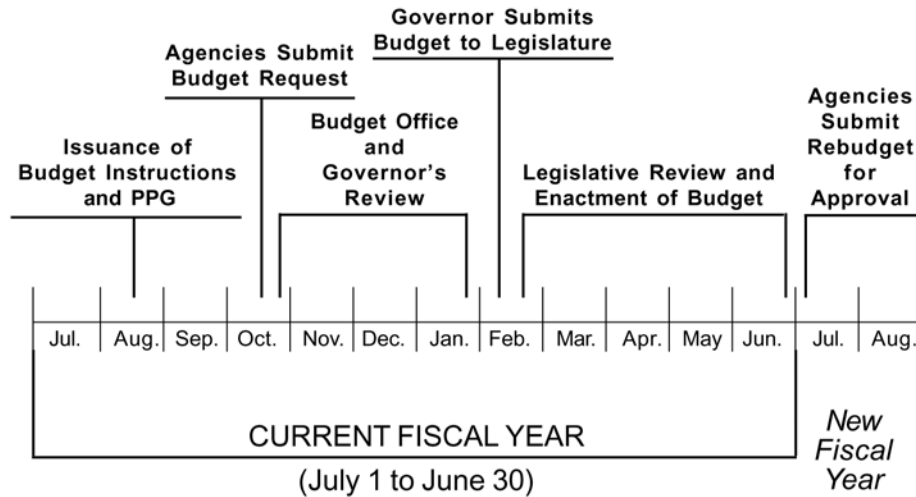
During December, the Governor apprises Legislative leaders of anticipated spending and revenue levels and major fiscal issues expected to be addressed in the upcoming budget.

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

APPROVAL

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

BUDGET CYCLE IN PENNSYLVANIA



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

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

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

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

EXECUTION

The Governor's Budget Office has the authority to request and approve agency spending plans, commonly referred to as rebudgets, and to establish authorized levels for agency's full-time equivalent (FTE) salaried complement, i.e., personnel. The rebudgets are based primarily on the enacted appropriations. The Governor's Budget Office uses the Integrated Enterprise 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 Governor's Budget Office informally reviews program and financial performance and performs formal evaluations of selected programs. In addition, the Auditor General performs a financial post audit.

The Capital Budget Process

The capital budget process in Pennsylvania is similar to the process for 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 Governor's Budget Office for consistency with the Governor's priorities and policies. Projects approved by the Governor's Budget Office are scheduled for release — first for design and, when design is complete, then for construction. These releases are made in accordance with certain fiscal guidelines in order to keep the entire capital budget at affordable levels each year.

The 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 eight major program classifications. These program classifications are each defined in terms of broadly stated goals of State Government. One of these Commonwealth Programs, Direction and Supportive Services, includes the costs of supporting administrative functions which affect the overall operations of the Commonwealth. Debt Service includes the resources to meet the timely payment of Commonwealth debt obligations. The remaining Commonwealth Programs are substantive in nature and deal with costs related to the following areas:

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

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

THE DEPARTMENTAL PRESENTATION

Recommendations for the continuation of current programs at essentially current levels of commitment are shown within departmental program subcategories. Recommendations for major program changes in 2006-07 are identified as departmental Program Revision Requests (PRRs) which provide explanations and justification for the change.

Beyond 2006-07, the projections of financial data, as well as impacts and other program measures, show the future implications of the 2006-07 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 2006-07 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, 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 is an example of an augmentation.

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

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

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

Program Presentation

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

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

Narrative—Describes program services and activities.

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

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

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

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

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

GENERAL FUND:

General Government:

General Government Operations

- (F) Historic Preservation
- (F) Intermodal Surface Transportation Safety Act
- (F) Railroad Museum Improvement
- (F) Surface Mining Review
- (A) Historic Preservation Fund
- (R) Keystone Fund

Subtotal

Records and Management Information

Maintenance Program

- Subtotal - State Funds
- Subtotal - Federal Funds
- Subtotal - Augmentations
- Subtotal - Restricted Revenues

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**
- Whitaker Center for Science and the Arts**

Total - Grants and Subsidies

- STATE FUNDS
- FEDERAL FUNDS
- AUGMENTATIONS
- RESTRICTED REVENUES

GENERAL FUND TOTAL

KEYSTONE RECREATION, PARK AND CONSERVATION FUND:

Grants and Subsidies:

- Historic Site Development - Bond Proceeds (EA)
- Historic Site Development - Realty Transfer Tax (EA)

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
- RESTRICTED
- OTHER FUNDS

TOTAL ALL FUNDS

al and Museum Commission

nd Appropriation

(Dollar Amounts in Thousands)

2004-05 2005-06 2006-07
ACTUAL AVAILABLE BUDGET

| | | | |
|-------|------------------|------------------|------------------|
| ..... | \$ 15,354 | \$ 16,794 | \$ 18,891 |
| ..... | 1,000 | 1,000 | 1,000 |
| ..... | 52 | 47 | 0 |
| ..... | 312 | 1,312 | 0 |
| ..... | 125 | 100 | 100 |
| ..... | 250 | 250 | 250 |
| ..... | 400 | 450 | 450 |
| ..... | <u>\$ 17,493</u> | <u>\$ 19,953</u> | <u>\$ 20,691</u> |
| ..... | \$ 450 | \$ 444 | \$ 0 |
| ..... | \$ 944 | \$ 1,000 | \$ 1,000 |
| ..... | \$ 16,748 | \$ 18,238 | \$ 19,891 |
| ..... | 1,489 | 2,459 | 1,100 |
| ..... | 250 | 250 | 250 |
| ..... | 400 | 450 | 450 |
| ..... | <u>\$ 18,887</u> | <u>\$ 21,397</u> | <u>\$ 21,691</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 |
| ..... | 1,489 | 2,459 | 1,100 |
| ..... | 250 | 250 | 250 |
| ..... | 400 | 450 | 450 |
| ..... | <u>\$ 25,598</u> | <u>\$ 28,578</u> | <u>\$ 27,472</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 |
| ..... | \$ 930 | \$ 80 | \$ 80 |
| ..... | \$ 4,301 | \$ 6,500 | \$ 5,500 |
| ..... | \$ 23,459 | \$ 25,419 | \$ 25,672 |
| ..... | 9,744 | 4,555 | 4,646 |
| ..... | 1,489 | 2,459 | 1,100 |
| ..... | 250 | 250 | 250 |
| ..... | 400 | 450 | 450 |
| ..... | 5,231 | 6,580 | 5,580 |
| ..... | <u>\$ 40,573</u> | <u>\$ 39,713</u> | <u>\$ 37,698</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, 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 areas

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 2006-07 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, marketing and press relations, human resources management, procurement, information technology and management of the Commission's website, financial grant administration, fiscal and revenue management, and other support services.

| Program Measures: | 2004-05 | 2005-06 |
|--|---------|---------|
| Historic Preservation | | |
| Buildings maintained and conserved | 522 | 522 |
| Evaluations for the National Register of Historic Properties | 1,300 | 1,320 |

Evaluations for the National Register of Historic Properties previous evaluations for all properties within a qualifying district, which re

Program Recommendations:

| | |
|----------|---|
| \$ 1,867 | General Government Operations |
| | —PRR — Administrative Support for Historic Sites. To provide administrative support necessary to open the Erie Maritime Museum, and for the expansion of the Railroad Museum of Pennsylvania, and the Somerset Historical Center. See the Program Revision following this program for additional information. |
| 230 | —to continue current program. |
| \$ 2,097 | <i>Appropriation Increase</i> |

Appropriations within this Program:

| | 2004-05 Actual | 2005-06 Available |
|--|------------------|-------------------|
| GENERAL FUND: | | |
| General Government Operations | \$ 15,354 | \$ 16,794 |
| Records and Management Information | 450 | 444 |
| Maintenance Program | 944 | 1000 |
| TOTAL GENERAL FUND | \$ 16,748 | \$ 18,238 |



Historical and Museum Commission

Identifies the agency being presented.

to identify, protect and safeguard Pennsylvania's historic and museum program to educate and preserve areas of 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

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

This element is responsible for the identification, protection and enhancement of buildings, structures and districts of historic and architectural significance within the Commonwealth. It provides for the infusion of Federal funds from the Department of the Interior to enhance the economic base of many communities in Pennsylvania; provides a survey and National Register nomination program; maintains an information network providing direction and assistance to local preservation organizations; administers an archeological program to improve policies and procedures and provides direction to the professional and advocational community; and preserves and protects endangered historic public and private buildings, structures and landmarks through a nonprofit Statewide revolving fund.

Narrative — Describes program services and activities.

| 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---------|---------|---------|---------|---------|
| 522 | 522 | 522 | 522 | 522 |
| 1,340 | 1,360 | 1,380 | 1,400 | 1,420 |

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

previously included evaluations for all qualifying properties, plus which resulted in duplication

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

\$ -444 **Records and Management Information**
—nonrecurring projects.

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

(Dollar Amounts in Thousands)

| | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|----|-------------------|----------------------|----------------------|----------------------|----------------------|
| \$ | 18,891 | \$ 19,916 | \$ 20,262 | \$ 20,610 | \$ 20,973 |
| | 0 | 0 | 0 | 0 | 0 |
| | 1,000 | 1,020 | 1,040 | 1,061 | 1,082 |
| \$ | <u>19,891</u> | <u>\$ 20,936</u> | <u>\$ 21,302</u> | <u>\$ 21,671</u> | <u>\$ 22,055</u> |

Basis of Budgeting For Control and Compliance

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

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

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

Budgets are statutorily adopted each fiscal year for the General Fund and the following special revenue funds: Banking, Lottery, Milk Marketing, Motor License, Workmen's Compensation Administration, Emergency Medical Services Operating, Energy Conservation and Assistance, Hazardous Materials Response and Ben Franklin Technology Development Authority. Budgets are also statutorily adopted for the administration of the State Employees' Retirement and Public School 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

In addition to the budgetary basis financial information maintained by the Commonwealth to monitor and enforce budgetary control, special account balances, principally receivable and payable items, are maintained to provide and report information in conformity with generally accepted accounting principles (GAAP). The use of GAAP requires a modified accrual basis of accounting for governmental 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 fiduciary fund types, GAAP requires a full accrual basis of accounting.

Revenues and expenditures reported in the Commonwealth's financial statements prepared under GAAP differ from the 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 government-wide statements, representing aggregate governmental activities of the Commonwealth, along with major fund statements, including aggregate nonmajor fund statements grouped 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 accounting and reporting purposes. Reported revenues and expenditures required to conform to GAAP accounting generally require including (i) sales/use, personal income, corporation and other tax accruals, (ii) tax refunds payable and tax credits, and (iii) expenditures not covered by appropriations.

Significant Financial Policies

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

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

Budget Stabilization Reserve Fund – Act 91 of 2002 provided for this Fund effective July 1, 2002 to eventually establish a budgetary reserve amounting to 6 percent of the revenues of the General Fund. For the fiscal year beginning July 1, 2002 and in any fiscal year thereafter in which the Secretary of the Budget certifies that there is a surplus in the General Fund, 25 percent of the surplus is to be deposited by the end of the next succeeding quarter into this Fund. Act 41 of 2005 superseded this requirement and provided for 15 percent of the surplus to be deposited by the end of the next succeeding quarter into this Fund just for the fiscal year ended June 30, 2005; this budget returns to a 25 percent transfer for the fiscal year ending June 30, 2006. Additional information is found in Section A.1 of this Budget document.

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

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

Terms Used in the Budget Process

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

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 a Commonwealth obligation or commitment pursuant to a contract, a purchase order, a grant or a other known obligation but where an actual disbursement has not been made. In accrual accounting, the encumbrance is the amount set aside from the appropriation's balance. 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: An accounting entry which is booked to recognize a liability of the Commonwealth, not yet disbursed.

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, 2004 to September 30, 2005 would be FFY 2005.

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, 2005 to June 30, 2006 would be 2005.

- *Actual Year – Includes all expenditures and encumbrances chargeable to that fiscal year as of June 30 of the previous year plus available balances held for certain commitments and any 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. For non-appropriated and non-executively authorized restricted receipts and restricted revenues, the best estimate of expenditures currently available is used.*
- *Budget Year – Reflects the amounts being recommended by the Governor in this document for the next fiscal year.*
- *Planning Years 1, 2, 3 and 4 – Reflects only the cost of the budget year projected into the future and the implementation of legislatively mandated increases which may be effective in a future year.*

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

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

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

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

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

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

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

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

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

Objective: A statement of program purposes in terms of desired accomplishments measured by outcome indicators. Ideally accomplishments are intended effect (impact) upon individuals, the environment and 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 Performance Measure: A general term applied to any of the substantive measures found in the agency programs. Included are impacts, outcomes, output/activity indicators, efficiency measures and need and/or demand estimators.

Program 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 |
| COPS | Community Oriented Policing Services |
| CSBG | Community Services Block Grant |
| DCSI | Drug Control and Systems Improvement |
| DFSC | Safe and Drug Free Schools and Communities |
| DOE | Department of Energy |
| EDA | Economic Development Administration |
| EEOC | Equal Employment Opportunity Commission |
| EMAC | Emergency Management Assistance Compact |
| EMS | Emergency Medical Services |
| EPA | Environmental Protection Agency |
| EPCA | Energy Policy and Conservation Act |
| ESEA | Elementary and Secondary Education Act |
| FEMA | Federal Emergency Management Agency |
| FFY | Federal Fiscal Year (October 1 to September 30) |
| FHWA | Federal Highway Administration |
| FTA | Federal Transit Administration |
| HIPAA | Health Insurance Portability and Accountability Act |
| HHS | Health and Human Services |
| HUD | Department of Housing and Urban Development |
| JAG | Justice Assistance Grants |
| LIHEABG | Low-Income Home Energy Assistance Block Grant |
| LSTA | Library Services and Technology Act |
| LWCF | Land and Water Conservation Fund |
| MA | Medical Assistance |
| MAGLOCLN | Middle Atlantic Great Lakes Organized Crime Law Enforcement Network |
| MCH | Maternal and Child Health |
| MCHSBG | Maternal and Child Health Services Block Grant |
| MH/MR | Mental Health/Mental Retardation Services |
| MHSBG | Mental Health Services Block Grant |
| MR | Mental Retardation |
| NCHIP | National Criminal History Improvement Program |
| 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 |
| TEA | Transportation Efficiency Act |
| TEACH | Technology, Education and Copyright Harmonization Act |
| USFWS | United States Fish and Wildlife Service |
| VA | Veterans' Administration |
| VOCA | Victims of Crime Act |
| WIA | Workforce Investment Act |
| WIC | Women, Infants' and Children Program |
| YDC | Youth Development Center |



Commonwealth of Pennsylvania

Governor's Executive Budget

OVERVIEW
AND
SUMMARIES

OVERVIEW

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

GOAL: CREATE JOBS AND BUILD A VITAL ECONOMY

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

GOAL: BUILD A WORLD CLASS PUBLIC EDUCATION SYSTEM

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

GOAL: INCREASE ACCESS TO HIGH QUALITY HEALTH CARE

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

GOAL: BOOST THE SKILLS OF OUR WORKERS

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

GOAL: PROTECT OUR NATURAL RESOURCES

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

GOAL: ENSURE THE SAFETY OF OUR CITIZENS

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

GOAL: DELIVER GREATER VALUE AND EFFICIENCY IN GOVERNMENT

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

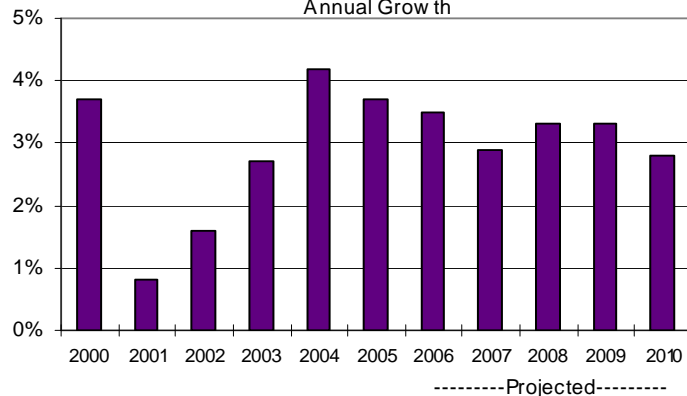
ECONOMIC OUTLOOK

The economic assumptions used to produce many of the tax revenue estimates in this budget were obtained from two main sources of forecast data: 1) Global Insight, Inc. of Waltham, Massachusetts and 2) Moody's Economy.com, Inc. of West Chester, Pennsylvania. Both of these firms are private economic forecasting and consulting firms currently providing forecast data to the Commonwealth. Various projections from both Global Insight's national baseline forecast as well as a recent forecast produced by Economy.com were used to develop the estimates of revenue for the budget year and other future fiscal years in this document. Analyses and discussion in this section, as well as the revenue estimates used in this budget, are based on a combination of data from each source of econometric forecast. The resulting budget year forecast may be characterized as a "baseline" projection in that it is generally consistent with the national baseline estimate developed by Global Insight. Further, the economic forecast used for this budget is also generally consistent with many of the forecast assumptions contained in Economy.com's forecasts.

Recent Trends

The expansion of the national economy has been steady since 2002, despite repeated external shocks that have occurred in the post-recession period. The United States (U.S.) economy has endured corporate scandals (2002 and thereafter), ongoing war in Iraq (2003-present), an initial surge in oil prices (2004), Hurricanes Katrina and Rita, and a second surge in oil and energy prices (2005). These shocks may have slowed but thus far have failed to derail the current economic expansion. The economy has managed to grow at an average annual rate of 3.0 percent since the end of the recession in 2001 and approximately 3.7 percent during 2005. Chart 1 displays actual growth in real gross domestic product (GDP) from 2000 to 2005 and projected growth for the 2006-2010 period.

Chart 1
REAL GROSS DOMESTIC PRODUCT
Annual Growth



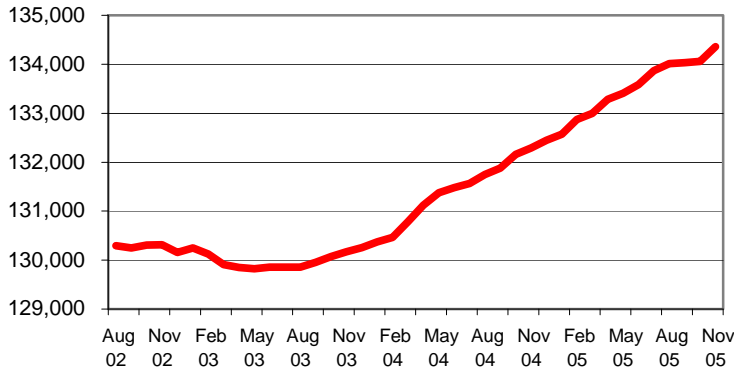
The first two years of the current economic expansion (2002-2003) were characterized by unabated job losses in which more than 3 million jobs were lost despite a moderately growing national economy. Among the hardest hit sectors during the "jobless recovery" was manufacturing, which lost a total of 1.3 million jobs since 2001, with most of these losses feared to be permanent. National job losses in the manufacturing sector have continued through 2005. During the expansion, employment patterns have differed significantly between large corporations and small businesses. From 2001 through 2003, large corporations were responsible for almost all of the job losses while small firms actually posted modest gains in employment over the same time period. During the 2002-2003 period, the economic expansion demonstrated unusually slow growth in terms of job creation compared to typical post-recession periods.

Although large corporations continue to shed jobs, as evidenced by recent announcements of large layoffs at General Motors and Ford Motor Company, positive overall job growth in the broader economy returned in 2004 and 2005. Job growth during 2004 added approximately 2.0 million jobs during that year. Employment levels grew faster in 2005 as approximately 2.6 million jobs were added during the past year.

The U.S. unemployment rate currently stands at 4.9 percent, down from its nine-year high of 6.3 percent in June 2003. The drop in the unemployment rate has occurred over the past two years as more than 4.5 million jobs have been added to the economy, with growth in employment

exceeding growth in the labor force. Chart 2 indicates that the U.S. economy has generated significant growth in employment since January 2004.

Chart 2
US EMPLOYMENT GROWTH
Non-Agricultural
(thousands)

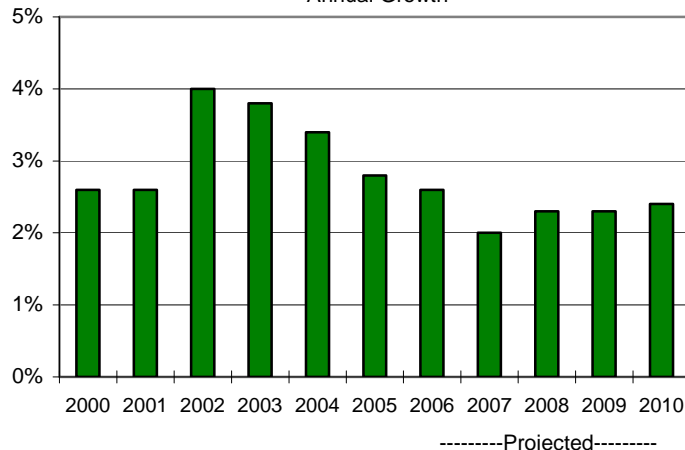


Although job growth was initially slow to recover, the national economy still expanded from 2001 to 2005, with productivity gains responsible for nearly all of the growth from 2001 to 2003. Productivity gains from 2001 to 2005 have driven the business sector side of the current economic expansion, with a 3.4 percent average annual rate of growth in productivity. This surge exceeds any productivity

growth since the 1960s and that growth was a major factor in the “jobless recovery” from 2001 through 2003. During this time, wages and incomes grew, but growth in the labor force slowed.

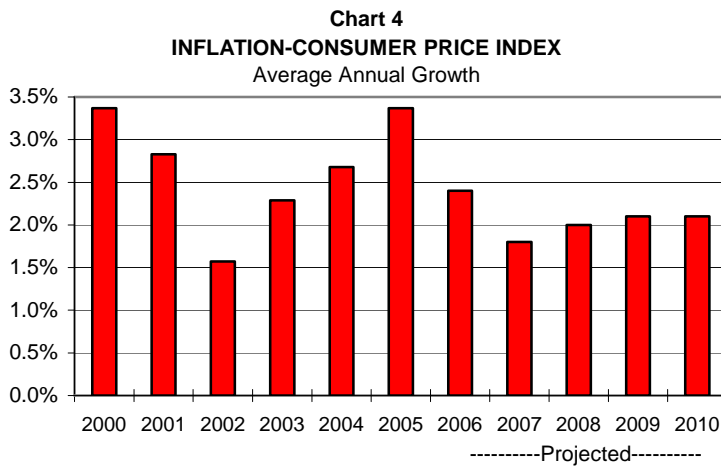
Job growth returned in 2004 and 2005, and wages and incomes continued to rise as well. Yet job growth and economic growth are no longer as tightly correlated as they once were, because intense global competition has reduced businesses pricing power and technology gains have boosted productivity. Increased pressure on prices forced businesses to achieve growth from productivity rather than through increased payrolls from 2001 to 2003. Over the past two years, productivity has grown at a slower rate, as seen in Chart 3, and that slowdown has meant lower real GDP growth. Strong job growth in 2004 and 2005 accompanied the drop in the rate of annual growth in productivity. Chart 3 shows the significant gains in productivity achieved during the earlier part of the economic expansion, as well as the recent slowing of productivity gains. Gains in productivity allowed businesses to accommodate moderately rising costs of labor, commodity, and energy prices as well as rising benefits expenses, in particular health care costs. Solid demand from consumers and a weak dollar have enabled firms to pass along a portion of their increased costs, but growing competition from China and India have constrained the pricing power of U.S. corporations. The result is that nearly all gains in corporate profits have been derived from gains in productivity. The gains in productivity over the last four years have helped to hold inflation in check, but these factors are eroding. Recent output gains have slowed and payrolls are expanding, which is leading in turn to upward pressure on wages and prices.

Chart 3
PRODUCTIVITY GAINS
Annual Growth



After dropping to 1.6 percent annual growth in 2002, inflation has been building over the past three years. Rapidly rising energy costs, rising labor costs, and increases in health care costs combined with a weak dollar pushed inflation to 3.4 percent in 2005, as seen in Chart 4. While that rate is still moderate, many of the factors that combined to hold down inflation in the early part of this decade are eroding. Increasing unit labor costs, slowing productivity, a tightening

job market, and rising interest rates are leading to upward pressure on prices across the board. Consensus forecasts presently remain optimistic that current inflation pressures will abate somewhat, but the factors putting upward pressure on prices will need to be monitored carefully and may result in changes to the current forecast.



After three years of decline, the U.S. dollar appreciated in 2005, due in large part to rising interest rates. The U.S. trade imbalance continues to grow, and the current account deficit has reached a record high of 6.8 percent of real GDP. A highly accommodating Federal Reserve Board had driven down short-term interest rates (through the federal funds rate) to a low of 1 percent over the past four years in an attempt to stimulate growth. After accounting for inflation, true interest rates have actually

been in negative territory. As the expansion gained traction in 2004 and 2005 and with the re-emergence of inflation attributed to strong demand and rising energy costs, the Federal Reserve has begun to raise interest rates. To date, the Federal Reserve has implemented a total of thirteen quarter-point rate hikes since June 2004, which have raised the federal funds rate from 1 percent to 4.25 percent by the end of December 2005. Much of this increase occurred during 2005, when the federal funds rate rose two full percentage points.

Current Conditions

Despite significant shocks to the national economy, including two devastating hurricanes and a reprise of last year's surge in energy prices, the national economy proved particularly resilient in 2005, experiencing broad and healthy growth. Demand remained solid, job growth continued, household wealth and incomes rose, and real GDP posted solid gains of 3.7 percent for the year.

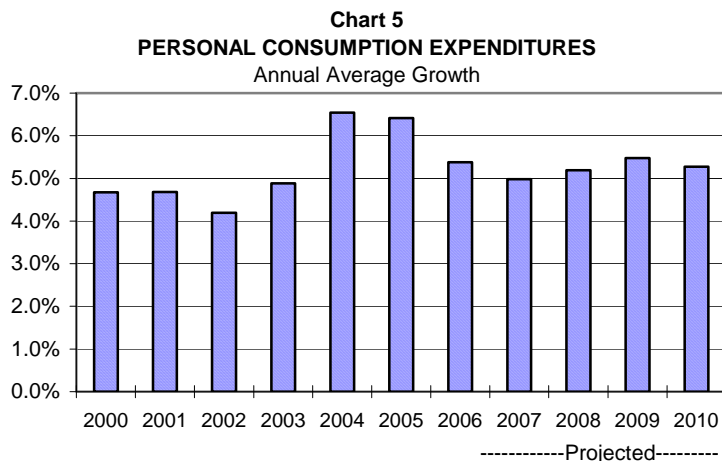
Businesses exercised unprecedented caution in their capital asset expenditures from 2001 through the end of 2003. Since that time, pent-up demand and declining inventories have led to a rapidly accelerating pace of capital expenditure, as firms have driven production and output faster than their existing capacity will allow. At present, firms are operating at nearly 80 percent of capacity, the highest rate in more than five years. Equipment and plant replacements are necessary to maintain current levels of production. As result, both hiring and capital spending have been increasing lately. Strong balance sheets and a surplus of idle cash have led firms to rapidly expand their business investment, and that is contributing significantly to the current economic expansion. Collectively, the net worth of most firms is at its highest level since the late 1990s. Energy company profits are up 65 percent in 2005 and other sectors show profits and earnings growth of at least 10.4 percent for the year. Further, sixty-eight percent of firms surveyed show higher earnings than expected for 2005.

Technology spending in particular has increased during 2005, with advanced technology expenditures leading the recent capital investment boom. Given the strong demand for their products and the tightening labor market, businesses must make technology improvements to achieve further productivity gains. Production of technology components such as semi-conductors, computers, peripherals, and communications equipment is up 25 percent for 2005, the fastest rate of growth in five years. Information processing expenditures accounted for over two-thirds of all equipment spending in 2005 versus just one-third in 2004. The re-engagement of business investment contributed significantly to gains in real GDP achieved during 2004 and 2005 and the increased capital spending also led to job growth.

After shedding nearly 3 million jobs since 2001, the economy added approximately 2.0 million new jobs in 2004 and 2.6 million jobs in 2005 and the unemployment rate dipped to 4.9 percent. In November 2005, job growth exceeded 305,000 for the month – the largest monthly increase in the previous eighteen months – and manufacturing payrolls expanded for the third month in a row. A tightening of the labor markets and a shortage of skilled workers is now leading to upward pressure on wages and higher labor costs in general. Recently, the rate of growth in hourly pay has been accelerating, reaching 3.2 percent year-over-year growth in November 2005, the fastest rate of growth in the last thirty months. Benefits costs are also driving labor costs higher, although the growth in these costs has recently slowed slightly. The annual rate of growth for total benefit costs, which had been 7.3 percent in 2004, recently slowed to 4.9 percent in 2005. Even growth in health care costs is slowing; it was 6.3 percent through the second quarter of 2005, compared with 8.1 percent and 10.3 percent respectively, in 2004 and 2003. However, rising retiree health care and pension obligations are forcing a major restructuring of the traditional corporate approach to labor costs. Firms like General Motors are slashing retiree health care costs and rising unfunded pension obligations are forcing many firms into bankruptcy protection, where they are shifting such responsibilities to the taxpayer via the federal Pension Benefit Guaranty Corporation.

A tightening of the labor markets helped nominal personal incomes grow significantly for the third straight year in 2005, up 5.4 percent. This strong rate of annual growth was approximately two percentage points ahead of the rate of inflation (3.4 percent for 2005) and a continuation of the solid growth demonstrated in 2004, when nominal personal incomes rose 5.9 percent. These gains in personal incomes were the result of job

growth over the past two years. Fueled by personal income growth, low interest rates, rising employment and strong household wealth, personal consumption grew at a healthy rate of 6.4 percent in 2005, down slightly from 6.5 percent in 2004. While fourth quarter 2005 consumption was stung by a rapid decline in automobile sales, overall consumption appears poised for moderate growth in 2006. Chart 5 shows the annual average growth in real personal consumption expenditures for the period 2000 through 2005, with forecasts for 2006 to 2010.



As the economy operates at or near full capacity and as available resources of labor and capital are consumed, the result is often upward pressure on prices, and inflation becomes harder to control. Given strong demand, businesses believe they have increased pricing power and they have been looking to pass along higher labor and energy costs to consumers. Growth in core inflation, which excludes food and energy prices, accelerated during 2005. Through the second and third quarters of 2005 the monthly gains in core inflation were approximately 0.1 percent, while the monthly increase for core inflation grew to 0.25 percent in the fourth quarter of 2005.

Rising energy costs appear to be driving other price and wage increases across the economy. Hurricanes Katrina and Rita disrupted both oil and natural gas supplies and have driven up prices. Oil was trading at \$60 per barrel as of December 2005, an increase of 30 percent over 2004 levels. Despite rapidly increasing prices, demand for oil has not waned. Oil imports now account for 2 percent of GDP, the highest level in 25 years. Natural gas prices have been hit even harder by the hurricanes, as reduced production in the Gulf of Mexico cannot be overcome by increased imports. Current prices for natural gas are 97 percent higher than last year. With little excess capacity in global energy production, any disruptions or increased demand could lead to a third spike in energy prices in as many years.

Rising energy costs, which are likely rippling through core prices, would be less of a concern for inflation if not for overall growth in demand. Despite rising interest rates, consumers and businesses continue to have relatively easy access to cash - whether from borrowing, improved balance sheets, profits, or returns from housing and stock investments - and this access is fueling inflationary pressures. Combined, rising energy costs and overall economic demand present an interesting challenge for the Federal Reserve and its interest rate policy. Over the past two years, the Federal Reserve has proceeded with regular and well-choreographed increases in the federal funds rate. Through thirteen quarter-point increases, the Federal Reserve has raised interest rates from 1 percent to 4.25 percent in hopes of staving off inflation and maintaining the pace of the economic expansion at manageable levels.

While these rising interest rates have slightly cooled off the housing sector and consumer spending, overall demand remains strong. As a result, the broader economy appears to be reaching a point where labor markets and capacity can no longer meet demand, leading to rising wages and prices and, eventually, to higher inflation. For this reason, the Federal Reserve is likely to adopt a new strategy in an attempt to strike a balance between achieving "neutral interest rates" and implementing a plan to restrain the current expansion without stopping it in its tracks.

Despite rising short-term interest rates since 2003, the bond markets have been stable with respect to long-term rates. Increases to the federal funds rate have been regular and well-timed by the Federal Reserve, allowing the bond market to "price-in" the rate increases. The result has been low long-term bond yields, which have further stimulated the economy via the housing sector.

Recent developments in the bond market raise concerns for future growth as the yield curve inverted in late 2005, with short-term rates higher than long-term rates as measured by the 10-year and 2-year Treasury bonds. This interest rate phenomenon is intriguing, as the last five recessions have all been preceded by an inverted yield curve. However, no one is forecasting a recession in the near term, because the inverted yield curve appears to be an anomaly at present.

According to Global Insight, all five cases in which recessions followed yield curve inversions were cases where real short-term rates were above 4 percent. At present, the federal funds rate is 4.25 percent and core inflation is 2.1 percent, for a real interest rate of just over 2 percent. Nominal interest rates would need to rise past 6 percent to approach a real interest rate exceeding 4 percent, based on the current level of core inflation. In addition, the yield curve inverted in 1995 and 1998, resulting in no material impact on economic performance.

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

| Indicator | 2004 | 2005p | 2006p | 2007p |
|-------------------------------|------|-------|-------|-------|
| Nominal GDP | 7.0 | 6.5 | 6.1 | 4.8 |
| Real GDP | 4.2 | 3.7 | 3.5 | 2.9 |
| Real Personal Consumption | 3.9 | 3.5 | 3.2 | 3.3 |
| Corporate Profits (After Tax) | 11.8 | 35.3 | 5.8 | -2.0 |
| Unemployment Rate (Rate) | 5.5 | 5.1 | 4.8 | 4.9 |
| CPI | 2.7 | 3.4 | 2.5 | 1.4 |
| Federal Funds (Rate) | 1.3 | 3.2 | 4.7 | 4.8 |

*Assumptions contained herein as well as others are incorporated in the 2006-07 fiscal year revenue estimates.
p=projected

The Forecast

The current expansion is projected to continue at a moderate and sustainable pace, according to a combination of data from both Global Insight's baseline forecasts and Moody's Economy.com's economic forecast. After experiencing broad-based growth during the past two years, as evidenced by 4.2 percent annual growth in real GDP during 2004 and 3.7 percent in 2005, the economy is expected to slowly throttle down over the next two years. Annual growth in real GDP is projected to moderate to 3.5 percent in 2006 and 2.9 percent in 2007. A combination of data from both sources is highlighted in Table 1.

This table presents actual data for 2004 and forecasts for the 2005-2007 period for several national economic indicators. As shown, both real and nominal GDP are expected to moderately

slow in 2005 through 2007, after peaking in 2004. Rising prices, tightening labor markets and rising interest rates are primary causes for slightly lower growth rates in the forecast. The forecasts anticipate that the economic expansion will continue in 2006 as a business-driven expansion.

Business investment has been an increasing driver of growth, generally in the form of higher capital spending during 2004 and 2005. Capital investment in new equipment, particularly information technology equipment, is expected to continue in 2006. While it has increased over the past two years, capital spending still appears to have some room to grow in 2006. The current level of business investment is low by historic measures as a percent of GDP. Capital spending as a share of GDP was 13.9 percent through late 2005 versus a historical average of 15.7 percent and far below recent highs of 17.5 percent in the late 1990's.

While consumers have maintained spending levels during the expansion, it is likely that such spending will begin to wane as higher interest rates slow consumer access to cheap cash. The various forecasts referenced herein generally agree that while business activity will provide a boost to the expansion, rising prices and rising interest rates - along with a slowing of consumer spending levels - will ensure that the expansion will be more modest than that recently experienced.

Moderate job growth of approximately 160,000 per month, or approximately 2 million jobs per year, is expected to continue during 2006. Job growth combined with growth in the labor force will keep the unemployment rate around 4.8 percent. Slower gains in productivity will continue to encourage an increase in payrolls in 2006. Rising interest rates will continue to slow growth in the housing sector.

Gains in employment experienced in 2004 and 2005 have boosted both personal income and consumption. A further tightening of labor markets will result in additional upward pressures on wages and salaries, providing a boost to the growth in real personal incomes but also accelerating inflation concerns. Significant gains in real personal income are forecast in 2006 and 2007, as seen in Chart 7 below. Despite projected growth in real personal income, consumer spending is expected to moderate in 2006 through 2007, as seen in Chart 5 above.

Inflationary pressures are expected to continue in 2006, as the price of oil will weigh heavily on the economy. A continuation of high oil prices will limit consumer spending and raise costs for businesses. A continuation of the recent quarter point increases in the federal funds rate is expected in order to slow growth in real GDP to around 3 percent annually, the presumed optimal sustainable growth rate for the U.S. economy. Interest rates, as measured by the federal funds rate, are projected to rise from their current level of 4.25 percent to around 4.75 percent, the presumed neutral level for interest rates at which the rate neither encourages nor discourages growth in the economy. Beyond that, the Federal Reserve is expected to keep a watchful eye on inflation and the economy will have to slow down from its recent pace to stave off further interest rate hikes in the latter part of 2006. Interest rates on both the short and long ends of the yield curve are expected to increase in 2006.

Risks to the forecast remain a concern. The most recent current account trade deficit, a measure of imports versus exports, has reached a record high of 6.8 percent of real GDP. Other significant concerns for 2006 are the continuing decline in the strength of the dollar and projected continued deficit spending at various government levels. U.S. deficit spending - in the form of the federal budget deficit, the current account deficit, and combined household and corporate debt - is largely underwritten at present by massive amounts of foreign investment, mostly by foreign central banks. If these foreign central banks become unwilling to continue to hold U.S. securities given a further declining dollar, the economy could be adversely impacted from rising interest rates and inflation.

In addition, geopolitical uncertainty remains, not only in the form of the continuing war in Iraq but also from nuclear saber-rattling in Iran. Recently, the Iranian president has threatened to stop oil shipments in response to any proposed economic sanctions aimed at thwarting Iran's drive towards becoming a nuclear power. Therefore, the possibility of external shocks to the economy remains high.

Pennsylvania Outlook

The most recent Index of State Economic Momentum, published by State Policy Reports, indicates that the Commonwealth vaulted twelve spots to 30th in total economic momentum in the 2005 Index, as measured by the combination of population growth, personal income growth, and employment growth. Pennsylvania had been ranked 42nd in total economic momentum the same index in 2004; it now currently outranks all surrounding states except Maryland and Delaware.

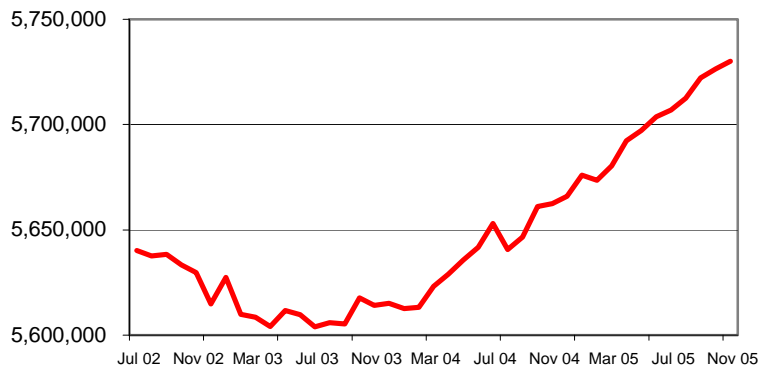
The Commonwealth ranked 26th in personal income growth in the 2005 Index, an improvement over the 35th ranking in that category in the same study from 2004 and a 38th ranking in 2003.

In the 2005 Index, Pennsylvania ranked 29th in employment growth, which represents an improvement on the Commonwealth's ranking of 43rd in 2004.

However, in terms of population growth, Pennsylvania continues to lag behind the national average, ranking 43rd in percent growth in population for 2005. If not for this last factor, Pennsylvania's economy would have ranked even higher than 30th in the Index of State Economic Momentum.

Pennsylvania's labor market, specifically the non-agricultural sectors, started to grow significantly in mid-2003. Both Pennsylvania and the national economy were experiencing year-over-year job losses earlier in the expansion period (2002-2003). Beginning in January 2004, both the Commonwealth and the national economy began to experience job creation, which has continued through all of 2004 and 2005. Despite the rise in job creation, Pennsylvania's unemployment rate also began to rise in 2004, reaching a height of 5.7 percent in December 2004. This rising unemployment rate despite growth in job creation was due to growth in the state's labor force during 2004, which has been greater than the national average. As a result, despite above-average job growth, the Commonwealth's unemployment rate rose slightly in 2004. National unemployment figures looked somewhat more positive, but only because nationally the labor force is growing more slowly than in Pennsylvania, not because of significant job creation at the national level.

Chart 6
PENNSYLVANIA EMPLOYMENT GROWTH
Non-Agricultural



In 2005 Pennsylvania experienced continued job creation and somewhat slower growth in the overall labor force. This led to a decline in Pennsylvania's unemployment rate, to a low of 4.6 in October 2005. Third quarter job growth in Pennsylvania averaged 1.3 percent - the highest quarterly rate in five years, according to a recent Federal Depository Insurance Corporation (FDIC) report. To date, the Pennsylvania economy has generated more than 100,000

new jobs in the past three years. By November 2005, total non-farm jobs reached a record high of 5.73 million, as seen in Chart 6.

Improvement in the Commonwealth's economic performance is largely dependent upon continued job growth, which has been improving since 2004. Pennsylvania employment sectors experiencing significant job growth include leisure and hospitality, the business and professional services sectors and the health care industry. Business services, health care and tourism-related employment account for three out of every four new jobs created in the Commonwealth. The service sector has added 120,000 new jobs since 2000. This employment sector is also

increasing as a percent of total of employment, up from 41.5 percent in 2000 to 44 percent as of 2004. Pennsylvania employment levels also demonstrate continued strength in life sciences and pharmaceutical-related jobs. Since 1990, health and social services workers make up a larger share of the payrolls. This trend is boosted by a continual shift in demographics within Pennsylvania towards an increasingly aged population. The Commonwealth is now ranked in the top ten states for health care workers per capita, and third nationally in health and social service workers as a percent of the workforce.

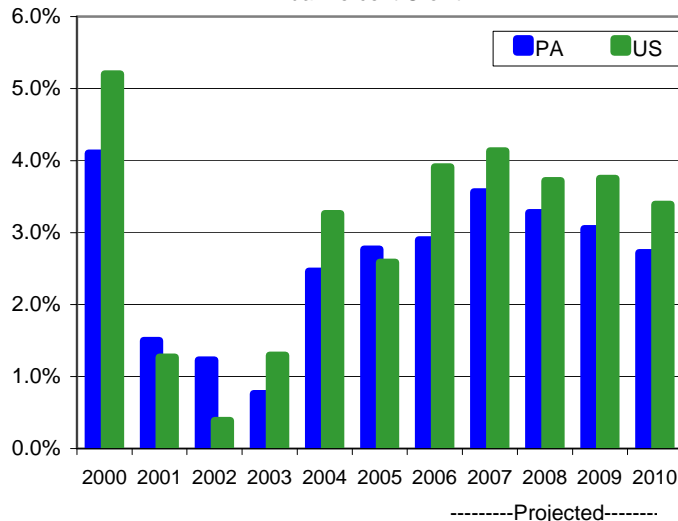
The historic presence of manufacturing in the Commonwealth and the continuing loss of jobs in this important sector has been partially restraining growth in the Pennsylvania economy. Despite recent overall job growth in the Commonwealth, has continued to lose jobs in Pennsylvania, and as a result this sector is shrinking as a percent of total employment. Since 2000, more than 170,000 manufacturing jobs have been lost and manufacturing as a percent of the work force is down from 15.2 percent in 2000 to 12.3 percent in 2004.

The transportation sector has also been experiencing job losses recently. Exposure in significant aviation-related industries is also impacting the Commonwealth's economy. Bankruptcies of numerous national airlines, including US Airways, have resulted in significant job losses as the industry restructures, and this has affected the Commonwealth's economy. The loss of the US Airways hub in Pittsburgh can be expected to impact the economy in that region. While new low-cost carriers are emerging to service Pennsylvania from Philadelphia and Pittsburgh that will replace some of the lost jobs in the aviation sector, there is concern that these new market entrants will not serve the entire state to the degree that US Airways did. This could affect not only airline service but also commerce in smaller metropolitan areas.

Despite an initially slow recovery and continued job losses through 2003, the Commonwealth's growth in real personal income outperformed the national average in 2001 and 2002 and closely trailed growth nationally in 2003. Chart 7 plots actual and projected annual real personal income growth for Pennsylvania and the United States for the years 2000 through 2010. As shown, growth in real personal income within Pennsylvania exceeded the national average during the recession and the subsequent "jobless-recovery" period through mid-2003. As the national economy gained traction in late 2003, personal income in the U.S. began to exceed the Pennsylvania average.

However, personal income growth in Pennsylvania has remained strong and positive. In fact, the Commonwealth actually outperformed the U.S. in terms of annual percent growth in real personal income in 2005. This performance indicates both a strengthening state economy as well as a tightening state labor market.

Chart 7
PA AND US REAL PERSONAL INCOME
Annual Percent Growth



Continued weakness in the state's old-line manufacturing and transportation industries, particularly aviation, continues to threaten to constrain state economic growth. However, growth in health care, business services and tourism employment and recent above-average overall job growth in Pennsylvania during 2004 and 2005 are projected to result in moderate growth of real personal income during calendar years 2006 and 2007.

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 growth in the U.S. economy. It is estimated that 93 percent of Pennsylvania's employment volatility is associated with U.S. employment changes. Over the long term, Pennsylvania's economy continues to diversify significantly and this should enable the state to better cope with cyclical downturns. Because of the state's large elderly population and relatively modest overall population growth, Pennsylvania's economy is likely to expand at a moderate rate. Demographically, Pennsylvania will continue to experience slow growth in population, although the trend of residents leaving the state was interrupted in 2002 and 2003, when more people moved into Pennsylvania than moved out.

On the plus side, thanks to enhanced economic development efforts, an improving business climate (with business costs now roughly equal to the national average) and a strong pattern of positive job creation, Pennsylvania's economy is poised for growth in the near term. Pennsylvania is also succeeding in attracting high-value-added industries such as electronics, pharmaceuticals and computer services. This continued diversification of the state's economy, combined with improvements in the business climate, are projected to support a moderate economic rebound, even as the relatively large non-working elderly population and substantial aging infrastructure present continuing challenges to economic expansion in Pennsylvania.

SUMMARY OF MAJOR OPERATING FUNDS

The total 2006-07 operating budget for the Commonwealth is \$54.2 billion. It includes over \$25.4 billion in the General Fund, \$2.5 billion in the Motor License Fund, \$16.9 billion in Federal funds and nearly \$9.4 billion in fees and other special fund 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 nearly 98 percent of annual General Fund revenue. Four taxes account for the majority of General Fund tax revenue. The personal income tax, the sales and use tax, the corporate net income tax and the capital stock and franchise tax together provide approximately 81 percent of annual General Fund revenue. For non-tax revenue, the largest sources of revenue are profit transfers from the Pennsylvania Liquor Control Board, earnings of investments, and the escheats or "unclaimed property" program.

Recent Revenue Trends: For the five fiscal years ending with 2004-05, total General Fund revenue grew by 18.2 percent, an annual rate of 4.3 percent. The rate of growth for revenue during the period has been affected by the enactment of several tax rate and tax base changes that have enhanced receipts. Without adjusting for tax rate and base changes, the major tax revenue sources experiencing the largest growth during this period were the cigarette tax, the realty transfer tax, and the gross receipts tax. All had five-year total increases of over 59 percent. Revenue from some tax sources declined over the period. Receipts from the inheritance tax fell by an average annual amount of 2.7 percent. The decline in this tax was partially the result of periodic reductions to the rate and base enacted over the prior five fiscal years. Non-tax revenue sources during this period increased by 26.6 percent. Increased liquor store profits transfer and miscellaneous receipts, led by revisions to the Commonwealth's escheats program, and interest earnings accounted for most of the increase during the period.

Receipts from the personal income tax in recent fiscal years have been impacted by a fitful recovery to the most recent recession. Without adjusting for changes in the tax rate, personal income tax collections over the past five completed fiscal years have averaged 3.9 percent annual growth. An upward revision in the personal income tax rate enacted in December 2003 impacted the average annual growth rate calculated above. Prior to the increase in the tax rate, receipts from the personal income tax had experienced successive years of decline in 2002 and 2003 as Pennsylvania struggled to recover from the 2001 recession. Personal income tax receipts through December 2005 are 7.3 percent over 2004-05 collections through the same period. For fiscal year 2006-07, personal income tax receipts are anticipated to rise 5.5 percent above the Revised 2005-06 Estimate. Estimates for the personal income tax are developed from a regression equation that uses forecasts of wages, salaries, interest, dividends and rents.

The sales and use tax is levied on taxable property and services used by consumers and by businesses. Recently, annual growth rates for this tax have been modest when compared to pre-2001 recession levels. Sales and use tax receipts over the past five completed fiscal years have averaged 2.7 percent annual growth. Sales and use tax receipts through December 2005 are 2.8 percent over 2004-05 levels. For 2006-07, the expectation for modest gains in consumer spending is expected to produce a growth rate of 4.1 percent over the Revised 2005-06 Estimate. Estimates for the sales and use tax are developed from a regression equation that uses forecasts of national consumer expenditures on durable goods, business investment, and national consumption on new and used motor vehicles.

The largest General Fund tax on business is the corporate net income tax. Annual receipts from the corporate net income tax can vary significantly from year-to-year and may experience a year-over-year decline. This variability is due to fluctuations in corporate profitability, including losses, the availability and use of tax credits and net operating loss deductions, and the timing of estimated and final state tax payments based on when a corporation's tax year begins. Corporate tax receipts, including both the corporate net income tax and the capital stock and franchise tax, had experienced three consecutive years of negative year-over-year growth due in large part to the slow and fitful recovery from the 2001 recession. In addition, previously enacted tax rate reductions to the capital stock and franchise tax continue to be implemented which annually reduce the tax rate imposed until it will be entirely eliminated in 2011. Despite the effects of the 2001 recession and reductions in the tax rate, corporate tax receipts over the past five completed fiscal years have increased by an average of 2.5 percent annually, as corporate profits rebounded starting in 2003-04. As result of the significant growth experienced in 2003 to 2005 the average annual decline in corporate receipts experienced during the past five year period ending June 30, 2004 (2.5%) was reversed and the average annual growth in corporate tax receipts was 2.5 percent for the five-year period ending June 30, 2005. Current fiscal year-to-date corporate tax receipts are 11.4 percent above 2004-05 levels through December 2005. Corporate tax receipts for all of 2005-06 are projected to increase by 3.4 percent over 2004-05 actual receipts. A combination of modest projected economic growth and an acceleration of a reduction in the capital stock and franchise tax rate are expected to decrease corporate tax receipts for 2006-07 by 1.6 percent from the Revised 2005-06 Estimate. These growth rates reflect improving economic conditions in Pennsylvania. Estimates for the corporate net income tax are developed from a regression equation that uses forecasts of national before-tax corporate profits.

Expenditures

The General Fund is the primary funding source for most State agencies and institutions. 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 2006-07 is \$25.43 billion, an increase of \$923 million or 3.8 percent. Major program expenditures occur in the areas of education, public health and welfare and state correctional institutions.

PreK-12 (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, career and technical education, debt service, pupil transportation, employee retirement programs including social security and various special education programs.

The largest such subsidy is the Basic Education Funding subsidy, which provides Commonwealth aid to local school districts. This budget proposes more than \$4.7 billion for the Basic Education Funding subsidy in 2006-07, an increase of five percent. Other significant increases for basic education include a \$50 million increase, to \$250 million, for continuation of the Accountability Grant Program, and increases in science and math elementary education, early intervention, teacher professional development and special education. Pennsylvania is a national leader in state funding for libraries; the state subsidy for public libraries increases by \$14 million to \$75.5 million. In total, funding for basic education increased by over \$517 million, to \$8.63 billion.

Higher Education: Higher education in Pennsylvania is provided through 271 degree-granting institutions, which include the fourteen universities of the State System of Higher Education, four State-related universities, community colleges and various other independent institutions. The budget proposes nearly \$2 billion for higher education institutions and students. This includes over \$386 million for student financial aid.

Public Health and Welfare: The Commonwealth provides support for its residents who are seeking to achieve and sustain independence. It also provides care, treatment and rehabilitation to persons with mental and physical disabilities and supports programs to prevent or reduce social, mental and physical disease and disabilities. For 2006-07, the total public health

and human services expenditures from all sources is \$24.6 billion; the amount from the General Fund will be \$9.5 billion, which is an increase of \$287 million or 3.1 percent.

The largest component of the public health and welfare expenditures is the Medical Assistance (MA) Program. In the last ten years, the program grew at an annual rate of 12 percent. While the overall economy is recovering from the recent recession, there continues to be a growth in the caseload. Technological advances in medicine and general medical inflation, including increases in pharmaceutical prices, result in an increase in the projected State MA match requirement for 2006-07. In an effort to continue to contain costs and operate efficiently, while maintaining the necessary services, this budget continues 2005-06 cost containment initiatives and proposes additional revenue and cost containment strategies. The combined effect of these efforts results in a reduction in total funding from \$14.6 billion in 2005-06 to \$14.2 billion in the proposed 2006-07 budget. State funds are anticipated to increase from \$4.75 billion in 2005-06 to \$4.86 billion in 2006-07.

Income maintenance, including cash assistance payments to families in transition to independence and self-sufficiency, totaled \$2.6 billion from all sources for 2005-06. The 2006-07 budget proposes total resources of \$2.62 billion. The Commonwealth's General Fund share is increased from \$1.1 billion to \$1.2 billion. The budget provides a total of \$663 million for childcare services. This represents an increase of 118 percent since 1998-99. The number of children served from low-income families increased by 165 percent.

The 2006-07 budget continues the policy of supporting independence for people with mental retardation and mental health disabilities. In June 2000, the State supported 6,387 institutional beds. By June 2006, that will be reduced to 3,445, a reduction of 46 percent. Over that period, the community budgets will have grown by \$727 million in total funds, an increase of 53.5 percent.

State Correctional Institutions: The 2006-07 budget proposed for the State correctional institutions is \$1.39 billion. From 2002-03 to 2006-07, total costs have grown from over \$1.2 billion to nearly \$1.4 billion. This is due to the continuing rise in the inmate population in the State correctional institutions, which has grown from 40,090 inmates in 2002-03 to an estimated 42,998 inmates in 2006-07.

Motor License Fund

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

Liquid fuels taxes provided approximately 54 percent of total Motor License Fund revenues in 2004-05. Revenue from liquid fuels taxes has increased only slightly over the past five fiscal years. For the five-year period ending with 2004-05, liquid fuels tax revenues increased at an annual average rate of 2.2 percent. Current fiscal year-to-date liquid fuels receipts are 9.9 percent above 2004-05 levels through December 2005. For 2005-06 an increase of 6.4 percent is projected and the budget for 2006-07 projects an increase in liquid fuels tax receipts of 3.2 percent. This growth is partially due to a statutorily mandated increase in the Oil Company Franchise Tax rate.

License and fee revenues represent the other major source of revenues for the Motor License Fund. Annual growth of receipts from these sources has also increased slowly. For the five-year period ending with 2004-05, license and fee revenues increased at an annual average of 2.5 percent. For 2005-06, a decrease of 0.6 percent is projected and for 2006-07 an increase of 0.5 percent is estimated.

For the ninth year in a row, the budget for 2006-07 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. In 2006-07, an additional \$130 million will be invested in the Commonwealth’s highway and bridge infrastructure, including \$100 million for the Smoother Roads and Bridges program, \$20 million for the Bridge Preservation program, and \$10 million for the Emergency Highway and Bridge Maintenance Repair program. 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. As a result, Pennsylvania’s pavement condition ratings continue to improve.

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. In 2001, the department successfully implemented its Internet renewal system for use by the general public. This new program gives customers the ability to renew their non-commercial driver’s license, photo identification card or vehicle registration electronically. 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 landfill fees and interest earnings. The Environmental Stewardship Fund originally received revenue from a 25 cent per ton, or 25 cent per three cubic yards, fee for all solid waste received at a landfill in the Commonwealth. Act 90 of 2002 added an additional \$4 per ton disposal fee for all solid waste disposed of at any municipal waste landfill.

The Growing Greener II program, enacted by the General Assembly and approved by voters in 2005, provides an additional \$625 million in bond funding to clean up rivers and streams, remediate abandoned mines and industrial sites, support advanced energy projects, preserve farmland and open space, improve parks, revitalize communities, repair fish hatcheries and dams and upgrade Game Commission habitat-related facilities. Growing Greener II bond proceeds are deposited into the Growing Greener Bond Fund.

Growing Greener II authorized the transfer of up to \$20 million in 2005-06 and up to \$30 million in 2006-07 from the Environmental Stewardship Fund to the Hazardous Sites Cleanup Fund. Growing Greener II also authorized the use of up to \$10 million of PENNVEST’s allocation from the Environmental Stewardship Fund for Historic Preservation Grants or Tax Credits and up to \$2.5 million for a Green Sales Tax Holiday, subject to the passing of additional enabling legislation.

The Commonwealth agencies involved with the original “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. 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.

Lottery Fund revenues are expected to maintain the positive trend experienced in the 2005-06 fiscal year. In the recent past, the Pennsylvania State Lottery had reached a state of maturity where growth in sales revenues had slowed dramatically because of decreased participation in online games and the lower profitability factor of the popular instant games. The Lottery has joined the multi-state Powerball game, is working with retailers to expand sales, has implemented midday drawings, and has expanded advertising campaigns to promote higher levels of participation. Player Activated Terminals are being distributed more widely to locations to broaden game accessibility. Combined, these efforts are successfully addressing the Fund's previous inability to maintain programs and are markedly increasing the viability of the fund.

The total cost of programs funded through the Lottery Fund continues to increase. The largest program funded by 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 and productive lives. Act 37 of 2003 expanded the income eligibility limits of the PACE Program making more than 100,000 additional individuals eligible for enrollment. The expansion is funded through a combination of Lottery revenue enhancements and cost containment initiatives in the PACE Program. In addition, the Federal Medicare Part D pharmacy program is expected to result in savings of \$87.0 million in 2005-06 and an additional \$183.4 million in 2006-07 to the PACE Program. For 2006-07, a transfer of \$190 million to the Pharmaceutical Assistance Fund will provide assistance to 378,920 older Pennsylvanians at an estimated cost of \$244.8 million. The second largest program in the Lottery Fund is the PENNCARE Program that provides in-home and community-based services to older Pennsylvanians to enrich their lives and enable them to delay or avoid institutionalization. For 2006-07, \$227.9 million is provided for the PENNCARE appropriation. For additional details, see the Department of Aging presentation in Section C.

Tobacco Settlement Fund

On December 17, 1999, Pennsylvania finalized its contractual agreement with the five major tobacco companies under the Master Settlement Agreement (MSA). The MSA provides a perpetual reimbursement to states for the costs incurred as a result of tobacco use. Pennsylvania's share of the MSA funds for the first 25 years of the agreement is in excess of \$10 billion, with annual payments ranging between \$322 million and \$434 million from 1999 to 2025.

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

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

Following the initial allocation plan for the Fund, it has become apparent that there are imbalances in the resource allocation percentages for the Tobacco Settlement Fund. The 2005-06 budget initiated a resource redirection to take into consideration the escalating cost of long-term

care services for Pennsylvania seniors and person with disabilities. At the same time a significant new revenue stream became available for this fund's program of health insurance for the uninsured. The Community Health Reinvestment Agreement with the Blue Cross/Blue Shield plans will provide \$95 million for these programs in 2006-07. For additional details on the programs funded from the Tobacco Settlement Fund see the Health Investment Plan portion of the Tobacco Settlement Fund presentation in Section C.

Rainy Day Fund

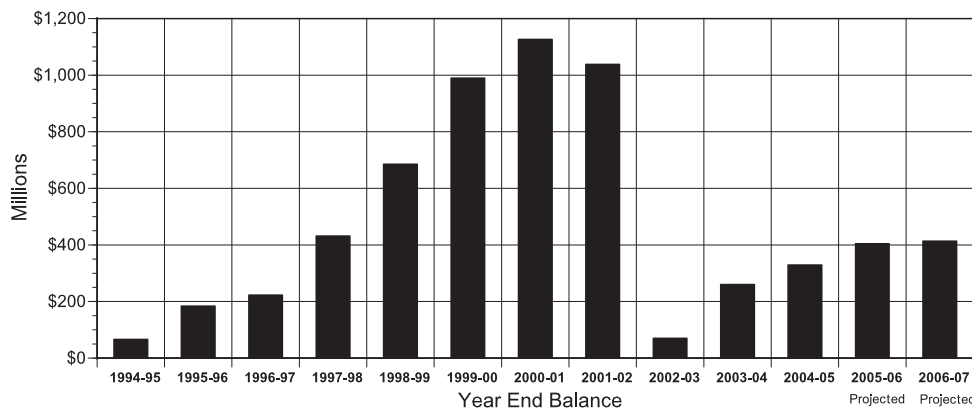
Act 91 of 2002 created the Budget Stabilization Reserve Fund to replace the Tax Stabilization Reserve Fund as the Commonwealth's Rainy Day Fund. The purpose of the Rainy Day Fund is to provide financial assistance to counterbalance downturns in the economy that result in revenue shortfalls in order to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

The Budget Stabilization Reserve Fund is to receive an annual transfer of 25 percent of the General Fund's fiscal year ending balance. The transfer requirement is reduced to 10 percent of the General Fund's ending balance if the balance of the Budget Stabilization Reserve Fund equals or exceeds 6 percent of actual General Fund revenues received for the fiscal year. Appropriations out of the Budget Stabilization Reserve Fund require approval by two-thirds of the members of each house of the General Assembly.

At the close of the 2001-02 fiscal year, the balance of the former Tax Stabilization Reserve Fund was nearly \$1.04 billion. As shown on the graph below, the fund balance had been built up substantially during the latter part of the 1990's. In order to balance the 2001-02 and 2002-03 General Fund budgets, Act 91 of 2002 repealed the Tax Stabilization Reserve Fund and by law the entire balance was transferred to the General Fund. The General Appropriation Act of 2002 transferred \$300 million from the General Fund as an initial deposit into the new Budget Stabilization Reserve Fund. Subsequently, the General Appropriation Act of 2003 repealed this transfer and the \$300 million reverted back to the General Fund. In accordance with Act 91 of 2002, 25 percent of the General Fund's 2002-03 fiscal year ending balance, or \$69.8 million, was transferred to the Rainy Day Fund after the close of the fiscal year.

The transfer from the 2003-04 General Fund balance to the Budget Stabilization Reserve Fund of \$190 million exceeded the 25% statutory minimum and increased the balance in the Fund to over \$260 million, bringing it slightly higher than the balance in 1996-97. In accordance with Act 41 of 2005, the transfer from the General Fund balance for the fiscal year 2004-05 was 15 percent of the balance; the amount transferred was \$64.4 million. This budget projects statutory 25 percent year-end transfers to the Fund of \$68 million from 2005-06 and \$1 million from 2006-07.

Rainy Day Fund

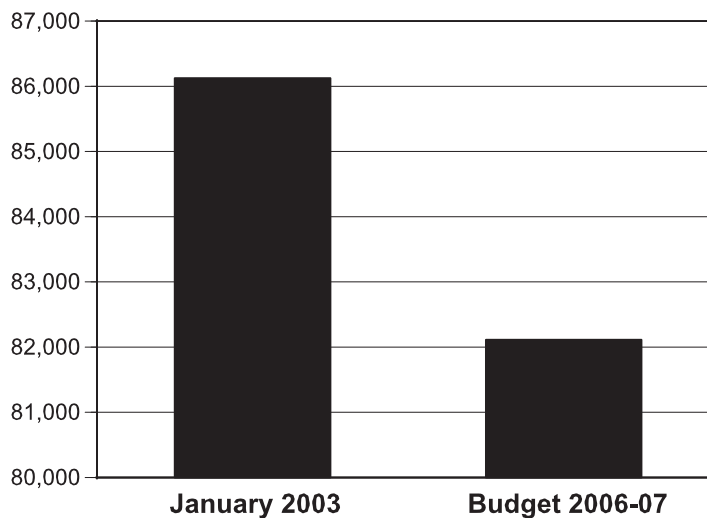


Complement

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

The Rendell Administration has reduced Commonwealth complement through disciplined complement management, without layoffs or furloughs. In 2006-07 it is projected that additional complement reductions will be achieved through this same approach. The Commonwealth's total authorized complement level was 86,125 positions when the Rendell Administration took office in January 2003. This level has been reduced thus far to 84,385 – a reduction of 1,740 positions. This budget proposes an additional reduction in the Commonwealth's total authorized FTE salaried complement level in 2006-07 of 2,272 positions, reducing the total authorized complement level by 4,012 positions since the Administration took office.

Authorized Complement



In conjunction with this reduction in authorized position levels, filled positions have also been declining. The number of filled salaried positions in agencies under the Governor's jurisdiction was 81,657 when the Rendell Administration took office in January 2003. As of mid-January 2005, the number of filled salary positions was 79,394. This represents a reduction of 2,263 filled positions, or a reduction of almost 3 percent.



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 2004-05 actual year, 2005-06 available year, 2006-07 budget year, as well as future year estimates. Additional information on revenues and expenditures is detailed in subsequent tables and in Section C of this budget.

General Fund

(Dollar Amounts in Thousands)

| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|--|-------------------|-------------------|-----------------|------------------|------------------|------------------|------------------|
| Beginning Balance ^a | \$ 76,750 | \$ 364,819 | \$ 203,972 | \$ 2,930 | \$ 0 | \$ 0 | \$ 0 |
| Revenues..... | \$ 24,308,540 | \$ 25,353,600 | \$ 26,350,200 | \$ 27,064,100 | \$ 27,896,200 | \$ 28,680,100 | \$ 29,524,400 |
| Adjustments ^b | -902,054 | -955,000 | -1,125,000 | -1,150,000 | -1,200,000 | -1,250,000 | -1,300,000 |
| Funds Available..... | \$ 23,483,236 | \$ 24,763,419 | \$ 25,429,172 | \$ 25,917,030 | \$ 26,696,200 | \$ 27,430,100 | \$ 28,224,400 |
| Expenditures..... | -23,054,037 | -24,491,456 | -25,425,266 | -25,890,471 | -26,663,279 | -27,397,995 | -28,191,452 |
| Closing Balance..... | \$ 429,199 | \$ 271,963 | \$ 3,906 | \$ 26,559 | \$ 32,921 | \$ 32,105 | \$ 32,948 |
| Less Transfer to Budget Stabilization Reserve Fund..... | -64,380 | -67,991 | -976 | -6,640 | -8,230 | -8,026 | -8,237 |
| Ending Balance ^a | <u>\$ 364,819</u> | <u>\$ 203,972</u> | <u>\$ 2,930</u> | <u>\$ 19,919</u> | <u>\$ 24,691</u> | <u>\$ 24,079</u> | <u>\$ 24,711</u> |

^aEnding balance not carried forward after 2006-07.

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

Overview and Summaries

Seven Year Financial Statements By Fund

Motor License Fund^a

| | (Dollar Amounts in Thousands) | | | | | | |
|------------------------|-------------------------------|-------------------|------------------|------------------|------------------|------------------|------------------|
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| Beginning Balance..... | \$ 113,591 | \$ 212,409 | \$ 253,285 | \$ 34,437 | \$ 11,908 | \$ 17,195 | \$ 37,881 |
| Receipts..... | 2,169,971 | 2,379,045 | 2,279,050 | 2,312,500 | 2,344,100 | 2,366,600 | 2,391,900 |
| Funds Available..... | \$ 2,283,562 | \$ 2,591,454 | \$ 2,532,335 | \$ 2,346,937 | \$ 2,356,008 | \$ 2,383,795 | \$ 2,429,781 |
| Less Expenditures..... | -2,071,153 | -2,338,169 | -2,497,898 | -2,335,029 | -2,338,813 | -2,345,914 | -2,350,422 |
| Ending Balance..... | <u>\$ 212,409</u> | <u>\$ 253,285</u> | <u>\$ 34,437</u> | <u>\$ 11,908</u> | <u>\$ 17,195</u> | <u>\$ 37,881</u> | <u>\$ 79,359</u> |

Banking Department Fund

| | (Dollar Amounts in Thousands) | | | | | | |
|------------------------|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| Beginning Balance..... | \$ 26,897 | \$ 28,125 | \$ 25,763 | \$ 24,090 | \$ 22,417 | \$ 20,744 | \$ 19,071 |
| Receipts..... | 15,742 | 16,117 | 16,336 | 16,336 | 16,336 | 16,336 | 16,336 |
| Funds Available..... | \$ 42,639 | \$ 44,242 | \$ 42,099 | \$ 40,426 | \$ 38,753 | \$ 37,080 | \$ 35,407 |
| Less Expenditures..... | -14,514 | -18,479 | -18,009 | -18,009 | -18,009 | -18,009 | -18,009 |
| Ending Balance..... | <u>\$ 28,125</u> | <u>\$ 25,763</u> | <u>\$ 24,090</u> | <u>\$ 22,417</u> | <u>\$ 20,744</u> | <u>\$ 19,071</u> | <u>\$ 17,398</u> |

Boat Fund

| | (Dollar Amounts in Thousands) | | | | | | |
|------------------------|-------------------------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| Beginning Balance..... | \$ 15,309 | \$ 17,698 | \$ 17,170 | \$ 13,957 | \$ 10,838 | \$ 7,747 | \$ 4,710 |
| Receipts..... | 12,847 | 15,023 | 12,892 | 12,688 | 12,716 | 12,770 | 12,745 |
| Funds Available..... | \$ 28,156 | \$ 32,721 | \$ 30,062 | \$ 26,645 | \$ 23,554 | \$ 20,517 | \$ 17,455 |
| Less Expenditures..... | -10,458 | -15,551 | -16,105 | -15,807 | -15,807 | -15,807 | -15,807 |
| Ending Balance..... | <u>\$ 17,698</u> | <u>\$ 17,170</u> | <u>\$ 13,957</u> | <u>\$ 10,838</u> | <u>\$ 7,747</u> | <u>\$ 4,710</u> | <u>\$ 1,648</u> |

^a Excludes restricted revenue.

Overview and Summaries

Seven Year Financial Statements By Fund

Environmental Stewardship Fund^a

(Dollar Amounts in Thousands)

| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|------------------------|-----------------|-----------------|----------------|----------------|----------------|----------------|----------------|
| Beginning Balance..... | \$ 5,512 | \$ 2,931 | \$ 2,834 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Receipts..... | 76,142 | 92,534 | 91,500 | 91,500 | 91,500 | 91,500 | 91,500 |
| Funds Available..... | \$ 81,654 | \$ 95,465 | \$ 94,334 | \$ 91,500 | \$ 91,500 | \$ 91,500 | \$ 91,500 |
| Less Expenditures..... | -78,723 | -92,631 | -94,334 | -91,500 | -91,500 | -91,500 | -91,500 |
| Ending Balance..... | <u>\$ 2,931</u> | <u>\$ 2,834</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

Farm Products Show Fund

(Dollar Amounts in Thousands)

| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Beginning Balance..... | \$ 248 | \$ 968 | \$ 220 | \$ 220 | \$ 220 | \$ 220 | \$ 220 |
| Receipts..... | 8,450 | 8,234 | 8,234 | 8,234 | 8,234 | 8,234 | 8,234 |
| Funds Available..... | \$ 8,698 | \$ 9,202 | \$ 8,454 | \$ 8,454 | \$ 8,454 | \$ 8,454 | \$ 8,454 |
| Less Expenditures..... | -7,730 | -8,982 | -8,234 | -8,234 | -8,234 | -8,234 | -8,234 |
| Ending Balance..... | <u>\$ 968</u> | <u>\$ 220</u> | <u>\$ 220</u> | <u>\$ 220</u> | <u>\$ 220</u> | <u>\$ 220</u> | <u>\$ 220</u> |

Fish Fund

(Dollar Amounts in Thousands)

| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Beginning Balance..... | \$ 11,239 | \$ 14,067 | \$ 18,217 | \$ 16,991 | \$ 15,718 | \$ 14,447 | \$ 13,126 |
| Receipts..... | 34,792 | 39,150 | 34,279 | 32,234 | 32,236 | 32,186 | 32,186 |
| Funds Available..... | \$ 46,031 | \$ 53,217 | \$ 52,496 | \$ 49,225 | \$ 47,954 | \$ 46,633 | \$ 45,312 |
| Less Expenditures..... | -31,964 | -35,000 | -35,505 | -33,507 | -33,507 | -33,507 | -33,507 |
| Ending Balance..... | <u>\$ 14,067</u> | <u>\$ 18,217</u> | <u>\$ 16,991</u> | <u>\$ 15,718</u> | <u>\$ 14,447</u> | <u>\$ 13,126</u> | <u>\$ 11,805</u> |

^a Excludes restricted revenue.

Overview and Summaries

Seven Year Financial Statements By Fund

Game Fund

| | (Dollar Amounts in Thousands) | | | | | | |
|------------------------|-------------------------------|------------------|------------------|-----------------|----------------|------------------|-------------------|
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| Beginning Balance..... | \$ 14,700 | \$ 22,747 | \$ 19,246 | \$ 12,244 | \$ 6,196 | \$ 148 | \$ -5,900 |
| Receipts..... | 68,179 | 62,546 | 57,333 | 58,287 | 58,287 | 58,287 | 58,287 |
| Funds Available..... | \$ 82,879 | \$ 85,293 | \$ 76,579 | \$ 70,531 | \$ 64,483 | \$ 58,435 | \$ 52,387 |
| Less Expenditures..... | -60,132 | -66,047 | -64,335 | -64,335 | -64,335 | -64,335 | -64,335 |
| Ending Balance..... | <u>\$ 22,747</u> | <u>\$ 19,246</u> | <u>\$ 12,244</u> | <u>\$ 6,196</u> | <u>\$ 148</u> | <u>\$ -5,900</u> | <u>\$ -11,948</u> |

Keystone Recreation, Park and Conservation Fund

| | (Dollar Amounts in Thousands) | | | | | | |
|------------------------|-------------------------------|------------------|----------------|----------------|----------------|----------------|----------------|
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| Beginning Balance..... | \$ 64,449 | \$ 43,157 | \$ 83,718 | \$ 87 | \$ 87 | \$ 87 | \$ 87 |
| Receipts..... | 108,823 | 216,767 | 16,370 | 93,071 | 96,842 | 100,265 | 104,271 |
| Funds Available..... | \$ 173,272 | \$ 259,924 | \$ 100,088 | \$ 93,158 | \$ 96,929 | \$ 100,352 | \$ 104,358 |
| Less Expenditures..... | -130,115 | -176,206 | -100,001 | -93,071 | -96,842 | -100,265 | -104,271 |
| Ending Balance..... | <u>\$ 43,157</u> | <u>\$ 83,718</u> | <u>\$ 87</u> | <u>\$ 87</u> | <u>\$ 87</u> | <u>\$ 87</u> | <u>\$ 87</u> |

Lottery Fund

| | (Dollar Amounts in Thousands) | | | | | | |
|------------------------------------|-------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| Beginning Balance..... | \$ 199,766 | \$ 280,996 | \$ 357,188 | \$ 372,446 | \$ 362,752 | \$ 306,836 | \$ 216,983 |
| Add Reserve From Prior Year..... | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Receipts..... | 1,220,305 | 1,353,249 | 1,379,786 | 1,390,387 | 1,399,753 | 1,404,401 | 1,410,776 |
| Funds Available..... | \$ 1,520,071 | \$ 1,734,245 | \$ 1,836,974 | \$ 1,862,833 | \$ 1,862,505 | \$ 1,811,237 | \$ 1,727,759 |
| Less Expenditures*..... | -1,139,075 | -1,277,057 | -1,364,528 | -1,400,081 | -1,455,669 | -1,494,254 | -1,538,850 |
| Less Reserve for Current Year..... | -100,000 | -100,000 | -100,000 | -100,000 | -100,000 | -100,000 | -100,000 |
| Ending Balance..... | <u>\$ 280,996</u> | <u>\$ 357,188</u> | <u>\$ 372,446</u> | <u>\$ 362,752</u> | <u>\$ 306,836</u> | <u>\$ 216,983</u> | <u>\$ 88,909</u> |

*Does not reflect possible revisions in future year Lottery Fund contributions to the PACE Fund as a result of Federal Medicare Pharmacy Medical Plan.

Seven Year Financial Statements By Fund

Racing Fund

(Dollar Amounts in Thousands)

| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Beginning Balance..... | \$ 7,037 | \$ 5,959 | \$ 1,822 | \$ 1,494 | \$ 1,494 | \$ 1,494 | \$ 1,494 |
| Receipts..... | <u>16,282</u> | <u>16,374</u> | <u>17,049</u> | <u>17,049</u> | <u>17,049</u> | <u>17,049</u> | <u>17,049</u> |
| Funds Available..... | \$ 23,319 | \$ 22,333 | \$ 18,871 | \$ 18,543 | \$ 18,543 | \$ 18,543 | \$ 18,543 |
| Less Expenditures..... | <u>-17,360</u> | <u>-20,511</u> | <u>-17,377</u> | <u>-17,049</u> | <u>-17,049</u> | <u>-17,049</u> | <u>-17,049</u> |
| Ending Balance..... | <u>\$ 5,959</u> | <u>\$ 1,822</u> | <u>\$ 1,494</u> | <u>\$ 1,494</u> | <u>\$ 1,494</u> | <u>\$ 1,494</u> | <u>\$ 1,494</u> |

Tobacco Settlement Fund

(Dollar Amounts in Thousands)

| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Beginning Balance..... | \$ 385,514 | \$ 398,606 | \$ 420,175 | \$ 417,938 | \$ 424,629 | \$ 424,348 | \$ 424,081 |
| Receipts..... | <u>397,106</u> | <u>441,280</u> | <u>426,655</u> | <u>433,339</u> | <u>433,212</u> | <u>432,938</u> | <u>432,680</u> |
| Funds Available..... | \$ 782,620 | \$ 839,886 | \$ 846,830 | \$ 851,277 | \$ 857,841 | \$ 857,286 | \$ 856,761 |
| Less Expenditures..... | <u>-384,014</u> | <u>-419,711</u> | <u>-428,892</u> | <u>-426,648</u> | <u>-433,493</u> | <u>-433,205</u> | <u>-432,932</u> |
| Ending Balance..... | <u>\$ 398,606</u> | <u>\$ 420,175</u> | <u>\$ 417,938</u> | <u>\$ 424,629</u> | <u>\$ 424,348</u> | <u>\$ 424,081</u> | <u>\$ 423,829</u> |

Overview and Summaries

Seven Year Department Summary by Fund

The following is a summary by department of 2004-05 actual expenditures, the 2005-06 amounts available, the 2006-07 amounts budgeted and future year estimates as presented in the 2006-07 Governor's Executive Budget for the General Fund and selected Special Funds.

| | (Dollar Amounts in Thousands) | | | | | | |
|-------------------------------------|-------------------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
| Governor's Office | | | | | | | |
| General Fund..... | \$ 7,320 | \$ 7,400 | \$ 7,300 | \$ 7,300 | \$ 7,300 | \$ 7,300 | \$ 7,300 |
| Executive Offices | | | | | | | |
| General Fund..... | \$ 270,230 | \$ 274,995 | \$ 236,431 | \$ 236,194 | \$ 233,891 | \$ 231,791 | \$ 231,791 |
| Motor License Fund..... | 11,328 | 11,702 | 21,616 | 21,875 | 21,875 | 21,875 | 21,875 |
| Tobacco Settlement Fund..... | 30,721 | 35,246 | 3,697 | 0 | 0 | 0 | 0 |
| Department Total | \$ 312,279 | \$ 321,943 | \$ 261,744 | \$ 258,069 | \$ 255,766 | \$ 253,666 | \$ 253,666 |
| Lieutenant Governor | | | | | | | |
| General Fund..... | \$ 1,300 | \$ 1,363 | \$ 1,385 | \$ 1,385 | \$ 1,385 | \$ 1,385 | \$ 1,385 |
| Attorney General | | | | | | | |
| General Fund..... | \$ 74,977 | \$ 81,200 | \$ 79,200 | \$ 79,200 | \$ 79,200 | \$ 79,200 | \$ 79,200 |
| Auditor General | | | | | | | |
| General Fund..... | \$ 50,179 | \$ 50,979 | \$ 49,979 | \$ 49,979 | \$ 49,979 | \$ 49,979 | \$ 49,979 |
| Treasury | | | | | | | |
| General Fund..... | \$ 449,826 | \$ 769,131 | \$ 901,313 | \$ 987,700 | \$ 1,084,252 | \$ 1,161,323 | \$ 1,239,614 |
| Lottery Fund..... | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Racing Fund..... | 0 | 10 | 10 | 10 | 10 | 10 | 10 |
| Motor License Fund..... | 34,278 | 34,227 | 34,188 | 35,241 | 34,995 | 34,556 | 34,064 |
| 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 |
| Farm Products Show Fund..... | 0 | 5 | 5 | 5 | 5 | 5 | 5 |
| Boat Fund..... | 0 | 5 | 5 | 5 | 5 | 5 | 5 |
| Department Total | \$ 484,154 | \$ 803,443 | \$ 935,586 | \$ 1,023,026 | \$ 1,119,332 | \$ 1,195,964 | \$ 1,273,763 |
| Aging | | | | | | | |
| General Fund..... | \$ 35,954 | \$ 20,223 | \$ 19,329 | \$ 19,329 | \$ 19,329 | \$ 19,329 | \$ 19,329 |
| Lottery Fund..... | 511,949 | 625,179 | 425,651 | 483,547 | 531,547 | 562,547 | 599,547 |
| Tobacco Settlement Fund..... | 54,571 | 49,837 | 48,506 | 48,469 | 49,326 | 49,290 | 49,256 |
| Department Total | \$ 602,474 | \$ 695,239 | \$ 493,486 | \$ 551,345 | \$ 600,202 | \$ 631,166 | \$ 668,132 |
| Agriculture | | | | | | | |
| General Fund..... | \$ 81,171 | \$ 79,197 | \$ 77,365 | \$ 77,365 | \$ 77,365 | \$ 77,365 | \$ 77,365 |
| Racing Fund..... | 17,125 | 20,266 | 17,132 | 16,804 | 16,804 | 16,804 | 16,804 |
| Environmental Stewardship Fund..... | 0 | 10,749 | 9,521 | 13,542 | 13,542 | 13,542 | 13,542 |
| Farm Products Show Fund..... | 4,730 | 5,977 | 5,229 | 5,229 | 5,229 | 5,229 | 5,229 |
| Department Total | \$ 103,026 | \$ 116,189 | \$ 109,247 | \$ 112,940 | \$ 112,940 | \$ 112,940 | \$ 112,940 |
| Banking | | | | | | | |
| Banking Department Fund..... | \$ 14,196 | \$ 18,120 | \$ 18,004 | \$ 18,004 | \$ 18,004 | \$ 18,004 | \$ 18,004 |
| Civil Service Commission | | | | | | | |
| General Fund..... | \$ 1 | \$ 1 | \$ 1 | \$ 1 | \$ 1 | \$ 1 | \$ 1 |

Overview and Summaries

Seven Year Department Summary by Fund

| | (Dollar Amounts in Thousands) | | | | | | |
|--|-------------------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
| Community and Economic Development | | | | | | | |
| General Fund..... | \$ 521,445 | \$ 513,033 | \$ 426,502 | \$ 474,728 | \$ 504,602 | \$ 503,455 | \$ 502,304 |
| Tobacco Settlement Fund..... | 0 | 0 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| Department Total | \$ 521,445 | \$ 513,033 | \$ 429,502 | \$ 477,728 | \$ 507,602 | \$ 506,455 | \$ 505,304 |
| Conservation and Natural Resources | | | | | | | |
| General Fund..... | \$ 97,178 | \$ 97,979 | \$ 96,635 | \$ 96,635 | \$ 96,635 | \$ 96,635 | \$ 96,635 |
| Environmental Stewardship Fund..... | 22,549 | 17,504 | 15,505 | 22,052 | 22,052 | 22,052 | 22,052 |
| Motor License Fund..... | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Keystone Recreation, Park and Conservation Fund..... | 91,924 | 128,951 | 64,993 | 60,496 | 62,947 | 65,171 | 67,776 |
| Department Total | \$ 212,651 | \$ 245,434 | \$ 178,133 | \$ 180,183 | \$ 182,634 | \$ 184,858 | \$ 187,463 |
| Corrections | | | | | | | |
| General Fund..... | \$ 1,330,876 | \$ 1,345,590 | \$ 1,394,215 | \$ 1,395,588 | \$ 1,395,588 | \$ 1,395,588 | \$ 1,395,588 |
| Education | | | | | | | |
| General Fund..... | \$ 9,406,889 | \$ 9,699,267 | \$ 10,278,068 | \$ 10,350,609 | \$ 10,376,204 | \$ 10,360,235 | \$ 10,361,243 |
| Motor License Fund..... | 1,230 | 1,230 | 1,230 | 1,230 | 1,230 | 1,230 | 1,230 |
| Keystone Recreation, Park and Conservation Fund..... | 20,239 | 25,247 | 22,009 | 20,476 | 21,306 | 22,059 | 22,940 |
| Department Total | \$ 9,428,358 | \$ 9,725,744 | \$ 10,301,307 | \$ 10,372,315 | \$ 10,398,740 | \$ 10,383,524 | \$ 10,385,413 |
| Emergency Management Agency | | | | | | | |
| General Fund..... | \$ 54,154 | \$ 49,597 | \$ 14,657 | \$ 14,657 | \$ 14,657 | \$ 14,657 | \$ 14,657 |
| Motor License Fund..... | 0 | 12,500 | 0 | 0 | 0 | 0 | 0 |
| Department Total | \$ 54,154 | \$ 62,097 | \$ 14,657 | \$ 14,657 | \$ 14,657 | \$ 14,657 | \$ 14,657 |
| Environmental Protection | | | | | | | |
| General Fund..... | \$ 191,105 | \$ 192,168 | \$ 177,768 | \$ 177,768 | \$ 177,768 | \$ 177,768 | \$ 177,768 |
| Environmental Stewardship Fund..... | 34,022 | 47,164 | 54,061 | 34,220 | 34,220 | 34,220 | 34,220 |
| Motor License Fund..... | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| Department Total | \$ 229,127 | \$ 243,332 | \$ 235,829 | \$ 215,988 | \$ 215,988 | \$ 215,988 | \$ 215,988 |
| Fish and Boat Commission | | | | | | | |
| General Fund..... | \$ 14 | \$ 14 | \$ 16 | \$ 16 | \$ 16 | \$ 16 | \$ 16 |
| Fish Fund..... | 24,408 | 25,245 | 27,514 | 27,514 | 27,514 | 27,514 | 27,514 |
| Boat Fund..... | 9,206 | 11,441 | 13,425 | 13,425 | 13,425 | 13,425 | 13,425 |
| Department Total | \$ 33,628 | \$ 36,700 | \$ 40,955 | \$ 40,955 | \$ 40,955 | \$ 40,955 | \$ 40,955 |
| Game Commission | | | | | | | |
| Game Fund..... | \$ 49,936 | \$ 52,828 | \$ 53,432 | \$ 53,432 | \$ 53,432 | \$ 53,432 | \$ 53,432 |
| Gaming Control Board | | | | | | | |
| General Fund..... | \$ 7,500 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| General Services | | | | | | | |
| General Fund..... | \$ 110,807 | \$ 108,423 | \$ 115,452 | \$ 115,293 | \$ 115,452 | \$ 115,293 | \$ 115,452 |
| Motor License Fund..... | 20,260 | 20,235 | 20,227 | 20,227 | 20,227 | 20,227 | 20,227 |
| Banking Department Fund..... | 318 | 354 | 0 | 0 | 0 | 0 | 0 |
| Department Total | \$ 131,385 | \$ 129,012 | \$ 135,679 | \$ 135,520 | \$ 135,679 | \$ 135,520 | \$ 135,679 |

Overview and Summaries

Seven Year Department Summary by Fund

| | (Dollar Amounts in Thousands) | | | | | | |
|--|-------------------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
| Health | | | | | | | |
| General Fund..... | \$ 267,963 | \$ 259,951 | \$ 243,175 | \$ 243,175 | \$ 243,175 | \$ 243,175 | \$ 243,175 |
| Tobacco Settlement Fund..... | 119,045 | 102,551 | 106,114 | 106,031 | 107,904 | 107,825 | 107,750 |
| Department Total | \$ 387,008 | \$ 362,502 | \$ 349,289 | \$ 349,206 | \$ 351,079 | \$ 351,000 | \$ 350,925 |
| Higher Education Assistance Agency | | | | | | | |
| General Fund..... | \$ 419,473 | \$ 428,741 | \$ 451,347 | \$ 451,347 | \$ 451,347 | \$ 451,347 | \$ 451,347 |
| Historical and Museum Commission | | | | | | | |
| General Fund..... | \$ 37,405 | \$ 33,352 | \$ 30,577 | \$ 30,577 | \$ 30,577 | \$ 30,577 | \$ 30,577 |
| Keystone Recreation, Park and Conservation Fund..... | 17,952 | 22,008 | 12,999 | 12,099 | 12,589 | 13,035 | 13,555 |
| Department Total | \$ 55,357 | \$ 55,360 | \$ 43,576 | \$ 42,676 | \$ 43,166 | \$ 43,612 | \$ 44,132 |
| Infrastructure Investment Authority | | | | | | | |
| Environmental Stewardship Fund..... | \$ 22,152 | \$ 17,214 | \$ 15,247 | \$ 21,686 | \$ 21,686 | \$ 21,686 | \$ 21,686 |
| Insurance | | | | | | | |
| General Fund..... | \$ 82,513 | \$ 80,586 | \$ 76,554 | \$ 94,039 | \$ 107,011 | \$ 128,371 | \$ 143,331 |
| Tobacco Settlement Fund..... | 103,080 | 74,293 | 72,819 | 67,698 | 63,960 | 57,773 | 51,022 |
| Department Total | \$ 185,593 | \$ 154,879 | \$ 149,373 | \$ 161,737 | \$ 170,971 | \$ 186,144 | \$ 194,353 |
| Labor and Industry | | | | | | | |
| General Fund..... | \$ 97,936 | \$ 115,210 | \$ 113,916 | \$ 113,916 | \$ 113,916 | \$ 113,916 | \$ 113,916 |
| Military and Veterans Affairs | | | | | | | |
| General Fund..... | \$ 116,396 | \$ 121,559 | \$ 124,848 | \$ 124,828 | \$ 124,828 | \$ 124,828 | \$ 124,828 |
| Probation and Parole | | | | | | | |
| General Fund..... | \$ 97,303 | \$ 99,954 | \$ 97,325 | \$ 97,325 | \$ 97,325 | \$ 97,325 | \$ 97,325 |
| Public Television Network | | | | | | | |
| General Fund..... | \$ 12,331 | \$ 12,150 | \$ 12,013 | \$ 11,397 | \$ 10,608 | \$ 10,608 | \$ 10,608 |
| Public Welfare | | | | | | | |
| General Fund..... | \$ 7,886,399 | \$ 8,781,697 | \$ 9,087,313 | \$ 9,324,330 | \$ 9,934,368 | \$ 10,589,013 | \$ 11,288,147 |
| Lottery Fund..... | 0 | 0 | 210,000 | 180,000 | 180,000 | 180,000 | 180,000 |
| Tobacco Settlement Fund..... | 76,597 | 157,784 | 194,756 | 201,450 | 209,303 | 215,317 | 221,904 |
| Department Total | \$ 7,962,996 | \$ 8,939,481 | \$ 9,492,069 | \$ 9,705,780 | \$ 10,323,671 | \$ 10,984,330 | \$ 11,690,051 |
| Revenue | | | | | | | |
| General Fund..... | \$ 214,108 | \$ 174,382 | \$ 179,540 | \$ 181,120 | \$ 181,820 | \$ 182,845 | \$ 183,901 |
| Lottery Fund..... | 504,323 | 541,393 | 576,535 | 584,192 | 591,780 | 599,365 | 606,961 |
| Racing Fund..... | 235 | 235 | 235 | 235 | 235 | 235 | 235 |
| Motor License Fund..... | 20,215 | 22,408 | 22,708 | 22,708 | 22,708 | 22,708 | 22,708 |
| Department Total | \$ 738,881 | \$ 738,418 | \$ 779,018 | \$ 788,255 | \$ 796,543 | \$ 805,153 | \$ 813,805 |
| Securities Commission | | | | | | | |
| General Fund..... | \$ 2,371 | \$ 2,300 | \$ 2,300 | \$ 2,300 | \$ 2,300 | \$ 2,300 | \$ 2,300 |

Overview and Summaries

Seven Year Department Summary by Fund

| | (Dollar Amounts in Thousands) | | | | | | |
|---|-------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
| State | | | | | | | |
| General Fund..... | \$ 5,489 | \$ 5,434 | \$ 11,942 | \$ 12,192 | \$ 12,202 | \$ 12,192 | \$ 12,192 |
| State Employees' Retirement System | | | | | | | |
| General Fund..... | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 |
| State Police | | | | | | | |
| General Fund..... | \$ 184,797 | \$ 157,416 | \$ 178,117 | \$ 179,495 | \$ 179,495 | \$ 179,495 | \$ 179,495 |
| Motor License Fund..... | 368,477 | 430,752 | 483,881 | 482,540 | 482,540 | 482,540 | 482,540 |
| Department Total | \$ 553,274 | \$ 588,168 | \$ 661,998 | \$ 662,035 | \$ 662,035 | \$ 662,035 | \$ 662,035 |
| Tax Equalization Board | | | | | | | |
| General Fund..... | \$ 1,317 | \$ 1,330 | \$ 1,330 | \$ 1,330 | \$ 1,330 | \$ 1,330 | \$ 1,330 |
| Transportation | | | | | | | |
| General Fund..... | \$ 334,784 | \$ 325,332 | \$ 328,925 | \$ 328,925 | \$ 328,925 | \$ 328,925 | \$ 328,925 |
| Lottery Fund..... | 122,753 | 153,435 | 152,292 | 152,292 | 152,292 | 152,292 | 152,292 |
| Motor License Fund..... | 1,610,365 | 1,800,115 | 1,909,048 | 1,746,208 | 1,750,238 | 1,757,778 | 1,762,778 |
| Department Total | \$ 2,067,902 | \$ 2,278,882 | \$ 2,390,265 | \$ 2,227,425 | \$ 2,231,455 | \$ 2,238,995 | \$ 2,243,995 |
| Legislature | | | | | | | |
| General Fund..... | \$ 340,907 | \$ 346,193 | \$ 346,193 | \$ 346,193 | \$ 346,193 | \$ 346,193 | \$ 346,193 |
| Judiciary | | | | | | | |
| General Fund..... | \$ 261,615 | \$ 265,305 | \$ 264,231 | \$ 264,231 | \$ 264,231 | \$ 264,231 | \$ 264,231 |
| COMMONWEALTH TOTALS: | | | | | | | |
| General Fund | \$ 23,054,037 | \$ 24,501,456 | \$ 25,425,266 | \$ 25,890,471 | \$ 26,663,279 | \$ 27,397,995 | \$ 28,191,452 |
| Lottery Fund | 1,139,075 | 1,320,057 | 1,364,528 | 1,400,081 | 1,455,669 | 1,494,254 | 1,538,850 |
| Racing Fund | 17,360 | 20,511 | 17,377 | 17,049 | 17,049 | 17,049 | 17,049 |
| Motor License Fund | 2,071,153 | 2,338,169 | 2,497,898 | 2,335,029 | 2,338,813 | 2,345,914 | 2,350,422 |
| Game Fund | 49,936 | 52,833 | 53,437 | 53,437 | 53,437 | 53,437 | 53,437 |
| Fish Fund | 24,408 | 25,250 | 27,519 | 27,519 | 27,519 | 27,519 | 27,519 |
| Banking Department Fund | 14,514 | 18,479 | 18,009 | 18,009 | 18,009 | 18,009 | 18,009 |
| Farm Products Show Fund | 4,730 | 5,982 | 5,234 | 5,234 | 5,234 | 5,234 | 5,234 |
| Boat Fund | 9,206 | 11,446 | 13,430 | 13,430 | 13,430 | 13,430 | 13,430 |
| Keystone Recreation, Park and Conservation Fund . | 130,115 | 176,206 | 100,001 | 93,071 | 96,842 | 100,265 | 104,271 |
| Tobacco Settlement Fund..... | 384,014 | 419,711 | 428,892 | 426,648 | 433,493 | 433,205 | 432,932 |
| Environmental Stewardship Fund..... | 78,723 | 92,631 | 94,334 | 91,500 | 91,500 | 91,500 | 91,500 |
| GRAND TOTAL | \$ 26,977,271 | \$ 28,982,731 | \$ 30,045,925 | \$ 30,371,478 | \$ 31,214,274 | \$ 31,997,811 | \$ 32,844,105 |

General and Special Funds

This table shows a summary by Commonwealth Programs of 2004-05 expenditures, the 2005-06 amounts available, the 2006-07 amounts budgeted and future year estimates as presented in the Governor's 2006-07 Executive Budget for the General Fund and selected Special Funds.

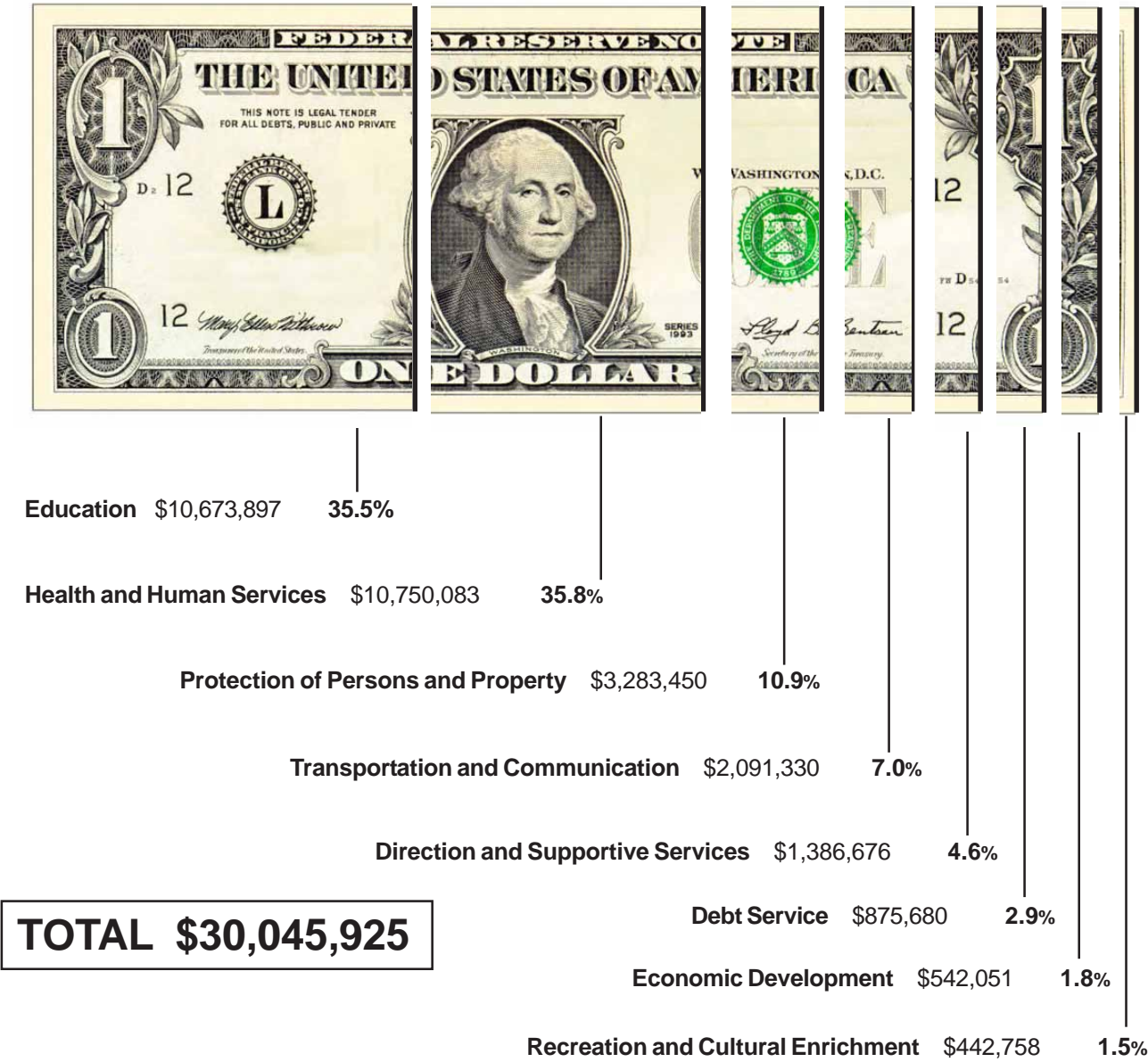
Seven Year Commonwealth Program Summary

| Commonwealth Program | (Dollar amounts in Thousands) | | | | | | |
|---|-------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
| Direction and Supportive Services..... | \$ 1,397,209 | \$ 1,394,385 | \$ 1,386,676 | \$ 1,389,174 | \$ 1,393,323 | \$ 1,396,649 | \$ 1,403,404 |
| Protection of Persons and Property..... | 3,159,922 | 3,225,186 | 3,283,450 | 3,284,006 | 3,297,280 | 3,312,443 | 3,320,652 |
| Education..... | 9,780,055 | 10,085,424 | 10,673,897 | 10,746,287 | 10,773,138 | 10,758,379 | 10,760,721 |
| Health and Human Services..... | 9,345,362 | 10,416,060 | 10,750,083 | 11,022,570 | 11,692,191 | 12,385,735 | 13,129,347 |
| Economic Development..... | 618,921 | 629,428 | 542,051 | 597,516 | 627,808 | 627,092 | 626,384 |
| Transportation and Communication..... | 1,792,395 | 1,985,077 | 2,091,330 | 1,936,790 | 1,931,790 | 1,934,330 | 1,934,330 |
| Recreation and Cultural Enrichment..... | 461,475 | 511,926 | 442,758 | 443,015 | 445,318 | 448,125 | 451,410 |
| Debt Service..... | 421,932 | 735,245 | 875,680 | 963,120 | 1,059,426 | 1,136,058 | 1,213,857 |
| GENERAL FUND AND SPECIAL | | | | | | | |
| FUNDS TOTAL..... | <u>\$ 26,977,271</u> | <u>\$ 28,982,731</u> | <u>\$ 30,045,925</u> | <u>\$ 30,382,478</u> | <u>\$ 31,220,274</u> | <u>\$ 31,998,811</u> | <u>\$ 32,840,105</u> |

Distribution of the Commonwealth Dollar

GENERAL FUND AND SPECIAL FUNDS

2006-07 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 2004-05 expenditures, the 2005-06 amounts available, the 2006-07 amounts budgeted and future year estimates as presented in the Governor's 2006-07 Executive Budget for the General Fund.

Seven Year Commonwealth Program Summary

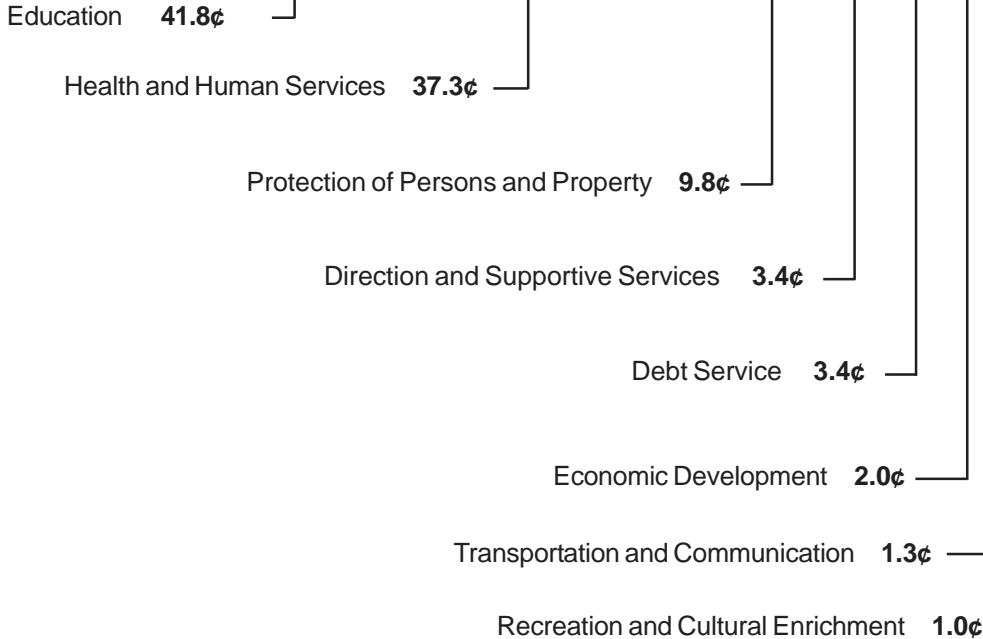
(Dollar amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Commonwealth Program | | | | | | | |
| Direction and Supportive Services..... | \$ 924,058 | \$ 882,472 | \$ 860,268 | \$ 859,547 | \$ 857,108 | \$ 854,849 | \$ 855,008 |
| Protection of Persons and Property..... | 2,489,367 | 2,473,657 | 2,480,544 | 2,501,010 | 2,513,992 | 2,535,342 | 2,550,302 |
| Education..... | 9,764,232 | 10,067,542 | 10,654,658 | 10,728,304 | 10,754,476 | 10,739,101 | 10,740,722 |
| Health and Human Services..... | 8,333,847 | 9,196,074 | 9,482,764 | 9,719,781 | 10,329,819 | 10,984,464 | 11,683,598 |
| Economic Development..... | 596,769 | 612,214 | 523,804 | 572,830 | 603,122 | 602,406 | 601,698 |
| Transportation and Communication..... | 306,955 | 312,670 | 320,541 | 320,541 | 320,541 | 320,541 | 320,541 |
| Recreation and Cultural Enrichment..... | 238,854 | 244,354 | 249,890 | 249,274 | 248,485 | 248,485 | 248,485 |
| Debt Service..... | 399,955 | 712,473 | 852,797 | 939,184 | 1,035,736 | 1,112,807 | 1,191,098 |
| GENERAL FUND TOTAL..... | <u>\$ 23,054,037</u> | <u>\$ 24,501,456</u> | <u>\$ 25,425,266</u> | <u>\$ 25,890,471</u> | <u>\$ 26,663,279</u> | <u>\$ 27,397,995</u> | <u>\$ 28,191,452</u> |

Distribution of the Commonwealth Dollar

GENERAL FUND

2006-07 Fiscal Year



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 2005-06 amounts available and the 2006-07 amounts budgeted and the percent each program represents of the General Fund total as presented in the 2006-07 Governor's Executive Budget.

Program Summary

(Dollar Amounts in Thousands)

| | 2005-06 | | 2006-07 | |
|---|----------------------|---------------|----------------------|---------------|
| Commonwealth Program | | | | |
| Direction and Supportive Services..... | \$ 882,472 | 3.6% | \$ 860,268 | 3.4% |
| Protection of Persons and Property..... | 2,473,657 | 10.1% | 2,480,544 | 9.8% |
| Education..... | 10,067,542 | 41.1% | 10,654,658 | 41.8% |
| Health and Human Services..... | 9,196,074 | 37.5% | 9,482,764 | 37.3% |
| Economic Development..... | 612,214 | 2.5% | 523,804 | 2.0% |
| Transportation and Communication..... | 312,670 | 1.3% | 320,541 | 1.3% |
| Recreation and Cultural Enrichment..... | 244,354 | 1.0% | 249,890 | 1.0% |
| Debt Service..... | 712,473 | 2.9% | 852,797 | 3.4% |
| GENERAL FUND TOTAL..... | \$ 24,501,456 | 100.0% | \$ 25,425,266 | 100.0% |

GENERAL FUND

2006-07 Fiscal Year



Income

(Dollar Amounts in Thousands)

| | |
|-------------------------|---------------|
| TOTAL INCOME | \$ 26,350,200 |
| Refunds | -1,125,000 |
| Revenue Enhancements .. | 0 |
| Beginning Balance | 203,972 |
| <hr/> | |
| TOTAL | \$ 25,429,172 |

| | | |
|----------------------|-------------|-------|
| Sales | \$8,621,300 | 32.7% |
| Personal Income | \$9,848,900 | 37.3% |
| Other Business | \$2,692,000 | 10.2% |
| Other Revenues | \$2,280,300 | 8.6% |
| Corporate Net Income | \$2,142,200 | 8.1% |
| Inheritance | \$765,500 | 2.9% |

Outgo

(Dollar Amounts in Thousands)

| | |
|--------------------------|---------------|
| TOTAL OUTGO | \$ 25,425,266 |
| Budget Stabilization | |
| Reserve Fund | 976 |
| Plus Ending Surplus | 2,930 |
| <hr/> | |
| TOTAL | \$ 25,429,172 |



| | | |
|---------------------------|--------------|-------|
| Education | \$10,654,658 | 41.8% |
| Health and Human Services | \$9,482,764 | 37.3% |
| Protection | \$2,480,544 | 9.8% |
| Direction | \$860,268 | 3.4% |
| Debt Service | \$852,797 | 3.4% |
| Other Programs | \$570,431 | 2.3% |
| Economic Development | \$523,804 | 2.0% |

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

2006-07 Fiscal Year

Grants and Subsidies 77.4¢



General Government 10.0¢

Institutional 9.2¢

Debt Service Requirements 3.4¢

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



2006-07 FISCAL AND PROGRAM POLICY DIRECTION AND BUDGET THEMES

The 2006-07 Fiscal and Program Policy Direction section immediately following this page presents the fiscal and program policies that guided the development of the Governor's Executive Budget. The revenue and expenditure recommendations included in this Budget seek to provide a solid fiscal foundation for the Governor to successfully address his vision, goals and program priorities for Pennsylvania.

This section summarizes the Governor's recommended budget initiatives within the following eight budget theme presentations: Challenges Met, Promises Kept and a Better Pennsylvania; Making Government Work Smarter; Expanding Employment and Opportunity for Pennsylvanians; Investing in Our Children, Investing in Our Future; Caring for All Pennsylvanians; Enhancing Programs for Pennsylvania Seniors; Energy and the Environment: New Industries and a Better Quality of Life for the 21st Century; and Public Safety and Security – A Commonwealth Priority. Theme topics may vary from year to year based on the funding priorities established by the Governor and the recommended budget initiatives proposed in the Budget. Themes may include Program Revision budget recommendations. If so, detailed Program Revision presentations, including discussion of the Program Revision and its associated program measures, funding recommendations and costs by appropriation can be found in Section E. Department Presentations within the agency responsible for leading the Program Revision implementation.

2006-07 Fiscal and Program Policy Direction

This section presents the fiscal and program policies that guided the development of the 2006-07 Governor's Executive Budget. The Commonwealth faces significant financial challenges in the current fiscal year, and these challenges are expected to continue in 2006-07.

The 2006-07 Budget Instructions issued in August 2005 directed agencies to prepare budget requests consistent with the Governor's policy guidance and seek responses to the specific issues that the Governor wished to address in his Executive Budget. Agencies were to develop plans and policies designed to make government more efficient and effective. In addition, agency requests were to reflect each agency's ongoing critical evaluation of its current programs and activities, and submit proposed reductions, revisions, reorganizations and expansions in programs consistent with that critical evaluation. Agencies were to prepare 2006-07 budget requests building upon the administrative spending constraints and operational efficiencies initiated during the past three budget cycles, and to make every effort to eliminate nonessential spending and deliver essential services at reduced cost.

The Budget Instructions noted that under the Commonwealth's current major collective bargaining agreements a considerable portion of the contract cost was weighted to 2006-07, the last year of the agreements. Agencies were directed to present budget proposals to manage operations as efficiently as possible and reallocate positions within existing filled complement levels to support critical activities. In addition, vacant authorized complement positions were to be examined for potential elimination. The Budget Instructions also directed agencies to focus on the long-term fiscal management of their programs and operations. Agencies were to strengthen the multi-year planning component of budget requests to realistically reflect future year consequences of actions proposed in their budget submissions. Expected trends in eligible populations served, mandated service levels and improved program efficiencies were among the factors agencies were to consider when preparing multi-year projections.

The 2006-07 budget planning process continued the Rendell Administration's efforts to emphasize performance measurement goal-setting as the core component of budget planning. Agencies were expected to continue to refine and improve Program Performance Measures so that the agency, the Governor's Budget Office, and the Governor's Policy Office could better assess agency program effectiveness, agency efficiency and agency base activity levels. The primary goal of the budget review process was to evaluate the impact of each agency's proposed expenditure levels on the achievement of its mission and programmatic goals, utilizing the most efficient methods possible.

The Budget Instructions provided detailed direction on the continued development and submission of Program Performance Measurements in agency budget requests. Agencies were to reexamine all current program performance measures and modify measures as appropriate. New program measures were to go beyond identifying levels of activity, and instead identify qualitative and quantitative outcomes from program activities and the efficiency with which resources were used to produce results. In addition, agencies were required to establish program measures for the program elements or groups of program activities included in each of the program subcategories in the Governor's Executive Budget. All program measures were to be based on realistic, achievable results.

The Program Performance Measurement submission is the foundation for a more comprehensive Performance Reporting, Monitoring and Accountability process that the Office of the Budget and the Office of Administration is implementing to monitor agency performance and hold agencies accountable for program results throughout the fiscal year. Agency results-based plans and program performance data will be considered as decisions are made about statewide spending priorities and resource allocation between various agency budgets.

Further program and policy guidance was provided to agencies in September 2005 as part of the budget planning process. The September 2005 guidance noted that while state revenue growth was no longer negative, as it was at the onset of the Rendell Administration, revenue growth still was being significantly outpaced by the growth in vulnerable state populations (such as low-income seniors, displaced workers, disabled persons, mentally ill persons, former welfare

recipients seeking to enter the labor force, and abused and neglected children). Moreover, physical and behavioral health care costs, which are the largest single component of state social service spending, were also continuing to grow at rates that were multiples of our annual state revenue growth. At the same time, the guidance noted that Pennsylvania cannot have a positive future without continued significant investments in education and economic development, and the 2006-07 budget needed to include the Governor's education and economic development priorities.

The September 2005 guidance noted that preliminary projections indicated budget pressures would continue to be severe in 2006-07. Cost and utilization increases in the Medical Assistance program would again place severe strains on the Commonwealth's General Fund budget. Even with moderate economic growth, increases in Medical Assistance programs would limit program growth in all other program areas except for education programs, the Governor's highest priority. In addition, the significant 2006-07 salary increases mandated by the current collective bargaining agreements, coupled with required increases in employee healthcare and pension contributions, would place additional constraints on agency operating appropriations and the Commonwealth's General Fund.

Because of these financial constraints, agencies were directed to request operating budget appropriations at levels that did not exceed enacted 2005-06 budget levels. However, agencies were to ensure that contractually mandated salary increases and necessary increases to employee healthcare and pension contributions would be incorporated into level-funded budget requests. In addition, furloughs were to be avoided -- agencies were expected to develop a proactive complement management plan to ensure that no furloughs would be required to implement a level-funded budget and, if necessary, be ready to immediately implement that complement management plan in order to meet the 2006-07 budget guidance.

In addition, the September 2005 guidance stated that no significant new General Fund funding requests would be considered unless: the new or expanded program was required as part of a legislative or judicial mandate; or the new funding request had been authorized in advance; or the new funding request was accompanied by an "efficiency" proposal resulting in an offsetting reduction in agency expenditures. Even if the agency indicated that a legislative or judicial mandate required a new or expanded program, the agency still was required to submit a dollar-for-dollar offsetting "efficiency" proposal.

The reader is referred to the Overview portion of the Overview and Summaries section for a summary of Governor Rendell's vision and goals for Pennsylvania. Specific budget recommendations for each program appropriation can be found in the agency Program Presentations in Section E. Department Presentations. The reader is also referred to the 2006-07 Budget in Brief, a separate booklet, for summary information on the Governor's 2006-07 Executive Budget, including recommended program changes and funding levels in pursuit of the Administration's mission and goals for the Commonwealth.

Challenges Met, Promises Kept and a Better Pennsylvania

Governor Rendell promised Pennsylvanians he would address an unfair property tax system that was a major source of school district funding, use gaming revenues as a method to increase education funding, reform the Commonwealth's education system, implement an aggressive economic stimulus plan, make state government operate more efficiently, expand the number of people in the PACE and PACENET programs and invest significant funding to protect Pennsylvania's environment. Governor Rendell has lived up to his commitments, and today Pennsylvania is a better and more appealing state in which to live and do business.

Historic Investment in Education

- **Expanding Early Childhood Education and Ensuring High-Quality Early Childhood Education Across All Early Childhood Programming**

Over the last three years the Commonwealth has joined the ranks of the states leading the nation in ensuring that every child has access to high-quality education, early childhood education, health care and, when necessary, safety-net services. In each of these critical areas affecting children's wellness, the Commonwealth has instituted systemic strategies that are building a foundation for early school success, higher levels of academic achievement and healthier communities.

Pennsylvania has addressed the need to build an integrated and coordinated approach between the two major state agencies responsible for the development of children – the departments of Education and Public Welfare. Pennsylvania met this governance challenge head-on by creating a deputy secretary-level Office of Child Development. For the first time, the early childhood education system and Pennsylvania's school districts are working together on standards development and student-focused planning, a collaboration that has improved the entire early learning system.

While research indicates that student achievement is improved by engaging children in high-quality early education, most states divide services for pre-school children into two boxes – “child care” and “education” – applying different standards and expectations to each box. Pennsylvania has built a unified early childhood learning system that ensures that across different settings high-quality early learning strategies are provided for increasing numbers of children in the Commonwealth.

- **Keeping Higher Education Affordable for Pennsylvanians**

Governor Rendell has expanded higher education access and affordability for Pennsylvania students. In just the last two years, the Governor has increased state aid for higher education student tuition grants by \$20 million and has partnered with the Pennsylvania Higher Education Assistance Agency to add an additional \$55 million for student grants. With these resources, an additional 8,000 students are able to receive grants this year alone. To protect Pennsylvania families, Governor Rendell has worked with the State System of Higher Education to keep the rising cost of college in check. As a result, the State System increased tuition by only 2 percent in 2005-06 – far less than the rate of inflation and the lowest tuition increase in seven years. And in 2005-06, Governor Rendell signed into law the largest increase in community college funding in 15 years, a change that also established a new way of funding these important institutions by focusing on providing education and training leading to well-paying, high-demand occupations.

- **Targeted Funds for Proven Practices that Boost Student Achievement**

Pennsylvania schools and their students are making progress. The number of fifth graders meeting the state standards in math has increased from 53 percent in 2002 to 69 percent last year and from 57 percent to 64 percent in reading over the same period of time. African-American, Hispanic, Asian, white, limited-English-proficiency, special education and low-income students are all making gains in reading and math at every grade level.

Because too many of our students have been performing below their grade level, the Commonwealth made a direct state investment of \$30 million in Head Start for the first time in the Commonwealth's history. As a result of the programs championed by Governor Rendell, nearly 12,500 additional children are in quality pre-kindergarten programs today, including 4,710 in Head Start, compared to three years ago. Governor Rendell worked with the Legislature to design the Accountability Block Grant program, giving school districts an additional \$200 million a year to use to address the needs of students who are finding it hardest to perform at their grade level. Because school districts can choose among a number of research-based strategies to boost student outcomes, Pennsylvania launched an aggressive campaign to encourage school districts to select the early childhood options. As a result, more than two-thirds of districts are investing in quality pre-kindergarten, full-day kindergarten and reduced class sizes, together serving more than 75,000 children. Details of the impact and progress of the Accountability Block Grant can be found in the Investing in Our Children,

Investing in Our Future theme. The 2006-07 budget proposes to increase the Accountability Block Grant to \$250 million a year.

- **Ensuring School Funding Promotes Educational Equity**

In addition to providing funding to address the educational needs of young children and school students, Governor Rendell has proposed substantial increases in all levels of funding for Commonwealth school districts that, on a combined basis, resulted in school districts receiving larger increases in funding than at any other time in the last 20 years. Beyond these structural increases, districts in communities where property values and personal income are lower than the state average received extra financial assistance from the Commonwealth beginning in 2004-05. Governor Rendell's *Foundation Level* funding approach targeted extra educational subsidy funding to assist districts in boosting their spending toward the statewide foundation level of \$8,500 per pupil. This year's budget continues that targeted funding. As a result, more than 50 percent of districts that have historically not been able to generate sufficient funds to offer an adequately funded K-12 educational experience are now above the \$8,500 level and moving closer to spending at least \$9,000 per pupil. The number of districts spending less than \$8,500 per pupil is shrinking, and with the funds proposed in this budget, Governor Rendell is helping these districts to move significantly toward the foundation level.

- **Expanding Access to Health Care Coverage**

In 1992, Pennsylvania led the nation in making child health insurance available to families who could not otherwise pay for coverage of their children. Given the enormity of the budget deficit inherited by Governor Rendell at the beginning of his administration and the severity of federal cutbacks and the loss of federal transfer funds, many feared that the Commonwealth would have to follow the pattern of many other states and limit access to health care for poor parents and their children. Instead, Pennsylvania has lived by the principle imposed by Governor Rendell that no child would lose access to health care on his watch. While other states instituted draconian cutbacks in their safety-net services, Pennsylvania implemented strong cost-cutting and cost-containment measures elsewhere in the public welfare budget and across-the-board reductions in administrative budgets of every state agency. The result was sufficient savings to cover the cost of maintaining Pennsylvania's eligibility for safety net programs and even some expansions to critical health care programs, including the addition of nearly 5,500 additional children to the Children's Health Insurance Program. In addition, this budget will provide health insurance to 15,000 additional children through the Cover All Kids initiative.

Proven Strategies to Accelerate Job Growth and Community Revitalization

Upon taking office, Governor Rendell proposed a comprehensive strategy to direct state resources to support massive job creation and business expansion efforts across the Commonwealth. The Governor's strategy was based on the successful approach used to bring Philadelphia's economy back from the brink of collapse during the late 1990s. The Governor's proposal, known as the Economic Stimulus program, received support from the Pennsylvania General Assembly after lawmakers added critical enhancements to the Governor's original proposal. With \$2.8 billion in loans, loan guarantees, venture capital and targeted grants, a package of 19 customized business financial tools now helps Pennsylvania companies seeking to retool or expand. These funds also provide critical resources to help attract new firms to the Commonwealth and make it possible for communities to prepare old industrial sites for new business or residential occupancy.

The Economic Stimulus Package has several components, including:

- **Infrastructure Projects:**

- *Business In Our Sites* – Empowers communities to attract growing and expanding businesses by helping them build an inventory of ready-to-build sites.
- *PennWorks* – Ensures adequate and safe water supply and proper wastewater infrastructure.
- *Tax Increment Financing* – Promotes and stimulates the general economic welfare of various regions and communities in the Commonwealth by assisting in the development, redevelopment and revitalization of brownfield and greenfield sites in accordance with legal requirements.
- *Infrastructure Facilities Improvement Program* – Provides grants to certain issuers of debt to assist with debt-service payments.
- *Redevelopment Assistance Capital Program* – Makes grants available for the acquisition and construction of regional economic, cultural, civic and historical improvement projects.

- *Build PA* – Provides mezzanine financing for real estate development projects in core communities.
- **Community Revitalization:**
 - *Main Street, Elm Street and Enterprise Zone Programs* – Provide communities with the tools to revitalize downtowns, surrounding neighborhoods and industrial and manufacturing areas.
 - *Housing Redevelopment Assistance Program* – Provides state-funded grants for community revitalization and economic development activities at the local level.
 - *Homeownership Choice Program* – Enables the Pennsylvania Housing Finance Agency to finance new, single-family home construction in blighted areas of the Commonwealth.
 - *Hometown Streets Program* – Supports revitalization of main streets and commercial corridors in Pennsylvania towns and cities.
- **Business and Other Private-Sector Investments:**
 - *First Industries Fund* – Establishes a grant and loan program aimed at strengthening Pennsylvania's agriculture and tourism industries.
 - *Second Stage* – Provides loan guarantees for working capital for two to eight-year-old manufacturing, biotech and technology-oriented companies.
 - *Venture Capital* – Creates a loan program for venture capital fund managers to invest in young Pennsylvania research and development companies.
 - *Venture Guarantee Fund* - Provides investment guarantees for top-performing, national venture capital funds to encourage investment in Pennsylvania-based projects.
 - *Keystone Innovation Zone* – Provides grant funds to community and university partnerships to generate job growth through technology transfer and entrepreneurship in locations near Pennsylvania's colleges and universities.
 - *Base Realignment and Closure (BRAC)* – Designed to assist local defense organizations in protecting and promoting the 71,133 active, reserve, National Guard and Department of Defense positions within the Commonwealth at risk because of the federal BRAC 2005 process and potential future realignment initiatives.

After sixteen months of operation, slightly more than \$1.2 billion from the Economic Stimulus program has been committed to 1,300 projects. These commitments are summarized in the chart on the following page:

| Governor's Economic Stimulus Program Status Report | | |
|---|---|---|
| Program Type/Program Name | Number of Projects Funded (January 2006) | Funds Committed (dollars in thousands) |
| Infrastructure Projects: | | |
| Business In Our Sites | 85 | \$210,000 |
| PennWorks | 30 | \$53,000 |
| Tax Increment Financing | 1 | \$5,000 |
| Infrastructure Facilities Improvement Program | 5 | \$3,000 |
| Redevelopment Assistance Capital Program | 241 | \$656,000 |
| Community Revitalization: | | |
| Main Street | 162 | \$15,230 |
| Elm Street | 64 | \$11,830 |
| Enterprise Zones | 90 | \$13,760 |
| Housing Redevelopment Assistance | 243 | \$63,380 |
| Homeownership Choice | 24 | \$25,000 |
| Hometown Streets | 226 | \$128,500 |
| Business and Other Private-Sector Investments: | | |
| First Industries Fund | 148 | \$23,000 |
| Second Stage | 2 | \$375 |
| Venture Capital | 7 | \$29,500 |
| Keystone Innovation Zones | 16 | \$4,100 |
| Base Realignment and Closure | Multiple sites | \$4,460 |
| TOTAL | 1,344 | \$1,246,135 |

Pennsylvania's economy shows clear signs of a sustained recovery from the recession that caused high levels of unemployment through early 2003. In October 2005, Pennsylvania reached a historic peak in the number of residents employed in "non-farm" jobs and set another record high again in December. The enactment of the Economic Stimulus program, combined with extraordinarily high effectiveness in retaining and attracting businesses and jobs on the part of the Governor's Action Team, has helped accelerate economic recovery. The Commonwealth's determination to work hard to foster investment and growth, and the robust resources the state has assembled to partner with the private sector to promote business development were critical ingredients in making it possible for Pennsylvania's economy to add 102,700 new jobs since January 2003.

Pennsylvania's economy will not keep growing at this pace unless employers feel confident that they can hire the skilled workers they need to expand their businesses. Governor Rendell tackled this challenge head-on in the 2005-06 budget with a \$91 million investment in a reformed, more effective workforce development program called Job Ready Pennsylvania. This integrated set of education and job training initiatives addresses the Commonwealth's workforce needs by helping today's workers gain the skills they need to compete in the global economy, while also increasing options for students to receive effective post-secondary education and boosting the skills of high school graduates.

- **Job Ready Pennsylvania**

Job Ready Pennsylvania is aligning the state's education and workforce spending with the market-driven needs of employers, creating high expectations and tracking the Commonwealth's progress toward workforce goals through a common set of performance measures. Job Ready Pennsylvania has dramatically expanded the resources and opportunities available to increase the skills of Pennsylvania's workers by providing:

- A \$22.8 million, 10 percent, increase in community college funding – the largest funding increase in fifteen years.

- The formation of 45 training partnerships with employers who are custom-designing job training for 454 companies.
- The addition of training slots for 1,000 Pennsylvania workers already on the job so they can keep their jobs, upgrade their skills and increase their productivity.
- The creation of a specialized grant program that is enabling more than 2,800 adults to take college-level or other specialized courses aimed at boosting their skills in Pennsylvania's high-priority occupations.

A Pledge to Spend Every Tax Dollar Wisely

Governor Rendell made a simple pledge to spend every tax dollar wisely when he took office. The Administration's success since then in driving down the cost of government services will meet the goal Governor Rendell set in 2003 to generate recurring state government savings totaling \$ 1 billion a year by the end of 2006. By making state government work smarter, Governor Rendell has ensured that the residents of the Commonwealth can benefit from improved education, public safety and health care. These enhanced programs have been funded by savings from the aggressive fiscal discipline now practiced by each Commonwealth agency.

▪ Purchasing at the Best Price Means Accomplishing More with the Same Amount of Money

Changing the Commonwealth's purchasing practices was one of the first reforms made to ensure that taxpayers' hard-earned tax dollars would be spent wisely. When Governor Rendell took office, purchases for common office products were spread across agencies, and contracts were typically issued for small orders. As a result, the vast purchasing power of the Commonwealth was not used to buy products at the most competitive prices. Today, through the "strategic-sourcing" initiative, streamlined procurement processes combine all state government spending on computers, office products, and a host of other commodities and services. This simple change in the way the Commonwealth buys its products and services has resulted in savings of \$160 million. These significant savings are now being put to better use by funding health care and public schools across the Commonwealth.

▪ Consolidation and Better Planning Frees Up Resources

Better decision-making also means more value for taxpayers. Instead of maintaining 17 separate agency warehouses for the storage of supplies and equipment, Commonwealth agencies consolidated their space and now share the cost of only four warehouses – a savings for taxpayers of \$4 million a year. Many other consolidation strategies are being put in place, freeing up funds to improve our public schools and increase the number of working Pennsylvanians with health care coverage. The departments of Health, Public Welfare, Insurance and Aging consolidated their independent call centers into a unified center that provides a single point of contact for consumers on a variety of issues. In addition to improved customer service, this initiative reduced the cost of operating the independent centers by \$2.2 million, or more than 45 percent.

▪ Containing Health Care Costs Means More Get Access to Health Care Services

The most challenging area in which to control costs is health care. Like all employers, the Commonwealth's health care costs are growing much faster than the inflation rate. To respond to these steady increases in costs, the Governor's Office helped the Pennsylvania Employees Benefit Trust Fund change the way it purchased health care and prescription drugs. As a result, the fund is saving about \$85 million on health care and prescription drugs – savings that are helping the Commonwealth achieve the best value for its employee health care dollars. In addition, these adjustments will help to ensure the long-term solvency of the benefit fund as health care and prescription drug costs continue to climb.

The Commonwealth also purchases insurance and prescription drug coverage for more than 2 million of its residents through state-subsidized programs such as Medical Assistance. It is crucial that strong cost controls be in place to hold down the rate of spending growth in these programs while still maintaining the quality of care provided for the Commonwealth's most vulnerable residents. Efforts in the early 1990s to create a managed-care system to deliver physical and behavioral health services to individuals receiving Public Assistance helped Pennsylvania ensure the provision of health care benefits in spite of rising health care costs. While some states cut tens of thousands of recipients from publicly funded health care programs between 2002 and 2005, Pennsylvania's experience in the managed-care market enabled the state to find ways to save more than \$371 million through carefully crafted reforms in safety net contracts, services and programs. Together these reforms have enabled

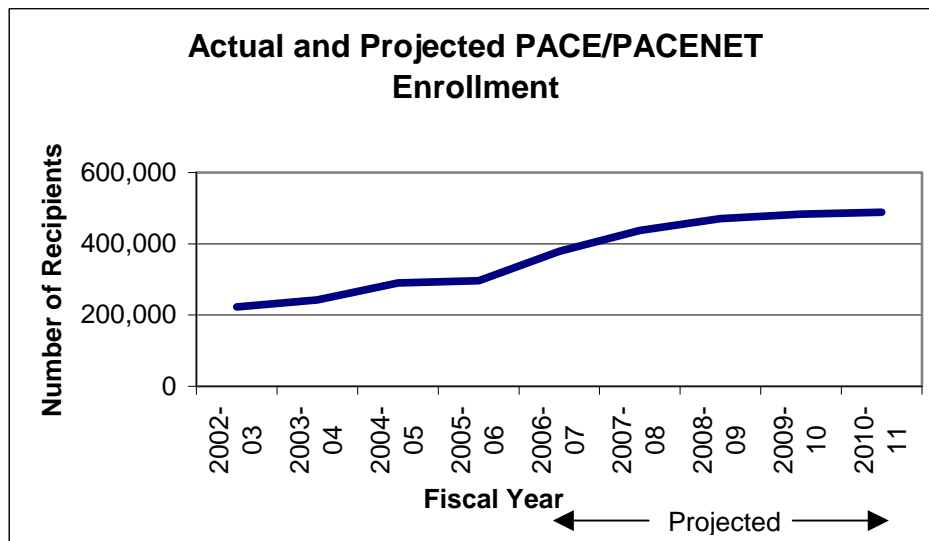
the Commonwealth to deliver health and social service benefits to more Pennsylvanians with minimal disruption to the recipients of these critical services.

A Commitment to Pennsylvania's Seniors

- **Guaranteeing Access to Prescription Drugs**

The PACE/PACENET prescription drug program sets the Commonwealth apart from every other state in the nation. This program stands out because PACE/PACENET offers a comprehensive set of prescription drug services in a user-friendly manner at the lowest possible cost. While the program has had national stature since its inception in 1984, the number of seniors receiving prescription drug coverage had slowly dwindled from an all-time high of 478,000 in 1988 to 218,922 at the end of 2002. In order to expand the availability of the services, the Governor charged the Department of Revenue with generating unprecedented levels of sustained revenues by instituting new lottery programs. As a result of these efforts, the Pennsylvania Lottery was noted in 2004 as one of the fastest-growing lotteries in the nation and in 2006-07 is projected to generate more than \$99 million in additional revenues over what was projected in 2002. This additional revenue will enable the Pennsylvania Lottery to expand its support of programs that benefit older Pennsylvanians.

In addition to increasing revenues, the Governor also proposed fundamental changes to the PACE/PACENET program so that it could be expanded to include additional recipients. The historic reforms of the PACE/PACENET program passed by the General Assembly at the beginning of the administration gave the Commonwealth the ability to add 115,000 new participants to the program. To date, 75,000 additional Pennsylvanians have signed up for the drug coverage, bringing the current number of PACE/PACENET enrolled senior citizens to more than 303,000.



The demand for state-sponsored drug coverage will change dramatically in 2006 with the implementation of the federal Medicare Part D coverage. Pennsylvania will again make history with respect to providing for seniors who live on limited incomes by shifting its PACE/PACENET resources to PACE Plus Medicare. In the PACE Plus Medicare program, Pennsylvania's seniors will be guaranteed not to incur more costs than they otherwise would have paid when their prescriptions were covered by PACE/PACENET. This innovative approach is another way the Commonwealth is managing resources wisely so it can ensure that the most vulnerable receive the breadth of support they need to maintain a good quality of life in Pennsylvania.

- **Giving Seniors the Option of Staying Home**

Given a choice, an overwhelming number of older Pennsylvanians would prefer to remain in their homes rather than enter a nursing facility. In response to this consumer preference, the Commonwealth is working to "rebalance" the long-term living system so a greater amount and percentage of the Commonwealth's long-term support resources are focused on in-home services. Rebalancing benefits other taxpayers as well because in-home services can typically be provided at a lower cost than nursing home care.

As part of the goal of giving older Pennsylvanians more options for receiving publicly funded long-term support services in their home, Governor Rendell is leading an innovative and nationally recognized effort to retool Pennsylvania's long-term living system that includes the following benchmarks:

- Increase by 2,800 the number of older adults who can receive support and services in their homes and thereby avoid moving into a nursing home.
- Streamline the eligibility determination process for consumers to receive in-home services from an average of three months to 72 hours.
- Transfer decision-making on the types of necessary and desired services from agencies to consumers.
- Assist more than 300 individuals to return to their home or a community setting of their choice and, if needed, receive home and community-based services through the Nursing Home Transition Project.
- Develop a standardized quality-assurance system to ensure consistent definitions for quality services delivered in home and community-based settings.
- Develop a strategy to increase the availability of affordable and accessible housing so more seniors can receive care at home.

These initiatives have been a statewide collaborative effort among provider agencies, consumer advocacy groups, nursing homes and Commonwealth agencies. They have expanded the scope of long-term living opportunities offered to older Pennsylvanians, and they have increased the choices available to individuals to receive support and services in the community.

Fulfilling the Promise to be Responsible Stewards of the Environment

Governors Casey and Ridge made substantial and wise investments to mitigate pollution of Pennsylvania's groundwater and streams, to clear and clean former industrial sites and to preserve farmland and other cherished green space throughout the Commonwealth. Governor Rendell followed this tradition by proposing and working with the General Assembly to enact Growing Greener II – a six-year, \$625-million program to increase the Commonwealth's progress on environmental protection and remediation. Because Growing Greener II required a bond issue, voters were asked to indicate their approval of the debt issuance for this purpose in May 2005. With an overwhelming vote, 725,000 Pennsylvanians gave their support to this effort.

Within six months of voter approval, Growing Greener II funds were at work improving Pennsylvania's environment. In November 2005, Growing Greener II grants were released in 50 of Pennsylvania's 67 counties for the following purposes:

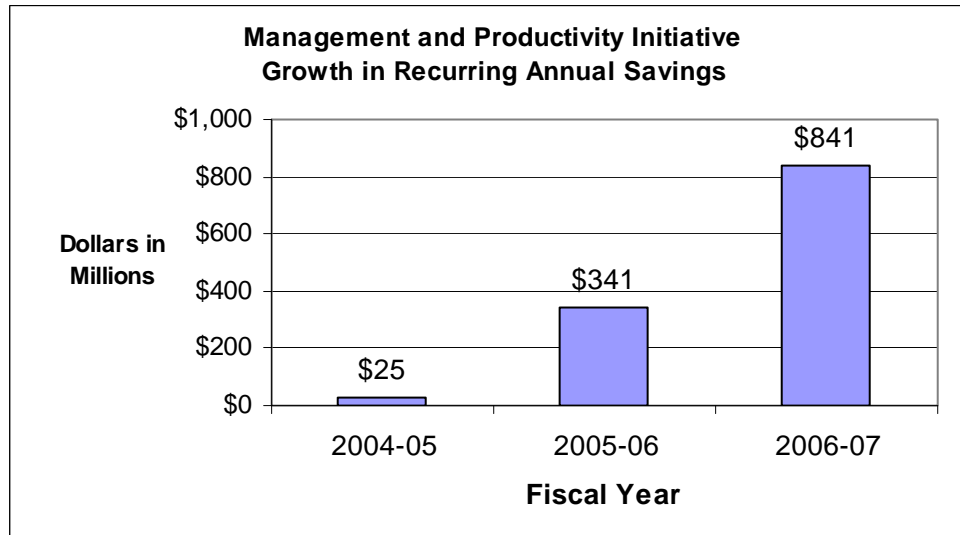
- \$31.5 million to upgrade parks and improve forests
- \$14 million to clean up acid mine drainage and make other water quality improvements
- \$9.7 million to clean former industrial sites
- \$3 million to upgrade water and sewer infrastructure
- \$ 3.7 million to protect open space
- \$2.2 million to use mine water as an economic resource
- \$700,000 to remove impacts from dams

In January 2006, the Governor announced that \$100 million was available for farmland preservation, including \$65 million from Growing Greener II funds – marking the largest investment in the Commonwealth's history to protect Pennsylvania's farming industry and its heritage.

While accomplishing much in the three years since he took office, Governor Rendell believes there is more that can be done to continue to make Pennsylvania a better place to live, work and raise a family. The changes Governor Rendell has put into place represent a dramatic restructuring of Commonwealth programs and the way government operates. However, these accomplishments are only a down payment on the future of a new, revitalized Pennsylvania. Governor Rendell will ensure our Commonwealth continues to become greener, cleaner and more environmentally responsible, while at the same time fostering a welcoming climate for jobs and economic growth.

Making Government Work Smarter

Governor Rendell pledged to cut the cost of government and change the way that the Commonwealth works. The results of those efforts are impressive. In just three years, by developing new business practices and focusing on innovation and efficiency throughout the government, this administration has generated recurring savings totaling \$841 million. In addition, these initiatives have improved service for constituents. Every day, taxpayers receive better service from a more efficient and innovative government than they did three years ago.



The savings generated by this administration result from a fundamental transformation in the Commonwealth's business practices. In 2003, Governor Rendell created the Governor's Office of Management and Productivity to lead efforts to change the way each government agency does business. In its first year, the administration focused on making an immediate impact: eliminating unused phone lines, turning off caller-ID, negotiating new contracts and driving vehicles longer. The following year, the Governor's management and productivity efforts focused on buying smarter, a practice known as "strategic sourcing." This practice included more than a dozen major new contracts – for computers, copiers, office supplies and other goods and services. During the past year, every agency in the Commonwealth implemented additional projects, yielding further savings. Several of these initiatives are highlighted below.

Increasing Savings: Department of Public Welfare

Because of its size relative to the Commonwealth's budget, the Department of Public Welfare has been the primary focus of the administration's management and productivity efforts for the past year. Across the department, numerous projects have generated \$371 million in recurring savings. These include:

- **Pharmacy Savings**

The department has created several initiatives designed to reduce prescription drug and pharmacy-related costs. Until this year, the department did not use a preferred drug list. With a preferred drug list in place, the department is now much more effectively controlling pharmacy-related costs, without any reduction in the provision of life-sustaining medications to vulnerable Pennsylvania citizens. By encouraging less-expensive mail-order filling of prescriptions and implementing other pharmacy cost reductions, the department expects to save approximately \$51 million a year without affecting the quality of its pharmacy services. The department also reevaluated its agreements with local pharmacies. Having determined that the Commonwealth has been reimbursing pharmacies at significantly higher rates than other states, the department has revised its agreements with local pharmacies, and as a result the Commonwealth will save approximately \$32 million more per year.

- **Collecting Money Owed**

The department also established new programs to more effectively identify and collect reimbursement for health care costs it is owed. For example, there are certain instances where the department's Medical Assistance clients are also covered by private insurance. As a rule, all other insurance alternatives must be exhausted before Medical Assistance pays, but the department occasionally

pays for procedures that should be covered by private insurance. The department must then recover these private insurance payments. To carry out these recoveries more effectively, the department formed a strategic partnership with a health insurance data firm. Using advanced software, the firm reviews claims and identifies payments the department should recover from private insurance companies. Using this new review process, the department has been able to recover an additional \$16 million annually from private insurance companies.

To recover payments made on fraudulent claims, the department has partnered with a consulting firm. The firm's clinicians review and validate claims made to the department's Office of Medical Assistance Programs. The identification and denial of fraudulent claims is now saving the Commonwealth more than \$8 million a year.

- **Assessing Programs**

The department is constantly looking for opportunities to adjust programs and use resources more efficiently. The department's Office of Children, Youth and Families launched an initiative to evaluate treatment practices and the use of facilities in its youth development and youth forestry camp programs. The first phase of this project resulted in the decommissioning of two units, generating annual savings of approximately \$1 million. The next stage of the initiative will close operations at a third center and relocate a girls treatment program to a more efficiently operated site, which will save another \$300,000 annually.

- **Using Technology**

In the past, the department issued paper child support checks to the approximately 510,000 families eligible to receive child support payments. This year, the department replaced paper checks with electronic payments, which are directly deposited into checking or savings accounts or to an electronic debit card. The program has saved the department more than \$2 million a year in printing costs.

- **Better Contracts**

The administration and the welfare department will continue to aggressively control costs. In the coming year, the department will be changing its procurement procedures and implementing performance-based contracting. This will enable the department to better monitor its buying practices, use innovative pricing and increase vendor competition for its contracts. The department contracts for more than \$8 billion of goods and services a year; performance-based contracting is expected to generate significant savings each year.

Buying Smarter

In the past two years, the Commonwealth has achieved recurring strategic sourcing savings of more than \$154 million, and, in addition, one-time savings of more than \$6 million. Pennsylvania's agencies realize these savings each year when they do not overspend for goods and services, and the Commonwealth has been able to keep agency operating costs 9 percent below 2002-03 levels in part through this overwhelmingly successful initiative. The Commonwealth is saving money on small and large items all across the enterprise, from paper clips and staples to cars and medical services.

| <i>Strategic Sourcing Reduces the Cost of Government</i> | | | |
|---|------------------|------------------|----------------|
| <u>Product</u> | <u>Old Price</u> | <u>New Price</u> | <u>Savings</u> |
| Paper Clips | \$ 0.18 | \$ 0.02 | ↓ 89% |
| Paper | \$ 5.09 | \$ 2.42 | ↓ 52% |
| Personal Computers | \$1,272 | \$ 715 | ↓ 44% |

Strategic sourcing contracts now cover many state purchases, including:

Facilities

Cleaning Supplies
Coal
Food
Maintenance, Repair and Operations
Prison Commissaries

General Operations

Copiers
Office Furniture
Office Supplies
Printing Services
Telecommunications

Transportation

Asphalt
Auto Parts
Police Vehicles and Tires

Professional Services

Advertising
Health and Human Services Call Center
Information Technology Staff Augmentation
Medical Services

Information Technology

Computer Maintenance
Computer Servers and Storage
Networking Gear and Peripherals
Personal Computers
Software

Among the purchases listed above, several are worth highlighting. For example, by using a new bidding process for purchasing police vehicles, the Commonwealth saves \$816,000 annually, or approximately \$1,500 on the cost of each new police car. To achieve these savings, the Commonwealth began requiring vendors to specify on their bid sheets the itemized price of standard police options, such as mounted spotlights and fire protection. Because it knows the exact cost of each option, the Commonwealth has begun to purchase only the options that it needs.

The Commonwealth also renewed a favorable contract with its truck supplier, avoiding a 3 percent market price increase for new trucks and saving the administrative costs associated with re-bidding the contract.

To reduce information technology technical staffing costs, the Commonwealth entered into a contract to provide for short-term temporary technical staffing needs. The new contract will save the Commonwealth \$20 million, or 31 percent, compared with rates previously paid to service providers. Also, as an added measure to combat the "brain drain" of educated young people leaving the Commonwealth for jobs elsewhere, consideration was given to vendors that showed dedication to recruiting graduates of Pennsylvania universities and colleges.

Creating A More Efficient Government

This administration has made the development of efficient and innovative business practices across the government a priority. As the following examples demonstrate, these efforts have yielded dramatic savings while simultaneously improving the quality of the Commonwealth's constituent services.

- **Reducing Fleet Costs**

In the final two years of the prior administration, the Commonwealth's non-PennDOT fleet expanded by 1,152 vehicles. Since 2003, the Rendell Administration has been able to eliminate more than 1,000 of these vehicles, with hundreds more fleet vehicles slated for elimination later this year. When the Rendell Administration took office, fleet cars were retired at 65,000 miles. After an interim increase to 80,000 miles, the administration has now raised the retirement target to 100,000 miles for most cars, while stepping up preventive maintenance to ensure that vehicles remain in good condition as their useful lives are extended. These and other efforts to reduce vehicle fleet costs have generated \$33 million in one-time savings for the Commonwealth. And Pennsylvania's smaller and more efficient vehicle fleet is now less expensive to fuel and maintain, saving taxpayers nearly \$7 million more every year.

- **Energy Savings**

The Department of General Services has been using Guaranteed Energy Savings Contracts to pay for energy conservation improvements in a number of Commonwealth buildings. These improvements pay for themselves in energy savings, and the savings continue after the improvement costs are repaid. In the last year alone, after paying for improvements, these projects saved the Commonwealth approximately \$2 million in energy costs.

- **Department of Corrections Health Care Savings**

The Department of Corrections closed one of two dialysis units while maintaining the same level of inmate care and generated approximately \$500,000 in savings.

- **Get Healthy Initiative**

Commonwealth employees are encouraged to participate in the Get Healthy initiative, which is designed to monitor and improve employees' lifestyles to reduce short-term and long-term medical costs. This initiative is projected to generate \$18 million in annual savings, which will be used to offset health care cost inflation and increases in Commonwealth agencies' health care contribution rates.

- **Safety Savings**

The Department of Transportation's Office of Safety Administration mails millions of registration and license renewal notices to drivers and vehicle owners each year. To offset the cost of these mailings while promoting highway safety, informational inserts are included in the renewal notices. Federal grants cover the cost of the inserts and partially pay for the mailings. This program is expected to save \$775,000 in postage costs this year.

- **Inmate Collections**

As part of the Commonwealth's efforts to hold inmates financially accountable for their actions, the Department of Corrections may collect up to 50 percent of an inmate's account balance and monthly income toward court-ordered restitution, fees, fines and costs. Through this program, the Commonwealth receives approximately \$3 million a year, offsetting various institutional administrative costs.

Creating a Smaller, More Efficient Workforce

Since January 2003, the total number of filled salaried positions in the Commonwealth workforce has been reduced through attrition by more than 2,300. This net reduction takes into account 381 new filled salaried positions in the State Police, Board of Probation and Parole and the Department of Corrections that were created as part of this administration's commitment to public safety. The Rendell Administration's efforts to reduce the number of Commonwealth employees, through attrition, are saving Pennsylvania taxpayers \$137 million per year. The 2006-07 budget will reduce authorized complement levels by nearly 2,300 positions through attrition, a 4,012 position, or 4.7 percent, reduction in the authorized complement since January 2003.

Generating New Revenues

In addition to creating initiatives that save the Commonwealth money, many agencies have developed innovative programs to increase revenues. Across the government, more than \$133 million in new revenues have been generated by forward-thinking programs like the following:

- **Lottery Revenues**

The Pennsylvania Lottery has implemented a number of new revenue-generating programs since 2003, including the introduction of a new raffle drawing, the expansion of instant game offerings, increased lottery promotions – such as “Buy One, Get One Free.”

The Pennsylvania Lottery has introduced player-activated terminals that are expected to generate approximately \$8 million in new revenues annually for programs supporting older Pennsylvanians. The new terminals sell all of the Pennsylvania Lottery's on-line games and dispense 16 instant-game tickets from one touch-screen machine. Terminals are located in sports arenas and stadiums, resorts, bowling alleys, airports, sports bars, taverns, Pennsylvania Turnpike rest stops and bus and train terminals. As a result of these efforts, the Pennsylvania Lottery was noted in 2004 as one of the fastest growing lotteries in the nation, and net revenues are projected to exceed the prior administration's 2005-06 projections by more than \$99 million.

Sunday Liquor Sales

The Pennsylvania Liquor Control Board's recent consumer-oriented initiatives have generated significant new revenues and have been a huge consumer success. The Sunday Sales program began as a pilot program in February 2003. Results from the pilot were so successful that subsequent legislation signed by Governor Rendell provided for up to 25 percent of liquor stores to be open on Sundays. Today, 157 stores are open on Sundays, and on an average Sunday more than 40,000 customers make purchases totaling at least \$1.0 million. In addition, the board has opened 17 "One Stop Shops" – liquor stores located in grocery stores – across the Commonwealth. These stores are complemented by seven new outlet stores, plus more than 60 Premium Collection facilities that are providing customers with the broader wine selections they have been seeking for years. This fiscal year alone, the board's consumer-oriented initiatives are expected to generate new tax collections of nearly \$34.3 million.

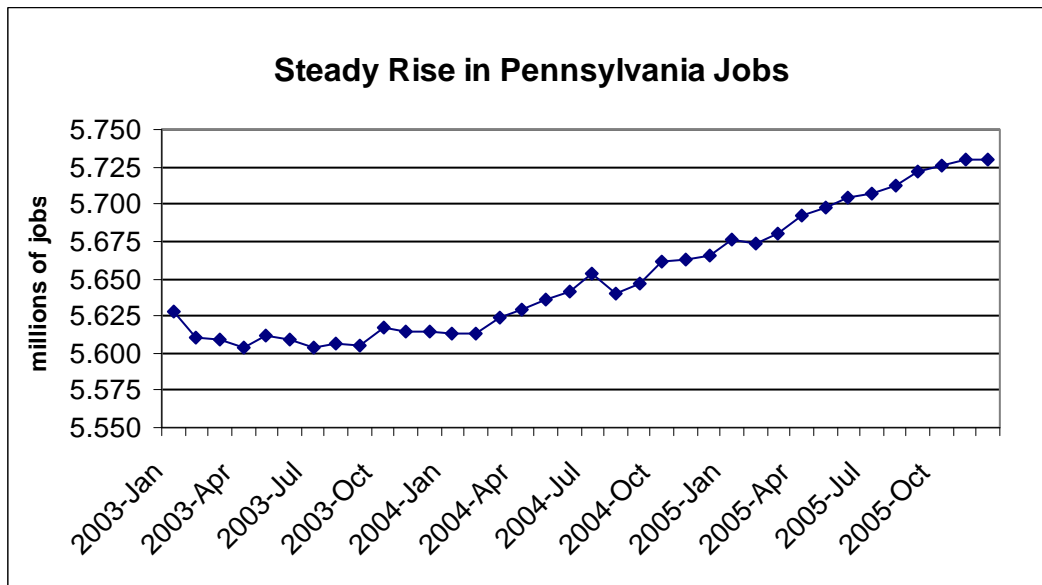
Since the Rendell administration has taken office, hundreds of initiatives implemented by thousands of employees have revolutionized the way the Commonwealth does business across the enterprise. Moving forward, these fundamental changes in the way government works will continue to provide Pennsylvania taxpayers with additional savings and more efficient services.

Expanding Employment and Opportunity for Pennsylvanians *More Jobs and a Better-Trained Workforce*

A strong and vibrant economy is marked by its ability to create jobs, reduce unemployment, encourage business growth and evolve continuously to meet emerging global trends and challenges. When Governor Rendell was sworn into office in January 2003, Pennsylvania's under-performing economy and stagnant labor force were reeling. The Commonwealth's total employment and labor force levels were both in dramatic decline, and there were more Pennsylvanians unemployed than at any time in the previous eight years. Perhaps more important, working Pennsylvanians and Pennsylvania businesses were not well positioned to take advantage of changing national and international trends. Governor Rendell responded with a successful combination of job creation, worker training, and business investment and expansion programs to transform Pennsylvania's economy and create new opportunities.

Pennsylvania's Economy Gains Momentum

One of the best measures of how an economy is performing is the total number of jobs on employer payrolls, and the recent results in Pennsylvania are clear. Total non-farm payrolls have risen steadily over the last two years, and Pennsylvania reached an all-time high of 5.73 million jobs in December 2005. Overall, Pennsylvania has gained jobs every month since March 2005 and for all months except two since February 2004.



Source: U.S. Department of Labor, Bureau of Labor Statistics, Current Employment Survey, 2003-2005 (Non-Farm Payroll Jobs).

Pennsylvania has also made significant strides in reducing unemployment. The state's unemployment rate averaged 5 percent in 2005, down from 5.5 percent in 2004 and 5.7 percent in 2003. Pennsylvania's unemployment rate was lower than the national rate in six of the last twelve months.

Pennsylvania is outperforming competing states as well. While Pennsylvania reached a peak in the number of jobs in the fall of 2005, fifteen states – including Ohio, North Carolina, Michigan, Massachusetts, Illinois and Indiana – are still struggling to recoup jobs lost during the 2001 recession.

Addressing Shortages in Critical Job Fields

Projections from the federal Health Resources and Services Administration indicate that Pennsylvania is at risk of experiencing a severe Registered Nurse shortage by the year 2010. The key barrier to supplying additional nurses is the lack of available educational opportunities for nurses. Pennsylvania's nursing schools simply do not have the capacity to educate as many nurses as the health care system requires. The 2006-07 budget includes \$10 million to address this critical public health issue through the expansion of clinical education opportunities and nursing student retention activities.

Job Ready Pennsylvania is Building a Stronger Workforce and a Stronger Economy

The best way to keep the economy growing is to make sure that Pennsylvania employers feel confident they can find the skilled workers they need to expand their businesses. Governor Rendell confronted this challenge head-on in 2005-06 with a new initiative called Job Ready Pennsylvania. Job Ready Pennsylvania is a strategic investment of \$91 million that is building a stronger work force and a stronger economy by:

- Helping today's work force obtain the skills needed to compete in the global economy;
- Increasing options for students to receive post-secondary education; and
- Boosting the skills of high school graduates.

By identifying industry clusters and high-priority occupations and by targeting funding to these areas, Job Ready Pennsylvania has better aligned state and local education and workforce spending with the actual needs of employers. In addition, a new workforce training performance management system has been implemented and is increasing accountability for providers and programs by establishing high expectations and a common set of performance standards. Because Pennsylvania's Local Workforce Investment Boards are so important for the delivery of training, a detailed evaluation process and set of incentives have been created to improve their performance statewide.

The early results for individual programs are encouraging. The following summaries reflect activities from Job Ready Pennsylvania's first six months.

- **Building High Schools for the Future.**
Seventy-five schools with a combined enrollment of more than 77,000 students are taking part in Project 720, Pennsylvania's high school reform initiative to increase academic rigor in reading, writing, math and science; to encourage smaller, personalized high school environments; to strengthen counseling and student supports; and to create multiple pathways to higher education and high-skill careers. Job Ready Pennsylvania has doubled the number of high schools in Project 720.
- **Dual Enrollment for High School Students.**
Job Ready Pennsylvania made an initial investment of \$5 million to allow high school students to earn college credit while completing their high school requirements. To date, nearly 20,000 students from 220 school districts have taken up the challenge and are enrolled in courses in more than 70 colleges and universities. Dual enrollment is also helping at-risk students and out-of-school youth gain the skills and credentials they need to become successful and productive members of the work force.
- **Expanding Tutoring.**
While performance has improved substantially in the last three years, nearly half of all high school students in the state still cannot meet Pennsylvania's math standards, and 35 percent cannot meet reading standards. Job Ready Pennsylvania has made possible a major expansion in Educational Assistance Program tutoring, to \$66 million. This investment will increase the number of students who receive focused help to build their skills from 33,000 in 2003-04 to 70,000 in 2005-06.
- **Transforming Career & Technical Education.**
Yesterday's "vo-tech" is now called Career & Technical Education. These schools are responsible for training more than 96,000 secondary school students and for making sure that course credit is transferable and meets industry-approved standards. Over the next five years, tens of millions of dollars in public and private resources will be redirected to state-of-the-art equipment and curriculum. To date, 115 schools with more than 15,000 students are purchasing new equipment through Job Ready Pennsylvania.
- **Increasing Community College Funding and Stabilizing the Funding Environment.**
In 2005-06, Pennsylvania is investing \$22.8 million, or 10 percent, more in community colleges than in 2004-05, the largest funding increase in fifteen years. In addition to this record-breaking increase, the Governor's 2006-07 Budget proposes an additional \$11.9 million, or 5 percent, for community colleges. Job Ready Pennsylvania includes incentives to community colleges to develop and offer training in well-paying, high-demand occupations. The Commonwealth is also adopting performance measures to evaluate community college student success.

- **Partnering with Other Employers to Close Workforce Gaps.**

In today's economy, individual firms often cannot afford to pay for solutions to hiring and training bottlenecks on their own. Increasingly, firms in similar industries work together on regional workforce strategies by forming Industry Partnerships. Building on the success of earlier partnerships in manufacturing, a total of 45 partnerships involving 454 companies were created in 2005. Newly targeted industries include agriculture, construction, life sciences and business and financial services. Job Ready Pennsylvania also includes \$15 million in new funding for employer-driven training developed through Industry Partnerships. To date, nearly 1,000 Pennsylvania workers have received training through this initiative.

- **Helping Workers Train for Better Jobs.**

Job Ready Pennsylvania includes a new \$10 million Pennsylvania Higher Education Assistance Agency grant program for 10,000 independent adult students to help them obtain certificates in high-priority occupations, even if they are taking only one course at a time. Under the new WAGE program developed as part of Job Ready Pennsylvania, more than 2,800 adults students have already received grants to take courses at 186 institutions, leading to a certificate in a high-priority occupation.

- **Keystone Innovation Starter Kits.**

Starter Kits help Pennsylvania build on its advantage in higher education and life sciences by attracting top-tier researchers to the Commonwealth's leading colleges, universities and academic medical centers. Sixteen Starter Kit grants totaling \$3 million were awarded in 2005-06 to recruit world-class researchers in life sciences, advanced manufacturing and other cross-cutting, high-tech fields to Pennsylvania.

These innovations and enhancements, along with a lot of hard work from the Commonwealth's partners at the county and local levels, are preparing working Pennsylvanians for the challenges of tomorrow. This transformed labor force, combined with the jump-start in business investment provided by Governor Rendell's Economic Stimulus program, will sustain and accelerate the Commonwealth's continuing economic expansion.

Business Growth/Stimulus Update

When Governor Rendell took office, the Commonwealth's economy was lagging. In a remarkable turnaround, Pennsylvania advanced from a national ranking of 46th in 2003 to 15th in 2004 for short-term economic growth, according to the Washington, D.C.-based Corporation for Economic Development. This recovery reflects renewed confidence in the economy and the early results of the Governor's Economic Stimulus program, which will provide more than \$2.8 billion in loans, grants and guarantees for business expansion over four years. This program, created in partnership with the General Assembly, consists of a coordinated set of innovative and comprehensive initiatives that will leverage at least \$5 billion in private investment.

Since April 2004, seventeen programs have been launched as part of the Economic Stimulus program – an investment of more than \$1.2 billion in approximately 1,300 projects to help jump-start the economy. In September 2005, the Commonwealth Financing Authority approved the issuance of \$187.5 million in bonds, and three months later the General Assembly approved a \$500 million increase in the amount for redevelopment assistance capital projects that may be undertaken by the state.

Projects Funded through Commonwealth Bond Proceeds

- **Business in Our Sites - \$300 Million**

Business in Our Sites offers flexible loans and grants for local municipalities and their economic development partners to create business opportunities and growth through the acquisition and preparation of key sites for development. To date, 85 projects have been funded with grants and loans valued at \$210 million dollars.

- **Building PA - \$150 Million**

Building PA will support the development of real estate assets within the Commonwealth. Funds will be loaned to experienced private-sector real estate firms that will raise matching capital and invest in projects throughout the Commonwealth.

- **New Pennsylvania Venture Guarantee Program - \$250 Million**

This program will allow the Commonwealth to more actively partner with the investment community. The program provides guarantees to venture capital companies interested in investing in Pennsylvania businesses.
- **New Pennsylvania Venture Investment Program - \$60 Million**

This program provides capital to Pennsylvania-focused venture capital companies that agree to match those funds and make investments in Pennsylvania businesses. At least 50 percent of the money must be invested in under-served areas of Pennsylvania. In 2005, the Commonwealth Financing Authority approved \$29.5 million in equity investments from seven partners in the Venture Investment Fund for projects located throughout Pennsylvania.
- **First Industries Fund - \$150 Million**

First Industries provides grants and low-interest loans focusing on incentives and working capital needs of the agriculture and tourism sectors of Pennsylvania's economy. A total of \$23 million has been committed to date for 148 First Industries projects.
- **Second Stage Loan Program - \$50 Million**

The Second Stage Loan Program will provide guarantees for bank loans to second-stage manufacturers and technology companies for working capital and other financing needs. Targeted toward manufacturing, advanced technology and biotechnology, these funds will support growth in these sectors. The Commonwealth Financing Authority approved two investments under this program this fiscal year.
- **Tax Increment Financing (TIF) Guarantee Program - \$100 Million**

This program will allow communities to borrow funds for projects that will develop blighted areas and then repay those borrowed monies through the incremental tax revenues that will be generated as a result of the development. The first guarantee, valued at \$5 million, was put in place earlier in the current fiscal year.
- **Redevelopment Assistance - \$1.2 Billion**

The Redevelopment Assistance Program provides funding for substantial local capital projects. The funding cap for this program was increased by \$700 million in two steps as part of the Economic Stimulus program passed in April 2004. In December 2005, the General Assembly approved and the Governor signed a \$500 million increase in the available funding for redevelopment assistance capital projects that may be undertaken by the state.
- **Water and Waste Water Infrastructure Program - \$300 Million**

The Water and Waste Water Infrastructure Program (also known as PennWorks) provides funding for the construction, expansion or improvement of water and waste water infrastructure within the Commonwealth. The Commonwealth Financing Authority has approved \$53 million in investments in 30 different projects this year.

Projects Funded through Commonwealth Operating Budget

- **Core Industries - \$75 Million**

The Core Industries Program is building on the successful Machinery and Equipment Loan Fund program by adding an additional \$75 million in revolving loan funds and by increasing the maximum loan amount from \$500,000 to \$5 million. Three projects totaling \$5.45 million have been approved so far under the expanded program.
- **Infrastructure & Facilities Improvement Program - \$15 Million**

This program will provide financial assistance in the form of multi-year grants to issuing authorities to assist with the payment of debt service on certain local projects. The grants are based upon incremental state tax revenue that will result from the development of new infrastructure. The funds are targeted to manufacturing, hospital, large retail and convention center projects. The first five investments have been approved, with a combined value of \$3 million. This budget includes an increase of \$10 million in General Fund support for this successful program.
- **Main Street - \$7 Million**

The Main Street Program funds physical improvements to downtown structures and supports a local partner to make Pennsylvania's Main Streets more attractive business locations. A total of \$15.2

million has been invested in 162 Main Street projects through Economic Stimulus and other economic development funds.

- **Elm Street - \$7 Million**

The Elm Street Program encourages improvements to residential communities that are located near commercial corridors, building on Main Street investments. To date, 64 projects valued at \$11.8 million have been completed or are under way across the state through Economic Stimulus and other economic development funds.

- **Historic Preservation Grants - \$11.5 million**

Implementing legislation for this program is pending before the General Assembly. This vital new program will operate in conjunction with other Community Revitalization programs such as Main Street, Elm Street and PennDOT's Hometown Streets program, to help rebuild our older towns and preserve the history of many of our communities.

- **Keystone Innovation Zones (KIZ) - \$10 Million Grants, \$25 Million Tax Credits**

Keystone Innovation Zones are designated zones that may be established in communities that host institutions of higher education to foster innovation and create entrepreneurial opportunities. Grants totaling \$4.1 million have been awarded to date to 16 Keystone Innovation Zones with partnerships consisting of institutions of higher education, economic development providers, venture capital firms and financial companies. More than 30 institutions of higher education are participating.

- **Expanded Research and Development Tax Credit - \$40 Million**

A research and development tax credit is available for performing qualified research in Pennsylvania. Unused tax credits can be sold or traded to help raise capital. Last year, 11 trades were executed by companies.

- This budget includes an increase of \$10 million in tax credits, totaling \$40 million, to create additional opportunities for the advancement of research-focused companies.

- **Base Realignment and Closure - \$4.5 Million**

The Base Realignment and Closure funding supported the Commonwealth's efforts to attract and retain investments in military bases during the recent round of federal base closures. This budget proposes \$275,000 to maintain these efforts in case of future rounds of realignment and closure activity by the federal government. While total anticipated job losses from the last round of closures are reported to be 2,880 direct jobs and 1,978 indirect jobs, there are also successes to report:

- The Base Realignment and Closure Commission decided to retain the C-130 aircraft at the Pittsburgh International Airport Air Reserve Station and it recommended establishing an enclave and a Regional Joint Readiness Center at Pittsburgh.
- Governor Rendell successfully appealed the closure of the Pennsylvania Air National Guard Unit at Willow Grove, reversing the Department of Defense recommendation that the unit be deactivated. While the decision is still on appeal, the Base Realignment and Closure Commission recommended preserving the Air National Guard personnel at this facility.
- Letterkenny Army Depot in Franklin County will have a net gain of 166 positions because of closure and realigned duties of other bases.
- Tobyhanna Army Depot in Monroe County will have a net gain of 71 positions added from bases in California and Texas.

- **Section 108 Housing and Urban Development (HUD) Loan Pool - \$288 Million**

The Section 108 HUD Loan Pool enables small and mid-size communities participating in the Community Development Block Grant program to access loan funds for economic and community development and to obtain federally guaranteed loans to fund large economic development projects and undertake revitalization activities. In calendar year 2005, HUD approved an \$88 million consortium application for 31 Pennsylvania communities, many with multiple projects. The request for financing and financing terms for the first project to be initiated under this program is currently being negotiated with HUD. Other communities continue to inquire about participating in the program.

- **Homeownership Choice Program - \$25 Million**

The Homeownership Choice Program finances new, single-family home construction, the renovation of vacant or blighted homes and the development of commercial or residential mixed-use properties in urban neighborhoods and core communities throughout the Commonwealth. Funding

commitments in 2005 will produce 201 new homes and rehabilitate 38 others for sale to new homeowners, provide 19 apartments above six commercial storefronts in urban settings and leverage more than \$70 million in additional investments.

- **Housing & Redevelopment Assistance - \$30 Million**

This Housing & Redevelopment Assistance program provides the most flexible funding available to cities and smaller urban areas in order to revitalize downtowns, older industrial areas and commercial sites. This funding source also supports affordable housing. The Commonwealth has made a total of 243 investments valued at \$63.4 million in this program. This budget includes \$30 million for this critical program.

Economic Competitiveness

The Governor's Economic Stimulus program creates an exceptional foundation for continued economic growth. The 2006-07 budget builds on this foundation with innovative new programs that will enhance Pennsylvania's economic competitiveness at home and throughout the world.

Improving Pennsylvania's Business Tax Climate

Improving Pennsylvania's business tax climate remains an important priority, and there are reasons to be encouraged. Ernst & Young's report for the Council on State Taxation (2005), one of the most complete studies available on state and local business taxes, ranks Pennsylvania in the middle of the pack in terms of total business taxes as a percentage of gross state product. Pennsylvania ranks 26th out of 50 states and the District of Columbia in this category, the report states.

Pennsylvania is likely to move up in this ranking as it continues to phase out the Capital Stock and Franchise Tax. By reducing the rate from 6.99 to 5.99 mills, business taxes were lowered by \$145 million in tax year 2005 alone. This budget includes an acceleration of the phase-out of the Capital Stock and Franchise Tax by an additional tenth of one mill beyond the anticipated rate for tax year 2006. This accelerated reduction will lower the rate from 4.99 to 4.89 mills and result in \$204 million in additional savings for Pennsylvania businesses in fiscal year 2006. Pennsylvania has reduced collections from this tax by \$295 million since January 2003.

While the nominal rate of Pennsylvania's Corporate Net Income (CNI) Tax appears high at 9.99 percent, 73 percent of businesses subject to CNI have no tax liability. Pennsylvania S-corporations and pass-through entities pay state taxes at the Personal Income Tax Rate of 3.07 percent – the second lowest rate among states that levy such a tax. This low rate benefits companies organized as limited liability companies and sub-chapter S corporations, which are major job generators and can respond quickly to new economic opportunities.

The 2006-07 budget further enhances Pennsylvania's business tax competitiveness by increasing the annual cap on Net Operating Losses from \$2 million to \$3 million effective January 1, 2007.

The Jonas Salk Legacy Fund: Accelerating Medical Research in Pennsylvania

Health care and higher education are two of the strongest components of Pennsylvania's economy. These two sectors account for more than one out of every three of Pennsylvania's service-sector jobs. Together they comprise more than 9 percent of Pennsylvania's gross state product, as compared with the national rate of less than 7 percent.

The Brookings Institution concluded in its 2003 "Back to Prosperity" report that health care and higher education "give the state traction in two critical growth industries." The Commonwealth will leverage these existing strengths in "eds and meds" with a major new investment in the life sciences by creating the Jonas Salk Legacy Fund to accelerate the pace of medical research in Pennsylvania.

The life sciences are a cornerstone of Pennsylvania's economy, with nearly 84,000 employees working in more than 2,000 establishments across the Commonwealth. Although Pennsylvania was ranked fourth nationally in National Institutes of Health funding in 2003, the state cannot afford to be complacent about its position. A majority of states are targeting the life sciences for development, and a number of states, including California and New Jersey, are making significant investments to develop and grow the life sciences industry.

The 2006-07 budget provides accelerated funding up to \$500 million over the next two years to invest in Pennsylvania's life sciences future. This half-billion-dollar investment will be fully funded by leveraging a

* Update after original publication.

portion of Pennsylvania's Tobacco Settlement Fund revenues. This approach allows the Commonwealth to dramatically accelerate the pace of new investment without adversely affecting the Commonwealth's General Fund.

The Jonas Salk Legacy Fund will be created to oversee this \$500 million investment in research and commercialization activities. Two major types of investments will be eligible for support:

- **Keystone Innovation Starter Kits** will provide grants to recruit research faculty to Pennsylvania colleges and universities. These Starter Kits are modest but flexible grants that create an incentive for world-class researchers to relocate to the Commonwealth's leading colleges, universities and academic medical centers by providing them with the necessary instrumentation and facilities to further grow the life sciences industry in Pennsylvania.
- **Bricks & Mortar Grant Financing** for bioscience facilities including laboratories, incubators and research parks. Universities, academic research institutions, hospitals, for-profit developers, municipalities and other economic-development entities are eligible for Bricks & Mortar financing.

The Jonas Salk Legacy Fund will accelerate investments in research facilities and Starter Kits will lead to the projected employment of 12,000 people. In addition, the Jonas Salk Legacy Fund initiative directly supports the kind of medical innovations and breakthroughs that can save lives.

World Trade PA Initiative

For much of the 20th century, Pennsylvania companies could be confident that if they could compete successfully in this country, their futures would be bright. In today's increasingly competitive international economy, however, Pennsylvania firms vie for market share with firms from around the globe, not just from elsewhere in the United States.

The Commonwealth is already a significant player at the international level. If Pennsylvania were a country, its economy would be the seventeenth largest in the world, ahead of Saudi Arabia, Sweden and Switzerland. Last year Pennsylvania's gross output was larger than the economies of South Africa, New Zealand, Malaysia and Ecuador combined. Pennsylvania exported more than \$18 billion worth of goods, primarily manufactured goods, and billions more in services.

Even though Pennsylvania's economy is relatively large, however, too many of our businesses are not actively seeking to expand their markets globally. The Commonwealth needs to do more to help Pennsylvania companies understand, enter and thrive in the global market. This is especially important for small and mid-size firms that lack the capacity to enter foreign markets on their own.

World Trade PA will provide \$15 million in additional support to advance the administration's job-creation and economic growth strategies through increased global engagement. World Trade PA has three major strategies: increase Pennsylvania's share of trade in foreign markets, attract new foreign direct investment to secure jobs and capital, and leverage global networks from Pennsylvania's colleges and universities.

- **Increase Pennsylvania's Share of Trade in Foreign Markets.**
Pennsylvania exported \$18.5 billion in goods in 2004, up 17.3 percent from just two years earlier. In 2001, export-supported jobs accounted for an estimated 5.3 percent of Pennsylvania's total private-sector employment, or about one of every nineteen jobs. The relative importance of exports to the overall health of Pennsylvania's economy will continue to grow, especially as large and competitive markets such as China and India continue to open and expand. Exports of services such as legal services, consulting and education are also growing.

The greatest potential for business growth for many Pennsylvania firms clearly rests with aggressively pursuing opportunities in rapidly expanding global markets. World Trade PA will make a series of strategic investments to help Pennsylvania companies successfully enter new markets. Key components include:

- Create a virtual **World Trade PA Operations Center** to double the number of companies using export-assistance services by 2007-08. This Web-based business-assistance center will help businesses assess their capacity to develop successful business plans and tap into an extensive resource-referral network.

- **Expand Pennsylvania’s network of overseas trade representatives** and increase operations in China, India and selected other emerging markets. These international trade professionals have the contacts and business expertise to help Pennsylvania companies abroad.
- **Launch an outreach and education campaign aimed at small and medium-sized businesses** to increase awareness of Pennsylvania’s innovative trade promotion, assistance and finance programs, including an expansion of the Commonwealth’s Market Access Grant program.
- **Partner with Pennsylvania business services organizations, including regional Chambers of Commerce.** World Trade PA will offer grants to create International Trade Desks so this vast local network of business experts can raise awareness and offer technical assistance to its constituents.

▪ **Attract New Foreign Direct Investment to Secure Jobs and Capital.**

In 2002, the combined value of Pennsylvania property, plants and equipment owned by foreign investors exceeded \$35 billion. These investments bring new jobs. Nearly 240,000 workers in Pennsylvania are employed by companies with majority foreign ownership, according to Dun & Bradstreet. International companies looking to expand their operations, build new facilities and create new jobs can choose from an increasingly long list of potential locations in various countries and states. Pennsylvania has to position itself strongly as one of the best possible locations for out-of-state companies trying to decide where to make their capital investment and create new jobs.

In order to consider Pennsylvania a location for their investment projects, international companies first need to know what the Commonwealth has to offer. World Trade PA will invest significant new resources in international marketing and business attraction activities. Key elements of the World Trade PA initiative include:

- **Intensifying activity in promising areas such as Japan, India, the Republic of Korea and China,** in addition to maintaining a primary focus on Europe and Canada.
- **Attracting foreign direct investment by targeting sectors where Pennsylvania has a competitive advantage,** including food processing, biotech, pharmaceuticals, energy development, next-generation electronics and financial services as recommended by the recently published IBM Global Competitiveness Report.

▪ **Leverage Global Networks from Pennsylvania’s Colleges and Universities.**

Pennsylvania ranks seventh out of the fifty states in the number of foreign students attending local colleges and universities, with a total of 22,773 foreign students in 2004-05. India, China and the Republic of Korea have the three largest student contingents in the Commonwealth, and the most popular fields of study for foreign doctoral students are computer science, engineering and math.

The foreign-born students, parents, faculty and alumni connected with Pennsylvania’s higher education institutions represent a tremendous economic development resource and an untapped global network. There is no easy way now for companies to use this network to create new overseas business relationships. World Trade PA will develop this global network in two ways:

- **Create the Pennsylvania Global Business Alumni Program.** World Trade PA will fund universities or Keystone Innovation Zones to hire coordinators who will be charged with leveraging the international relationships of the institutions and connecting potential business leads with Pennsylvania firms.
- **Create a Higher Education Outreach Program** to increase the number of foreign students attending Pennsylvania colleges and universities. As part of this effort, World Trade PA will establish a formal cooperative relationship with 10 to 15 major academic institutions interested in enhancing their overseas marketing and recruitment programs.

Business Tax Reform Commission Recommendations

In 2004, Governor Rendell created a Business Tax Reform Commission to evaluate the Commonwealth's business tax structure and recommend changes that will make business taxes fairer, simpler and even more competitive with other states. The Commission took up the Governor's charge and delivered a set of balanced recommendations that became the basis for the Governor's business tax reform package. The 12-member, Bipartisan Commission unanimously recommended a business tax reform package that includes these components:

- **Reduce the CNI Tax rate to 7.9 percent**
This historic reduction will lower the CNI Tax rate more than two full percentage points from its current rate of 9.99 percent. The new rate will be lower than the rates of neighboring New Jersey, West Virginia and Delaware.
- **Eliminate the \$2 million annual cap on Net Operating Losses**
Eliminating the cap for losses created under the new reporting system will create new incentives for economic development, especially for technology-based and biotech companies.
- **Continue the phase-out of the Capital Stock and Franchise Tax on its current schedule**
- **Change the weighting of the sales factor of the CNI Tax apportionment formula from the present 60 percent to 100 percent**
Giving a greater weight to the sales factor will encourage employers to locate or expand production in Pennsylvania.
- **Shift to market-based sourcing in the CNI Tax apportionment formula for the sale of services**
This will encourage growth in service-related industries.
- **Reform Pennsylvania's tax appeals process and expand the business tax clearance process**
Current tax appeals procedures are too inefficient and confusing to businesses and are detrimental to the business climate. In addition, the expansion of the business tax clearance process will require that the appropriate tax returns be filed with the departments of Revenue and Labor and Industry before business licenses can be granted or renewed by any of these state agencies.
- **Implement a mandatory unitary combined reporting system**
This proposal would require members of a unitary group of businesses to combine their income and expenses for tax purposes, creating a tax base that is less susceptible to avoidance. Currently, only 27 percent of Pennsylvania corporations pay any CNI tax. Combined reporting would broaden the tax base by eliminating the use of passive investment companies, such as Delaware holding companies, to shift income outside of the Commonwealth.

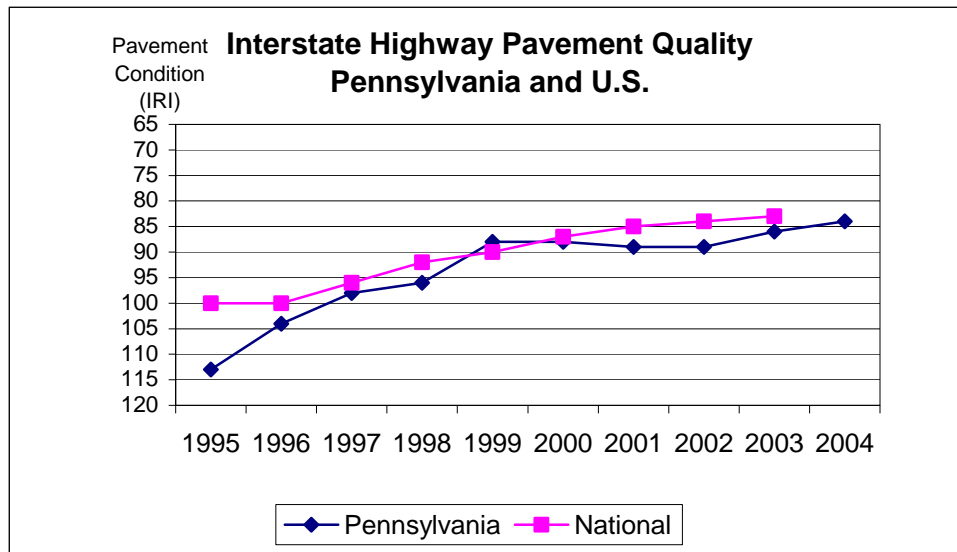
The Business Tax Reform Commission was chaired by the Secretary of Revenue and consisted entirely of private-sector business tax experts appointed on a bipartisan basis by the Governor, the leaders of the General Assembly and several of Pennsylvania's leading statewide business advocacy organizations. The Rendell administration continues to urge the General Assembly to act on the commission's recommendations, lower the rate of the Pennsylvania Corporate Net Income Tax, and reform the tax to make it fairer and more competitive.

Pennsylvania's Transportation System – A Key To Growth and Opportunity

Pennsylvania's heavily used transportation system is a complex network of interstate highways, state and local roads, bridges, railroads, air carriers and public transit agencies. Because of Pennsylvania's strategic mid-Atlantic location, the transportation industry is an especially important segment of the Commonwealth's economy. Governor Rendell is committed to increasing the quality and safety of each part of that network and investing resources wisely across the network. By developing creative solutions, Governor Rendell has saved Pennsylvania's public transit systems from a financial crisis while at the same time increasing the amount of funding available for the Commonwealth's roads and bridges.

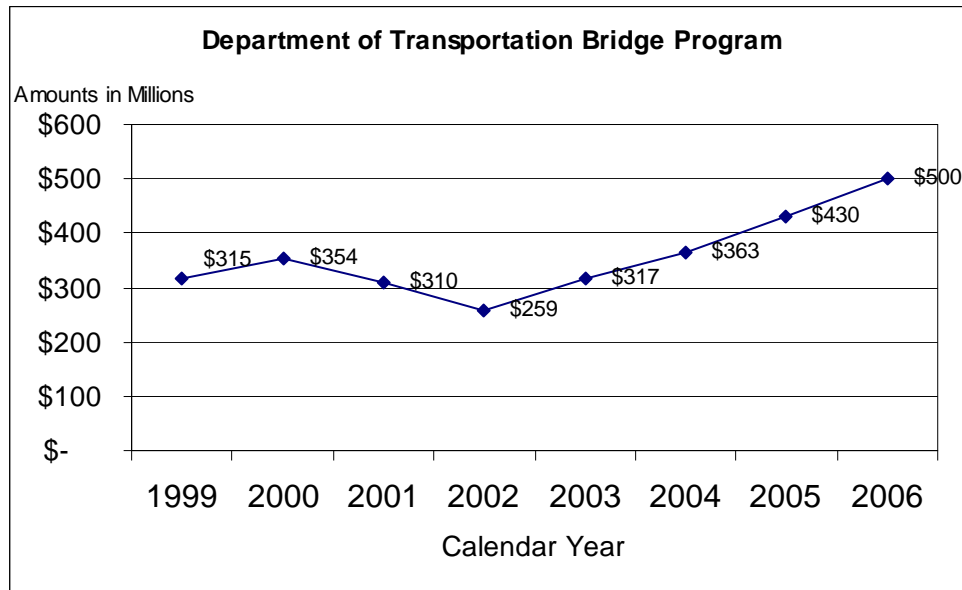
Highways

The condition of Pennsylvania's interstate highways improved steadily during the late 1980s and early 1990s to the point where the average rating went from "poor" to "good" in 1997, according to the widely used International Roughness Index (IRI). This trend of improvement slowed from 1999 to 2002, with no improvement seen in these years. In 2003, after Governor Rendell took office, interstate highway pavement quality began to improve again. The chart below shows the condition of Pennsylvania's interstate highways during these years. (On the IRI, a lower number indicates a smoother road, and any score below 100 indicates a "good" pavement condition.)



Under Governor Rendell's leadership, the quality of Pennsylvania's roads and bridges has been improving, and funding for their maintenance and repair has increased significantly. This budget provides a \$100 million, or 200 percent, increase for PennDOT's Smoother Roads and Priority Bridges program. Because accessibility, structural integrity and safety are Commonwealth priorities for our roads, PennDOT will expand the pavement restoration program to accomplish these preventive goals. This will allow highway maintenance resurfacing repairs to increase by 550 miles in the first year of the program and 530 miles in the second year.

Included in the total bridge funding for the department is a recommendation to increase bridge preservation activities. Pennsylvania has more than 26,000 bridges longer than eight feet. As a part of Transportation's comprehensive asset-management strategy, an additional \$20 million of Motor License Fund resources will be used in 2006-07 to further expand the bridge restoration program. This funding will allow PennDOT to repair approximately 200 to 250 additional bridges throughout the Commonwealth. The following chart shows annual spending on PennDOT's bridge program from 1999 to 2006.



In the 2006-07 budget, funding for emergency highway and bridge repairs will increase by \$10 million, a 54 percent increase from 2005-06. The additional dollars will provide funding for emergency situations such as storm repair, slide conditions and sink holes created by unusual weather or other extraordinary events. With the additional funding, PennDOT will be prepared to handle 15 to 20 more emergency situations than it could last year.

This budget also recommends increasing the Highway Maintenance Safety Projects appropriation by \$5 million as a state match for a projected \$34 million federal grant from the federal SAFETEA-LU program. SAFETEA-LU – the Safe, Accountable, Flexible, Efficient Transportation Equity Act, A Legacy for Users – is a federal law that created a dedicated funding source for states’ highway safety improvement programs.

Public Transit Funding and the Need for an Integrated Transportation Funding Strategy

Assuring viable transportation options for all Pennsylvanians means the Commonwealth must provide continuing adequate support for its transit agencies. Achieving this has been difficult in the past. Public transit does not have the same predictable, growing funding source that the Commonwealth’s highway and bridge programs have in the Motor License Fund. The comprehensive transit-funding package enacted in 1991 was intended to solve this problem. However, the revenue sources dedicated to transit did not meet the high revenue projections used when the bill was crafted, causing a deficit for the Commonwealth’s public transportation spending authority.

In February 2005, Governor Rendell announced an interim solution that will provide more than \$400 million in non-recurring funding for Pennsylvania’s transit agencies over the next two years. This money will come from federal transportation funds provided to Pennsylvania, a major portion of which can be used for either roads or public transit. Without the use of this federal “flex” funding, 13 transit agencies in 24 counties would have faced a total funding gap of \$343 million that would have shut down their major transit operations and affected more than 2 million disabled and elderly riders as well as 8 million other Pennsylvania transit passengers.

Using these federal funds for public transit will not reduce spending on Pennsylvania’s highway system. As illustrated in the chart below, even after “flexing” some additional federal transportation funds to keep 13 of the state’s transit agencies operating, Pennsylvania highway spending is still growing substantially, with an anticipated \$252 million increase in total funds in 2006-07. Pennsylvania highway spending this year is 23 percent, or \$980 million, higher than when Governor Rendell took office.

Total Pennsylvania Highway Funding

| | (Amount in Millions) | | | | (Amount in Millions) | | |
|---------|----------------------|-----------------|---------------|----------------------------------|-----------------------------------|---|---|
| | State Funding | Federal Funding | Total Funding | Dollar Change from Previous Year | Percent Change from Previous Year | Standard Federal Funds Flexed for Transit | “Crisis” Federal Funds Flexed for Transit |
| 2000-01 | \$2,943 | \$1,112 | \$4,055 | - | - | \$46 | - |
| 2001-02 | \$2,940 | \$1,272 | \$4,212 | \$157 | 3.9% | \$36 | - |
| 2002-03 | \$2,949 | \$1,265 | \$4,214 | \$2 | 0.0% | \$31 | - |
| 2003-04 | \$2,966 | \$1,205 | \$4,171 | (\$43) | -1.0% | \$59 | - |
| 2004-05 | \$3,124 | \$1,081 | \$4,205 | \$34 | 0.8% | \$48 | \$74 |
| 2005-06 | \$3,518 | \$1,424 | \$4,942 | \$737 | 17.5% | \$25 | \$202 |
| 2006-07 | \$3,758 | \$1,436 | \$5,194 | \$252 | 5.1% | \$25 | \$138 |

Having achieved a temporary resolution of the transit-funding crisis, Governor Rendell has formed a high-level commission to recommend a strategy to provide adequate, appropriate, sustainable funding for Pennsylvania’s transit systems, roads and bridges. The nine-member Transportation Funding and Reform Commission includes four legislative appointees and represents a cooperative effort to identify a permanent solution for public transit and highway funding.

Increasing Transportation’s Role in Economic Development

Even as it makes investments to improve Pennsylvania’s highway and bridge infrastructure, Governor Rendell’s administration also recognizes the critical role that transportation plays in economic development projects. For that reason, the 2006-07 budget enables PennDOT to support 20 additional transportation projects linked to economic development through an \$8 million, or 40 percent, increase to the Pennsylvania Infrastructure Bank. This low-interest loan program offers municipal governments flexible financing opportunities for transportation projects tied to economic development throughout the Commonwealth.

The Commonwealth’s railway network provides a competitive advantage for businesses that depend upon cost-effective transportation of commodities. The Rail Freight Assistance program supports the rehabilitation of rail freight lines owned by private and public utilities. This budget recommends a \$2 million increase to expand this program to preserve essential rail freight service and to stimulate economic development through the generation of new or expanded rail freight service.

Governor Rendell and the Department of Transportation have shown their strong commitment to Pennsylvania’s drivers and passengers by establishing better roads, safer highways, more secure bridges and viable public transportation throughout the Commonwealth. The increased funding for transportation provided in the 2006-07 budget will also aid local municipalities in improving their transportation programs and projects. With continued focus on every mode of transportation, Pennsylvania will continue to improve this vital network essential to the economic development of the Commonwealth and the quality of life of Pennsylvania’s residents.

Investing in our Children, Investing in our Future

In today's global economy, Pennsylvania is no longer just competing against other states like Ohio, Michigan and North Carolina. Instead, our graduates are now expected to go head-to-head with the very best students in China, Singapore, India and Europe. To ensure economic success for our future work force and for our state, the Commonwealth must provide all of its students with solid critical thinking skills and strong backgrounds in reading, math and science.

Pennsylvania is making progress. Under Governor Rendell's leadership, student achievement is on the rise. The number of fifth-graders meeting the state standards in math has increased from 53 percent of our students in 2002 to 69 percent last year and from 57 percent to 64 percent in reading during the same period. African-American, Hispanic, Asian, white, limited-English-proficiency, special education and low-income students – all are making gains in reading and math at every grade level.

To make student success possible, the Commonwealth has initiated targeted investments in its pre-kindergarten through grade 12 and higher education systems. Funding for early childhood, elementary and secondary education is up by nearly \$1.2 billion compared to just three years ago. Pennsylvania is no longer one of the nine states in the nation failing to fund pre-kindergarten, and as a result, we have enrolled a total of nearly 12,500 more children in quality pre-kindergarten programs. For the first time ever, more than half of our students are in full-day kindergarten. We are transforming our high schools and giving high school students the opportunity to earn college credit – before they even graduate. Pennsylvania's higher education grant program is helping more families send their children to our world-class colleges and universities. And to better serve our residents and businesses, the Commonwealth has increased resources for community colleges while providing financial incentives for those colleges to focus on the well-paying, high-priority occupations of tomorrow.

But more must be done. The scientists, inventors and great thinkers of this new century will not simply appear. They must be nurtured every day in our public school classrooms, local libraries and higher education institutions.

Get Ready, Get Set, Go Global

From the first day of pre-kindergarten to the moment 17 years later when our students step across the stage and receive their college diplomas, it is up to the Commonwealth's education system to prepare every student for the high-skill jobs of the global economy. The 2006-07 budget builds on Pennsylvania's accomplishments over the last three years by recommending three new initiatives that will make Pennsylvania a leader in readying our students for the jobs of the future, while giving our high-tech businesses the employee pool they need to survive and thrive.

- **Science: It's Elementary**

In 2000, the United States received bad news – again: Despite years of trying, American students still were not globally competitive in science and math. Students from South Korea, Japan and England were out-performing U.S. students in eighth-grade science. But there were a few notable exceptions. Right here in Pennsylvania, students from a group of school districts in the Southwest and their university partners not only out-scored the rest of the U.S., but they did as well as or better than students from every other nation in the world. This budget brings strategies that worked so well in those school districts to the rest of the Commonwealth.

The \$10 million *Science: It's Elementary* initiative will provide hands-on learning equipment and intensive teacher training to elementary schools that commit to upgrading their science curriculum. This program makes every Pennsylvania student a scientist in the classroom and gives school districts access to a strategy that has been proven to lead not just the nation but also the world.

- **Classrooms for the Future**

The high school classrooms of the future are not bound by four walls and a ceiling; they reach across the globe and deep into the past by using technology to link students to the educational power of the Internet. It is not enough for computers to sit idly at the side of the room or in computer labs down the hall. In English, math, science and history, it is time to make technology as much a part of everyday learning as the textbook. In 2005-06, the Commonwealth provided \$10 million in matching funds to begin to ensure that every school district will have access to broadband Internet service.

Embracing technology in our high schools, however, is not as simple as plugging in a computer. We must also help our educators harness the great power of technology in their lessons and daily

activities. To achieve this goal, this budget includes \$4 million to provide professional development for Pennsylvania teachers and school leaders.

The *Classrooms for the Future* technology initiative makes every high school classroom in the Commonwealth a high-tech center of learning. Over the next five years, every high school classroom in the four core subjects will have an Internet-equipped laptop computer on each student desk and multi-media technology at the teacher's fingertips. By investing over the short term, starting with \$20 million in 2006-07, Pennsylvania can ensure that its future leaders have the world at the touch of a button.

- **From the Classroom to the Board Room**

Preparing Pennsylvania students for emerging careers in math and science continues well beyond high school graduation. If the first step is to spark students' interest and give them the skills they need in our elementary and high schools, then the second step is to support them as they seek a college degree and a high-tech Pennsylvania job.

The *New Economy Technology Scholarship Program* helps achieve that goal. The program, which is administered by the Pennsylvania Higher Education Assistance Agency, provides grants of up to \$3,000 a year for three years to students who are pursuing college degrees in computers, math and science and who commit to work in Pennsylvania after graduation. This budget allocates an additional \$3.7 million to expand this successful program to an additional 500 college students and future employees and to raise the maximum annual grant to \$4,000.

Early Childhood Education: The Foundation for Student Success

Study after study proves what tens of thousands of Pennsylvania parents already know to be true: Quality pre-kindergarten gives children the early skills they need to be successful in school and throughout their lives. Providing Commonwealth resources for early childhood education is a sound financial investment, with every \$1 in pre-school funding leading to \$7 in benefits from reduced public spending on students that are held back, special education, teen pregnancy and criminal justice, as well as increased revenue from better-paying jobs later in life.

In 2004-05, Pennsylvania made its first investment in pre-kindergarten by providing funding for Head Start and launching the \$200 million Accountability Block Grant, which school districts could use for pre-kindergarten and other proven academic programs. Governor Rendell's 2005-06 budget doubled Head Start funding to \$30 million, allowing 4,710 children to benefit. Now, the 2006-07 Budget adds another \$15 million for the Head Start Supplemental Assistance Program, making this high-quality program available to 6,250 at-risk children.

In addition, this budget enhances other key early childhood care and education initiatives:

- **Keystone STARS**

Keystone STARS is the largest, most comprehensive voluntary quality child-care rating program in the nation. The program offers research-based performance standards, professional development and on-site technical assistance for child care providers, financial incentives and additional compensation for certified staff. This budget increases Keystone STARS funding by \$5.8 million to reach another 12,000 children, bringing the total number of children served by the program to nearly 160,000 in 2006-07.

- **Serving More Children in Child Care**

Every month, low-income working families find themselves on the waiting list for subsidized child care – child care that they need in order to get and keep their jobs and to assure their children's readiness for school. This budget provides an additional \$5.5 million to help 1,861 more children and their families access quality child care and \$28.3 million to provide child care services to 15,000 additional children in Temporary Assistance to Needy Families (TANF) families receiving public assistance and former TANF families working to gain economic independence. In addition, the budget includes the resources to fully unify the subsidized child care program so that families have "one door" for all subsidized child care in their local communities.

- **Helping New Mothers and Their Children**

The Nurse Family Partnership serves first-time, at-risk mothers and their babies, with benefits for both generations. These benefits include continued education for the mothers, improved child development for the children, improved parenting and reduced incidence of child abuse. This budget increases the Nurse Family Partnership program to serve 4,085 families, up from 3,574, and to provide services in 37 counties, up from 33.

- **Early Intervention**

The Early Intervention program serves children from birth through age five who have a disability or developmental delay. Program services are intended to minimize developmental delays, reduce the need for special education and related services and assist families in meeting the special needs of their children. This budget includes \$16 million to provide early intervention services to 5,174 additional children.

This budget also continues the public-private Partnership for Quality Pre-kindergarten, through which public and private funders support dozens of school districts and their community-based early childhood partners to offer high-quality, pre-kindergarten services in local communities.

Expanding the Education Accountability Block Grant

Every day in every Pennsylvania school district, the Education Accountability Block Grant is helping educators boost achievement for the Commonwealth's students. Now in its second year, the Accountability Block Grant provides \$200 million for school districts to invest in academic programs that are proven to help students learn. As a result of this year's Accountability Block Grant:

- More than 3,000 children are enrolled in pre-kindergarten;
- More than 53,000 children are enrolled in full-day kindergarten;
- Nearly 21,000 students in kindergarten through third grade are in smaller classes;
- More than 46,000 struggling students are receiving tutoring; and
- Hundreds of thousands of students are benefiting from the additional training their teachers are receiving.

Thanks to these resources, 95 percent of last year's pre-kindergarten students in the Midland Borough School District are now at or above grade level in kindergarten. In the Bedford Area School District, students who participated in full-day kindergarten are 25 percent less likely to be referred for special education. And in the Southmoreland School District, 63 percent of struggling middle-school students scored on grade level in reading after receiving tutoring.

Having demonstrated success from Abington Heights to Yough and everywhere in between, it is time to expand the Accountability Block Grant to help school districts continue improving student achievement. The 2006-07 budget provides an additional \$50 million in Accountability Block Grant resources to help school districts to invest in student success.

Transforming Pennsylvania's High Schools

In 2005-06, Pennsylvania took the first steps towards transforming its high schools to ensure that all students graduate with the skills they need for college and high-skill careers. Seventy-five high schools were selected to participate in Project 720, the Commonwealth's pioneering high school reform initiative, and 220 school districts applied for Dual Enrollment grants so their students could earn college credit before graduation.

As a result of state and school district efforts, Pennsylvania is becoming a national leader in high school reform. The Commonwealth is a charter member of the American Diploma Project, sponsored by the business and governor-led Achieve, Inc., and received a grant from the National Governors Association to further Pennsylvania's work in making the high school curriculum more rigorous. A blue-ribbon Governor's Commission on College and Career Success will add to these efforts when it makes its report later this year.

In addition to launching the *Classrooms for the Future* technology initiative, this budget significantly expands the scope of high school reform in Pennsylvania in additional ways, further demonstrating our commitment to making every day of every student's 720 days of high school count on behalf of the Commonwealth's young adults:

- **Reinvigorating College and Career Counseling**

Students make hundreds of decisions over the course of their school years that dramatically affect their future options, often without even knowing it. In high schools and middle schools, guidance counselors have a new and crucial role to play in helping students explore their career interests and navigate the vital academic choices that will enable them to achieve their goals. This budget includes \$3 million in grants for school districts to upgrade their career counseling programs.

- **Expanding Project 720**
Project 720 high schools are leading the way in transforming their academic programs to ensure that all students take a rigorous high school curriculum. Last year, more than 160 schools applied to participate in Project 720, but limited funding meant that only 75 could be approved. This budget nearly doubles Project 720 resources from \$4.7 million to \$9 million, allowing up to 30 more schools to participate.
- **Helping More High School Students Earn College Credit**
With \$5 million in first-ever Dual Enrollment funding in 2005-06, an estimated 20,000 Pennsylvania students in 220 school districts are earning college credit even as they complete their high school graduation requirements. This budget increases Dual Enrollment funding by \$2 million so that an additional 3,000 students can get a head start on post-secondary success.

Accountability for Results

Pennsylvania's schools and school districts have received a historic increase in resources over the last three years, and with these needed funds must come real accountability. Since taking office, Governor Rendell has repeatedly called on the General Assembly to enact performance contracts for principals and superintendents. These contracts would hold our educational leaders accountable for annual gains in student achievement.

This budget includes \$2 million to make school-leader accountability a reality. Principals and superintendents would be eligible for annual incentive bonuses by meeting set targets for increasing student learning in reading and math. Success would be measured on *progress* – so that all schools are on a level playing field, with the greatest rewards going to successful principals and superintendents who serve in communities with the greatest need. In addition to the administrator's own incentive pay, the successful school or school district would receive an equal amount of funding to invest in academic programs.

Improving Teacher Quality

The single most important ingredient for increasing student achievement is an effective teacher in every classroom. Over the last decade, certification by the National Board for Professional Teaching Standards has become the gold standard for teacher excellence. And research shows that Board-certified teachers are able to achieve greater student learning gains than their non-Board-certified peers.

In response, several states have led the way in encouraging their best educators to pursue National Board certification. North Carolina leads the nation with 9,815 Board-certified teachers; Florida has 7,735; Maryland has 664 and Delaware has 297. With 245 Board-certified teachers, Pennsylvania ranks 45th in the nation in the number of Board-certified teachers.

This budget will help 500 Pennsylvania teachers earn National Board certification. The Commonwealth will pay their entire registration fee and provide paid leave and technical assistance as they go through the rigorous certification process. In return, recipients will be required to teach in Pennsylvania public schools for at least two years after receiving their National Board certification. Priority will go to teachers in low-achieving school districts, high school math and science teachers and early childhood teachers.

This \$1.2 million investment will bring Pennsylvania from 45th to 31st place among the states in this certification, and – most important – ensure that our students have the excellent teachers they need.

A Historic Investment in Libraries

Building a knowledge society demands a strong investment in our public libraries. This budget increases library funding by \$14.1 million, bringing the state subsidy for local libraries to \$75.5 million – an all-time high.

This increase reaffirms Pennsylvania's current standing as a national leader in state funding for libraries. Public libraries play an important role in communities, in early childhood programs and in after-school services. They are a core component of the Commonwealth's education system, and, under Governor Rendell's leadership, Pennsylvania's libraries will continue to thrive in serving the state's residents.

Investing in Our Children, Investing in Our Future

From libraries to early childhood learning to high school technology to the college math major deciding on a career, the 2006-07 budget continues to advance Pennsylvania's commitment to its students and to the state's economic well-being. These additional investments will move the Commonwealth even closer to achieving educational success – and opening the doors of opportunity – for every Pennsylvanian.

Caring for All Pennsylvanians

Protecting Pennsylvania's Most Vulnerable Citizens

The Commonwealth faces many challenges in the coming year. The federal government continues to reduce its support for programs for the most needy among us, the cost of health care services continues to increase and the number of people seeking help from public-assistance programs continues to rise. In spite of these challenges, this budget adheres to the same principles concerning its public assistance programs that Governor Rendell set forth last year at this time:

- No one currently receiving services in Pennsylvania will lose eligibility;
- Children will not experience any reduction in services; and
- Pennsylvania will provide coverage for the growing number of vulnerable individuals and families who require our assistance.

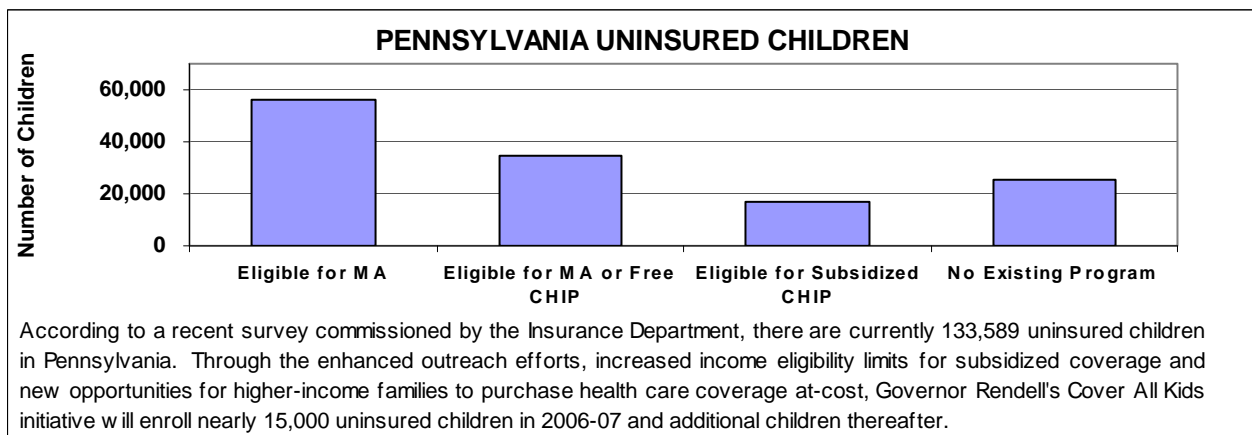
To meet these continued commitments, this budget provides an extraordinary increase of \$739 million to expand care for Pennsylvanians in need in 2006-07, representing a 9 percent increase from the 2005-06 appropriated level of state funds. This additional funding will provide a broad array of health and human services to more than 2 million of Pennsylvania's residents in 2006-07.

In 2006-07, however, the Commonwealth will not just be spending more for health and human service programs. The Commonwealth will also be making these needed investments in a more efficient manner. The safety net reform measures instituted as part of the 2005-06 budget have achieved systemic and fundamental improvements in Pennsylvania's Medical Assistance program. This budget builds upon those successes, proposing several new initiatives that not only will improve the quality, efficiency and integrity of the Medical Assistance program but also will save \$126 million in 2006-07. These efficiency and integrity improvements will enable additional investments to be made in programs that support Pennsylvania's children, adults and families in need.

Cover All Kids

The 2006-07 budget builds upon Governor Rendell's commitment to reduce the number of Pennsylvanians without health care coverage. The 2005-06 budget provided funding to significantly increase the number of children and adults receiving free and subsidized health insurance. This budget takes those efforts to the next level by serving more individuals who meet current eligibility requirements and by expanding eligibility for children and providing additional selected services for women.

Pennsylvania's children deserve the opportunity to have affordable health care coverage that provides adequate, comprehensive services. Although Pennsylvania has one of the highest rates of health care coverage for children in the country, a recent survey commissioned by the Insurance Department determined that 133,589 children in Pennsylvania remain uninsured. Some of these children already qualify for publicly funded health care coverage. Others are children of working parents who are caught between public programs they are not eligible for because of income limits and private health insurance their parents cannot afford. This budget recommends \$4.4 million in state funds and \$10.2 million in federal funds for the initial start-up year of a new state program, Cover All Kids. After federal approval is obtained, this program will begin by serving nearly 15,000 additional uninsured children in 2006-07, with more children added in future years.



Cover All Kids will guarantee access to affordable, comprehensive health care coverage for all uninsured children in Pennsylvania. Cover All Kids will offer comprehensive health insurance that provides coverage for visits to doctors, hospitalization, prescription drugs, mental health and substance abuse services and vision, dental and home health care. Parents whose income levels would otherwise preclude them from participating in the state's Children's Health Insurance Program (CHIP) may purchase CHIP coverage for their children through the Cover All Kids program at very affordable premiums, based on their income and family size. Parents with higher incomes may purchase CHIP coverage for the same amount it costs the Commonwealth. The Commonwealth will also request federal approval to use federal funds for families with incomes of up to 350 percent of the federal poverty level and to implement a sliding fee schedule for families with incomes of between 200 percent and 350 percent of the federal poverty level. Providing children with access to comprehensive, affordable health care coverage will give every child in Pennsylvania the opportunity to grow up healthy and will promote better attendance and performance in school.

PACE Plus Medicare

The demand for state-sponsored drug coverage will take a dramatic turn in 2006 with the implementation of the federal Medicare Part D prescription drug plan. Pennsylvania will again make history with respect to providing for seniors who live on limited incomes by shifting its PACE/PACENET resources to PACE Plus Medicare. Through the PACE Plus Medicare program, Pennsylvania will guarantee that eligible seniors will not incur more costs than they otherwise would have paid when their prescriptions were covered by PACE/PACENET. Over the next 18 months, the 2006-07 budget provides for an increase in enrollment in the PACE Plus Medicare program by as much as 120,000 people – an increase of 39 percent over current levels.

Increasing the Number of Insured Pennsylvanians

With the 2006-07 budget, Governor Rendell is also expanding health care coverage and services for thousands of low-income, working adults. This budget recommends an increase of \$8 million in Tobacco Settlement Funds and \$8.7 million in Community Health Reinvestment Funds to provide health care coverage in 2006-07 for 8,575 additional adults in the Adult Basic Program, which provides subsidized health care coverage for low-income working adults. That represents an increase of 21 percent from the number of adults covered in this program in 2005-06.

This budget also recommends \$1.7 million for a new breast cancer and cervical cancer screening program for high-risk women ages 40 to 49 whose family income does not exceed 250 percent of the federal poverty level and who do not have other health insurance coverage for these services. It is estimated that 4,208 additional women will receive screenings in 2006-07 under this program.

Expanding the Availability of Quality Early Childhood Services

Pennsylvania's economic recovery is creating new jobs and new opportunities, and this budget includes a significant investment to help families achieve self-sufficiency. Quality early childhood programs not only support families in their quest for self-sufficiency, they also promote and support the development of children and their preparation for school and life success. In 2006-07, the Commonwealth will expand upon its commitment to vulnerable children and their families by expanding high-quality child and family services. This budget recommends an additional \$15.7 million to expand quality early learning experiences for 12,000 additional children, including the expansion of Keystone STARS; assures that 1,861 new low-income working families can obtain quality school-readiness services through the child care system; provides resources to create an automated certification system to improve the productivity and efficiency of Pennsylvania's early learning providers; and unifies the subsidized child care program so that families have "one door" for all subsidized child care in their local communities.. This budget also includes \$28.3 million to provide child care services to 15,000 additional children in families receiving Temporary Assistance to Needy Families (TANF) and former TANF families working to gain economic independence.

The Nurse Family Partnership is a proven approach to supporting first-time, at-risk parents and promoting their children's healthy development. This budget will leverage \$1.5 million in additional federal funds and expand the number of families participating in the Nurse Family Partnership program. As a result, 511 additional families, or a total of 4,085 at-risk families, will receive services in 2006-07.

Infants, toddlers and pre-schoolers who are experiencing developmental delays participate in the Early Intervention program, which will serve an additional 5,174 children in 2006-07. Program services are intended to minimize developmental delay and the need for special education and related services and to assist families in meeting the special needs of their children. This budget includes an additional \$16 million to provide early intervention services in 2006-07.

Protecting Children and Preserving Families

Providing services to children and families in their homes and communities improves parenting skills and builds the long-term ability of the family to cope with stressful life circumstances. Under Governor Rendell's leadership, Pennsylvania has maintained a consistent focus on the safety, family stability and well-being of children. The Commonwealth continues to support programs that prevent child abuse and neglect, enable children to stay in their own homes and help low-income and at-risk children and families thrive.

The Commonwealth has made a concerted effort to expand prevention and in-home services for at-risk children and families. Since 2003-04, the number of children receiving in-home services has increased by 4.2 percent, while the number in community residential programs has decreased by 6.3 percent. In addition, Pennsylvania continues its commitment to connecting children who need homes with loving families who want to adopt them. This budget recommends an increase of \$6.3 million to allow more children to be adopted and to continue to provide financial assistance to those who have already been adopted.

Expanding Services for Individuals with Special Needs

The 2006-07 budget continues to support independence for people with mental retardation or mental health disabilities. The proposed budget recommends an additional \$16.8 million to increase the number of individuals receiving mental retardation services and to expand supported employment services and vocational training for people with mental retardation. In 2006-07, the Commonwealth will provide home and community-based services for 806 additional individuals; it will also offer 10 new employment pilot programs for young adults with mental retardation. The Commonwealth will also implement new management initiatives designed to improve Pennsylvania's timely response to individuals' changing needs and improve the quality and consistency of services across the system.

This budget also recommends the statewide expansion of the Behavioral Health HealthChoices program at no additional cost to the Commonwealth in 2006-07. Currently available in 25 counties, the Behavioral Health HealthChoices program provides comprehensive managed care mental health and drug and alcohol services. The program has succeeded in improving both access to service and the quality of the service delivered while effectively controlling costs. Participants in the recent statewide Governor's Medical Assistance Listening Tour most often recommended expanding Behavioral Health HealthChoices as the way to bring about meaningful and sustainable improvement in the delivery of behavioral health services.

Increasing Efficiency and Integrity

The largest component of the Commonwealth's public health and welfare expenditures is the Medical Assistance program. In 2006-07, the Medical Assistance program is expected to provide health and long-term care services to nearly 1.9 million Pennsylvanians. The program's impact is far-reaching; it is a health insurance program for low-income adults and children and a comprehensive source of medical and long-term care coverage for the elderly and people with disabilities. Medical Assistance has improved access to health care for thousands of low-income individuals across the state, and it also helps support the health care industry in Pennsylvania.

Cost pressures on the Medical Assistance program continue to increase, including: the growing ranks of the elderly, people with disabilities and individuals without health insurance; technological advances in medicine that can be life-saving but costly; and general medical inflation. Recognizing the long-term challenges presented by these cost pressures, the 2005-06 budget established a set of reforms to control the increase in Medical Assistance program costs. Under the leadership of Governor Rendell, the systemic and fundamental improvements made to Medical Assistance have been successful in stabilizing the program and have positioned the Commonwealth to meet the challenges presented once again in 2006-07.

In total, the improvements to the Medical Assistance program and other safety net programs introduced in the 2005-06 budget are projected to save more than \$321 million for Pennsylvania taxpayers by the end of the current fiscal year, including:

- \$87.5 million through several initiatives to increase federal funds for programs that serve Medical Assistance recipients, implement cost-sharing, increase third-party liability income, and strengthen fraud and abuse prevention;
- \$82.1 million through implementation of a preferred drug list and other changes to the Medical Assistance pharmacy program;
- \$78.4 million through revisions to the benefit package for adult Medical Assistance recipients;

- \$45.4 million through several other revisions, including: enhancing management of behavioral health services and moving people who are eligible for Medicare and Medical Assistance to the fee-for-service system; and
- \$27.9 million through reductions in administrative costs within the Department of Public Welfare.

The 2006-07 budget reflects the Commonwealth's continued efforts to improve the quality, integrity and efficiency of the Medical Assistance program and will reduce costs by another \$126 million in the coming fiscal year. The Commonwealth has in place a comprehensive set of management and administrative controls to ensure that tax dollars are used effectively and efficiently. Many of these controls are similar to those found in most commercial and employer-based insurance programs. In these times of rising health care costs, innovative management techniques must be adopted to assure the continued efficient operation of the Medical Assistance program and to encourage the best outcomes for Medical Assistance recipients.

This budget recommends savings of \$16.8 million through selective contracting for some Medical Assistance services. In addition, this budget provides for savings of another \$13 million through improving the use of hospital resources by assessing patients to determine the appropriate level of care and the most appropriate treatment setting.

This budget also includes more aggressive efforts to eliminate fraud, abuse and waste in the system. These efforts will save Pennsylvania taxpayers an additional \$6.5 million in the coming fiscal year. The Commonwealth expects to save another \$5.5 million by ensuring that other insurers pay for the health care costs of Medical Assistance recipients when they have an obligation to do so. In addition to seeking payments from other third-party payers, this budget proposes two initiatives to maximize federal funding for long-term care services, saving approximately \$15.1 million.

Finally, this budget will make the best use of state funds for Medical Assistance inpatient services by updating hospital supplemental payments to more accurately reflect the resources needed to provide care for Medical Assistance recipients. This initiative is expected to save \$68.8 million in 2006-07. This budget will continue to provide \$37.9 million in uncompensated care payments through the Tobacco Settlement Fund.

The Commonwealth will also implement pay-for-performance contracts in the Medical Assistance program that promote strong program results. Strengthening managed care contracts to focus on better health for consumers and to generate long-term benefits for the Medical Assistance program is a key component of strengthening the Medical Assistance program. Contracts will include elements of pay-for-performance that recognize and reward strategies to address disease management and prevention programs, such as regular prenatal visits, controlling high blood pressure and cholesterol, and asthma management programs that reduce emergency room visits.

Through better management, the Commonwealth will continue to improve the efficiency and integrity of the Medical Assistance program while adhering to the same principles the administration set forth this time last year. The savings generated by these initiatives in 2005-06 have already enabled the Commonwealth to extend the reach of its critical services to vulnerable Pennsylvanians.

Preserving the Safety Net

The 2006-07 budget reaffirms the Commonwealth's commitment to preserve the safety net for Pennsylvania's most vulnerable citizens and to ensure that the elderly, people with disabilities and low-income families will have access to health care and other critical services. The investments that this budget recommends to assist those in need of public safety net services reflects the caring and compassionate nature of all Pennsylvanians. These investments are also made possible by the 2006-07 Medical Assistance efficiency initiatives, which will free resources to provide an array of health and human services for more of Pennsylvania's children, adults and families in need.

Enhancing Programs for Pennsylvania Seniors

Pennsylvania has the third oldest population of any state, and the fastest growing segment of this population is over age 85. The Commonwealth has a long tradition of providing a broad range of services and programs for its older residents. As the number of elderly residents grows, the challenge to provide adequate services to meet their needs grows as well. And recent changes in the federal prescription drug program for older residents have required the Commonwealth to make adjustments in its own prescription drug program for older Pennsylvanians.

Pennsylvania Lottery and PACE

From its inception, the Pennsylvania Lottery has generated revenues that have been used to provide services for older Pennsylvanians. Recent changes in marketing, improvements in lottery games and operational efficiencies in the Lottery Fund have enabled the Commonwealth to generate more revenue and expand necessary services to seniors.

Among the programs supported by the Lottery Fund is the state pharmaceutical assistance program known as PACE (for Pharmaceutical Assistance Contract for the Elderly). Now in its 22nd year, PACE (along with PACENET for seniors with slightly higher incomes) provides drug coverage for more than 303,000 older Pennsylvanians. PACE is one of the three largest state-sponsored prescription drug plans operating in the United States.

Medicare Part D Low-Income Subsidy

The Medicare Modernization Act authorized Medicare Part D, a program to help Medicare beneficiaries with the costs of prescription drugs. This program provides substantial extra help with prescription drug costs for eligible individuals whose income is less than 150 percent of the federal poverty level and whose resources are limited to \$10,000 per individual and \$20,000 per couple. This help takes the form of subsidies paid by the federal government to the drug plan in which the Medicare beneficiary is enrolled. The subsidy will provide assistance with the premium, deductible, coverage gap and co-payments of the program.

The Commonwealth is currently working closely with the federal Centers for Medicare & Medicaid Services and the Social Security Administration to ensure that all current PACE enrollees who are eligible for the low-income subsidy program become enrolled in that program. The Commonwealth is also coordinating the selection of appropriate Medicare Part D plans to meet enrollees' pharmaceutical needs. It is anticipated that between 60,000 and 80,000 current PACE enrollees are eligible for the low-income subsidy, which will generate a savings of \$87 million dollars to the PACE program in 2005-06.

PACE Plus Medicare: Ensuring That Senior Citizens Maintain Generous Prescription Drug Support

Unlike PACE and PACENET, which offer continuous coverage for beneficiaries regardless of how many medications the beneficiary uses, the federal Medicare Part D benefit provides two levels of coverage: a basic plan that assists with the first \$2,250 spent on drugs and a "standard" catastrophic benefit that covers most of the costs over \$5,100. Expenses that occur above the basic coverage program but below the catastrophic coverage are exclusively the responsibility of the beneficiary.

In addition, Medicare Part D depends on private insurers to provide pharmaceutical coverage. As a consequence, at least twenty-nine plans will operate in the Commonwealth, many with several alternative coverage options. For many PACE beneficiaries, this bewildering array of options has been confusing and discouraging.

There are significant differences between PACE benefits and the federal program. PACE, in addition to offering continuous coverage, also has essentially an open formulary, meaning that nearly every drug used by a PACE beneficiary is covered. Private plans operating under the Medicare Part D program can have much more restricted formularies and may not include every Pennsylvania retail pharmacy in their networks. In fact, under the law that created Medicare Part D there are drugs for which the private plans cannot pay. Some of these drugs are eligible for reimbursement under PACE.

There are other significant differences as well. While PACE has no premium, and PACENET has a \$40 monthly deductible that acts like a premium, the federal plans are free to establish their own premiums, and some are imposing premiums as high as \$68 a month. The national average premium is about \$32 a month. Finally, the federal prescription drug plans generally have higher co-payments than those imposed in PACE.

Designing a program to wrap around the federal benefit without materially altering the coverage that PACE beneficiaries currently enjoy requires redesigning the PACE program and creating a new benefit called

PACE Plus Medicare. The chart below describes the elements of this benefit for PACE and PACENET enrollees.

*The PACE Plus Medicare Benefit**

| Costs | PACE | PACENET |
|------------------|---|--|
| Co-payments | ➤ The state will pay co-pay differentials. | ➤ The state will pay co-pay differentials. |
| Premiums | ➤ The state will pay the cost of the annual premium – out-of-pocket savings of an average \$386. | ➤ The state will eliminate the \$40 per month PACENET deductible and instead the consumer will pay the \$30 per month Part D premium, saving an average \$120. |
| Gap Coverage | ➤ The state covers the gap – out-of-pocket savings of \$2,850. | ➤ The state covers the gap – out-of-pocket savings of \$2,850. |
| Drug Coverage | ➤ The state will pay for all Part D drugs, plus those excluded under federal law. | ➤ The state will pay for all Part D drugs, plus those excluded under federal law. |
| Network | ➤ The state will recommend which Part D plan is best for individual consumers based on pharmaceutical and health needs. | ➤ The state will recommend which Part D plan is best for individual consumers based on pharmaceutical and health needs. |
| Pharmacy Payment | ➤ The state will pay the same as the federal government plus a \$4 dispensing fee for the pharmacy. | ➤ The state will pay the same as the federal government plus a \$4 dispensing fee for the pharmacy. |

* Chart updated after original publication.

In late November, the Commonwealth announced an agreement with the federal government that allows the state to automatically enroll each beneficiary in the Medicare Part D plan that best serves his or her needs, minimizing consumer out-of-pocket expenses while allowing the Commonwealth to maximize state savings. The agreement also will help facilitate the enrollment of eligible low-income PACE participants in the enhanced federal low-income subsidy program, which helps cover out-of-pocket expenses.

Because of the significant changes occurring with Medicare Part D and given that Pennsylvania is trying to make the transition to Medicare Part D for PACE and PACENET recipients seamless, it is likely that additional seniors who meet the current PACE and PACENET eligibility criteria and currently do not have credible coverage will choose to enroll in the PACE program. A portion of the savings created by taking advantage of the federal Medicare drug program will be used to cover the anticipated cost of the enrollment growth. Over the next 18 months, enrollment in PACE is projected to increase by as much as 120,000 people – an increase of 39 percent from current levels.

Assuming that the Commonwealth is successful in enrolling seniors in PACE Plus Medicare in a timely manner, it is anticipated that \$183.4 million in Lottery Funds will be saved in 2006-07 as a result of the initiation of the PACE Plus Medicare program.

Long-term Living Services – Providing Choice for Pennsylvania’s Seniors

Governor Rendell’s goal is to offer eligible Medical Assistance consumers a *choice* about where they receive long-term living services, providing high-quality care to these individuals in the most clinically appropriate and most cost-effective setting. The administration believes it must:

- educate and assist residents who want to leave a nursing home and return to their home or community;
- align the supply of nursing home beds with the need for such care and give nursing homes opportunities to expand their continuum of care, while ensuring an adequate but not excessive supply of nursing home beds;
- ensure that consumers currently enrolled in or qualified for long-term living services meet established eligibility criteria; and
- ensure that waiver resources are used to serve as many consumers as possible while offering high-quality care and services.

Under Governor Rendell, Pennsylvania’s recent expansion of Medicaid Home and Community-Based Waiver programs has been successful in providing additional options for individuals to live in their communities. This expansion has made it possible for more of Pennsylvania’s seniors to remain where they want to live – in their homes. These programs provide community-based support services for seniors and others who are

clinically and financially eligible for nursing facility services but wish to remain in their homes. The Rendell administration has significantly expanded these programs, increasing participation in the 60+ Waiver program by 70 percent since 2002-03. This budget proposes an expansion in this program that will serve an additional 2,800 people in 2006-07. The expansion of this program has been successful in limiting the growth in the nursing home population, but it has not yet reduced the number of people served in nursing facilities.

Over the past three fiscal years alone Medical Assistance payments to nursing homes have increased by more than \$400 million. Today, sixty-five percent of all nursing home bed-days are covered by the state Medical Assistance program, at an average cost of nearly \$150 per day. Many Pennsylvania nursing home residents have acuity levels that suggest they potentially could be served more appropriately in the community. Clearly, the time has come to evaluate what is driving these costs and to see to it that Pennsylvania's seniors are served in the most clinically appropriate setting of their choice. In the fall of 2005, Governor Rendell established the Long-Term Living Council, a subset of the Health Care Reform Cabinet, to develop comprehensive, coordinated plans for the future of Medical Assistance long-term living services in the Commonwealth, building upon the successes of the administration's efforts to date to reform and rebalance the state's long-term-care system. The council and this budget will help the Commonwealth take additional steps towards this positive reform.

Providing Consumers Choices for Clinically Appropriate Quality Services

There is mounting evidence – both in Pennsylvania and from other states – that many nursing home residents could function in the community if they had the requisite health and social services and housing accommodations. Recent Pennsylvania data collected from nursing home reports indicates there are many Medical Assistance recipients with low acuity levels who could return safely to the community, potentially freeing up resources while enabling these individuals to be better served in the community. Assessments by Commonwealth staff and Area Agencies on Aging indicate that significant barriers remain to the successful transition of individuals to home and community-based settings, such as the availability of appropriate housing and the need for renovations to allow individuals to return to their homes.

At the direction of the Governor's Long-Term Living Council, the Commonwealth is expanding efforts to educate and assist nursing home residents who want to return to their homes or communities. Toward that end, this budget assumes increases of 14 percent in home and community-based waiver services for seniors available through the departments of Public Welfare and Aging.

Realigning Resources to Provide Efficient Services

Moving residents from nursing homes to the community will require the reallocation of resources. This budget anticipates that as patients are successfully moved back into the community, support services will be available to them. The state has worked with a small group of counties to accelerate the process of providing home and community-based services so that fewer persons enter nursing homes. The administration plans to expand this expedited process. The administration will be concentrating on using additional waiver slots for residents who have recently entered nursing homes and Medical Assistance recipients who have been in nursing homes for some time but want to return to their communities.

As the Commonwealth prepares for a growing aging population, the administration and long-term living providers are preparing for the impact of the baby boomers. Members of this sizable segment of Pennsylvania's population want greater choice in where they receive services and greater involvement in how their care is delivered and what services they receive.

To help prepare for the needs of this group, this budget does several things. First, there will be an extensive study of anticipated long-term living demand and supply over the next 20 years to help better understand how the long-term living industry should look in the future. Second, the Commonwealth wants to help nursing facilities reconfigure their businesses. As more consumers are served in the community, nursing facilities must expand their continuum of care. The administration hopes to encourage nursing facilities to provide an appropriate continuum of supportive services in addition to the skilled nursing services they now provide. Nursing homes are and will continue to be a vital component in the continuum of long-term living services, but the continuum needs to be broadened.

Governor Rendell's goal is to offer eligible Medical Assistance consumers *choice* in where they receive long-term living services, providing high-quality care to these individuals in the most clinically appropriate and cost-effective environment. This administration believes that consumers' preferences are often to remain in their homes and communities. This budget provides options for an increasing number of Commonwealth seniors to achieve this goal.

Energy and the Environment: New Industries and a Better Quality of Life for the 21st Century

The businesses and industries Pennsylvania wants to attract and retain have a choice as to where they locate. Increasingly, one of the ways businesses judge locations is by what the location has to offer workers. These workers want the same things we all want – clean air and water, lively neighborhoods and town centers, and abundant green space. That is why improving Pennsylvania's environment has been a major priority of Governor Rendell since he took office in 2003. Pennsylvania is proving that the right kind of environmental policies and initiatives can foster sustained economic growth. In January 2006, Governor Rendell strengthened his commitment to a constructive partnership between the environment and the economy by announcing \$8.5 million in investments for 25 clean energy projects throughout the state that will leverage more than \$144 million in private sector investment and create more than 1,000 jobs. The Governor's vision is that our environmental challenges can and should produce economic opportunities for all Pennsylvanians.

To implement this vision and address some of Pennsylvania's most critical environmental concerns, Governor Rendell proposed the Growing Greener II plan. This plan was enacted by the General Assembly and approved by the voters in 2005. The \$625 million, six-year Growing Greener II program will provide:

- \$230 million to the Department of Environmental Protection to clean up rivers and streams, take on serious environmental problems at abandoned mines and contaminated industrial sites, and finance the development and deployment of advanced energy projects.
- \$217.5 million to the Department of Conservation and Natural Resources to preserve natural areas and open spaces, improve state parks and enhance local recreational needs.
- \$80 million to the Pennsylvania Department of Agriculture to protect working farms.
- \$50 million to the Department of Community and Economic Development to revitalize communities through investments in housing and mixed-use redevelopment projects.
- \$27.5 million to the Pennsylvania Fish and Boat Commission to repair fish hatcheries and aging dams.
- \$20 million to the Pennsylvania Game Commission for habitat-related facility upgrades and repairs.

In addition, PennDOT is dedicating at least \$200 million in additional funding to its Home Town Streets program, which redesigns and revitalizes state highways that serve as main streets in communities across the Commonwealth. At \$825 million in total new investment, Growing Greener II is one of the largest efforts ever undertaken to improve environmental quality and the quality of life at the state level.

In the 1970s, America was abuzz with optimism about the potential for clean and renewable energy. Solar and wind power and synthetic fuels captured the imagination of environmentalists and scientists alike. But these alternative fuels did not capture the marketplace because they simply cost too much for each kilowatt and gallon produced.

Now times have changed. Today, the wholesale price of synthetic diesel fuel produced from coal is half the price of diesel fuel made from a barrel of oil. The wholesale price of natural gas is three times that of a type of coal-based synthetic gas used for industrial production and twice that of coal-based synthetic gas that can heat Pennsylvania's homes. A kilowatt of wind power now costs the same as a kilowatt of electricity generated from traditional sources, and the cost of a gallon of ethanol is within 15 cents of a gallon of gas.

Because of the growing practical appeal of alternative energy, Governor Rendell has made development of alternative energy technologies and industries a major priority in his economic agenda. Pennsylvania was once a leader in energy development, and this leadership brought wealth and employment to the state. The world is now on the brink of a new era in energy production, and Pennsylvania has the opportunity to become a leader once again.

To make this vision a reality, the Commonwealth has become a partner in a wide range of alternative energy investments that have already helped create hundreds of new jobs. These efforts range from the promotion of new manufacturing plants that will produce diesel fuel from coal, soybeans and other farm products to the Commonwealth's partnership with Gamesa – the world's third largest manufacturer of wind energy equipment – to build plants in Cambria and Bucks counties employing as many as 400 workers.

The Commonwealth has made direct investments in many of these initiatives, through programs such as the Pennsylvania Energy Development Authority as well as more traditional economic development financing

programs. A significant element of the venture capital funding available through the Governor's Economic Stimulus program is targeted toward energy development businesses. First Industry funds, another element of the stimulus program, have supported agriculture bio-digesters to help convert animal waste into a usable energy resource. Volume cap funds provided through the Pennsylvania Economic Development Financing Agency have been targeted toward developing new energy production facilities.

In addition to these direct investments, the Commonwealth has implemented a strategy of encouraging the growth of these new industries in a number of other ways. Bringing together developers, financiers and the industries that will use the energy and other by-products of these facilities, the state has stimulated interest in developing new power plants that will be fueled by coal refuse, a legacy from the earlier industrial history of our Commonwealth.

Another tool for promoting the growth of these new industries is the Alternative Energy Portfolio Standard proposed by Governor Rendell and enacted by the General Assembly in 2004. This new program took the best ideas from the 20 other states that have such standards and improved upon them. Energy companies will be able to meet Pennsylvania's mandates by investing in conservation and alternative fuel development. Pennsylvania's standard promotes the use of renewable energy sources like solar, wind, geothermal and biomass, as well as waste-coal, coal-gasification and coal-mine methane. Within 15 years, 18 percent of all retail electricity in Pennsylvania will come from these sources. As a result, Pennsylvania now has the largest solar power requirement in the United States and our Portfolio Standard will add nearly 4,000 megawatts of new wind power, which is equivalent to the average power generated from one of Pennsylvania's nuclear power plants.

As Pennsylvania does more to promote these new industries, it must also remain mindful of those traditional industries that have been the bedrock of Pennsylvania's strong industrial and environmental heritage. The recent tragic mining accidents in West Virginia and Pennsylvania's own Quecreek accident in 2002 were sobering reminders of the difficult and dangerous work our miners perform every day. Pennsylvania is still home to thousands of working miners, and the increasing complexity of mining technology, coupled with the aging population of the mining work force, make safety more imperative than ever. This budget proposes more than \$500,000 in new funding to enhance Pennsylvania's underground mine inspection and mine electrical inspection programs to ensure that Pennsylvania mines remain a safe place to work. In addition, the Department of Environmental Protection and the Indiana University of Pennsylvania recently announced a partnership to digitally map thousands of mines across Pennsylvania. This partnership will improve mine safety and assist communities planning construction or renovation projects to ensure underground stability.

Today, Pennsylvania's companies are sending approximately \$30 billion a year outside our state – and in many cases outside our nation – to buy energy. They are doing so because more affordable energy alternatives are not readily available. Governor Rendell's efforts in the area of alternative energy are focused on creating jobs, keeping this wealth at home and giving Pennsylvanians a cleaner environment even as our economy grows.

Pennsylvania Safety and Security – A Commonwealth Priority

One of government's core responsibilities is protecting its citizens. Public safety in the Commonwealth helps to determine the quality of residents' lives and the character of Pennsylvania's communities. This budget includes a number of public safety initiatives to safeguard Pennsylvania residents by blending resources for traditional public safety responsibilities with a comprehensive approach for emergency preparedness. Governor Rendell has implemented an aggressive and broad-based public safety agenda designed to address critical areas that will make Pennsylvania and its residents safer. Those areas are Public Health Preparedness, Natural Disaster Preparedness, Emergency Preparedness, Law Enforcement, Incarceration and Rehabilitation and Supporting Our Military Forces.

Pennsylvania Is Preparing for Public Health Emergencies

In the post-9/11 world, bio-terrorism has become a serious threat that local, state and national governments must address. This budget recommends \$80.8 million in federal funds for Public Health Emergency Preparedness and Response for the Department of Health to develop solutions for bio-terrorism preparedness, notify the medical community of emergency situations through a Health Alert Network and improve the department's bio-laboratory capabilities.

The bio-terrorism preparedness measures that will be supported by this funding include increased disease surveillance and detection capabilities through the National Electronic Disease Surveillance System (NEDSS) and the Real-time Outbreak Disease Syndromic Surveillance System (RODS). This budget recommends \$8 million to support NEDSS, an integrated electronic laboratory reporting system that provides on-line reporting and information from laboratories, hospitals and clinicians. This budget also recommends \$500,000 to support RODS, an information-tracking device for Pennsylvania district offices and county health departments.

In July 2005, the Commonwealth's Department of Health delivered Pennsylvania's Pandemic Plan, and the department is now chairing numerous work groups with state, local and federal partners to increase the Commonwealth's pandemic readiness activities. The Commonwealth will be awarded \$12.3 million in federal grants from the U.S. Department of Health and Human Services for pandemic influenza preparedness during the 2006 federal fiscal year.

This budget also recommends \$500,000 for the Pennsylvania Emergency Management Agency and the Department of Health to coordinate the Commonwealth's statewide avian flu and pandemic preparedness activities. Concern about the spread of avian influenza from animals to humans has recently become a top international news story. Pennsylvania has had no reported incidents of avian influenza, but the state is already considered a leader in the prevention, detection and response to avian influenza among animals because of innovative and coordinated programs between the Pennsylvania Department of Agriculture and the Pennsylvania poultry industry. One example of this coordination is the department's implementation of its Avian Influenza Response Plan. In 2006-07, the department will spend \$820,000 to continue to address this public health priority.

Pennsylvania Is Preparing for Natural Disasters

- **Flood Protection.** Pennsylvania is known for its beautiful landscapes. Yet the rivers and streams that contribute to that beauty are susceptible to flooding, with disastrous results for residents. Governor Rendell is committed to acquiring, elevating or relocating flood-prone homes and helping people in harm's way. This budget recommends approximately \$3.5 million in state funds and \$4.5 million in federal funds for the Hazard Mitigation program to continue the Commonwealth's commitment to safeguarding its residents while maintaining the beauty of its environment.
- **Advanced Security Technology for Safety.** Pennsylvania continues to develop and use technology to assist first responders in emergency situations. The Commonwealth is expanding its use of geospatial technology to help first responders locate trouble by providing \$4 million for development of a statewide digital map. This map will enable the Commonwealth to share digital imagery data and assist local governments in developing their emergency preparedness plans. In addition, the Pennsylvania Emergency Management Agency has put in place a real-time weather tracking system, which will help forecast the direction of air flow during a chemical fire or other emergency. And the Commonwealth has implemented a new system to allow first responders to map threats and incidents statewide so that information is readily available to assist in response and recovery activities.

Pennsylvania Is Increasing Its Emergency Preparedness

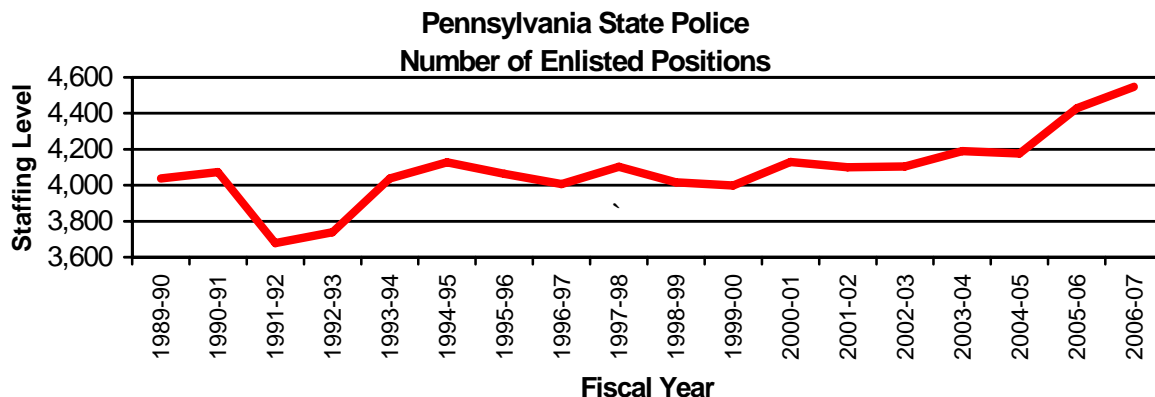
- **Supporting Pennsylvania's First Responders.** Pennsylvania's first responders play an important role in Pennsylvania's emergency preparedness. This budget provides \$25 million in funding to continue the Volunteer Company Grants program in 2005-06.
- **Driver's License Security.** Driver's licenses are a primary means of identification in the United States, but recent experiences involving terror suspects obtaining driver's licenses have led to calls for improved screening of driver's license applicants. Pennsylvania is partnering with the federal government to close this loophole in domestic security. This budget recommends \$8.8 million for the first year of a seven-year federal program to create uniform driver's license and personal identification standards. The implementation of this new program will help prevent identity theft and will strengthen the license credentialing process.
- **Coordination for Emergencies.** The Pennsylvania Emergency Management Agency has been working with the Pennsylvania Office of Homeland Security, the Regional Counter Terrorism Task Forces and other state, local and federal agencies to establish a coordinated approach to response planning. Pennsylvania has integrated a number of new federal programs into its preparedness planning, including:
 - the National Preparedness Goal, to strengthen preparedness for terrorist attacks, major disasters and other emergencies;
 - the National Response Plan, to coordinate state emergency operations centers through the National Emergency Operations Center;
 - the National Incident Management System, to provide a consistent nationwide approach to incident management; and
 - the National Infrastructure Protection Program, to identify and assess infrastructure vulnerabilities.

In any emergency, communication among the parties is key. This budget includes \$16.9¹ million in funding for the continued development and operation of the Statewide Radio System, a wireless network that allows for both voice and data communications among all state agencies. This network will be the backbone for interoperable communication across state, federal and local radio systems, resulting in enhanced communications in the event of an emergency.

* Update after original publication.

Pennsylvania Is Increasing Its Commitment to Law Enforcement

In 2005-06, the Pennsylvania State Police marked 100 years of protecting Pennsylvania's communities and roadways. Recognizing the critical role of the State Police in ensuring public safety in the future, Governor Rendell is proposing an additional 90 trooper positions in 2006-07, bringing the State Police to its highest enlisted complement ever - 4,548. These 90 trooper positions are in addition to the 180 enlisted personnel included in the 2005-06 budget. Reaching this unprecedented number of enlisted personnel at the State Police, however, is dependent on the Pennsylvania State Troopers Association accepting a proposal from the State Police. This proposal would add 30 new troopers, transition an additional 68 enlisted personnel currently performing desk duties to active law enforcement duties and would keep 45 experienced corporals on the road rather than in dispatch centers answering calls.



In addition to personnel, another critical component of law enforcement is access to the most up-to-date information. The Commonwealth's Integrated Criminal Justice Network (JNET) provides this access. JNET makes possible the exchange of information among federal, state and local criminal justice agencies. JNET is now available in all 67 counties. It provides information about offenders as well as access to PennDOT driver's license photos, protection-from-abuse orders and other critical public safety information. This budget provides approximately \$9.8 million to the Office for Information Technology to continue JNET operations.

Pennsylvania is Tough on Crime and Working to Reduce the Number of Repeat Offenders

As the number of people in Pennsylvania's prisons continues to grow, it is no longer enough to be tough on crime. Pennsylvania also has to be smart about crime. The Commonwealth is increasing its capacity to incarcerate offenders while at the same time continuing its efforts to address the underlying causes of criminal behavior, improve public safety and reduce victimization.

Governor Rendell supports decreasing access to the chemicals needed to make methamphetamine by requiring pharmacies to keep any medicine containing pseudoephedrine behind the counter and requiring purchasers to show I.D, sign a purchase log and limit their purchases to no more than the equivalent of 2.5 packs of cold medicine per month. In addition, Governor Rendell supports increasing mandatory minimum sentences for every major sex offense to ensure that sex offenders spend a significant amount of time in prison.

In order to maintain a safe and secure environment for criminals sentenced to the state correctional system, this budget recommends \$2.1 million to the Department of Corrections to open five new housing units. These new units will provide an increase of 920 beds among the following State Correctional Institutions: Camp Hill, Cresson, Laurel Highlands and the State Regional Correction Facility at Mercer.

Tackling prison population growth is just one of the incarceration and rehabilitation issues the Commonwealth must address. The horrific nature of sex offenses and the complexity of treating sex offenders require a different approach. Therefore, criminal justice agencies in Pennsylvania are developing a comprehensive statewide containment plan for the treatment and management of sex offenders.

The Department of Corrections and the Board of Probation and Parole are also working to improve the effectiveness of the Commonwealth's re-entry programs and services for offenders returning to Pennsylvania communities. Among these re-entry programs are education, training, life-skills management, drug treatment and pro-social thinking and behavior.

Drug courts are another promising approach to stopping the cycle of drug abuse and crime. This budget recommends \$200,000 in federal funds for the Pennsylvania Commission on Crime and Delinquency to provide statewide education and outreach activities to expand the number of drug courts. Funding will also support technical assistance for courts to redirect non-violent drug offenders to alternative sentences to help ensure that offenders receive the services they need and to decrease their chances of becoming repeat offenders.

Pennsylvania is Supporting Those Who Defend Our State and Nation

During the U.S. Department of Defense 2005 military Base Realignment and Closure (BRAC) process, the Commonwealth helped Pennsylvania's military communities and local leaders effectively defend Pennsylvania's 274 military installations from closure or realignment. The results were employment gains at Letterkenny and Tobyhanna army depots, as well as at the Naval Support Activity in Philadelphia.

The Commonwealth also successfully defended the 911th Airlift Wing at Pittsburgh International Airport and the 111th Fighter Wing of the Pennsylvania Air National Guard. These federal installations and the active duty, reserve and National Guard personnel that serve on them are vital homeland security and public safety assets, as well as economic engines for many Pennsylvania communities. This budget recommends continued funding of \$275,000 for the Pennsylvania Base Development efforts that helped prepare Pennsylvania so well for BRAC 2005 and that will help Pennsylvania implement a coordinated strategy of work-force and economic development programs to sustain military installations in the Commonwealth into the future.

The Pennsylvania National Guard is one of the best and largest in the nation. The men and women of Pennsylvania have been called upon to support the global war on terror in Afghanistan, Iraq and Kosovo. Additionally, Pennsylvania's National Guard deployed more than 2,500 troops to support hurricane-ravaged areas in Louisiana and Mississippi in 2005 – the most of any state outside of the region affected by the hurricanes.

In 2005, Governor Rendell supported and signed legislation to recognize and support the needs and achievements of Pennsylvania's outstanding National Guard members. This year's budget includes \$300,000 for the implementation of Governor Rendell's Support Our Troops initiative and other veterans' programs.

Among its elements is a new Military Family Relief Assistance Program to help soldiers and their families who face emergency situations. In addition, the Pennsylvania National Guard's Educational Assistance program has been improved by extending benefits for soldiers who have deployed since September 11, 2001.

The Commonwealth has also enacted new protections for soldiers who are full-time students, to allow them to qualify for their parents' health insurance coverage when they return to school after deployment. Legislation has also been enacted to protect soldiers who defer their motor vehicle insurance coverage during deployments. Finally, new legislation has been enacted to grant additional paid military leave to state employees who are deployed, to provide additional death benefits for soldiers killed while performing state active duty for emergencies and to provide \$1 hunting and fishing licenses to certain returning National Guardsmen.

Public safety priorities for protecting Pennsylvania residents are critical for this administration, and the 2006-07 budget enhances the Commonwealth's ability to advance those priorities. Governor Rendell has approached these fundamental objectives with aggressive proposals that provide Pennsylvania residents with beneficial safety programs and advanced security measures. Continuing this multi-faceted approach to public safety increases the security of Pennsylvania's residents.



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 state and local governments greater flexibility than categorical grants.

The Commonwealth implemented eight block grants based on the Federal Omnibus Reconciliation Act of 1981. Since that time, block grants have been added and revised based on changes in Federal law. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 created two new block grants: Temporary Assistance to Needy Families and the Child Care and Development Fund which replaced the Child Care Block Grant. These programs and Workforce Investment were scheduled to be reauthorized in 2004-05 but Congress has yet to complete the reauthorization. As a result of Federal revisions, program funds for the Small Communities Block Grant are granted directly to local communities; therefore, the Small Communities Block Grant is no longer presented in this section.

In addition, three programs have been included in this presentation because the Federal Government provides flexibility on the activities eligible for funding. These programs are: Workforce Investment, Innovative Education Program Strategies and Anti-Drug Abuse Programs. Beginning in 2005-06, the Commonwealth is receiving funding from the new Federal Justice Assistance Grants (JAG) in lieu of the Drug Control and System Improvement (DCSI) grants. However, carryover funds will continue to support some DCSI grants for a number of years.

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 2005-06 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 2006-07 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 2004-05 expenditures, 2005-06 available and 2006-07 amounts budgeted as presented in the 2006-07 Governor's Executive Budget.

(Dollar Amounts in Thousands)

| | 2004-05 Actual Block | 2005-06 Available Block | 2006-07 Recommended Block |
|--|----------------------------|-------------------------------|---------------------------------|
| Community Services..... | \$ 29,402 | \$ 29,402 | \$ 29,402 |
| Innovative Education Program Strategies..... | 15,890 | 12,395 | 5,156 |
| Maternal and Child Health..... | 37,480 | 37,480 | 37,480 |
| Preventive Health and Health Services..... | 7,297 | 7,297 | 6,465 |
| Substance Abuse..... | 65,749 | 69,123 | 67,605 |
| Workforce Investment..... | 253,518 | 253,800 | 256,300 |
| Child Care and Development Fund..... | 352,175 | 354,223 | 354,280 |
| Low Income Home Energy Assistance..... | 153,923 | 189,383 | 189,383 |
| Mental Health Services..... | 17,590 | 15,759 | 15,591 |
| Social Services..... | 141,588 | 145,427 | 119,027 |
| Temporary Assistance to Needy Families..... | 821,345 | 579,701 | 542,193 |
| Anti-Drug Abuse..... | 50,023 | 54,977 | 73,977 |
| TOTAL..... | \$ 1,945,980 | \$ 1,748,967 | \$ 1,696,859 |

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 | 2004-05 Actual Block | 2005-06 Available Block | 2006-07 Recommended Block |
|--|----------------------------|-------------------------------|---------------------------------|
| | | | |
| Community and Economic Development: | | | |
| CSBG — Administration..... | \$ 1,402 | \$ 1,402 | \$ 1,402 |
| Community Services Block Grant..... | 28,000 | 28,000 | 28,000 |
| TOTAL..... | <u>\$ 29,402</u> | <u>\$ 29,402</u> | <u>\$ 29,402</u> |

Innovative Education Programs

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

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

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

(Dollar Amounts in Thousands)

| Department / Appropriation | 2004-05 Actual Block | 2005-06 Available Block | 2006-07 Recommended Block |
|--|----------------------------|-------------------------------|---------------------------------|
| Education: | | | |
| ESEA Title V — Administration/State..... | \$ 3,000 ^a | \$ 2,820 ^a | \$ 930 ^a |
| School Districts: | | | |
| ESEA Title V — School Districts..... | \$ 12,890 | \$ 9,575 | \$ 4,226 |
| TOTAL..... | <u>\$ 15,890</u> | <u>\$ 12,395</u> | <u>\$ 5,156</u> |

^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 Operation line item which also contains some programmatic costs. These include outreach, promotional costs, laboratory supplies, and help line services.

(Dollar Amounts in Thousands)

| Department / Appropriation | 2004-05 Actual Block | 2005-06 Available Block | 2006-07 Recommended Block |
|--|----------------------------|-------------------------------|---------------------------------|
| Health: | | | |
| MCHSBG — Administration and Operation..... | \$ 18,371 | \$ 18,371 | \$ 15,812 |
| MCHSBG — Program Services..... | 19,109 | 19,109 | 21,668 |
| TOTAL..... | \$ 37,480 | \$ 37,480 | \$ 37,480 |

Preventive Health and Health Services

This block grant provides funds for preventive health services. Programs include activities to affect improvements in health status through achievement of the National Year 2010 Health Objectives; programs for community and school based fluoridation; feasibility studies and planning for emergency medical services systems and the establishment, expansion and improvement of such systems; services to victims of sex offenders; and related planning, administration and educational activities. Funding also works toward eliminating disparities between the health status of the general population and that of identifiable subpopulations including: geographical, racial, ethnic, gender, or other groups. Administration is limited to ten percent. Rape Prevention and Education funding was removed from the Preventive Health and Health Services block grant by the Federal Violence Against Women Act of 2000 and is appropriated separately; the sex offender portion of the Rape Crisis program remains in the block grant.

(Dollar Amounts in Thousands)

| Department / Appropriation | 2004-05 Actual Block | 2005-06 Available Block | 2006-07 Recommended Block |
|--|----------------------------|-------------------------------|---------------------------------|
| Health: | | | |
| PHHSBG — Administration and Operation..... | \$ 3,167 | \$ 3,167 | \$ 3,024 |
| PHHSBG — Block Program Services..... | 3,679 | 3,679 | 2,990 |
| Subtotal..... | \$ 6,846 | \$ 6,846 | \$ 6,014 |
| Public Welfare: | | | |
| PHHSBG — Domestic Violence..... | \$ 150 | \$ 150 | \$ 150 |
| PHHSBG — Rape Crisis | 301 | 301 | 301 |
| Subtotal..... | \$ 451 | \$ 451 | \$ 451 |
| TOTAL..... | \$ 7,297 | \$ 7,297 | \$ 6,465 |

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 | 2004-05 Actual Block | 2005-06 Available Block | 2006-07 Recommended Block |
|--|----------------------------|-------------------------------|---------------------------------|
| Corrections: | | | |
| SABG — Drug and Alcohol Programs..... | \$ 2,100 | \$ 2,100 | \$ 2,100 |
| Health: | | | |
| SABG — Administration and Operation..... | \$ 6,463 | \$ 6,712 | \$ 7,126 |
| SABG — Drug and Alcohol Services..... | 55,203 | 58,328 | 56,396 |
| Subtotal..... | \$ 61,666 | \$ 65,040 | \$ 63,522 |
| Public Welfare: | | | |
| SABG-Homeless Services..... | \$ 1,983 | \$ 1,983 | \$ 1,983 |
| TOTAL..... | \$ 65,749 | \$ 69,123 | \$ 67,605 |

Workforce Investment

The Federal Workforce Investment Act (WIA) of 1998 replaced the Job Training Partnership Act (JTPA), on July 1, 2000. WIA reformed Federal job training programs and created a new comprehensive workforce investment system governing programs of job training, adult education and literacy, and vocational rehabilitation, and replaced them with streamlined and more flexible components of workforce development systems. The act provided for an orderly transition from JTPA to the new programs. In addition, the law gave states and individuals more authority and responsibility for job training needs and decisions. WIA is scheduled for reauthorization in 2006. The level of integration, coordination, and collaboration between the Temporary Assistance to Needy Families (TANF) and Workforce Investment Act (WIA) programs in each state has been reviewed as part of the reauthorization process. Reauthorization legislation is anticipated soon.

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 has 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. WIA Title III amended the Federal Wagner Peysner 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, 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 | 2004-05 Actual Block | 2005-06 Available Block | 2006-07 Recommended Block |
| Executive Offices: | | | |
| <i>Office of the Budget</i> | | | |
| WIA — Program Accountability..... | \$ 400 | \$ 400 | \$ 400 |
| Labor and Industry: | | | |
| WIA — Administration..... | \$ 8,500 | \$ 8,500 | \$ 11,000 |
| WIA — Adult Employment & Training..... | 60,000 | 60,000 | 60,000 |
| WIA — Youth Employment & Training..... | 52,000 | 52,000 | 52,000 |
| WIA — Statewide Activities..... | 23,000 | 23,000 | 23,000 |
| WIA — Dislocated Workers..... | 109,000 | 109,000 | 109,000 |
| WIA — Veterans Employment and Training..... | 618 | 900 | 900 |
| Subtotal..... | \$ 253,118 | \$ 253,400 | \$ 255,900 |
| TOTAL..... | \$ 253,518 | \$ 253,800 | \$ 256,300 |

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 | 2004-05 Actual Block | 2005-06 Available Block | 2006-07 Recommended Block |
|---|----------------------------|-------------------------------|---------------------------------|
| Executive Offices: | | | |
| <i>Office of Inspector General</i> | | | |
| CCDFBG — Subsidized Day Care Fraud..... | \$ 600 | \$ 1,000 | \$ 1,057 |
| Public Welfare: | | | |
| CCDFBG — Administration..... | \$ 13,127 | \$ 13,480 | \$ 13,480 |
| CCDFBG — Cash Grants..... | 145,008 | 146,303 | 146,303 |
| CCDFBG — Family Centers | 3,066 | 461 | 461 |
| CCDFBG — Child Care | 189,114 | 189,114 | 189,114 |
| CCDFBG — School Age..... | 1,260 | 1,260 | 1,260 |
| CCDFBG — Nurse Family Partnership..... | 0 | 2,605 | 2,605 |
| Subtotal..... | \$ 351,575 | \$ 353,223 | \$ 353,223 |
| TOTAL..... | \$ 352,175 | \$ 354,223 | \$ 354,280 |

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 amounts below include weather-related contingency funding. The Department of Public Welfare's energy assistance program is projected to receive \$1,600,000 in supplemental funding from the Energy Conservation and Assistance Fund in 2005-06 and \$307,000 in 2006-07.

(Dollar Amounts in Thousands)

| Department / Appropriation | 2004-05 Actual Block | 2005-06 Available Block | 2006-07 Recommended Block |
|---|----------------------------|-------------------------------|---------------------------------|
| Community and Economic Development: | | | |
| LIHEABG — Administration..... | \$ 535 | \$ 535 | \$ 535 |
| LIHEABG — Weatherization Program..... | 24,000 | 24,000 | 24,000 |
| Subtotal..... | \$ 24,535 | \$ 24,535 | \$ 24,535 |
| Public Welfare: | | | |
| LIHEABG — Administration..... | \$ 12,164 | \$ 12,164 | \$ 12,164 |
| LIHEABG — Low-Income Families and Individuals..... | 117,224 | 152,684 | 152,684 |
| Subtotal..... | \$ 129,388 | \$ 164,848 | \$ 164,848 |
| TOTAL..... | \$ 153,923 | \$ 189,383 | \$ 189,383 |

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 | 2004-05 Actual Block | 2005-06 Available Block | 2006-07 Recommended Block |
|--------------------------------------|----------------------------|-------------------------------|---------------------------------|
| Public Welfare: | | | |
| MHSBG — Administration..... | \$ 160 | \$ 169 | \$ 173 |
| MHSBG — Community Mental Health..... | 17,430 | 15,590 | 15,418 |
| TOTAL..... | \$ 17,590 | \$ 15,759 | \$ 15,591 |

Social Services

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

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

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

(Dollar Amounts in Thousands)

| Department / Appropriation | 2004-05 Actual Block | 2005-06 Available Block | 2006-07 Recommended Block |
|--|----------------------------|-------------------------------|---------------------------------|
| Public Welfare: | | | |
| SSBG — Administration..... | \$ 3,691 | \$ 3,691 | \$ 3,641 |
| SSBG — County Assistance | 6,262 | 6,262 | 6,262 |
| SSBG — Basic Institutional Program..... | 1,056 | 10,000 | 10,000 |
| SSBG — Community Mental Health | 14,808 | 14,808 | 14,808 |
| SSBG — Community Mental Retardation..... | 13,984 | 13,984 | 7,500 |
| 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..... | 5,705 | 5,705 | 5,705 |
| SSBG — Rape Crisis..... | 2,721 | 2,721 | 2,721 |
| SSBG — Family Planning..... | 3,845 | 3,845 | 3,845 |
| SSBG — Legal Services..... | 5,049 | 5,049 | 5,049 |
| SSBG — Homeless Services..... | 4,183 | 4,183 | 4,183 |
| SSBG — Services to Persons with Disabilities..... | 120 | 120 | 120 |
| SSBG — Attendant Care..... | 6,971 | 1,866 | 0 |
| Subtotal..... | \$ 113,588 | \$ 117,427 | \$ 109,027 |
| Community and Economic Development: | | | |
| Enterprise Communities — SSBG..... | \$ 28,000 ^a | \$ 28,000 ^a | \$ 10,000 ^a |
| TOTAL..... | \$ 141,588 | \$ 145,427 | \$ 119,027 |

^a Estimated carryover.

Temporary Assistance to Needy Families

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

(Dollar Amounts in Thousands)

| Department / Appropriation | 2004-05 Actual Block | 2005-06 Available Block | 2006-07 Recommended Block |
|---|----------------------------|-------------------------------|---------------------------------|
| Executive Offices: | | | |
| <i>Office of Inspector General</i> | | | |
| TANFBG — Program Accountability..... | \$ 1,800 | \$ 1,500 | \$ 1,500 |
| <i>Commission on Crime and Delinquency</i> | | | |
| TANFBG — Nurse Home Visitation..... | \$ 3,784 | \$ 0 | \$ 0 |
| Subtotal..... | \$ 5,584 | \$ 1,500 | \$ 1,500 |
| Community and Economic Development: | | | |
| TANFBG — Housing Assistance..... | \$ 5,000 | \$ 0 | \$ 0 |
| TANFBG — Housing Assistance (EA)..... | 0 | 358 ^a | 0 |
| TANFBG — Child Care Challenge Grs.(EA)..... | 500 ^a | 0 | 0 |
| Subtotal..... | \$ 5,500 | \$ 358 | \$ 0 |
| Corrections: | | | |
| TANFBG — HOPE..... | \$ 52 ^a | \$ 0 | \$ 0 |
| Education: | | | |
| TANFBG — Teenage Parenting Education | \$ 12,255 | \$ 12,255 | \$ 12,255 |
| Higher Education Assistance Agency: | | | |
| TANFBG — Education Opportunities..... | \$ 1,500 | \$ 0 | \$ 0 |
| Labor and Industry: | | | |
| TANFBG — Youth Employment & Training | \$ 15,000 | \$ 15,000 | \$ 15,000 |

Temporary Assistance to Needy Families (continued)

Public Welfare:

| | | | |
|---|-------------------|-------------------|-------------------|
| TANFBG — Administration..... | \$ 4,313 | \$ 5,180 | \$ 4,980 |
| TANFBG — Information Systems..... | 9,921 | 9,556 | 9,035 |
| TANFBG — Statewide..... | 3,457 | 3,518 | 2,150 |
| TANFBG — County Assistance..... | 41,807 | 44,190 | 44,190 |
| TANFBG — Child Support Enforcement..... | 1,850 | 0 | 0 |
| TANFBG — New Directions..... | 154,401 | 163,286 | 138,286 |
| TANFBG — Youth Development Center..... | 3,544 | 0 | 0 |
| TANFBG — Cash Grants..... | 254,773 | 253,110 | 242,692 |
| TANFBG — Alternatives to Abortion..... | 1,000 | 1,000 | 1,000 |
| TANFBG — Child Welfare..... | 294,940 | 67,884 | 67,883 |
| TANFBG — Child Care Services..... | 2,000 | 2,000 | 2,000 |
| TANFBG — Nurse Family Partnership..... | 0 | 1,222 | \$ 1,222 |
| Subtotal..... | <u>\$ 772,006</u> | <u>\$ 550,946</u> | <u>\$ 513,438</u> |

Transportation:

| | | | |
|--------------------------------------|--------------------------|--------------------------------------|--------------------------|
| TANFBG — Access to Jobs..... | \$ 10,000 | \$ 0 | \$ 0 |
| GRAND TOTAL ALL PROGRAMS..... | <u><u>\$ 821,345</u></u> | <u><u>\$ 579,701^b</u></u> | <u><u>\$ 542,193</u></u> |

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

^b Includes carryover funding.

Anti-Drug Abuse

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

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

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

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

(Dollar Amounts in Thousands)

| Department / Appropriation | 2004-05 Actual Block | 2005-06 Available Block | 2006-07 Recommended Block |
|---|----------------------------|-------------------------------|---------------------------------|
| DRUG CONTROL AND SYSTEM IMPROVEMENT FORMULA GRANT PROGRAM (DCSI) | | | |
| Executive Offices: | | | |
| <i>Commonwealth Technology Services</i> | | | |
| DCSI — Electronic Reporting..... | \$ 1,855 ^a | \$ 1,150 ^a | \$ 356 ^a |
| <i>Commission on Crime and Delinquency</i> | | | |
| DCSI — Administration..... | \$ 1,524 | \$ 1,883 | \$ 1,883 |
| DCSI — Program Grants..... | 26,400 | 30,000 | 30,000 |
| DCSI — Criminal History Records..... | 10 | 10 | 10 |
| Justice Assistance Grants..... | 0 | 1,000 | 20,000 |
| Subtotal — Commission on Crime and Delinquency..... | \$ 27,934 | \$ 32,893 | \$ 51,893 |
| Subtotal — Executive Offices..... | \$ 29,789 | \$ 34,043 | \$ 52,249 |
| Attorney General: | | | |
| DCSI — Senior Crime Prevention University..... | \$ 51 ^a | \$ 40 ^a | \$ 0 |
| DCSI — Computer Forensics..... | 12 ^a | 0 | 0 |
| DCSI — Witness Relocation..... | 140 ^a | 95 ^a | 563 ^a |
| Subtotal..... | \$ 203 | \$ 135 | \$ 563 |
| Aging: | | | |
| DCSI — Older Domestic Violence Victims CrossTraining | \$ 33 ^a | \$ 0 | \$ 0 |
| DCSI — Protective Services Training | 50 ^a | 13 ^a | 0 |
| DCSI — Sexual Abuse Response Training..... | 49 ^a | 25 ^a | 0 |
| Subtotal..... | \$ 132 | \$ 38 | \$ 0 |
| Corrections: | | | |
| DCSI — Therapeutic Community..... | \$ 110 ^a | \$ 0 | \$ 0 |
| DCSI — Hispanic Therapeutic Community..... | 200 ^a | 200 ^a | 200 ^a |
| DCSI — Virtual Visitation..... | 67 ^a | 0 | 0 |
| DCSI — Employment Opportunities..... | 242 ^a | 110 ^a | 0 |
| DCSI — Adult Interactive Living..... | 90 ^a | 0 | 0 |
| DCSI — Sex Offender Assessment..... | 164 ^a | 100 ^a | 0 |
| DCSI — Inmate Culinary Training..... | 15 ^a | 35 ^a | 0 |
| Subtotal..... | \$ 888 | \$ 445 | \$ 200 |

Anti-Drug Abuse (continued)

| Department / Appropriation | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|-------------------------------|---------------------------------|
| | 2004-05 Actual Block | 2005-06 Available Block | 2006-07 Recommended Block |
| Health: | | | |
| DCSI — Adult Offender Treatment..... | \$ 440 ^a | \$ 225 ^a | \$ 94 ^a |
| Military and Veterans Affairs: | | | |
| DCSI — Drug Enforcement Training..... | \$ 630 ^a | \$ 418 ^a | \$ 200 ^a |
| Probation and Parole: | | | |
| DCSI — Sexual Offenders Treatment..... | \$ 500 ^a | \$ 260 ^a | \$ 0 |
| DCSI — Re-Entry Court Planning..... | 12 ^a | 0 | 0 |
| DCSI — Client Identification..... | 0 | 653 ^a | 0 |
| Subtotal..... | \$ 512 | \$ 913 | \$ 0 |
| Public Welfare: | | | |
| DCSI — Gender Specific Training..... | \$ 0 | \$ 200 ^a | \$ 0 |
| State Police: | | | |
| DCSI — MARIS System..... | \$ 226 ^a | \$ 0 | \$ 0 |
| DCSI — Triggerlock..... | 260 ^a | 350 ^a | 454 ^a |
| DCSI — PA Criminal Intelligence Center..... | 605 ^a | 144 ^a | 0 |
| Subtotal..... | \$ 1,091 | \$ 494 | \$ 454 |
| Legislature: | | | |
| <i>Commission on Sentencing</i> | | | |
| DCSI — Web Expansion & JNET Interface..... | \$ 5 ^a | \$ 0 | \$ 0 |
| DCSI — JNET Information Technology..... | 132 ^a | 210 ^a | 0 |
| DCSI — Research and Data Management..... | 1,039 ^a | 900 ^a | 817 ^a |
| Subtotal..... | \$ 1,176 | \$ 1,110 | \$ 817 |
| TOTAL..... | \$ 27,934 | \$ 32,893 | \$ 51,893 |

Anti-Drug Abuse (continued)

| Department / Appropriation | 2004-05 Actual Block | 2005-06 Available Block | 2006-07 Recommended Block |
|--|----------------------------|-------------------------------|---------------------------------|
| SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES (DFSC) | | | |
| Executive Offices: | | | |
| <i>Commission on Crime and Delinquency</i> | | | |
| DFSC — Special Programs..... | \$ 4,600 | \$ 5,200 | \$ 5,200 |
| Education: | | | |
| DFSC — Administration..... | \$ 1,698 | \$ 1,092 | \$ 1,092 |
| DFSC — School Districts..... | 14,000 | 14,000 | 14,000 |
| Subtotal..... | \$ 15,698 | \$ 15,092 | \$ 15,092 |
| Health: | | | |
| DFSC — Special Programs for Student Assistance..... | \$ 1,125 ^a | \$ 1,125 ^a | \$ 1,125 ^a |
| Public Welfare: | | | |
| DFSC — Special Programs — Juvenile Aftercare | | | |
| Services | \$ 1,225 | \$ 1,225 | \$ 1,225 |
| DFSC — Aftercare Support..... | 0 | 100 ^a | 100 ^a |
| DFSC — Special Programs for Domestic Violence..... | 424 | 425 | 425 |
| DFSC — Special Programs for Rape Crisis..... | 142 | 142 | 142 |
| Subtotal..... | \$ 1,791 | \$ 1,892 | \$ 1,892 |
| TOTAL..... | \$ 22,089 | \$ 22,084 | \$ 22,084 |
| GRAND TOTAL ALL PROGRAMS..... | <u>\$ 50,023</u> | <u>\$ 54,977</u> | <u>\$ 73,977</u> |

^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".

| | (Dollar Amounts in Thousands) | |
|---|-------------------------------|---------------------|
| | 2005-06 Estimate | 2006-07 Estimate |
| Governor's Office..... | \$1,123 | \$1,123 |
| Executive Offices..... | 199 | 199 |
| Lt. Governor's Office..... | 60 | 60 |
| Aging..... | 213 | 213 |
| Agriculture..... | 294 | 294 |
| Banking..... | 1,228 | 870 |
| Civil Service Commission..... | 44 | 44 |
| Community and Economic Development..... | 379 | 379 |
| Conservation and Natural Resources..... | 264 | 264 |
| Corrections..... | 238 | 238 |
| Education..... | 412 | 412 |
| Emergency Management Agency..... | 153 | 137 |
| Environmental Protection..... | 2,460 | 2,460 |
| Fish and Boat Commission..... | 145 | 160 |
| Game Commission..... | 239 | 239 |
| General Services..... | 72 | 72 |
| Health..... | 674 | 674 |
| Historical and Museum Commission..... | 129 | 129 |
| Insurance..... | 210 | 210 |
| Labor and Industry..... | 382 | 382 |
| Liquor Control Board..... | 176 | 181 |
| Military and Veterans Affairs..... | 304 | 294 |
| Milk Marketing Board..... | 66 | 66 |
| Probation and Parole Board..... | 49 | 49 |
| Public Television Network..... | 10 | 10 |
| Public Utility Commission..... | 173 | 177 |
| Public Welfare..... | 416 | 416 |
| Revenue..... | 488 | 488 |
| Securities Commission..... | 32 | 32 |
| State..... | 297 | 297 |
| State Police..... | 233 | 233 |
| Transportation..... | 1,731 | 1,731 |
| TOTAL | \$12,893 | \$12,533 |

The Commonwealth also spends funds in these areas:

--- *Lottery sales promotion* - \$30 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 2006-07. These expenditures are expected to generate approximately \$2.97 billion in lottery revenues during 2006-07.

--- *Economic development* - A total of \$30.5 million is budgeted in the General Fund to promote tourism and economic development. This will contribute to an estimated \$26.3 billion in 2006-07 travel revenues to Pennsylvania and supports the State's aggressive effort to preserve and create jobs.



Commonwealth of Pennsylvania

Governor's Executive Budget

PROGRAM
BUDGET
SUMMARY



COMMONWEALTH PROGRAM BUDGET

This section summarizes the 2006-07 fiscal year budget by major revenue source and major program area of expenditure. This summary includes programs funded from the General Fund, the twelve budgeted special revenue funds, Federal funds, and other revenues including augmentations, restricted receipts and revenues, and other special revenue funds.

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

Program Budget Summary

SUMMARY OF REVENUES AND EXPENDITURES FOR THE OPERATING PROGRAM

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

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| BEGINNING BALANCES | | | | | | | |
| General Fund (a)..... | \$ 76,750 | \$ 364,819 | \$ 203,972 | \$ 2,930 | \$ 0 | \$ 0 | \$ 0 |
| Adjustment to Beginning Balance..... | \$ 732 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Adjusted Beginning Balance..... | <u>\$ 77,482</u> | <u>\$ 364,819</u> | <u>\$ 203,972</u> | <u>\$ 2,930</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Special Funds (b)..... | <u>\$ 944,262</u> | <u>\$ 1,127,663</u> | <u>\$ 1,299,638</u> | <u>\$ 993,904</u> | <u>\$ 956,259</u> | <u>\$ 893,266</u> | <u>\$ 811,753</u> |
| REVENUES | | | | | | | |
| General Fund: | | | | | | | |
| Corporation Taxes..... | \$ 4,751,720 | \$ 4,911,400 | \$ 4,834,200 | \$ 4,781,900 | \$ 4,705,700 | \$ 4,583,900 | \$ 4,500,400 |
| Personal Income Tax..... | 8,746,793 | 9,331,700 | 9,848,900 | 10,364,500 | 10,904,100 | 11,412,000 | 11,968,200 |
| Sales and Use Taxes..... | 7,999,952 | 8,281,000 | 8,621,300 | 8,873,900 | 9,186,700 | 9,524,500 | 9,828,100 |
| All Other Revenues/Taxes..... | 2,810,075 | 2,829,500 | 3,045,800 | 3,043,800 | 3,099,700 | 3,159,700 | 3,227,700 |
| Less Refunds..... | -1,000,000 | -1,075,000 | -1,125,000 | -1,150,000 | -1,200,000 | -1,250,000 | -1,300,000 |
| Total General Fund..... | <u>\$ 23,308,540</u> | <u>\$ 24,278,600</u> | <u>\$ 25,225,200</u> | <u>\$ 25,914,100</u> | <u>\$ 26,696,200</u> | <u>\$ 27,430,100</u> | <u>\$ 28,224,400</u> |
| Special Funds..... | 4,049,767 | 4,312,589 | 4,314,925 | 4,443,362 | 4,488,002 | 4,518,303 | 4,553,701 |
| Federal Funds..... | 17,095,138 | 17,573,939 | 16,850,369 | 17,144,356 | 18,267,031 | 19,378,459 | 20,526,035 |
| Other Funds..... | <u>6,848,214</u> | <u>7,689,652</u> | <u>7,275,373</u> | <u>6,989,416</u> | <u>6,204,063</u> | <u>6,168,519</u> | <u>6,197,047</u> |
| Total Revenues and Balances..... | <u>\$ 52,323,403</u> | <u>\$ 55,347,262</u> | <u>\$ 55,169,477</u> | <u>\$ 55,488,068</u> | <u>\$ 56,611,555</u> | <u>\$ 58,388,647</u> | <u>\$ 60,312,936</u> |
| PROGRAM EXPENDITURES | | | | | | | |
| Direction and Supportive | | | | | | | |
| Services..... | \$ 1,534,701 | \$ 1,565,114 | \$ 1,579,175 | \$ 1,581,673 | \$ 1,585,822 | \$ 1,589,148 | \$ 1,595,903 |
| Protection of Persons and | | | | | | | |
| Property..... | 5,960,683 | 6,579,978 | 6,351,661 | 6,256,780 | 6,269,155 | 6,307,814 | 6,325,703 |
| Education..... | 11,586,560 | 12,066,054 | 12,694,506 | 12,766,896 | 12,793,747 | 12,778,988 | 12,781,330 |
| Health and Human Services..... | 24,078,890 | 25,114,668 | 24,561,110 | 24,998,131 | 26,008,627 | 27,789,113 | 29,702,616 |
| Economic Development..... | 2,136,600 | 2,591,589 | 2,398,069 | 2,389,442 | 2,419,534 | 2,388,018 | 2,387,310 |
| Transportation and | | | | | | | |
| Communications..... | 4,207,338 | 4,857,872 | 5,058,919 | 4,884,756 | 4,886,164 | 4,895,133 | 4,901,586 |
| Recreation and Cultural Enrichment.. | 592,327 | 711,645 | 633,267 | 646,318 | 648,507 | 651,365 | 650,194 |
| Debt Service..... | 823,524 | 759,402 | 894,960 | 981,254 | 1,073,812 | 1,145,210 | 1,222,545 |
| Less General Fund Lapses..... | -97,214 | -130,000 | 0 | 0 | 0 | 0 | 0 |
| Less Special Fund Lapses..... | <u>-56,868</u> | <u>-340,661</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Operating Expenditures..... | <u>\$ 50,766,541</u> | <u>\$ 53,775,661</u> | <u>\$ 54,171,667</u> | <u>\$ 54,505,250</u> | <u>\$ 55,685,368</u> | <u>\$ 57,544,789</u> | <u>\$ 59,567,187</u> |
| Transfer to Budget Stabilization | | | | | | | |
| Reserve Fund..... | <u>-64,380</u> | <u>-67,991</u> | <u>-976</u> | <u>-6,640</u> | <u>-8,230</u> | <u>-8,026</u> | <u>-8,237</u> |
| ENDING BALANCES | | | | | | | |
| General Fund..... | <u>\$ 364,819</u> | <u>\$ 203,972</u> | <u>\$ 2,930</u> | <u>\$ 19,919</u> | <u>\$ 24,691</u> | <u>\$ 24,079</u> | <u>\$ 24,711</u> |
| Special Funds (b)..... | <u>\$ 1,127,663</u> | <u>\$ 1,299,638</u> | <u>\$ 993,904</u> | <u>\$ 956,259</u> | <u>\$ 893,266</u> | <u>\$ 811,753</u> | <u>\$ 712,801</u> |

(a) Balances are not carried forward beyond 2006-07.

(b) Includes Lottery Fund reserve.

Program Budget Summary

Seven Year Summary of Commonwealth Programs

The following is a summary for the seven Commonwealth Programs of 2004-05 actual expenditures, 2005-06 amounts available, 2006-07 amounts budgeted and future year estimates for all the operating funds and capital bond authorizations as presented in the 2006-07 Governor's Executive Budget. A breakdown of each Commonwealth Program by Category and Subcategory is shown on subsequent pages.

| | (Dollar Amounts in Thousands) | | | | | | |
|---|-------------------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
| Direction and Supportive Services | | | | | | | |
| General Fund..... | \$ 924,058 | \$ 882,472 | \$ 860,268 | \$ 859,547 | \$ 857,108 | \$ 854,849 | \$ 855,008 |
| Special Funds..... | 473,151 | 511,913 | 526,408 | 529,627 | 536,215 | 541,800 | 548,396 |
| Federal Funds..... | 16,945 | 26,360 | 17,112 | 17,112 | 17,112 | 17,112 | 17,112 |
| Other Funds..... | <u>120,547</u> | <u>144,369</u> | <u>175,387</u> | <u>175,387</u> | <u>175,387</u> | <u>175,387</u> | <u>175,387</u> |
| Total Operating..... | \$ 1,534,701 | \$ 1,565,114 | \$ 1,579,175 | \$ 1,581,673 | \$ 1,585,822 | \$ 1,589,148 | \$ 1,595,903 |
| Protection of Persons and Property | | | | | | | |
| General Fund..... | \$ 2,489,367 | \$ 2,473,657 | \$ 2,480,544 | \$ 2,501,010 | \$ 2,513,992 | \$ 2,535,342 | \$ 2,550,302 |
| Special Funds..... | 670,555 | 751,529 | 802,906 | 782,996 | 783,288 | 777,101 | 770,350 |
| Federal Funds..... | 1,023,118 | 1,276,185 | 977,564 | 986,191 | 1,022,713 | 1,055,262 | 1,085,839 |
| Other Funds..... | <u>1,777,643</u> | <u>2,078,607</u> | <u>2,090,647</u> | <u>1,986,583</u> | <u>1,949,162</u> | <u>1,940,109</u> | <u>1,919,212</u> |
| Total Operating..... | \$ 5,960,683 | \$ 6,579,978 | \$ 6,351,661 | \$ 6,256,780 | \$ 6,269,155 | \$ 6,307,814 | \$ 6,325,703 |
| Education | | | | | | | |
| General Fund..... | \$ 9,764,232 | \$ 10,067,542 | \$ 10,654,658 | \$ 10,728,304 | \$ 10,754,476 | \$ 10,739,101 | \$ 10,740,722 |
| Special Funds..... | 15,823 | 17,882 | 19,239 | 17,983 | 18,662 | 19,278 | 19,999 |
| Federal Funds..... | 1,658,294 | 1,813,234 | 1,814,398 | 1,814,398 | 1,814,398 | 1,814,398 | 1,814,398 |
| Other Funds..... | <u>148,211</u> | <u>167,396</u> | <u>206,211</u> | <u>206,211</u> | <u>206,211</u> | <u>206,211</u> | <u>206,211</u> |
| Total Operating..... | \$ 11,586,560 | \$ 12,066,054 | \$ 12,694,506 | \$ 12,766,896 | \$ 12,793,747 | \$ 12,778,988 | \$ 12,781,330 |
| Health and Human Services | | | | | | | |
| General Fund..... | \$ 8,333,847 | \$ 9,196,074 | \$ 9,482,764 | \$ 9,719,781 | \$ 10,329,819 | \$ 10,984,464 | \$ 11,683,598 |
| Special Funds..... | 1,011,515 | 1,219,986 | 1,267,319 | 1,302,789 | 1,362,372 | 1,401,271 | 1,445,749 |
| Federal Funds..... | 12,184,146 | 11,854,873 | 11,510,265 | 11,817,491 | 12,903,344 | 13,982,023 | 15,099,022 |
| Other Funds..... | <u>2,549,382</u> | <u>2,843,735</u> | <u>2,300,762</u> | <u>2,158,070</u> | <u>1,413,092</u> | <u>1,421,355</u> | <u>1,474,247</u> |
| Total Operating..... | \$ 24,078,890 | \$ 25,114,668 | \$ 24,561,110 | \$ 24,998,131 | \$ 26,008,627 | \$ 27,789,113 | \$ 29,702,616 |
| Economic Development | | | | | | | |
| General Fund..... | \$ 596,769 | \$ 612,214 | \$ 523,804 | \$ 572,830 | \$ 603,122 | \$ 602,406 | \$ 601,698 |
| Special Funds..... | 22,152 | 17,214 | 18,247 | 24,686 | 24,686 | 24,686 | 24,686 |
| Federal Funds..... | 625,546 | 1,010,559 | 953,018 | 931,128 | 931,428 | 931,628 | 931,628 |
| Other Funds..... | <u>892,133</u> | <u>951,602</u> | <u>903,000</u> | <u>860,798</u> | <u>860,298</u> | <u>829,298</u> | <u>829,298</u> |
| Total Operating..... | \$ 2,136,600 | \$ 2,591,589 | \$ 2,398,069 | \$ 2,389,442 | \$ 2,419,534 | \$ 2,388,018 | \$ 2,387,310 |

Program Budget Summary

Seven Year Summary of Commonwealth Programs

| | (Dollar Amounts in Thousands) | | | | | | |
|---|-------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
| Transportation and Communication | | | | | | | |
| General Fund..... | \$ 306,955 | \$ 312,670 | \$ 320,541 | \$ 320,541 | \$ 320,541 | \$ 320,541 | \$ 320,541 |
| Special Funds..... | 1,485,440 | 1,672,407 | 1,770,789 | 1,605,249 | 1,605,249 | 1,612,789 | 1,617,789 |
| Federal Funds..... | 1,157,943 | 1,512,783 | 1,524,692 | 1,524,692 | 1,524,692 | 1,524,692 | 1,524,692 |
| Other Funds..... | <u>1,257,000</u> | <u>1,360,012</u> | <u>1,442,897</u> | <u>1,434,274</u> | <u>1,435,682</u> | <u>1,437,111</u> | <u>1,438,564</u> |
| Total Operating..... | \$ 4,207,338 | \$ 4,857,872 | \$ 5,058,919 | \$ 4,884,756 | \$ 4,886,164 | \$ 4,895,133 | \$ 4,901,586 |
| Recreation and Cultural Enrichment | | | | | | | |
| General Fund..... | \$ 238,854 | \$ 244,354 | \$ 249,890 | \$ 249,274 | \$ 248,485 | \$ 248,485 | \$ 248,485 |
| Special Funds..... | 222,621 | 267,572 | 192,868 | 193,741 | 196,833 | 199,640 | 202,925 |
| Federal Funds..... | 51,527 | 79,945 | 53,320 | 53,344 | 53,344 | 53,344 | 53,344 |
| Other Funds..... | <u>79,325</u> | <u>119,774</u> | <u>137,189</u> | <u>149,959</u> | <u>149,845</u> | <u>149,896</u> | <u>145,440</u> |
| Total Operating..... | \$ 592,327 | \$ 711,645 | \$ 633,267 | \$ 646,318 | \$ 648,507 | \$ 651,365 | \$ 650,194 |
| Debt Service | | | | | | | |
| General Fund..... | \$ 399,955 | \$ 712,473 | \$ 852,797 | \$ 939,184 | \$ 1,035,736 | \$ 1,112,807 | \$ 1,191,098 |
| Special Funds..... | 21,977 | 22,772 | 22,883 | 23,936 | 23,690 | 23,251 | 22,759 |
| Federal Funds..... | 377,619 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Funds..... | <u>23,973</u> | <u>24,157</u> | <u>19,280</u> | <u>18,134</u> | <u>14,386</u> | <u>9,152</u> | <u>8,688</u> |
| Total Operating..... | \$ 823,524 | \$ 759,402 | \$ 894,960 | \$ 981,254 | \$ 1,073,812 | \$ 1,145,210 | \$ 1,222,545 |
| Capital Bond Authorizations..... | \$ 0 | \$ 0 | \$ 533,722 | \$ 726,579 | \$ 723,532 | \$ 719,108 | \$ 702,989 |
| Program Total..... | \$ 823,524 | \$ 759,402 | \$ 1,428,682 | \$ 1,707,833 | \$ 1,797,344 | \$ 1,864,318 | \$ 1,925,534 |
| COMMONWEALTH TOTALS | | | | | | | |
| General Fund..... | \$ 23,054,037 | \$ 24,501,456 | \$ 25,425,266 | \$ 25,890,471 | \$ 26,663,279 | \$ 27,397,995 | \$ 28,191,452 |
| Special Funds..... | 3,923,234 | 4,481,275 | 4,620,659 | 4,481,007 | 4,550,995 | 4,599,816 | 4,652,653 |
| Federal Funds..... | 17,095,138 | 17,573,939 | 16,850,369 | 17,144,356 | 18,267,031 | 19,378,459 | 20,526,035 |
| Other Funds..... | <u>6,848,214</u> | <u>7,689,652</u> | <u>7,275,373</u> | <u>6,989,416</u> | <u>6,204,063</u> | <u>6,168,519</u> | <u>6,197,047</u> |
| Total Operating..... | \$ 50,920,623 | \$ 54,246,322 | \$ 54,171,667 | \$ 54,505,250 | \$ 55,685,368 | \$ 57,544,789 | \$ 59,567,187 |
| Capital Bond Authorizations..... | \$ 0 | \$ 0 | \$ 533,722 | \$ 726,579 | \$ 723,532 | \$ 719,108 | \$ 702,989 |
| Program Total..... | <u>\$ 50,920,623</u> | <u>\$ 54,246,322</u> | <u>\$ 54,705,389</u> | <u>\$ 55,231,829</u> | <u>\$ 56,408,900</u> | <u>\$ 58,263,897</u> | <u>\$ 60,270,176</u> |

Program Budget Summary

Direction and Supportive Services

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

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

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| Administrative and Support Services..... \$ | 222,412 | 224,101 | 177,173 | 173,498 | 171,195 | 169,095 | 169,095 |
| Executive Direction..... | 217,977 | 220,109 | 173,181 | 169,506 | 167,203 | 165,103 | 165,103 |
| Personnel Selection..... | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| State Retirement System..... | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Legal Services..... | 4,430 | 3,987 | 3,987 | 3,987 | 3,987 | 3,987 | 3,987 |
| Fiscal Management..... \$ | 701,591 | 694,068 | 726,620 | 732,952 | 739,245 | 744,830 | 751,426 |
| Revenue Collection and Administration..... | 590,104 | 575,902 | 617,746 | 624,078 | 630,371 | 635,956 | 642,552 |
| Disbursement..... | 61,308 | 67,187 | 58,895 | 58,895 | 58,895 | 58,895 | 58,895 |
| Auditing..... | 50,179 | 50,979 | 49,979 | 49,979 | 49,979 | 49,979 | 49,979 |
| Physical Facilities and Commodities Management..... \$ | 131,385 | 129,012 | 135,679 | 135,520 | 135,679 | 135,520 | 135,679 |
| Facility, Property and Commodity Management..... | 131,385 | 129,012 | 135,679 | 135,520 | 135,679 | 135,520 | 135,679 |
| Legislative Processes..... \$ | 340,907 | 346,193 | 346,193 | 346,193 | 346,193 | 346,193 | 346,193 |
| Legislature..... | 340,907 | 346,193 | 346,193 | 346,193 | 346,193 | 346,193 | 346,193 |
| Interstate Relations..... \$ | 914 | 1,011 | 1,011 | 1,011 | 1,011 | 1,011 | 1,011 |
| Interstate Relations..... | 914 | 1,011 | 1,011 | 1,011 | 1,011 | 1,011 | 1,011 |
| PROGRAM TOTAL..... \$ | 1,397,209 | 1,394,385 | 1,386,676 | 1,389,174 | 1,393,323 | 1,396,649 | 1,403,404 |

Program Budget Summary

Protection of Persons and Property

The goal of this Commonwealth program is to provide an environment and a social system in which the lives of individuals and the property of individuals and organizations are protected from natural and man-made disasters and from illegal and unfair actions. This Commonwealth program supports the Administration's goal to Ensure the Safety of Our Citizens as well as the goal to Protect Our Natural Resources. The Pennsylvania Safety and Security - A Commonwealth Priority and Energy and Environment: New Industries and a Better Quality of Life in the 21st Century themes in the Overview and Summaries section highlight the Administration's achievements and continued emphasis in these areas.

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| General Administration and Support \$ | 65,192 | 64,665 | 63,089 | 63,089 | 63,089 | 63,089 | 63,089 |
| Criminal and Juvenile Justice Planning..... | 44,632 | 44,632 | 43,207 | 43,207 | 43,207 | 43,207 | 43,207 |
| Environmental Support Services..... | 20,560 | 20,033 | 19,882 | 19,882 | 19,882 | 19,882 | 19,882 |
| Public Protection and Law Enforcement \$ | 756,005 | 798,984 | 881,087 | 883,824 | 887,854 | 887,854 | 887,854 |
| State Police..... | 553,274 | 588,168 | 661,998 | 662,035 | 662,035 | 662,035 | 662,035 |
| Attorney General..... | 74,977 | 81,200 | 79,200 | 79,200 | 79,200 | 79,200 | 79,200 |
| Highway Safety Administration and Licensing..... | 127,754 | 129,616 | 139,889 | 142,589 | 146,619 | 146,619 | 146,619 |
| Control and Reduction of Crime \$ | 1,428,179 | 1,445,544 | 1,491,540 | 1,492,913 | 1,492,913 | 1,492,913 | 1,492,913 |
| Institutionalization of Offenders..... | 1,330,876 | 1,345,590 | 1,394,215 | 1,395,588 | 1,395,588 | 1,395,588 | 1,395,588 |
| Reintegration of Adult Offenders..... | 97,303 | 99,954 | 97,325 | 97,325 | 97,325 | 97,325 | 97,325 |
| Juvenile Crime Prevention \$ | 27,125 | 29,815 | 21,940 | 21,940 | 21,940 | 21,940 | 21,940 |
| Reintegration of Juvenile Delinquents..... | 27,125 | 29,815 | 21,940 | 21,940 | 21,940 | 21,940 | 21,940 |
| Adjudication of Defendants \$ | 261,615 | 265,305 | 264,231 | 264,231 | 264,231 | 264,231 | 264,231 |
| State Judicial System..... | 261,615 | 265,305 | 264,231 | 264,231 | 264,231 | 264,231 | 264,231 |
| Public Order and Community Safety \$ | 45,422 | 54,355 | 32,235 | 32,215 | 32,215 | 32,215 | 32,215 |
| Emergency Management..... | 26,118 | 34,561 | 12,121 | 12,121 | 12,121 | 12,121 | 12,121 |
| State Military Readiness..... | 19,304 | 19,794 | 20,114 | 20,094 | 20,094 | 20,094 | 20,094 |
| Protection From Natural Hazards and Disasters \$ | 208,567 | 223,299 | 215,947 | 196,106 | 196,106 | 196,106 | 196,106 |
| Environmental Protection and Management..... | 208,567 | 223,299 | 215,947 | 196,106 | 196,106 | 196,106 | 196,106 |
| Consumer Protection \$ | 298,725 | 276,922 | 270,866 | 287,173 | 296,417 | 311,580 | 319,789 |
| Consumer Protection..... | 5,489 | 5,434 | 11,942 | 12,192 | 12,202 | 12,192 | 12,192 |
| Financial Institution Regulation..... | 14,196 | 18,120 | 18,004 | 18,004 | 18,004 | 18,004 | 18,004 |
| Securities Industry Regulation..... | 2,371 | 2,300 | 2,300 | 2,300 | 2,300 | 2,300 | 2,300 |
| Insurance Industry Regulation..... | 185,593 | 154,879 | 149,373 | 161,737 | 170,971 | 186,144 | 194,353 |
| Horse Racing Regulation..... | 16,913 | 20,043 | 16,887 | 16,559 | 16,559 | 16,559 | 16,559 |

Program Budget Summary

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

General Fund and Special Funds

(Dollar Amounts in Thousands)

| | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>Actual</u> | <u>Available</u> | <u>Budget</u> | <u>Estimated</u> | <u>Estimated</u> | <u>Estimated</u> | <u>Estimated</u> |
| Protection and Development of Agricultural Industries..... | 66,663 | 76,146 | 72,360 | 76,381 | 76,381 | 76,381 | 76,381 |
| Gaming Regulation..... | 7,500 | 0 | 0 | 0 | 0 | 0 | 0 |
| Community and Occupational Safety and Stability..... \$ | 57,972 \$ | 55,032 \$ | 30,823 \$ | 30,823 \$ | 30,823 \$ | 30,823 \$ | 30,823 |
| Community and Occupational Safety and Stability..... | 29,936 | 27,496 | 28,287 | 28,287 | 28,287 | 28,287 | 28,287 |
| Fire Prevention and Safety..... | 28,036 | 27,536 | 2,536 | 2,536 | 2,536 | 2,536 | 2,536 |
| Prevention & Elimination of Discriminatory Practices \$ | 11,120 \$ | 11,265 \$ | 11,692 \$ | 11,692 \$ | 11,692 \$ | 11,692 \$ | 11,692 |
| Prevention & Elimination of Discriminatory Practices..... | 11,120 | 11,265 | 11,692 | 11,692 | 11,692 | 11,692 | 11,692 |
| PROGRAM TOTAL..... | \$ 3,159,922 | \$ 3,225,186 | \$ 3,283,450 | \$ 3,284,006 | \$ 3,297,280 | \$ 3,312,443 | \$ 3,320,652 |

Program Budget Summary

Education

The goal of this program is to ensure that funds for education are spent on proven practices that will boost student achievement. Services provided through this program include funding for pre-kindergarten, full day kindergarten, and class size reduction. In addition, this program ensures the long-standing priority uses for these funds of tutoring, improving teacher practice, upgrading curricula and technology and ensuring high quality vocation and higher education experiences. This Commonwealth program supports the Administration's goal to Build a World Class Public Education System. The Investing in our Children, Investing in our Future theme in the Overview and Summaries section highlights the Administration's priorities in advancing the Commonwealth's educational system.

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

| | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Actual | Available | Budget | Estimated | Estimated | Estimated | Estimated |
| Educational Support Services | \$ 31,528 | \$ 30,948 | \$ 31,328 | \$ 31,145 | \$ 31,145 | \$ 31,145 | \$ 31,145 |
| Education Support Services..... | 31,528 | 30,948 | 31,328 | 31,145 | 31,145 | 31,145 | 31,145 |
| Basic Education | \$ 7,850,398 | \$ 8,133,602 | \$ 8,650,643 | \$ 8,724,472 | \$ 8,750,644 | \$ 8,735,269 | \$ 8,736,890 |
| PreK-12 Education..... | 7,837,534 | 8,115,437 | 8,632,503 | 8,705,227 | 8,730,822 | 8,714,853 | 8,715,861 |
| Public Utility Realty Payments..... | 12,864 | 18,165 | 18,140 | 19,245 | 19,822 | 20,416 | 21,029 |
| Higher Education | \$ 1,898,129 | \$ 1,920,874 | \$ 1,991,926 | \$ 1,990,670 | \$ 1,991,349 | \$ 1,991,965 | \$ 1,992,686 |
| Higher Education..... | 1,478,656 | 1,492,133 | 1,540,579 | 1,539,323 | 1,540,002 | 1,540,618 | 1,541,339 |
| Financial Assistance to Students..... | 380,075 | 388,555 | 409,955 | 409,955 | 409,955 | 409,955 | 409,955 |
| Financial Assistance to Institutions..... | 39,398 | 40,186 | 41,392 | 41,392 | 41,392 | 41,392 | 41,392 |
| PROGRAM TOTAL | \$ 9,780,055 | \$ 10,085,424 | \$ 10,673,897 | \$ 10,746,287 | \$ 10,773,138 | \$ 10,758,379 | \$ 10,760,721 |

Program Budget Summary

Health and Human Services

The goals of this program are to ensure access to quality medical care for all citizens; to support people seeking self-sufficiency; to provide military assistance; and to maximize the capacity of individuals and families to participate in society. This Commonwealth program includes activities that support the Administration's goal to Increase Access to High Quality Health Care. The Caring for All Pennsylvanians and Enhancing Programs for Pennsylvania Seniors themes in the Overview and Summaries section highlight the Administration's efforts to increase access to high quality health care.

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

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| Human Services Support..... \$ | 110,368 | 108,524 | 112,534 | 112,534 | 112,534 | 112,534 | 112,534 |
| Human Services Support..... | 110,368 | 108,524 | 112,534 | 112,534 | 112,534 | 112,534 | 112,534 |
| Social Development of Individuals..... \$ | 858,926 | 1,139,125 | 1,210,786 | 1,272,038 | 1,323,705 | 1,403,549 | 1,489,621 |
| Human Services..... | 858,926 | 1,139,125 | 1,210,786 | 1,272,038 | 1,323,705 | 1,403,549 | 1,489,621 |
| Support of Older Pennsylvanians..... \$ | 876,827 | 990,628 | 782,532 | 841,391 | 891,248 | 924,212 | 962,178 |
| Community Services for Older Pennsylvanians..... | 271,753 | 265,938 | 273,168 | 277,051 | 277,372 | 277,359 | 277,346 |
| Older Pennsylvanians Transit..... | 147,753 | 164,189 | 159,046 | 159,046 | 159,046 | 159,046 | 159,046 |
| Homeowners and Renters Assistance..... | 126,600 | 131,200 | 130,000 | 131,000 | 132,000 | 134,000 | 135,000 |
| Pharmaceutical Assistance..... | 330,721 | 429,301 | 220,318 | 274,294 | 322,830 | 353,807 | 390,786 |
| Income Maintenance..... \$ | 1,033,229 | 1,115,977 | 1,167,320 | 1,168,759 | 1,169,529 | 1,170,299 | 1,171,069 |
| Income Maintenance..... | 1,017,334 | 1,101,335 | 1,153,603 | 1,155,042 | 1,155,812 | 1,156,582 | 1,157,352 |
| Workers Compensation and Assistance..... | 1,989 | 1,684 | 1,459 | 1,459 | 1,459 | 1,459 | 1,459 |
| Military Compensation and Assistance..... | 13,906 | 12,958 | 12,258 | 12,258 | 12,258 | 12,258 | 12,258 |
| Physical Health Treatment..... \$ | 4,826,705 | 5,382,723 | 5,729,036 | 5,870,680 | 6,438,007 | 7,017,973 | 7,636,777 |
| Medical Assistance..... | 4,337,061 | 4,911,414 | 5,267,271 | 5,408,998 | 5,974,452 | 6,554,497 | 7,173,376 |
| Health Treatment Services..... | 19,799 | 19,754 | 19,164 | 19,164 | 19,164 | 19,164 | 19,164 |
| Health Support Services..... | 46,615 | 46,263 | 46,263 | 46,263 | 46,263 | 46,263 | 46,263 |
| Health Research..... | 106,019 | 101,184 | 82,321 | 82,264 | 83,536 | 83,482 | 83,431 |
| Emergency Food Assistance..... | 19,450 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Prevention and Treatment of Drug and Alcohol Abuse..... | 41,547 | 38,646 | 41,373 | 41,373 | 41,373 | 41,373 | 41,373 |
| Preventive Health..... | 173,028 | 156,655 | 160,168 | 160,142 | 160,743 | 160,718 | 160,694 |
| Veterans Homes and School..... | 83,186 | 88,807 | 92,476 | 92,476 | 92,476 | 92,476 | 92,476 |
| Mental Health..... \$ | 711,983 | 722,194 | 724,298 | 721,158 | 721,158 | 721,158 | 721,158 |
| Mental Health..... | 711,983 | 722,194 | 724,298 | 721,158 | 721,158 | 721,158 | 721,158 |
| Mental Retardation..... \$ | 927,324 | 956,889 | 1,023,577 | 1,036,010 | 1,036,010 | 1,036,010 | 1,036,010 |
| Mental Retardation..... | 927,324 | 956,889 | 1,023,577 | 1,036,010 | 1,036,010 | 1,036,010 | 1,036,010 |

Program Budget Summary

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

General Fund and Special Funds

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| PROGRAM TOTAL..... | \$ 9,345,362 | \$ 10,416,060 | \$ 10,750,083 | \$ 11,022,570 | \$ 11,692,191 | \$ 12,385,735 | \$ 13,129,347 |

Program Budget Summary

Economic Development

The goal of this program is to invest public resources to create jobs for Pennsylvanians. To do so, this program offers a compendium of grants, loans and loan guarantees that in tandem will stimulate economic investment, growth and expanded employment. This Commonwealth program supports the Administration's goal to Create Jobs and Build a Vital Economy as well as the goal to Boost the Skills of Our Workers. The Expanding Employment and Opportunity for Pennsylvanians theme in the Overview and Summaries section highlights the Administration's efforts to stimulate Pennsylvania's economy.

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

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| Economic Development Support Services..... \$ | 94,095 | 92,939 | 85,124 | 85,124 | 85,124 | 85,124 | 85,124 |
| Economic Development Support Services..... | 94,095 | 92,939 | 85,124 | 85,124 | 85,124 | 85,124 | 85,124 |
| Commonwealth Economic Development..... \$ | 260,696 | 263,137 | 266,654 | 321,319 | 351,193 | 350,046 | 348,895 |
| Business and Job Development..... | 160,094 | 170,373 | 180,807 | 229,033 | 258,907 | 257,760 | 256,609 |
| Technology Development..... | 78,450 | 75,550 | 70,600 | 70,600 | 70,600 | 70,600 | 70,600 |
| Environmental Infrastructure..... | 22,152 | 17,214 | 15,247 | 21,686 | 21,686 | 21,686 | 21,686 |
| Workforce Investment..... \$ | 66,011 | 86,030 | 84,170 | 84,170 | 84,170 | 84,170 | 84,170 |
| Workforce Development..... | 18,455 | 39,197 | 37,987 | 37,987 | 37,987 | 37,987 | 37,987 |
| Vocational Rehabilitation..... | 47,556 | 46,833 | 46,183 | 46,183 | 46,183 | 46,183 | 46,183 |
| Community Development..... \$ | 198,119 | 187,322 | 106,103 | 106,903 | 107,321 | 107,752 | 108,195 |
| Community Development..... | 188,806 | 174,171 | 92,971 | 92,971 | 92,971 | 92,971 | 92,971 |
| Public Utility Realty Payments..... | 9,313 | 13,151 | 13,132 | 13,932 | 14,350 | 14,781 | 15,224 |
| Local Government Assistance..... \$ | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM TOTAL..... \$ | 618,921 | 629,428 | 542,051 | 597,516 | 627,808 | 627,092 | 626,384 |

Program Budget Summary

Transportation and Communication

The purpose of this program is to provide a system for the fast, convenient, efficient and safe movement of individuals, cargo, and information within the Commonwealth that is interfaced with a national and international system of transportation and communication. This Commonwealth program supports the Administration's goal to Create Jobs and Build a Vital Economy through the establishment of a first-rate infrastructure. The Expanding Employment and Opportunity for Pennsylvanians theme in the Overview and Summaries section highlights the Administration's investments in its transportation infrastructure.

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| Transportation Systems and Services..... | \$ 1,792,395 | \$ 1,985,077 | \$ 2,091,330 | \$ 1,925,790 | \$ 1,925,790 | \$ 1,933,330 | \$ 1,938,330 |
| State Highway and Bridge Construction and Reconstructi | 403,218 | 404,577 | 399,000 | 399,000 | 399,000 | 399,000 | 399,000 |
| Local Highway and Bridge Assistance..... | 194,764 | 195,639 | 209,576 | 209,576 | 209,576 | 209,576 | 209,576 |
| Mass Transportation..... | 289,249 | 295,005 | 300,876 | 300,876 | 300,876 | 300,876 | 300,876 |
| Intercity Transportation..... | 15,913 | 15,913 | 17,913 | 17,913 | 17,913 | 17,913 | 17,913 |
| State Highway and Bridge Maintenance..... | 821,386 | 998,319 | 1,083,115 | 917,575 | 917,575 | 925,115 | 930,115 |
| Transportation Support Services..... | 67,865 | 75,624 | 80,850 | 80,850 | 80,850 | 80,850 | 80,850 |
| PROGRAM TOTAL..... | \$ 1,792,395 | \$ 1,985,077 | \$ 2,091,330 | \$ 1,925,790 | \$ 1,925,790 | \$ 1,933,330 | \$ 1,938,330 |

Program Budget Summary

Recreation and Cultural Enrichment

The goal of this program is to improve the quality of life in Pennsylvania's urban, suburban and rural communities. This program focuses resources on our recreational and cultural amenities ensuring that Pennsylvanians can fully enjoy the natural beauty of the Commonwealth. This program also ensures that residents and visitors can explore the diversity of cultural traditions, the creativity of our artistic community and the bountiful history of our state and its prominence in forming the heritage of our nation. This Commonwealth program supports the Administration's goals to Protect Our Natural Resources and Create Jobs and Build a Vital Economy. The Challenges Met, Promises Kept and a Better Pennsylvania, Expanding Employment and Opportunity for Pennsylvanians and Energy and Environment: New Industries and a Better Quality of Life for the 21st Century themes in the Overview and Summaries section highlight the Administration's goals in these areas.

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

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

| | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Available | Budget | Estimated | Estimated | Estimated | Estimated |
| Recreation | \$ 296,215 | \$ 334,962 | \$ 272,520 | \$ 274,570 | \$ 277,021 | \$ 279,245 | \$ 281,850 |
| Parks and Forests Management..... | 212,651 | 245,434 | 178,133 | 180,183 | 182,634 | 184,858 | 187,463 |
| Recreational Fishing and Boating..... | 33,628 | 36,700 | 40,955 | 40,955 | 40,955 | 40,955 | 40,955 |
| Wildlife Management..... | 49,936 | 52,828 | 53,432 | 53,432 | 53,432 | 53,432 | 53,432 |
| Cultural Enrichment | \$ 165,260 | \$ 176,964 | \$ 170,238 | \$ 168,445 | \$ 168,297 | \$ 168,880 | \$ 169,560 |
| State Historical Preservation..... | 24,363 | 22,948 | 23,948 | 23,948 | 23,948 | 23,948 | 23,948 |
| Local Museum Assistance..... | 30,994 | 32,412 | 19,628 | 18,728 | 19,218 | 19,664 | 20,184 |
| Development of Artists and Audiences..... | 15,615 | 20,898 | 16,422 | 16,422 | 16,422 | 16,422 | 16,422 |
| State Library Services..... | 81,957 | 88,556 | 98,227 | 97,950 | 98,101 | 98,238 | 98,398 |
| Public Television Services..... | 12,331 | 12,150 | 12,013 | 11,397 | 10,608 | 10,608 | 10,608 |
| PROGRAM TOTAL | \$ 461,475 | \$ 511,926 | \$ 442,758 | \$ 443,015 | \$ 445,318 | \$ 448,125 | \$ 451,410 |

Program Budget Summary

Debt Service

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

The agency that participates in this program is Treasury.

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| Debt Service..... | \$ 421,932 | \$ 735,245 | \$ 875,680 | \$ 963,120 | \$ 1,059,426 | \$ 1,136,058 | \$ 1,213,857 |
| Debt Service..... | 421,932 | 735,245 | 875,680 | 963,120 | 1,059,426 | 1,136,058 | 1,213,857 |
| PROGRAM TOTAL..... | \$ 421,932 | \$ 735,245 | \$ 875,680 | \$ 963,120 | \$ 1,059,426 | \$ 1,136,058 | \$ 1,213,857 |



Commonwealth of Pennsylvania

Governor's Executive Budget

SUMMARY

BY

FUND



GENERAL FUND

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

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

FINANCIAL STATEMENT

The following financial statement and accompanying notes are a summary of the General Fund revenues and expenditures for the 2004-05 actual year, 2005-06 available year and 2006-07 budget year. The financial statement excludes augmentations and Federal funds that are detailed in subsequent tables.

| | (Dollar Amounts in Thousands) | | |
|---------------------------------------|-------------------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
| Beginning Balance | \$ 76,750 | \$ 364,819 | \$ 203,972 |
| Adjustment to Beginning Balance..... | 732 | 0 | 0 |
| Adjusted Beginning Balance..... | \$ 77,482 | \$ 364,819 | \$ 203,972 |
| Revenue: | | | |
| Revenue Receipts..... | \$ 24,308,540 | \$ 25,353,600 | \$ 26,205,300 |
| Proposed Revenue Changes..... | 0 | 0 | 144,900 |
| Less Refunds..... | -1,000,000 | -1,075,000 | -1,125,000 |
| Total Revenue..... | \$ 23,308,540 | \$ 24,278,600 | \$ 25,225,200 |
| Prior Year Lapses..... | 97,214 | 120,000 | 0 |
| Funds Available..... | \$ 23,483,236 | \$ 24,763,419 | \$ 25,429,172 |
| Expenditures: | | | |
| Appropriations..... | \$ 23,054,037 | \$ 24,304,037 | \$ 25,425,266 |
| Supplemental Appropriations..... | 0 | 197,419 | 0 |
| Less Current Year Lapses..... | 0 | -10,000 | 0 |
| Total Expenditures..... | \$ 23,054,037 | \$ 24,491,456 | \$ 25,425,266 |
| Preliminary Balance..... | \$ 429,199 | \$ 271,963 | \$ 3,906 |
| Less Transfer to Budget Stabilization | | | |
| Reserve Fund | -64,380 | -67,991 | -976 |
| Ending Balance | <u>\$ 364,819</u> | <u>\$ 203,972</u> | <u>\$ 2,930</u> |

NOTES ON FINANCIAL STATEMENT
(Dollar Amounts in Thousands)

PROPOSED TAX AND REVENUE MODIFICATIONS

| | 2006-07 Estimated |
|---|----------------------|
| Tax Revenue: | |
| Capital Stock and Franchise Tax | \$ -18,300 |
| The scheduled phase-out of the tax will be accelerated by a proposed additional 0.10 mills reduction to the rate effective January 1, 2006. Beginning January 1, 2007, annual one mill reductions to the rate would continue until the tax is eliminated on January 1, 2011. | |
| Research and Development Tax Credits | \$ -10,000 |
| An increase of \$10 million to the \$30 million annual cap on total research and development tax credits is proposed to be effective for credits awarded after January 1, 2007. | |
| Net Operating Loss Carryforward | \$ -7,300 |
| The annual cap on deductions for the Net Operating Loss Carryforward is proposed to be increased from \$2 million to \$3 million effective January 1, 2007. | |
| Realty Transfer Tax | \$ 79,100 |
| A one-year reduction of the 15 percent transfer to the Keystone Recreation, Park and Conservation Fund is proposed effective July 1, 2006, accompanied by obligation of revenues in the Keystone Recreation, Park and Conservation Fund in the year collected rather than in the subsequent year. The transfer rate is proposed to be 2.1 percent for fiscal year 2006-07. Effective July 1, 2007 the annual 15 percent transfer to the Keystone Recreation, Park and Conservation Fund would resume. | |
| Non-Tax Revenue: | |
| Gaming Fund | \$ 61,100 |
| Proposed repayment of \$36.1 million 2004-05 start-up loan and \$25 million 2005-06 Volunteer Company Grants loan by the General Fund. | |
| Voluntary Compliance Initiatives | \$ 40,300 |
| Proposed compliance initiatives would focus on use tax compliance, cigarette tax compliance, business license clearance and abusive tax shelter voluntary disclosure. | |
| TOTAL PROPOSED TAX AND REVENUE MODIFICATIONS | <u>\$ 144,900</u> |

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

SUPPLEMENTAL APPROPRIATIONS

| | <u>2005-06</u> <u>Available</u> |
|--|------------------------------------|
| Community and Economic Development | |
| PHFA - Homeowner's Emergency Mortgage Assistance Program | \$ 3,000 |
| Education | |
| Special Education Approved Private Schools..... | \$ 1,330 |
| Emergency Management Agency | |
| July 2003 Storm Relief | \$ 75 |
| Volunteer Company Grants..... | 25,000 |
| Emergency Management Agency Total | <u>\$ 25,075</u> |
| Public Welfare | |
| Mental Health Services..... | \$ -3,568 |
| Cash Grants..... | 44,386 |
| Supplemental Grants - Aged, Blind and Disabled..... | -3,457 |
| Medical Assistance - Capitation..... | 10,215 |
| Long-Term Care Facilities..... | 127,928 |
| Intermediate Care Facilities - Mentally Retarded..... | -7,490 |
| Public Welfare Total | <u>\$ 168,014</u> |
| TOTAL | <u>\$ 197,419</u> |

STATE FUNDS BY DEPARTMENT

The following is a summary, by department, of 2004-05 actual expenditures, the 2005-06 amounts available and the 2006-07 amounts budgeted as presented in the General Fund Budget.

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget |
| Governor's Office..... | \$ 7,320 | \$ 7,400 | \$ 7,300 |
| Executive Offices..... | 270,230 | 274,995 | 236,431 |
| Lieutenant Governor's Office..... | 1,300 | 1,363 | 1,385 |
| Attorney General..... | 74,977 | 81,200 | 79,200 |
| Auditor General..... | 50,179 | 50,979 | 49,979 |
| Treasury..... | 449,826 | 769,131 | 901,313 |
| Aging..... | 35,954 | 20,223 | 19,329 |
| Agriculture..... | 81,171 | 79,197 | 77,365 |
| Civil Service Commission..... | 1 | 1 | 1 |
| Community and Economic Development *..... | 521,445 | 513,033 | 426,502 |
| Conservation and Natural Resources..... | 97,178 | 97,979 | 96,635 |
| Corrections..... | 1,330,876 | 1,345,590 | 1,394,215 |
| Education**..... | 9,406,889 | 9,699,267 | 10,278,068 |
| Emergency Management Agency..... | 54,154 | 49,597 | 14,657 |
| Environmental Protection***..... | 191,105 | 192,168 | 177,768 |
| Fish and Boat Commission..... | 14 | 14 | 16 |
| Gaming Control Board..... | 7,500 | - | - |
| General Services..... | 110,807 | 108,423 | 115,452 |
| Health..... | 267,963 | 259,951 | 243,175 |
| Higher Education Assistance Agency..... | 419,473 | 428,741 | 451,347 |
| Historical and Museum Commission..... | 37,405 | 33,352 | 30,577 |
| Insurance..... | 82,513 | 80,586 | 76,554 |
| Labor and Industry..... | 97,936 | 115,210 | 113,916 |
| Military and Veterans Affairs..... | 116,396 | 121,559 | 124,848 |
| Probation and Parole Board..... | 97,303 | 99,954 | 97,325 |
| Public Television Network..... | 12,331 | 12,150 | 12,013 |
| Public Welfare..... | 7,886,399 | 8,781,697 | 9,087,313 |
| Revenue****..... | 214,108 | 174,382 | 179,540 |
| Securities Commission..... | 2,371 | 2,300 | 2,300 |
| State..... | 5,489 | 5,434 | 11,942 |
| State Employees' Retirement System..... | 4 | 4 | 4 |
| State Police..... | 184,797 | 157,416 | 178,117 |
| Tax Equalization Board..... | 1,317 | 1,330 | 1,330 |
| Transportation..... | 334,784 | 325,332 | 328,925 |
| Legislature*****..... | 340,907 | 346,193 | 346,193 |
| Judiciary..... | 261,615 | 265,305 | 264,231 |
| GRAND TOTAL..... | \$ 23,054,037 | \$ 24,501,456 | \$ 25,425,266 |

* Includes Pennsylvania Housing Finance Agency.

** Includes State System of Higher Education.

*** Includes Environmental Hearing Board.

**** Excludes refunds.

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

FEDERAL FUNDS BY DEPARTMENT

The following is a summary of Federal funds, by department, of 2004-05 actual expenditures, the 2005-06 amounts available and the 2006-07 amounts budgeted as presented in the General Fund Budget.

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|---------------|---------------|
| | 2004-05 | 2005-06 | 2006-07 |
| | Actual | Available | Budget |
| Executive Offices..... | \$ 137,705 | \$ 199,398 | \$ 184,050 |
| Attorney General..... | 14,331 | 14,288 | 15,497 |
| Treasury..... | 377,619 | 0 | 0 |
| Aging..... | 26,103 | 25,664 | 25,613 |
| Agriculture..... | 30,265 | 35,366 | 36,049 |
| Community and Economic Development..... | 123,044 | 128,546 | 97,886 |
| Conservation and Natural Resources..... | 27,546 | 47,715 | 26,825 |
| Corrections..... | 37,560 | 71,722 | 16,212 |
| Education..... | 1,656,782 | 1,813,216 | 1,814,459 |
| Emergency Management Agency..... | 285,696 | 400,840 | 159,380 |
| Environmental Protection*..... | 140,760 | 145,492 | 146,576 |
| General Services..... | 5 | 0 | 0 |
| Health..... | 421,435 | 461,247 | 451,364 |
| Higher Education Assistance Agency..... | 3,156 | 1,668 | 1,589 |
| Historical and Museum Commission..... | 3,139 | 3,420 | 3,590 |
| Infrastructure Investment Authority..... | 90,250 | 143,045 | 130,540 |
| Insurance..... | 162,039 | 158,103 | 178,808 |
| Labor and Industry..... | 502,529 | 833,387 | 819,977 |
| Liquor Control Board..... | 775 | 706 | 719 |
| Military and Veterans Affairs..... | 89,236 | 126,012 | 154,127 |
| Probation and Parole Board..... | 892 | 1,282 | 0 |
| Public Utility Commission..... | 2,000 | 1,725 | 1,621 |
| Public Welfare..... | 11,410,982 | 11,002,170 | 10,655,900 |
| State..... | 147,511 | 151,553 | 101,247 |
| State Police..... | 27,534 | 36,136 | 41,104 |
| Transportation..... | 58,530 | 76,273 | 75,882 |
| Legislature..... | 1,481 | 1,572 | 1,139 |
| Judiciary..... | 0 | 430 | 425 |
| GRAND TOTAL..... | \$ 15,778,905 | \$ 15,880,976 | \$ 15,140,579 |

* Includes Environmental Hearing Board.

AUGMENTATIONS BY DEPARTMENT

The following is a summary of augmentations, by department, of 2004-05 actual expenditures, the 2005-06 amounts available and the 2006-07 amounts budgeted as presented in the General Fund Budget.

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|----------------------|---------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget |
| Executive Offices..... | \$ 45,106 | \$ 47,080 | \$ 72,200 |
| Attorney General*..... | 5,009 | 10,417 | 11,755 |
| Auditor General..... | 8,942 | 8,650 | 9,714 |
| Treasury..... | 3,060 | 5,761 | 7,423 |
| Aging..... | 214 | 207 | 198 |
| Agriculture..... | 3,100 | 3,435 | 3,679 |
| Civil Service Commission..... | 15,388 | 15,547 | 15,547 |
| Community and Economic Development**..... | 14,427 | 9,172 | 10,516 |
| Conservation and Natural Resources..... | 48,755 | 59,407 | 58,687 |
| Corrections..... | 2,082 | 6,444 | 20,301 |
| Education..... | 8,289 | 8,075 | 8,486 |
| Emergency Management Agency..... | 184 | 545 | 444 |
| Environmental Protection* ***..... | 23,757 | 27,302 | 27,709 |
| General Services..... | 3,389 | 19,070 | 18,836 |
| Health..... | 3,062 | 11,312 | 3,540 |
| Historical and Museum Commission..... | 703 | 793 | 815 |
| Insurance..... | 2,382 | 2,089 | 3,810 |
| Labor and Industry*..... | 42,280 | 48,175 | 48,033 |
| Military and Veterans Affairs..... | 27,749 | 25,287 | 27,459 |
| Probation and Parole Board..... | 18,940 | 13,215 | 17,308 |
| Public Utility Commission*..... | 46,216 | 52,000 | 51,631 |
| Public Welfare*..... | 2,050,998 | 2,418,087 | 1,911,461 |
| Revenue..... | 19,841 | 21,336 | 23,782 |
| Securities Commission..... | 6,861 | 5,879 | 6,410 |
| State*..... | 35,563 | 39,864 | 47,047 |
| State Police*..... | 44,222 | 46,608 | 46,206 |
| Transportation*..... | 85,268 | 84,521 | 79,768 |
| Judiciary*..... | 43,255 | 42,580 | 42,591 |
| GRAND TOTAL..... | <u>\$ 2,609,042</u> | <u>\$ 3,032,858</u> | <u>\$ 2,575,356</u> |

* Includes funds appropriated from restricted revenues.

** Includes Housing Finance Agency.

*** Includes Environmental Hearing Board.

General Fund Revenue Summary

Seven Year Summary of Revenues

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

| | (Dollar Amounts in Thousands) | | | | | | |
|-------------------------------------|-------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
| TAX REVENUE | | | | | | | |
| Corporation Taxes | | | | | | | |
| Corporate Net Income Tax..... | \$ 1,921,406 | \$ 2,129,000 | \$ 2,142,200 | \$ 2,199,200 | \$ 2,261,200 | \$ 2,286,000 | \$ 2,352,700 |
| Capital Stock and Franchise Taxes.. | 1,025,904 | 1,045,900 | 880,200 | 724,000 | 545,400 | 348,600 | 146,400 |
| Selective Business: | | | | | | | |
| Gross Receipts Tax..... | 1,125,913 | 1,064,900 | 1,113,300 | 1,138,200 | 1,159,000 | 1,183,200 | 1,211,000 |
| Public Utility Realty Tax..... | 41,178 | 40,100 | 43,200 | 46,100 | 48,200 | 49,000 | 51,500 |
| Insurance Premiums Tax..... | 410,700 | 413,400 | 442,900 | 461,700 | 478,600 | 504,000 | 526,000 |
| Financial Institutions Tax..... | 208,924 | 205,600 | 199,900 | 200,200 | 200,800 | 200,600 | 200,300 |
| Other Selective Business Taxes.... | 17,695 | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 |
| Total — Corporation Taxes..... | \$ 4,751,720 | \$ 4,911,400 | \$ 4,834,200 | \$ 4,781,900 | \$ 4,705,700 | \$ 4,583,900 | \$ 4,500,400 |
| Consumption Taxes | | | | | | | |
| Sales and Use Tax..... | \$ 7,999,952 | \$ 8,281,000 | \$ 8,621,300 | \$ 8,873,900 | \$ 9,186,700 | \$ 9,524,500 | \$ 9,828,100 |
| Cigarette Tax..... | 784,371 | 779,900 | 768,100 | 940,100 | 921,700 | 903,600 | 886,000 |
| Malt Beverage Tax..... | 24,904 | 24,500 | 24,500 | 24,500 | 24,500 | 24,500 | 24,500 |
| Liquor Tax..... | 212,501 | 219,600 | 230,300 | 241,500 | 253,200 | 265,500 | 278,400 |
| Total — Consumption Taxes..... | \$ 9,021,728 | \$ 9,305,000 | \$ 9,644,200 | \$ 10,080,000 | \$ 10,386,100 | \$ 10,718,100 | \$ 11,017,000 |
| Other Taxes | | | | | | | |
| Personal Income Tax..... | \$ 8,746,793 | \$ 9,331,700 | \$ 9,848,900 | \$ 10,364,500 | \$ 10,904,100 | \$ 11,412,000 | \$ 11,968,200 |
| Realty Transfer Tax..... | 472,539 | 547,000 | 600,500 | 510,400 | 529,000 | 548,400 | 571,100 |
| Inheritance Tax..... | 716,148 | 725,500 | 765,500 | 798,400 | 842,300 | 888,600 | 936,600 |
| Minor and Repealed Taxes..... | 3,593 | 4,900 | 0 | -4,900 | -9,800 | -14,700 | -12,700 |
| Total — Other Taxes..... | \$ 9,939,073 | \$ 10,609,100 | \$ 11,214,900 | \$ 11,668,400 | \$ 12,265,600 | \$ 12,834,300 | \$ 13,463,200 |
| TOTAL TAX REVENUE..... | \$ 23,712,521 | \$ 24,825,500 | \$ 25,693,300 | \$ 26,530,300 | \$ 27,357,400 | \$ 28,136,300 | \$ 28,980,600 |
| NONTAX REVENUE | | | | | | | |
| State Stores Fund Transfer..... | \$ 54,900 | \$ 80,000 | \$ 130,000 | \$ 70,000 | \$ 75,000 | \$ 80,000 | \$ 80,000 |
| Licenses, Fees and Miscellaneous: | | | | | | | |
| Licenses and Fees..... | 121,131 | 115,300 | 118,000 | 118,000 | 118,000 | 118,000 | 118,000 |
| Miscellaneous..... | 387,994 | 301,100 | 379,600 | 316,500 | 316,500 | 316,500 | 316,500 |
| Fines, Penalties and Interest: | | | | | | | |
| On Taxes..... | 24,067 | 28,800 | 26,300 | 26,300 | 26,300 | 26,300 | 26,300 |
| Other..... | 7,927 | 2,900 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| TOTAL NONTAX REVENUES..... | \$ 596,019 | \$ 528,100 | \$ 656,900 | \$ 533,800 | \$ 538,800 | \$ 543,800 | \$ 543,800 |
| GENERAL FUND TOTAL..... | \$ 24,308,540 | \$ 25,353,600 | \$ 26,350,200 | \$ 27,064,100 | \$ 27,896,200 | \$ 28,680,100 | \$ 29,524,400 |

Totals may not add due to rounding.

General Fund Revenues

Adjustments to Revenue Estimate

On July 7, 2005, the Official Estimate for fiscal year 2005-06 was certified to be \$24,989,900. The adjustments detailed below take into account actual revenue collections through the first six months of the fiscal year and projected collections for the remainder of the fiscal year based on current expectations for the economy and revenue trends.

| | (Dollar Amounts in Thousands) | | |
|--|---------------------------------|-------------------|--------------------------------|
| | 2005-06 Official Estimate | Adjustments | 2005-06 Revised Estimate |
| TAX REVENUE | | | |
| Corporation Taxes | | | |
| Corporate Net Income Tax..... | \$ 2,059,200 | \$ 69,800 | \$ 2,129,000 |
| Capital Stock and Franchise Taxes..... | 938,400 | 107,500 | 1,045,900 |
| Selective Business: | | | |
| Gross Receipts Tax..... | 1,065,400 | -500 | 1,064,900 |
| Public Utility Realty Tax..... | 44,400 | -4,300 | 40,100 |
| Insurance Premiums Tax..... | 437,400 | -24,000 | 413,400 |
| Financial Institutions Tax..... | 207,000 | -1,400 | 205,600 |
| Other Selective Business Taxes..... | 12,500 | 0 | 12,500 |
| Total — Corporation Taxes..... | <u>\$ 4,764,300</u> | <u>\$ 147,100</u> | <u>\$ 4,911,400</u> |
| Consumption Taxes | | | |
| Sales and Use Tax..... | \$ 8,269,000 | \$ 12,000 | \$ 8,281,000 |
| Cigarette Tax..... | 769,900 | 10,000 | 779,900 |
| Malt Beverage Tax..... | 24,500 | 0 | 24,500 |
| Liquor Tax..... | 219,600 | 0 | 219,600 |
| Total — Consumption Taxes..... | <u>\$ 9,283,000</u> | <u>\$ 22,000</u> | <u>\$ 9,305,000</u> |
| Other Taxes | | | |
| Personal Income Tax..... | \$ 9,181,500 | \$ 150,200 | \$ 9,331,700 |
| Realty Transfer Tax..... | 491,100 | 55,900 | 547,000 |
| Inheritance Tax..... | 727,000 | -1,500 | 725,500 |
| Minor and Repealed Taxes..... | -2,600 | 7,500 | 4,900 |
| Total — Other Taxes..... | <u>\$ 10,397,000</u> | <u>\$ 212,100</u> | <u>\$ 10,609,100</u> |
| TOTAL TAX REVENUE..... | <u>\$ 24,444,300</u> | <u>\$ 381,200</u> | <u>\$ 24,825,500</u> |
| NONTAX REVENUE | | | |
| State Stores Fund Transfer..... | \$ 80,000 | \$ 0 | \$ 80,000 |
| Licenses Fees and Miscellaneous: | | | |
| Licenses and Fees..... | 115,200 | 100 | 115,300 |
| Miscellaneous..... | 319,100 | -18,000 | 301,100 |
| Fines, Penalties and Interest: | | | |
| On Taxes..... | 28,400 | 400 | 28,800 |
| Other..... | 2,900 | 0 | 2,900 |
| TOTAL NONTAX REVENUES..... | <u>\$ 545,600</u> | <u>\$ -17,500</u> | <u>\$ 528,100</u> |
| GENERAL FUND TOTAL..... | <u>\$ 24,989,900</u> | <u>\$ 363,700</u> | <u>\$ 25,353,600</u> |

General Fund Revenue Sources

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

Corporate Net Income Tax

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

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

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

Capital Stock and Franchise Taxes

Tax Base: The taxes are levied on the capital stock value of domestic and foreign corporations doing business or having property or capital employed in the State on that portion of the capital stock value apportionable to Pennsylvania under a statutory formula. The first \$125,000 of capital stock value is exempt. Beginning in fiscal year 2002-03, the semiannual transfer to the Hazardous Sites Cleanup Fund (HSCF) is suspended unless the Fund balance is expected to be less than \$5 million.

Tax Rates:

| | |
|--|---|
| January 1, 2006 through December 31, 2006 | 4.99 mills (Beginning in 2005, the rate is reduced by one mill per year until the tax is eliminated on January 1, 2011). |
| January 1, 2005 through December 31, 2005 | 5.99 mills |
| January 1, 2004 through December 31, 2004 | 6.99 mills |
| January 1, 2002 through December 31, 2003.... | 7.24 mills |
| January 1, 2001 through December 31, 2001 | 7.49 mills (including 0.25 mill for transfer semiannually to HSCF). |
| January 1, 2000 through December 31, 2000.... | 8.99 mills (including 0.25 mill for transfer semiannually to HSCF). |
| January 1, 1999 to December 31, 1999 | 10.99 mills (including 0.25 mill for transfer semiannually to HSCF). |
| January 1, 1998 to December 31, 1998 | 11 mills plus a 0.99 mill surtax (including 0.5 mill for transfer semiannually to HSCF). |
| January 1, 1992 to December 31, 1997 | 11 mills plus a 1.75 mill surtax (including 0.5 mill for transfer semiannually to HSCF). |
| January 1, 1991 to December 31, 1991 | 11 mills plus a 2 mill surtax (including 0.5 mill for transfer semiannually to HSCF and 0.25 mill for transfer semiannually to the State Lottery Fund). |
| January 1, 1988 to December 31, 1990 | 9.5 mills (including 0.5 mill for transfer semiannually to HSCF). |
| January 1, 1987 to December 31, 1987 | 9 mills. |
| Prior to January 1, 1987 | 10 mills. |

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

Proposed Change: The scheduled phase-out of the tax will be accelerated by a proposed additional 0.10 mills reduction to the rate effective January 1, 2006. Beginning January 1, 2007, annual one mill reductions to the rate would continue until the tax is eliminated on January 1, 2011.

General Fund Revenue Sources

Gross Receipts Tax

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

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

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

Public Utility Realty Tax

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

Tax Rate: The tax rate is set each year upon determination by the Department of Revenue of the required distribution of the realty tax equivalent to local tax authorities. Revenue from an additional 7.6 mills is deposited in the General Fund. For tax year 2004 and thereafter, the Department of Revenue calculates a Gross Receipts Tax surcharge in the event that refunds for Public Utility Realty Tax appeals exceed \$5 million in the prior fiscal year. This surcharge is 0.6 mill for tax year 2005. No surcharge is required for tax year 2006.

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

Insurance Premiums Tax

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

Tax Rates: The rate is 2 percent of gross premiums plus a retaliatory tax where applicable. Marine insurance companies pay a 5 percent tax on underwriting profits attributable to Pennsylvania in lieu of the gross premiums tax. A tax of 3 percent is imposed on all gross premiums of surplus lines written with an unlicensed insurer.

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

Financial Institutions Taxes

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

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

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

General Fund Revenue Sources

Other Selective Business Taxes

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

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

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

Sales and Use Tax

Tax Base: The tax is levied on the sale at retail, including rental, of tangible personal property and certain services, or upon the use within Pennsylvania of tangible personal property, or taxable services purchased at retail if the tax was not paid at time of purchase. A tax on the occupancy of hotel rooms is imposed as part of the sales and use tax law. A transfer of 0.53 percent of revenues from this tax is deposited in the Public Transportation Assistance Fund. Beginning in fiscal year 1997-98, 1.22 percent of receipts, up to \$75 million, is transferred annually to the General Fund Supplemental Public Transportation Account. Beginning in fiscal year 2003-04, an additional 0.417 percent of receipts is transferred to the Public Transportation Assistance Fund. The revenues shown for the General Fund are net of these transfers.

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

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

Cigarette Tax

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

Tax Rates: The rate is 6.75 cents per cigarette. Beginning in January 2004, 18.52 percent of cigarette tax receipts is transferred to the Health Care Provider Retention Account. Beginning in fiscal year 2002-03, fixed annual amounts of \$30.73 million and \$20.485 million of Cigarette Tax receipts are transferred to the Children's Health Insurance Program (CHIP) and the Agricultural Conservation Easement Purchase (ACEP) Fund, respectively. Transfers of Cigarette Tax receipts to CHIP began in fiscal year 1992-93 at the rate of two thirty-firsts of receipts. After January 1, 1997, the transfer amount was increased to three thirty-firsts of receipts. Transfers of Cigarette Tax receipts to the ACEP Fund began in fiscal year 1993-94 at the rate of two thirty-firsts of receipts. The revenues shown for the General Fund are net of these transfers.

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

Malt Beverage Tax

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

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

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

General Fund Revenue Sources

Liquor Tax

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

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

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

Personal Income Tax

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

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

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

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

Realty Transfer Tax

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

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

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

Proposed Change: A one-year reduction of the 15 percent transfer to the Keystone Recreation, Park and Conservation Fund is proposed effective July 1, 2006, accompanied by obligation of revenues in the Keystone Recreation, Park and Conservation Fund in the year collected rather than the subsequent year. The transfer rate is proposed to be 2.1 percent for fiscal year 2006-07. Effective July 1, 2007 the annual 15 percent transfer to the Keystone Recreation, Park and Conservation Fund would resume.

General Fund Revenue Sources

Inheritance and Estate Taxes

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

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

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

Minor and Repealed Taxes

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

State Stores Fund Transfer

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

Licenses, Fees and Miscellaneous Revenue

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

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

Fines, Penalties and Interest

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

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

General Fund Revenue Detail

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget |
|--|---------------------|----------------------|---------------------|
| TAX REVENUE | | | |
| Corporate Net Income Tax | \$ 1,921,406 | \$ 2,129,000 | \$ 2,142,200 |
| Capital Stock and Franchise Taxes | | | |
| Capital Stock Taxes — Domestic..... | \$ 417,104 | \$ 425,234 | \$ 357,865 |
| Franchise Taxes — Foreign..... | 608,800 | 620,666 | 522,335 |
| SUBTOTAL | \$ 1,025,904 | \$ 1,045,900 | \$ 880,200 |
| Gross Receipts Tax | | | |
| Electric, Hydroelectric and Water Power..... | \$ 673,324 | \$ 667,200 | \$ 688,500 |
| Gas..... | 0 | 0 | 0 |
| Motor Transportation..... | 316 | 0 | 0 |
| Telephone and Telegraph..... | 449,167 | 393,700 | 421,300 |
| Transportation..... | 3,106 | 4,000 | 3,500 |
| SUBTOTAL | \$ 1,125,913 | \$ 1,064,900 | \$ 1,113,300 |
| Public Utility Realty Tax | \$ 41,178 | \$ 40,100 | \$ 43,200 |
| Insurance Premiums Tax | | | |
| Domestic Casualty..... | \$ 112,543 | \$ 113,282 | \$ 121,366 |
| Domestic Fire..... | 17,039 | 17,151 | 18,375 |
| Domestic Life and Previously Exempted Lines..... | 68,450 | 68,900 | 73,817 |
| Excess Insurance Brokers..... | 23,103 | 23,255 | 24,914 |
| Foreign Excess Casualty..... | 8,820 | 8,878 | 9,512 |
| Foreign Excess Fire..... | 4,563 | 4,593 | 4,921 |
| Foreign Life..... | 163,905 | 164,983 | 176,756 |
| Marine..... | 181 | 183 | 195 |
| Title Insurance..... | 6,291 | 6,332 | 6,784 |
| Unauthorized Insurance..... | 5,805 | 5,843 | 6,260 |
| SUBTOTAL | \$ 410,700 | \$ 413,400 | \$ 442,900 |
| Financial Institutions Taxes | | | |
| Federal Mutual Thrift Institutions..... | \$ 3,170 | \$ 2,721 | \$ 2,076 |
| National Banks..... | 137,984 | 137,640 | 136,471 |
| State Banks..... | 31,450 | 31,372 | 31,105 |
| State Mutual Thrift Institutions..... | 16,984 | 14,579 | 11,124 |
| Trust Companies..... | 19,336 | 19,288 | 19,124 |
| SUBTOTAL | \$ 208,924 | \$ 205,600 | \$ 199,900 |
| Other Selective Business Taxes | | | |
| Corporate Loans — Domestic..... | \$ 10,964 | \$ 8,022 | \$ 8,022 |
| Corporate Loans — Foreign..... | 5,842 | 4,274 | 4,274 |
| Miscellaneous Business Taxes..... | 279 | 204 | 204 |
| Corporation Taxes — Clearing Accounts Undistributed..... | 609 | 0 | 0 |
| SUBTOTAL | \$ 17,694 | \$ 12,500 | \$ 12,500 |
| Sales and Use Tax | | | |
| Motor Vehicle..... | \$ 1,230,388 | \$ 1,211,300 | \$ 1,235,400 |
| Non-Motor Vehicle..... | 6,769,564 | 7,069,700 | 7,385,900 |
| SUBTOTAL | \$ 7,999,952 | \$ 8,281,000 | \$ 8,621,300 |
| Cigarette Tax | \$ 784,371 | \$ 779,900 | \$ 768,100 |
| Malt Beverage Tax | \$ 24,904 | \$ 24,500 | \$ 24,500 |
| Liquor Tax | \$ 212,501 | \$ 219,600 | \$ 230,300 |

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget |
|---|----------------------|----------------------|----------------------|
| Personal Income Tax | | | |
| Non-Withholding..... | \$ 2,009,156 | \$ 2,255,700 | \$ 2,387,800 |
| Withholding..... | 6,737,636 | 7,076,000 | 7,461,100 |
| SUBTOTAL..... | \$ 8,746,792 | \$ 9,331,700 | \$ 9,848,900 |
| Realty Transfer Tax..... | \$ 472,539 | \$ 547,000 | \$ 600,500 |
| Inheritance Tax | | | |
| Nonresident Inheritance and Estate Tax..... | \$ 3,825 | \$ 3,875 | \$ 4,089 |
| Resident Inheritance and Estate Tax..... | 712,323 | 721,625 | 761,411 |
| SUBTOTAL..... | \$ 716,148 | \$ 725,500 | \$ 765,500 |
| Minor and Repealed Taxes | | | |
| Spirituos and Vinous Liquors Tax..... | \$ 0 | \$ 0 | \$ 0 |
| Unallocated EFT Payments..... | 47 | 30 | 30 |
| Excess Vehicle Rental Tax..... | 7,075 | 6,400 | 6,500 |
| Job Creation Tax Credit..... | -5,030 | -2,500 | -7,500 |
| Payments of Intergrated Taxes (KITS)..... | -124 | -80 | -80 |
| Tax on Writs, Wills and Deeds..... | 1,625 | 1,050 | 1,050 |
| SUBTOTAL..... | \$ 3,593 | \$ 4,900 | \$ 0 |
| TOTAL TAX REVENUE..... | \$ 23,712,521 | \$ 24,825,500 | \$ 25,693,300 |
| NONTAX REVENUES | | | |
| State Stores Fund Transfer..... | \$ 54,900 | \$ 80,000 | \$ 130,000 |
| Licenses, Fees and Miscellaneous | | | |
| Governor's Offices | | | |
| MISCELLANEOUS REVENUE | | | |
| Miscellaneous..... | \$ 0 | \$ 4 | \$ 4 |
| Refunds of Expenditures Not Credited to Appropriations..... | * | 0 | 0 |
| SUBTOTAL..... | \$ 0 | \$ 4 | \$ 4 |
| Executive Offices | | | |
| LICENSES AND FEES | | | |
| Attorney Continuing Legal Education..... | \$ 0 | \$ 45 | \$ 45 |
| MISCELLANEOUS REVENUE | | | |
| Miscellaneous..... | \$ -404 | -404 | -404 |
| Interest Transferred to Employee Benefits..... | -4,711 | -4,711 | -4,711 |
| Access to Justice Account..... | -189 | 0 | 0 |
| Refunds Of Expenditures Not Credited To Appropriations..... | 424 | 424 | 424 |
| SUBTOTAL..... | \$ -4,880 | \$ -4,646 | \$ -4,646 |
| Lieutenant Governor's Office | | | |
| LICENSES AND FEES | | | |
| Board Of Pardons Fees..... | \$ 12 | \$ 12 | \$ 12 |
| Board Of Pardons — Filing Fees..... | 12 | 12 | 12 |
| MISCELLANEOUS REVENUE | | | |
| Miscellaneous..... | \$ * | * | * |
| Refunds of Expend Not Credited To Approp..... | * | 0 | 0 |
| SUBTOTAL..... | \$ 24 | \$ 24 | \$ 24 |
| Auditor General | | | |
| LICENSES AND FEES | | | |
| Filing Fees — Board of Arbitration of Claims..... | \$ 3 | \$ 4 | \$ 4 |
| SUBTOTAL..... | \$ 3 | \$ 4 | \$ 4 |

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget |
|---|-------------------|----------------------|-------------------|
| Attorney General | | | |
| MISCELLANEOUS REVENUE | | | |
| Assessed Civil Penalties Payments..... | \$ 537 | \$ 244 | \$ 244 |
| Miscellaneous Interest Offset for Appropriation 611..... | -80 | -51 | -51 |
| Miscellaneous..... | 0 | 5 | 5 |
| Refunds Of Expenditures Not Credited To Appropriations..... | -48 | 15 | 15 |
| SUBTOTAL..... | \$ 409 | \$ 213 | \$ 213 |
| Treasury Department | | | |
| MISCELLANEOUS REVENUE | | | |
| Allocation Of Treasury Costs..... | \$ 4,055 | \$ 2,500 | \$ 2,500 |
| Depository Adjustments..... | 1 | 0 | 0 |
| Dividend Income Reinvested - Long Term..... | 149 | 0 | 0 |
| Interest Transferred to Asbestos/Lead Account..... | -33 | -25 | -25 |
| Interest Transferred to Hodge Trust Fund..... | -6 | 0 | 0 |
| Interest Transferred to PA Tech Invest Authority..... | 0 | -25 | -25 |
| Interest Income Reinvested - Long Term..... | * | 0 | 0 |
| Interest on Average Collected Balance - WIC Program..... | 10 | 10 | 10 |
| Interest On Deposits..... | 185 | 500 | 500 |
| Interest On Securities — Liquor License Fund..... | 41 | 50 | 50 |
| Interest On Securities..... | 119,884 | 119,425 | 119,490 |
| Miscellaneous..... | 47 | 0 | 0 |
| Redeposit Of Checks..... | 8,051 | 2,500 | 2,500 |
| Unclaimed Property — Claim Payments..... | -53,559 | -40,000 | -45,000 |
| Unclaimed Property — Financial Institution Deposits..... | 39,845 | 50,000 | 50,000 |
| Unclaimed Property — Other Holder Deposits..... | 217,864 | 99,000 | 120,000 |
| SUBTOTAL..... | \$ 336,534 | \$ 233,935 | \$ 250,000 |
| Department of Agriculture | | | |
| LICENSES AND FEES | | | |
| Abattoir Licenses..... | \$ 7 | \$ 0 | \$ 8 |
| Approved Inspectors Certificate And Registration Fees..... | 3 | 3 | 2 |
| Domestic Animal Dealers' Licenses..... | 47 | 53 | 55 |
| Eating & Drinking Licenses..... | 1,739 | 1,644 | 1,644 |
| Egg Certification Fees..... | 16 | 11 | 11 |
| Egg Opening Licenses..... | * | * | * |
| Farm Products Inspection Fees..... | 134 | 115 | 115 |
| Garbage Feeders Licenses..... | 1 | 1 | 1 |
| Ice Cream Licenses..... | 154 | 150 | 150 |
| Lab Directors Exam Fees..... | 1 | 1 | 1 |
| Livestock Branding Fees..... | * | * | * |
| Maple Syrup Program..... | * | 1 | 1 |
| Miscellaneous Licenses And Fees..... | 13 | 17 | 17 |
| Poultry Technician Licenses..... | 2 | 2 | 3 |
| Public Weighmasters' Liquid Fuel License — State Share..... | 153 | 125 | 130 |
| Registration Fee — Food Establishment..... | 263 | 220 | 220 |
| Rendering Plant Licenses..... | 5 | 5 | 5 |
| Seed Testing And Certification Fees..... | 32 | 0 | 0 |
| Veterinarian Diagnostic Laboratory Fees..... | 366 | 400 | 400 |
| MISCELLANEOUS REVENUE | | | |
| Miscellaneous..... | \$ 10 | \$ 0 | \$ 0 |
| Refunds Of Expenditures Not Credited To Appropriations..... | * | 0 | 0 |
| SUBTOTAL..... | \$ 2,946 | \$ 2,748 | \$ 2,763 |
| Civil Service Commission | | | |
| MISCELLANEOUS REVENUE | | | |
| Miscellaneous..... | \$ * | \$ 0 | \$ 0 |
| Refunds of Expend Not Credited to Appropriations..... | 2 | 0 | 0 |
| SUBTOTAL..... | \$ 2 | \$ 0 | \$ 0 |

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget |
|---|-------------------|----------------------|-------------------|
| Department of Community and Economic Development | | | |
| LICENSES AND FEES | | | |
| Municipal Indebtedness Fees..... | \$ 322 | \$ 325 | \$ 335 |
| MISCELLANEOUS REVENUE | | | |
| Infrastructure Developer - Loan Repayments..... | \$ 990 | \$ 950 | \$ 975 |
| Interest From Grantees..... | 83 | 75 | 80 |
| Housing and Redevelopment Loan Repayments..... | 219 | 220 | 220 |
| Miscellaneous..... | 711 | 6,200 | 6,046 |
| Nursing Home Loans — Repayments..... | 288 | 200 | 200 |
| PNHLA Prior Year In-Transit..... | 2,918 | 2,750 | 2,250 |
| Refunds of Expenditures Not Credited to Appropriations..... | 239 | 450 | 450 |
| Repayable Grant Payments..... | 479 | 500 | 510 |
| SUBTOTAL..... | \$ 6,249 | \$ 11,670 | \$ 11,066 |
| Department of Conservation and Natural Resources | | | |
| MISCELLANEOUS REVENUE | | | |
| Camp Leases..... | \$ 788 | \$ 850 | \$ 850 |
| Ground Rents..... | 13 | 13 | 13 |
| Housing Rents..... | 24 | 27 | 27 |
| Minerals Sales..... | 3 | 4 | 4 |
| Miscellaneous..... | 13 | 14 | 14 |
| Refunds Of Expenditures Not Credited To Appropriations..... | 71 | 72 | 72 |
| Rights-Of-Way..... | 376 | 400 | 400 |
| Sales Tax Escrow Account..... | -2 | 9 | 9 |
| Telephone Commissions..... | 2 | 2 | 2 |
| Water Leases..... | 19 | 20 | 20 |
| SUBTOTAL..... | \$ 1,307 | \$ 1,411 | \$ 1,411 |
| Department of Corrections | | | |
| MISCELLANEOUS REVENUE | | | |
| Antitrust Case Payments..... | \$ 2 | \$ 5 | \$ 5 |
| Miscellaneous..... | 27 | 35 | 35 |
| Refunds Of Expenditures Not Credited To Appropriations..... | 99 | 80 | 75 |
| Telephone Commissions..... | 5,764 | 5,500 | 5,600 |
| SUBTOTAL..... | \$ 5,892 | \$ 5,620 | \$ 5,715 |
| Department of Education | | | |
| LICENSES AND FEES | | | |
| Fees For GED Transcripts..... | \$ 39 | \$ 38 | \$ 38 |
| Fees For Licensing Private Schools..... | 184 | 213 | 213 |
| PDE Fees Transcripts — Closed Private Schools..... | * | * | * |
| Private Academic School Teacher Certification Fees..... | 15 | 16 | 16 |
| Fees For Licensing Private Driver Training Schools..... | 69 | 75 | 75 |
| Secondary Education Evaluation Fees..... | 5 | 4 | 4 |
| Teacher Certification Fees..... | 656 | 750 | 1,924 |
| MISCELLANEOUS REVENUE | | | |
| Miscellaneous..... | 2 | 0 | 0 |
| Refunds of Expenditures Not Credited to Appropriations..... | * | 0 | 0 |
| SUBTOTAL..... | \$ 970 | \$ 1,096 | \$ 2,270 |
| Department of Environmental Protection | | | |
| LICENSES AND FEES | | | |
| Anthracite Miners' Examination and Certification Fees..... | \$ * | \$ * | \$ * |
| Bituminous Miners' Examination and Certification Fees..... | 2 | 2 | 2 |
| Bituminous Shot Firers and Machine Runners Exam A..... | 1 | 1 | 1 |
| Blasters' Examination and Licensing Fees..... | * | * | * |
| Dams And Encroachment Fees..... | 148 | 152 | 154 |
| Examination and Certification Fees..... | 6 | 6 | 6 |
| Explosives Storage Permit Fees..... | 61 | 63 | 64 |
| Hazardous Waste Facility Annual Permit Administration Fees..... | 44 | 45 | 46 |

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget |
|---|-------------------|----------------------|-------------------|
| Department of Environmental Protection (continued) | | | |
| Hazardous Waste Facility Permit Application Fees..... | 52 | 53 | 54 |
| Hazardous Waste Storage-Disposal Fac-Fee..... | 112 | 114 | 116 |
| Hazardous Waste Transporter License and Fees..... | 37 | 38 | 38 |
| Infectious and Chemical Waste Transport Fees..... | 11 | 11 | 11 |
| Municipal Waste Annual Permit Administration Fees..... | 203 | 207 | 211 |
| Municipal Waste Permit Application Fees..... | 231 | 236 | 241 |
| Residual Waste Permit Administration Fees..... | 183 | 187 | 190 |
| Residual Waste Permit Application/Modification Fees..... | 96 | 98 | 100 |
| Sewage Permit Fees..... | 366 | 374 | 381 |
| Submerged Land Fees..... | 59 | 60 | 61 |
| Water Bacteriological Examination Fees..... | 18 | 19 | 19 |
| Water Power and Supply Permit Fees..... | 95 | 97 | 99 |
| MISCELLANEOUS REVENUE | | | |
| Ground Rentals..... | 12 | 12 | 12 |
| Interest on Loan Payments..... | 83 | 50 | 30 |
| Interest Payments — Mine Subsidence..... | 1 | 1 | 1 |
| Miscellaneous..... | 16 | 16 | 16 |
| Payment To Occupy Submerged Lands..... | 279 | 285 | 290 |
| Refunds of Expenditures Not Credited to Appropriations..... | 9 | 9 | 9 |
| Repayment Of Loans — Water Facilities..... | 930 | 300 | 250 |
| Rights-of-Way..... | 14 | 14 | 14 |
| Royalties for Recovery Of Materials — Schuylkill River..... | 153 | 156 | 159 |
| Sales Tax Escrow Account..... | * | * | * |
| Sales Tax — Allegheny County..... | * | * | * |
| Sewage Treatment And Waterworks Application Fees..... | 51 | 52 | 53 |
| Surface Subsidence Assistance Loans — Repayments..... | 10 | 10 | 10 |
| SUBTOTAL..... | \$ 3,283 | \$ 2,668 | \$ 2,638 |
| Department of General Services | | | |
| MISCELLANEOUS REVENUE | | | |
| Allocation Of Purchasing Costs Job 7..... | \$ 2,575 | \$ 2,644 | \$ 2,736 |
| Allocation Of Purchasing Costs Job 19..... | 829 | 424 | 0 |
| Miscellaneous..... | 6 | 6 | 6 |
| Real Estate Services..... | 209 | 215 | 222 |
| Refunds of Expenditures Not Credited to Appropriations..... | 2 | 0 | 0 |
| Rental Of State Property..... | 800 | 156 | 156 |
| Replacement Of Security Access Cards..... | 0 | 6 | 6 |
| Sale Of Publications..... | 2 | 2 | 2 |
| Sale Of State Property..... | 473 | 7,190 | 7,000 |
| Sale Of Unserviceable Property..... | 216 | 300 | 400 |
| Department of General Services (continued) | | | |
| State Surplus Property's E-Bay Account..... | \$ 30 | \$ 150 | \$ 300 |
| Reading State Office Building..... | 238 | 259 | 268 |
| Scranton State Office Building..... | 1,027 | 1,214 | 1,257 |
| Altoona State Office Building..... | 35 | 33 | 34 |
| SUBTOTAL..... | \$ 6,442 | \$ 12,599 | \$ 12,387 |
| Department of Health | | | |
| LICENSES AND FEES | | | |
| Bathing Place Program — Application Fees..... | \$ 1 | \$ 1 | \$ 1 |
| Cre Certification Fees..... | 17 | 18 | 18 |
| Hospice Licensing Fees..... | 34 | 35 | 35 |
| Immunization Service Fees..... | 10 | 13 | 13 |
| Life Safety Code Inspection Fees..... | 151 | 139 | 48 |
| Miscellaneous Licensure Fees..... | 99 | 91 | 91 |
| Nursing Home Licenses..... | 336 | 303 | 340 |
| Pediatric Extended Care Licensing Fees..... | 2 | 2 | 2 |
| Profit Making Hospital Licenses..... | 186 | 201 | 201 |
| Organized Camps Program Fees..... | 4 | 4 | 4 |
| Registration Fees — Hearing Aid Act..... | 102 | 100 | 100 |

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget |
|---|-------------------|----------------------|-------------------|
| Department of Health (continued) | | | |
| Registration Fees — Drugs Devices and Cosmetics Act..... | 391 | 390 | 390 |
| Vital Statistics Fees..... | 6,210 | 6,400 | 6,592 |
| Wholesale Prescription Drug Distribution Licenses..... | 62 | 65 | 64 |
| MISCELLANEOUS REVENUE | | | |
| Interest Transferred to Share Loan Program..... | -8 | -9 | -9 |
| Miscellaneous..... | 142 | 125 | 125 |
| Refunds of Expenditures Not Credited to Appropriations..... | * | 1 | 1 |
| SUBTOTAL..... | \$ 7,739 | \$ 7,879 | \$ 8,016 |
| Historical and Museum Commission | | | |
| MISCELLANEOUS REVENUE | | | |
| Miscellaneous..... | \$ 5 | \$ 25 | \$ 20 |
| Refunds of Expenditures Not Credited to Appropriations..... | 36 | 0 | 0 |
| SUBTOTAL..... | \$ 41 | \$ 25 | \$ 20 |
| Insurance Department | | | |
| LICENSES AND FEES | | | |
| Agents' Licenses..... | \$ 23,215 | \$ 22,000 | \$ 23,000 |
| Brokers' Licenses..... | 7,963 | 7,000 | 6,600 |
| Division of Companies Certification — Certificates and Filing Fees..... | 2,187 | 2,300 | 2,300 |
| Examination Fees and Expenses..... | 2,550 | 2,900 | 1,500 |
| Market Conduct Examination Fees..... | 918 | 950 | 950 |
| Miscellaneous Fees..... | 350 | 0 | 0 |
| Renewals..... | -5 | 0 | 0 |
| Valuation of Policies Fees..... | 10,274 | 4,800 | 5,000 |
| MISCELLANEOUS REVENUE | | | |
| Contra to Revenue Code 001780-009696-102..... | \$ -3 | \$ 0 | \$ 0 |
| Miscellaneous..... | 11 | 328 | 327 |
| Refunds of Expenditures Not Credited to Appropriations..... | -23 | 0 | 0 |
| SUBTOTAL..... | \$ 47,437 | \$ 40,278 | \$ 39,677 |
| Department of Labor and Industry | | | |
| LICENSES AND FEES | | | |
| Accessibility..... | \$ 10 | \$ 9 | \$ 9 |
| Approval of Building Plan Fees..... | 2,059 | 2,060 | 2,000 |
| Approval of Elevator Plan Fees..... | 490 | 450 | 450 |
| Bedding And Upholstery Fees..... | 756 | 700 | 700 |
| Boiler Inspection Fees..... | 4,235 | 4,200 | 4,200 |
| Boiler Plan Fees..... | \$ 48 | \$ 45 | \$ 45 |
| Elevator Inspection Fees..... | 2,012 | 1,800 | 1,800 |
| Employment Agency Licenses..... | 42 | 37 | 37 |
| Employment Agents' Registration Fees..... | 5 | 5 | 5 |
| Flammable Liquids Storage Fees..... | 37 | 37 | 37 |
| Industrial Board..... | 42 | 100 | 100 |
| Liquefied Petroleum Gas Plan Fees..... | 3 | 3 | 3 |
| Liquefied Petroleum Gas Registration Fees..... | 203 | 200 | 200 |
| Stuffed Toys Manufacturers' Registration Fees..... | 69 | 65 | 65 |
| UCC Certifications..... | 66 | 60 | 60 |
| MISCELLANEOUS REVENUE | | | |
| Act 64-Contra Miscellaneous Revenue Code..... | \$ 18 | \$ 0 | \$ 0 |
| Miscellaneous..... | 63 | 2 | 3 |
| Refunds of Expenditures Not Credited to Appropriations..... | 27 | 0 | 0 |
| SUBTOTAL..... | \$ 10,185 | \$ 9,773 | \$ 9,714 |
| Department of Military and Veterans Affairs | | | |
| MISCELLANEOUS REVENUE | | | |
| Refunds of Expenditures Not Credited to Appropriations..... | \$ 28 | \$ 30 | \$ 30 |
| Telephone Commissions..... | 3 | 3 | 3 |
| SUBTOTAL..... | \$ 31 | \$ 33 | \$ 33 |

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget |
|---|-------------------|----------------------|-------------------|
| Board of Probation and Parole | | | |
| MISCELLANEOUS REVENUE | | | |
| Miscellaneous..... | \$ * | \$ 0 | \$ 0 |
| Refunds of Expenditures Not Credited to Appropriations..... | 3 | 0 | 0 |
| SUBTOTAL..... | \$ 3 | \$ 0 | \$ 0 |
| Department of Public Welfare | | | |
| LICENSES AND FEES | | | |
| Private Mental Hospital Licenses..... | \$ 50 | \$ 50 | \$ 50 |
| MISCELLANEOUS REVENUE | | | |
| Miscellaneous..... | \$ 1,421 | 825 | 825 |
| Refunds of Expenditures Not Credited to Appropriations..... | 21 | 58 | 58 |
| Telephone Commissions..... | 21 | 21 | 21 |
| SUBTOTAL..... | \$ 1,513 | \$ 954 | \$ 954 |
| Department of Revenue | | | |
| LICENSES AND FEES | | | |
| Certification And Copy Fees..... | \$ 36 | \$ 30 | \$ 30 |
| Cigarette Permit Fees..... | 518 | 500 | 500 |
| Domestic Violence and Rape Crisis Program Fee..... | 1,964 | 2,000 | 2,000 |
| MISCELLANEOUS REVENUE | | | |
| Exempt Collections Per Act 1992-67..... | \$ 15,199 | 15,000 | 15,000 |
| District Justice Costs..... | 7,631 | 7,500 | 7,500 |
| Miscellaneous..... | 37 | 30 | 30 |
| Distribution Due Absentee..... | 43 | 40 | 40 |
| Income Tax Check-Offs — Olympics..... | * | 0 | 0 |
| Refunds of Expenditures Not Credited to Appropriations..... | 21 | 25 | 25 |
| SUBTOTAL..... | \$ 25,449 | \$ 25,125 | \$ 25,125 |
| Securities Commission | | | |
| LICENSES AND FEES | | | |
| Associated Persons — Initial..... | \$ 73 | \$ 81 | \$ 89 |
| Associated Persons — Renewal..... | 257 | 282 | 310 |
| Associated Persons — Transfer..... | 4 | 7 | 7 |
| Brokers, Dealers Registration Fees — Initial..... | 74 | 81 | 88 |
| Brokers, Dealers Registration Fees — Renewal..... | 871 | 956 | 1,050 |
| Costs — Examination, Auditing, Investigation, Prosecution — Except Takeover Costs..... | 1 | 1 | 1 |
| Investment Advisors Filing Fees — Initial..... | 29 | 36 | 41 |
| Investment Advisors Filing Fees — Renewal..... | 155 | 171 | 190 |
| Investment Advisors — Notice Filings Initial..... | 71 | 79 | 88 |
| Investment Advisors — Notice Filings Renewal..... | 400 | 441 | 500 |
| Mutual Funds — Increase in Amount of Filing..... | 564 | 590 | 590 |
| Mutual Funds — Initial Filing..... | 374 | 400 | 450 |
| Mutual Funds — Renewal Filing..... | 3,486 | 3,800 | 4,150 |
| 506 RD Filings..... | 1,190 | 1,210 | 1,250 |
| Section 203 (D) — Increase in Amount of Filing..... | * | * | * |
| Section 203 (D) — Initial Filing..... | 15 | 2 | 2 |
| Section 203 (I) (O) (II) — Initial Filing..... | * | * | * |
| Section 203(P) — Initial Filing..... | * | * | * |
| Section 203(S) — Initial Filing..... | 6 | 6 | 6 |
| Section 203(T) — Filing..... | 42 | 14 | 14 |
| Section 205 — Security Registration and Amendment Fees..... | 56 | 60 | 65 |
| Section 206 — Increase in Amount of Filing..... | 1 | 1 | 1 |
| Section 206 — Qualification Filing — Initial..... | 147 | 150 | 160 |
| Securities Agents Filing Fees — Initial..... | 2,837 | 3,000 | 3,255 |
| Securities Agents Filing Fees — Renewal..... | 10,977 | 11,218 | 11,760 |
| Securities Agents Filing Fees — Transfer..... | 189 | 195 | 195 |
| Takeover Disclosure Filing Fees + Sct Iv Rgtrn..... | 6 | 5 | 5 |
| Takeover Disclosure Filing Fees + Sct Iv Rgtrn..... | 0 | 1 | 1 |
| SUBTOTAL..... | \$ 21,825 | \$ 22,787 | \$ 24,268 |

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget |
|--|-------------------|----------------------|-------------------|
| Department of State | | | |
| LICENSES AND FEES | | | |
| Charities Bureau Registration Fees..... | \$ 1,313 | \$ 1,400 | \$ 1,500 |
| Commission and Filing Fees — Bureau Of Elections..... | 819 | 860 | 900 |
| Commission and Filing Fees — Corporation Bureau..... | 22,488 | 23,290 | 23,756 |
| Commission Fees..... | 28 | 35 | 35 |
| Notary Public Commission Fees..... | 978 | 900 | 925 |
| MISCELLANEOUS REVENUE | | | |
| Miscellaneous..... | -2,490 | 0 | 0 |
| Prof. & Occupational Affairs Credit Card Transfers..... | -49 | 0 | 0 |
| Interest Transferred to HAVA Program..... | -2,836 | 0 | 0 |
| SUBTOTAL..... | \$ 20,251 | \$ 26,485 | \$ 27,116 |
| State Police | | | |
| MISCELLANEOUS REVENUE | | | |
| Miscellaneous..... | \$ 211 | \$ 250 | \$ 260 |
| Reimbursement For Lost Property..... | 1 | 2 | 5 |
| Refunds of Expenditures Not Credited to Appropriations..... | 126 | 150 | 150 |
| Telephone Commissions..... | * | 1 | 1 |
| SUBTOTAL..... | \$ 338 | \$ 403 | \$ 416 |
| Department of Transportation | | | |
| MISCELLANEOUS REVENUE | | | |
| Refunds of Expenditures Not Credited to Interest | \$ 1 | \$ 0 | \$ 0 |
| SUBTOTAL..... | \$ 1 | \$ 0 | \$ 0 |
| Other | | | |
| MISCELLANEOUS REVENUE | | | |
| Conscience Money..... | \$ 7 | \$ 0 | \$ 0 |
| Payments in Lieu of Taxes — SWIF..... | 8,066 | 9,200 | 9,200 |
| Supreme Court..... | 20 | 0 | 0 |
| Transfers From Special Funds..... | 7,038 | 6,112 | 69,212 |
| SUBTOTAL..... | \$ 15,131 | \$ 15,312 | \$ 78,412 |
| Total Licenses, Fees and Miscellaneous..... | \$ 509,125 | \$ 416,400 | \$ 497,600 |
| Fines, Penalties and Interest on Taxes | | | |
| Corporation Net Income Tax..... | \$ 10,859 | \$ 12,995 | \$ 11,867 |
| Interest on Excise Taxes — Corporations (Department of Revenue)..... | 11,713 | 14,016 | 12,800 |
| Penalties on Excise Taxes — Corporations..... | 1,495 | 1,789 | 1,633 |
| SUBTOTAL..... | \$ 24,067 | \$ 28,800 | \$ 26,300 |
| Other Fines and Penalties | | | |
| Executive Offices | | | |
| PA Human Relations Commission - Civil Penalties..... | \$ 0 | \$ 0 | \$ 0 |
| Department of Agriculture | | | |
| Amusement Rides and Attractions — Fines..... | \$ 2 | \$ 5 | \$ 5 |
| Egg Fines..... | 0 | * | * |
| General Food Fines..... | 2 | 4 | 4 |
| Harness Racing Fines and Penalties..... | 42 | 45 | 45 |
| Horse Racing Fines and Penalties..... | 61 | 42 | 50 |
| Marking Law Fines..... | 0 | * | * |
| Miscellaneous Fines..... | 2 | 0 | 0 |
| Seasonal Farm Laborers Fines & Penalties..... | 0 | 10 | 10 |
| Weights & Mearsures Division - Fines..... | 4 | 14 | 5 |
| Department of Conservation and Natural Resources | | | |
| Miscellaneous Fines..... | 1 | 3 | 3 |
| Department of Environmental Protection | | | |
| Miscellaneous Fines..... | * | * | * |
| Ethics Commission | | | |
| Violations-Act 1978-170..... | 91 | 20 | 20 |
| Department of General Services | | | |
| Traffic Violation Fines..... | 25 | 25 | 25 |
| Department of Health | | | |
| Non-Compliance Fines And Penalties..... | 13 | 0 | 0 |

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget |
|---|-----------------------------|-----------------------------|-----------------------------|
| Department of Insurance | | | |
| Miscellaneous Fines..... | 4,523 | 2,042 | 2,043 |
| Department of Labor and Industry | | | |
| Minor Labor Law Fines..... | * | 0 | 0 |
| Miscellaneous Fines..... | 85 | 90 | 90 |
| Public Utility Commission | | | |
| Violation Of Order Fines..... | 928 | 200 | 200 |
| Department of Public Welfare | | | |
| Miscellaneous Fines & Penalties..... | 1,832 | 0 | 0 |
| Department of Revenue | | | |
| Malt Liquor Fines and Penalties..... | 34 | 0 | 0 |
| Department of State | | | |
| Penalties and Fines - Charities Bureau..... | 282 | 400 | 500 |
| SUBTOTAL..... | <u>\$ 7,927</u> | <u>\$ 2,900</u> | <u>\$ 3,000</u> |
| Total Fines, Penalties and Interest..... | <u>\$ 31,994</u> | <u>\$ 31,700</u> | <u>\$ 29,300</u> |
| TOTAL NONTAX REVENUES..... | <u>\$ 596,019</u> | <u>\$ 528,100</u> | <u>\$ 656,900</u> |
| TOTAL GENERAL FUND REVENUES..... | <u><u>\$ 24,308,540</u></u> | <u><u>\$ 25,353,600</u></u> | <u><u>\$ 26,350,200</u></u> |

* Less than \$500.

General Fund Revenue Summary

Revenue History

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

| | (Dollar Amounts in Thousands) | | | | | |
|---------------------------------------|-------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 1999-00 Actual | 2000-01 Actual | 2001-02 Actual | 2002-03 Actual | 2003-04 Actual | 2004-05 Actual |
| TAX REVENUE | | | | | | |
| Corporation Taxes | | | | | | |
| Corporate Net Income Tax..... | \$ 1,860,184 | \$ 1,603,375 | \$ 1,418,493 | \$ 1,396,561 | \$ 1,677,998 | \$ 1,921,406 |
| Capital Stock and Franchise Taxes.. | 1,083,505 | 1,063,046 | 913,426 | 896,329 | 984,295 | 1,025,904 |
| Selective Business: | | | | | | |
| Gross Receipts Tax..... | 657,260 | 663,551 | 710,597 | 846,775 | 1,012,397 | 1,125,913 |
| Public Utility Realty Tax..... | 104,855 | 42,292 | 28,850 | 50,814 | 50,272 | 41,178 |
| Insurance Premiums Tax..... | 263,879 | 291,421 | 300,554 | 330,609 | 390,768 | 410,700 |
| Financial Institutions Tax..... | 211,983 | 189,900 | 216,310 | 214,434 | 217,550 | 208,924 |
| Other Selective Business Taxes..... | 11,065 | 10,011 | 13,390 | 15,413 | 17,825 | 17,695 |
| Total — Corporation Taxes..... | \$ 4,192,731 | \$ 3,863,596 | \$ 3,601,620 | \$ 3,750,935 | \$ 4,351,105 | \$ 4,751,720 |
| Consumption Taxes | | | | | | |
| Sales and Use Tax..... | \$ 7,018,332 | \$ 7,203,756 | \$ 7,292,499 | \$ 7,519,561 | \$ 7,728,542 | \$ 7,999,952 |
| Cigarette Tax..... | 272,418 | 269,339 | 266,795 | 826,742 | 856,442 | 784,371 |
| Malt Beverage Tax..... | 25,776 | 25,530 | 26,653 | 26,726 | 26,201 | 24,904 |
| Liquor Tax..... | 153,831 | 162,083 | 170,769 | 193,181 | 195,179 | 212,501 |
| Total — Consumption Taxes..... | \$ 7,470,357 | \$ 7,660,708 | \$ 7,756,716 | \$ 8,566,210 | \$ 8,806,364 | \$ 9,021,728 |
| Other Taxes | | | | | | |
| Personal Income Tax..... | \$ 7,066,013 | \$ 7,491,462 | \$ 7,138,668 | \$ 7,105,885 | \$ 7,733,804 | \$ 8,746,793 |
| Realty Transfer Tax..... | 271,858 | 268,816 | 290,472 | 362,561 | 400,590 | 472,539 |
| Inheritance Tax..... | 819,110 | 799,800 | 779,571 | 693,782 | 747,625 | 716,148 |
| Minor and Repealed Taxes..... | -9,163 | 6,620 | 6,881 | 17,747 | 6,629 | 3,593 |
| Total — Other Taxes..... | \$ 8,147,818 | \$ 8,566,698 | \$ 8,215,592 | \$ 8,179,975 | \$ 8,888,648 | \$ 9,939,073 |
| TOTAL TAX REVENUE..... | \$ 19,810,906 | \$ 20,091,002 | \$ 19,573,928 | \$ 20,497,120 | \$ 22,046,117 | \$ 23,712,521 |
| NONTAX REVENUE | | | | | | |
| State Stores Fund Transfer..... | \$ 50,000 | \$ 50,000 | \$ 120,000 | \$ 155,000 | \$ 50,000 | \$ 54,900 |
| Licenses, Fees and Miscellaneous: | | | | | | |
| Licenses and Fees..... | 86,765 | 86,581 | 90,399 | 96,410 | 105,176 | 121,131 |
| Miscellaneous..... | 281,954 | 301,080 | 243,030 | 531,002 | 591,701 | 387,994 |
| Fines, Penalties and Interest: | | | | | | |
| On Taxes..... | 24,776 | 29,885 | 28,898 | 31,869 | 31,881 | 24,067 |
| Other..... | 2,326 | 3,197 | 3,688 | 3,050 | 3,203 | 7,927 |
| TOTAL NONTAX REVENUES..... | \$ 445,821 | \$ 470,743 | \$ 486,015 | \$ 817,331 | \$ 781,961 | \$ 596,019 |
| GENERAL FUND TOTAL..... | \$ 20,256,727 | \$ 20,561,745 | \$ 20,059,943 | \$ 21,314,451 | \$ 22,828,078 | \$ 24,308,540 |



MOTOR LICENSE FUND

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

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

Financial Statement *

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|---------------------|----------------------|----------------------|
| Beginning Balance..... | \$ 113,591 | \$ 212,409 | \$ 253,285 |
| Revenue: | | | |
| Revenue Receipts..... | \$ 2,156,872 | \$ 2,229,210 | \$ 2,279,050 |
| Adjustment to Official Estimate..... | 0 | 11,450 | 0 |
| Prior Year Lapses..... | 13,099 | 138,385 | 0 |
| Funds Available | \$ 2,283,562 | \$ 2,591,454 | \$ 2,532,335 |
| Expenditures: | | | |
| Appropriations..... | \$ 2,071,153 | \$ 2,338,169 | \$ 2,497,898 |
| Less Current Year Lapses..... | 0 | 0 | 0 |
| Estimated Expenditures..... | \$ -2,071,153 | \$ -2,338,169 | \$ -2,497,898 |
| Ending Balance..... | \$ 212,409 | \$ 253,285 | \$ 34,437 |

* Excludes restricted revenue.

Summary by Department

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|-------------------------|-------------------------|
| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
| Executive Offices | | | |
| General Government | | | |
| Office of the Budget..... | \$ 5,457 | \$ 5,831 | \$ 5,831 |
| Statewide Public Safety Radio System..... | 5,871 | 5,871 | 10,751 |
| IES Plant Maintenance..... | 0 | 0 | 5,034 |
| TOTAL STATE FUNDS..... | <u>\$ 11,328</u> | <u>\$ 11,702</u> | <u>\$ 21,616</u> |
| Augmentations..... | \$ 619 | \$ 792 | \$ 792 |
| DEPARTMENT TOTAL..... | <u>\$ 11,947</u> | <u>\$ 12,494</u> | <u>\$ 22,408</u> |
| Treasury Department | | | |
| General Government | | | |
| Replacement Checks..... | \$ 100 | \$ 250 | \$ 100 |
| Refunding Liquid Fuel Tax — Agricultural..... | 4,000 | 4,000 | 4,000 |
| Administration of Refunding Liquid Fuel Tax..... | 451 | 455 | 455 |
| Refunding Liquid Fuel Tax — State Share..... | 350 | 350 | 350 |
| Refunding Liquid Fuel Tax - Snowmobiles and ATV's..... | 1,000 | 0 | 0 |
| Refunding Liquid Fuel Tax — Political Subdivisions..... | 3,200 | 3,200 | 3,200 |
| Refunding Liquid Fuel Tax — Volunteer Services..... | 400 | 400 | 400 |
| Refunding Liquid Fuel Tax — Boat Fund..... | 2,800 | 2,800 | 2,800 |
| Subtotal..... | <u>\$ 12,301</u> | <u>\$ 11,455</u> | <u>\$ 11,305</u> |
| Debt Service Requirements | | | |
| Capital Debt — Transportation Projects..... | \$ 11,890 | \$ 12,097 | \$ 11,461 |
| General Obligation Debt Service..... | 10,037 | 10,625 | 11,372 |
| Loan and Transfer Agent..... | 50 | 50 | 50 |
| Subtotal..... | <u>\$ 21,977</u> | <u>\$ 22,772</u> | <u>\$ 22,883</u> |
| TOTAL STATE FUNDS | <u>\$ 34,278</u> | <u>\$ 34,227</u> | <u>\$ 34,188</u> |
| Restricted Revenue..... | \$ 23,554 | \$ 23,816 | \$ 19,151 |
| DEPARTMENT TOTAL..... | <u>\$ 57,832</u> | <u>\$ 58,043</u> | <u>\$ 53,339</u> |
| Department of Conservation and Natural Resources | | | |
| Dirt and Gravel Roads..... | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| TOTAL STATE FUNDS..... | <u>\$ 1,000</u> | <u>\$ 1,000</u> | <u>\$ 1,000</u> |
| Restricted Revenue..... | \$ 4,000 | \$ 4,000 | \$ 4,000 |
| DEPARTMENT TOTAL..... | <u>\$ 5,000</u> | <u>\$ 5,000</u> | <u>\$ 5,000</u> |
| Department of Education | | | |
| Grants and Subsidies | | | |
| Safe Driving Course..... | \$ 1,230 | \$ 1,230 | \$ 1,230 |
| DEPARTMENT TOTAL..... | <u>\$ 1,230</u> | <u>\$ 1,230</u> | <u>\$ 1,230</u> |
| Department of Environmental Protection | | | |
| Dirt and Gravel Roads..... | \$ 4,000 | \$ 4,000 | \$ 4,000 |
| DEPARTMENT TOTAL..... | <u>\$ 4,000</u> | <u>\$ 4,000</u> | <u>\$ 4,000</u> |
| Department of General Services | | | |
| Tort Claims Payments..... | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| Harristown Rental Charges..... | 94 | 83 | 77 |
| Harristown Utility and Municipal Charges..... | 166 | 152 | 150 |
| DEPARTMENT TOTAL..... | <u>\$ 20,260</u> | <u>\$ 20,235</u> | <u>\$ 20,227</u> |

Summary by Department (continued)

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|---|---------------------|---------------------|---------------------|
| Emergency Management Agency | | | |
| Grants and Subsidies | | | |
| Local Disaster Relief..... | \$ 0 | \$ 12,500 | \$ 0 |
| DEPARTMENT TOTAL..... | \$ 0 | \$ 12,500 | \$ 0 |
| Department of Revenue | | | |
| General Government | | | |
| Collections — Liquid Fuels Tax..... | \$ 13,215 | \$ 13,408 | \$ 13,708 |
| Refunding Liquid Fuels Tax..... | 7,000 | 9,000 | 9,000 |
| TOTAL STATE FUNDS..... | \$ 20,215 | \$ 22,408 | \$ 22,708 |
| Federal Funds..... | \$ 11 | \$ 0 | \$ 0 |
| DEPARTMENT TOTAL..... | \$ 20,226 | \$ 22,408 | \$ 22,708 |
| State Police | | | |
| General Government | | | |
| General Government Operations..... | \$ 331,337 | \$ 372,110 | \$ 435,185 |
| Additional State Troopers..... | 0 | 8,289 | 0 |
| Law Enforcement Information Technology..... | 26,384 | 32,135 | 22,645 |
| Incident Information Management System..... | 0 | 0 | 9,490 |
| Municipal Police Training..... | 3,509 | 3,846 | 3,846 |
| Patrol Vehicles..... | 5,401 | 10,478 | 8,821 |
| Automated Fingerprint Identification System | 1,846 | 121 | 121 |
| Commercial Vehicle Inspection..... | 0 | 3,773 | 3,773 |
| TOTAL STATE FUNDS..... | \$ 368,477 | \$ 430,752 | \$ 483,881 |
| Augmentations..... | \$ 0 | \$ 1,675 | \$ 1,675 |
| DEPARTMENT TOTAL..... | \$ 368,477 | \$ 432,427 | \$ 485,556 |
| Department of Transportation | | | |
| General Government | | | |
| General Government Operations..... | \$ 46,222 | \$ 47,022 | \$ 52,998 |
| Highway Systems Technology..... | 16,100 | 22,100 | 22,100 |
| Refunding Collected Monies..... | 3,750 | 4,750 | 4,000 |
| Highway and Safety Improvement..... | 150,000 | 150,000 | 150,000 |
| Highway Capital Projects..... | 220,218 | 221,577 | 216,000 |
| Security Walls Pilot Project..... | 5,000 | 5,000 | 5,000 |
| Highway Maintenance..... | 694,000 | 770,500 | 770,500 |
| Secondary Roads — Maintenance and Resurfacing..... | 65,230 | 65,230 | 65,230 |
| Highway Maintenance Safety Projects..... | 0 | 10,000 | 15,000 |
| Smoother Roads and Priority Bridges..... | 50,000 | 50,000 | 150,000 |
| Disaster Recovery..... | 0 | 50,000 | 0 |
| Emergency Highway and Bridge Repairs..... | 0 | 5,433 | 15,000 |
| Bridge Preservation..... | 0 | 28,000 | 48,000 |
| Reinvestment — Facilities..... | 9,540 | 16,540 | 16,540 |
| Safety Administration and Licensing..... | 124,925 | 127,708 | 129,459 |
| Homeland Security - Personal ID..... | 0 | 0 | 8,800 |
| Welcome Centers..... | 2,616 | 2,616 | 2,845 |
| Subtotal..... | \$ 1,387,601 | \$ 1,576,476 | \$ 1,671,472 |
| Grants and Subsidies | | | |
| Local Road Maintenance and Construction Payments..... | \$ 189,764 | \$ 190,639 | \$ 204,576 |
| Supplemental Local Road Maintenance and Construction Payments..... | 5,000 | 5,000 | 5,000 |
| Payment to Turnpike Commission..... | 28,000 | 28,000 | 28,000 |
| Subtotal..... | \$ 222,764 | \$ 223,639 | \$ 237,576 |
| TOTAL STATE FUNDS..... | \$ 1,610,365 | \$ 1,800,115 | \$ 1,909,048 |

Motor License Fund

Summary by Department (continued)

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|----------------------------|----------------------------|
| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
| Federal Funds..... | \$ 1,099,917 | \$ 1,442,810 | \$ 1,454,810 |
| Augmentations..... | 42,672 | 51,163 | 56,676 |
| Restricted Revenue..... | 789,904 | 898,763 | 939,411 |
| DEPARTMENT TOTAL..... | <u>\$ 3,542,858</u> | <u>\$ 4,192,851</u> | <u>\$ 4,359,945</u> |
| Fund Summary | | | |
| State Funds — Transportation..... | \$ 1,610,365 | \$ 1,800,115 | \$ 1,909,048 |
| State Funds — Other Departments..... | 460,788 | 538,054 | 588,850 |
| TOTAL STATE FUNDS..... | <u>\$ 2,071,153</u> | <u>\$ 2,338,169</u> | <u>\$ 2,497,898</u> |
| Motor License Fund Total—All Funds | | | |
| State Funds..... | \$ 2,071,153 | \$ 2,338,169 | \$ 2,497,898 |
| Federal Funds..... | 1,099,928 | 1,442,810 | 1,454,810 |
| Augmentations..... | 43,291 | 53,630 | 59,143 |
| Restricted Revenue..... | 817,458 | 926,579 | 962,562 |
| FUND TOTAL..... | <u>\$ 4,031,830</u> | <u>\$ 4,761,188</u> | <u>\$ 4,974,413</u> |

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| Liquid Fuels Taxes..... | \$ 1,159,874 | \$ 1,234,190 | \$ 1,273,600 | \$ 1,285,040 | \$ 1,296,600 | \$ 1,308,260 | \$ 1,320,040 |
| Motor Licenses and Fees..... | 876,896 | 871,320 | 875,890 | 897,430 | 916,990 | 927,340 | 940,360 |
| Other Motor License Fund Revenues..... | 120,101 | 135,150 | 129,560 | 130,030 | 130,510 | 131,000 | 131,500 |
| TOTAL MOTOR LICENSE FUND REVENUES..... | \$ 2,156,871 | \$ 2,240,660 | \$ 2,279,050 | \$ 2,312,500 | \$ 2,344,100 | \$ 2,366,600 | \$ 2,391,900 |
| Aviation Restricted Revenues..... | \$ 11,158 | \$ 12,510 | \$ 12,220 | \$ 12,270 | \$ 12,320 | \$ 12,380 | \$ 12,440 |
| Highway Bridge Improvement Restricted Revenues..... | \$ 96,956 | \$ 114,620 | \$ 118,930 | \$ 119,990 | \$ 121,080 | \$ 122,170 | \$ 123,280 |
| State Highway Transfer Restricted Revenues..... | \$ 20,068 | \$ 23,810 | \$ 25,100 | \$ 25,320 | \$ 25,540 | \$ 25,760 | \$ 25,980 |
| Oil Company Franchise Tax Restricted Revenues..... | \$ 367,952 | \$ 436,550 | \$ 460,120 | \$ 464,110 | \$ 468,160 | \$ 472,220 | \$ 476,330 |
| Supplemental Maintenance Restricted Revenues..... | \$ 257,541 | \$ 305,580 | \$ 322,080 | \$ 324,880 | \$ 327,710 | \$ 330,550 | \$ 333,430 |

Adjustments to 2005-06 Revenue Estimate

On July 7, 2005, an official estimate for the 2005-06 fiscal year of \$2,229,210 was certified. The revised estimate detailed below reflects actual revenue collections through the first six months of the fiscal year and expected collections for the balance of the fiscal year.

| | 2005-06 Official Estimate | Adjustments | 2005-06 Revised Estimate |
|--|---------------------------------|------------------|--------------------------------|
| Liquid Fuels Taxes..... | \$ 1,238,520 | \$ -4,330 | \$ 1,234,190 |
| Motor Licenses and Fees..... | 872,220 | -900 | 871,320 |
| Other Motor License Fund Revenues..... | 118,470 | 16,680 | 135,150 |
| TOTAL..... | \$ 2,229,210 | \$ 11,450 | \$ 2,240,660 |

Revenue Sources

Liquid Fuels Taxes

| Actual | | Estimated | |
|--------------|--------------|--------------|--------------|
| 1999-00..... | \$ 1,054,027 | 2005-06..... | \$ 1,234,190 |
| 2000-01..... | 1,070,185 | 2006-07..... | 1,273,600 |
| 2001-02..... | 1,090,488 | 2007-08..... | 1,285,040 |
| 2002-03..... | 1,105,459 | 2008-09..... | 1,296,600 |
| 2003-04..... | 1,113,027 | 2009-10..... | 1,308,260 |
| 2004-05..... | 1,159,874 | 2010-11..... | 1,320,040 |

Tax Base and Rates:

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

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

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

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

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

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

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

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

Revenue Sources (Continued)

Motor Licenses and Fees

| Actual | | Estimated | |
|--------------|------------|--------------|------------|
| 1999-00..... | \$ 807,859 | 2005-06..... | \$ 871,320 |
| 2000-01..... | 795,371 | 2006-07..... | 875,890 |
| 2001-02..... | 814,350 | 2007-08..... | 897,430 |
| 2002-03..... | 828,821 | 2008-09..... | 916,990 |
| 2003-04..... | 843,174 | 2009-10..... | 927,340 |
| 2004-05..... | 876,896 | 2010-11..... | 940,360 |

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

Other Motor License Fund Revenues

| Actual | | Estimated | |
|--------------|-----------|--------------|------------|
| 1999-00..... | \$ 97,478 | 2005-06..... | \$ 135,150 |
| 2000-01..... | 86,260 | 2006-07..... | 129,560 |
| 2001-02..... | 50,187 | 2007-08..... | 130,030 |
| 2002-03..... | 64,487 | 2008-09..... | 130,510 |
| 2003-04..... | 129,408 | 2009-10..... | 131,000 |
| 2004-05..... | 120,101 | 2010-11..... | 131,500 |

Other Motor License Fund revenues include the following sources:

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

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

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

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

Revenue Detail

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

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|---|---------------------|---------------------|---------------------|
| LIQUID FUELS TAXES | | | |
| Liquid Fuels Tax | | | |
| Liquid Fuels Tax..... | \$ 587,937 | \$ 585,790 | \$ 598,670 |
| Liquid Fuels Tax Interest..... | 166 | 170 | 170 |
| Liquid Fuels Tax Penalties..... | 316 | 310 | 320 |
| Subtotal..... | \$ 588,419 | \$ 586,270 | \$ 599,160 |
| Fuel Use Tax | | | |
| Fuel Use Tax..... | \$ 157,439 | \$ 162,370 | \$ 163,800 |
| Fuel Use Tax Interest..... | 0 | 0 | 0 |
| Fuel Use Tax Penalties..... | 0 | 0 | 0 |
| Subtotal..... | \$ 157,439 | \$ 162,370 | \$ 163,800 |
| Alternative Fuel Tax | | | |
| Alternative Fuel Tax..... | \$ 719 | \$ 720 | \$ 730 |
| Subtotal..... | \$ 719 | \$ 720 | \$ 730 |
| Motor Carriers Road Tax — International Fuel Tax Agreement | | | |
| Motor Carriers Road/IFTA — Fuels Tax..... | \$ 30,654 | \$ 31,050 | \$ 31,670 |
| Motor Carriers Road/IFTA— Registration Fees, Special.... | | | |
| Permit Fees and Fines..... | 1,346 | 1,360 | 1,390 |
| Subtotal..... | \$ 32,000 | \$ 32,410 | \$ 33,060 |
| Oil Company Franchise Tax..... | \$ 381,298 | \$ 452,420 | \$ 476,850 |
| TOTAL LIQUID FUELS TAXES..... | \$ 1,159,874 | \$ 1,234,190 | \$ 1,273,600 |
| MOTOR LICENSES AND FEES | | | |
| Operators' Licenses..... | \$ 60,077 | \$ 55,580 | \$ 54,140 |
| Other Fees Collected by Bureau of Motor Vehicles..... | 34,866 | 33,040 | 33,700 |
| Registration Fees Received From Other States/IRP..... | 77,771 | 76,170 | 77,690 |
| Special Hauling Permit Fees..... | 18,866 | 19,340 | 19,730 |
| Vehicle Registration and Titling..... | 685,316 | 687,190 | 690,630 |
| TOTAL MOTOR LICENSES AND FEES..... | \$ 876,896 | \$ 871,320 | \$ 875,890 |
| OTHER MOTOR LICENSE FUND REVENUES | | | |
| Fines and Penalties | | | |
| Department of Revenue | | | |
| Vehicle Code Fines..... | \$ 28,543 | \$ 25,750 | \$ 25,750 |
| Department of Transportation | | | |
| Vehicle Code Fines..... | 5,368 | 4,840 | 4,840 |
| Subtotal..... | \$ 33,911 | \$ 30,590 | \$ 30,590 |

Revenue Detail (continued)

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|--|---------------------|---------------------|---------------------|
| Miscellaneous Revenues | | | |
| Treasury Department | | | |
| Dividend Income Reinvested - Long Term..... | \$ 10 | \$ 10 | \$ 10 |
| Interest on Deposits - Cash Advancement Accounts | 19 | 20 | 20 |
| Interest on Securities..... | 57,187 | 72,510 | 66,960 |
| Interest on Securities - Liquid Fuels Tax Fund..... | 204 | 260 | 240 |
| Redeposit of Checks..... | 234 | 300 | 270 |
| Subtotal..... | \$ 57,654 | \$ 73,100 | \$ 67,500 |
| Department of General Services | | | |
| Sale of Unserviceable Property..... | \$ 543 | \$ 520 | \$ 530 |
| Subtotal..... | \$ 543 | \$ 520 | \$ 530 |
| Department of Transportation | | | |
| Fees for Reclaiming Abandoned Vehicles..... | \$ 49 | \$ 70 | \$ 70 |
| Highway Bridge Income..... | 139 | 190 | 190 |
| Highway Encroachment Permits..... | 1,117 | 1,530 | 1,530 |
| Interest Earned - Restricted Revenue..... | -1,274 ^a | -1,750 ^a | -1,750 ^a |
| Loan Repayments Interest..... | 5,445 | 0 | 0 |
| Miscellaneous Revenues..... | 121 | 170 | 170 |
| Recovered Damages..... | 2 | 0 | 0 |
| Refunds of Expenditures Not Credited to | | | |
| Appropriations or Allocations..... | 125 | 170 | 170 |
| Sale of Bid Proposals and Contract Specifications..... | 99 | 140 | 140 |
| Sale of Inspection Stickers..... | 21,816 | 29,960 | 29,960 |
| Sale of Maps and Plans..... | 335 | 460 | 460 |
| Subtotal..... | \$ 27,974 | \$ 30,940 | \$ 30,940 |
| Department of Revenue | | | |
| Refunds of Expenditures Not Credited to | | | |
| Appropriations or Allocations..... | \$ 19 | \$ 0 | \$ 0 |
| Subtotal..... | \$ 19 | \$ 0 | \$ 0 |
| TOTAL OTHER MOTOR LICENSE FUND REVENUES..... | \$ 120,101 | \$ 135,150 | \$ 129,560 |
| TOTAL MOTOR LICENSE FUND REVENUES..... | \$ 2,156,872 | \$ 2,240,660 | \$ 2,279,050 |

^a Amounts transferred to restricted revenue account.

Restricted Revenues Not Included in Department Total

Aviation Revenues

| Actual | Estimated |
|------------------------|------------------------|
| 1999-00..... \$ 11,658 | 2005-06..... \$ 12,510 |
| 2000-01..... 14,921 | 2006-07..... 12,220 |
| 2001-02..... 12,929 | 2007-08..... 12,270 |
| 2002-03..... 10,316 | 2008-09..... 12,320 |
| 2003-04..... 11,543 | 2009-10..... 12,380 |
| 2004-05..... 11,158 | 2010-11..... 12,440 |

Aviation revenue includes taxes levied on aviation gasoline and jet fuel, and income earned at State-owned airports. Effective January 2, 1998, in accordance with Act 60 of 1997, ownership of these airports was transferred to a local authority. Therefore, starting with 1997-98, aviation revenues exclude State-owned airport revenue. Aviation gasoline and jet fuel tax rates are adjusted annually based on the change in the jet fuel price index. In accordance with Act 164 of 1984, the aviation gasoline rate is not to exceed 6.0 cents per gallon nor be less than 3.0 cents per gallon. The jet fuel tax is not to exceed 2.0 cents per gallon nor be less than 1.5 cents per gallon. The tax rate as of January 1, 2006, is 5.3 cents per gallon on aviation gasoline and 2.0 cents per gallon on jet fuel. Aviation restricted revenues are not included in Motor License Fund revenue totals.

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|-------------------------------------|-------------------|---------------------|-------------------|
| AVIATION REVENUES | | | |
| Aviation Liquid Fuels Tax..... | \$ 9,884 | \$ 11,170 | \$ 11,220 |
| Interest..... | 1,274 | 1,340 | 1,000 |
| TOTAL AVIATION REVENUES..... | \$ 11,158 | \$ 12,510 | \$ 12,220 |

Highway Bridge Improvement Revenues

| Actual | Estimated |
|------------------------|-------------------------|
| 1999-00..... \$ 85,118 | 2005-06..... \$ 114,620 |
| 2000-01..... 80,613 | 2006-07..... 118,930 |
| 2001-02..... 83,345 | 2007-08..... 119,990 |
| 2002-03..... 84,989 | 2008-09..... 121,080 |
| 2003-04..... 85,135 | 2009-10..... 122,170 |
| 2004-05..... 96,956 | 2010-11..... 123,280 |

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

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|---|-------------------|---------------------|-------------------|
| HIGHWAY BRIDGE IMPROVEMENT REVENUES | | | |
| Registration Fee Portion-PA-Based Motor Vehicles..... | \$ 19,711 | \$ 19,700 | \$ 19,900 |
| Temporary Permit Fees..... | 217 | 240 | 250 |
| Oil Company Franchise Tax..... | 77,028 | 94,680 | 98,780 |
| TOTAL HIGHWAY BRIDGE REVENUES..... | \$ 96,956 | \$ 114,620 | \$ 118,930 |

Restricted Revenues Not Included in Department Total (continued)

State Highway Transfer Revenues

| Actual | | Estimated | |
|--------------|-----------|--------------|-----------|
| 1999-00..... | \$ 17,255 | 2005-06..... | \$ 23,810 |
| 2000-01..... | 17,070 | 2006-07..... | 25,100 |
| 2001-02..... | 17,754 | 2007-08..... | 25,320 |
| 2002-03..... | 18,059 | 2008-09..... | 25,540 |
| 2003-04..... | 18,009 | 2009-10..... | 25,760 |
| 2004-05..... | 20,068 | 2010-11..... | 25,980 |

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

Oil Company Franchise Tax Revenues

| Actual | | Estimated | |
|--------------|------------|--------------|------------|
| 1999-00..... | \$ 316,342 | 2005-06..... | \$ 436,550 |
| 2000-01..... | 312,946 | 2006-07..... | 460,120 |
| 2001-02..... | 325,486 | 2007-08..... | 464,110 |
| 2002-03..... | 331,089 | 2008-09..... | 468,160 |
| 2003-04..... | 330,161 | 2009-10..... | 472,220 |
| 2004-05..... | 367,952 | 2010-11..... | 476,330 |

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

Supplemental Maintenance Revenues

| Actual | | Estimated | |
|--------------|------------|--------------|------------|
| 1999-00..... | \$ 221,401 | 2005-06..... | \$ 305,580 |
| 2000-01..... | 219,062 | 2006-07..... | 322,080 |
| 2001-02..... | 227,840 | 2007-08..... | 324,880 |
| 2002-03..... | 231,757 | 2008-09..... | 327,710 |
| 2003-04..... | 231,113 | 2009-10..... | 330,550 |
| 2004-05..... | 257,541 | 2010-11..... | 333,430 |

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



BANKING DEPARTMENT FUND

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

Banking Department Fund

Financial Statement

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------|-------------------------|-------------------------|-------------------------|
| Beginning Balance | \$ 26,897 | \$ 28,125 | \$ 25,763 |
| Receipts: | | | |
| Revenue Estimate..... | \$ 15,575 | \$ 16,000 | \$ 16,336 |
| Prior Year Lapses..... | 167 | 117 | 0 |
| Total Receipts..... | <u>\$ 15,742</u> | <u>\$ 16,117</u> | <u>\$ 16,336</u> |
| Funds Available | <u>\$ 42,639</u> | <u>\$ 44,242</u> | <u>\$ 42,099</u> |
| Expenditures: | | | |
| Appropriated..... | \$ 14,514 | \$ 18,479 | \$ 18,009 |
| Less: Current Year Lapses..... | 0 | 0 | 0 |
| Estimated Expenditures..... | <u>-14,514</u> | <u>-18,479</u> | <u>-18,009</u> |
| Ending Balance | <u><u>\$ 28,125</u></u> | <u><u>\$ 25,763</u></u> | <u><u>\$ 24,090</u></u> |

Summary by Department

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|---|-------------------------|-------------------------|-------------------------|
| Treasury Department | | | |
| General Government | | | |
| Replacement Checks..... | \$ 0 | \$ 5 | \$ 5 |
| Banking Department | | | |
| General Government | | | |
| General Government Operations..... | \$ 14,196 | \$ 18,120 | \$ 18,004 |
| Department of General Services | | | |
| General Government | | | |
| Harristown Rental Charges..... | \$ 139 | \$ 141 | \$ 0 |
| Harristown Utility and Municipal Charges..... | 179 | 213 | 0 |
| DEPARTMENT TOTAL..... | <u>\$ 318</u> | <u>\$ 354</u> | <u>\$ 0</u> |
| FUND TOTAL..... | <u><u>\$ 14,514</u></u> | <u><u>\$ 18,479</u></u> | <u><u>\$ 18,009</u></u> |

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| Licenses and Fees..... | \$ 13,945 | \$ 14,279 | \$ 14,582 | \$ 14,582 | \$ 14,582 | \$ 14,582 | \$ 14,582 |
| Fines and Penalties..... | 282 | 400 | 420 | 420 | 420 | 420 | 420 |
| Miscellaneous..... | 1,348 | 1,321 | 1,334 | 1,334 | 1,334 | 1,334 | 1,334 |
| TOTAL BANKING DEPARTMENT FUND REVENUES..... | \$ 15,575 | \$ 16,000 | \$ 16,336 | \$ 16,336 | \$ 16,336 | \$ 16,336 | \$ 16,336 |

Revenue Sources

Licenses and Fees

| Actual | | Estimated | |
|--------------|-----------|--------------|-----------|
| 1999-00..... | \$ 11,640 | 2005-06..... | \$ 14,279 |
| 2000-01..... | 12,544 | 2006-07..... | 14,582 |
| 2001-02..... | 11,914 | 2007-08..... | 14,582 |
| 2002-03..... | 13,684 | 2008-09..... | 14,582 |
| 2003-04..... | 14,032 | 2009-10..... | 14,582 |
| 2004-05..... | 13,945 | 2010-11..... | 14,582 |

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

Fines and Penalties

| Actual | | Estimated | |
|--------------|-------|--------------|--------|
| 1999-00..... | \$ 65 | 2005-06..... | \$ 400 |
| 2000-01..... | 53 | 2006-07..... | 420 |
| 2001-02..... | 117 | 2007-08..... | 420 |
| 2002-03..... | 229 | 2008-09..... | 420 |
| 2003-04..... | 445 | 2009-10..... | 420 |
| 2004-05..... | 282 | 2010-11..... | 420 |

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

Banking Department Fund

Revenue Sources (continued)

Miscellaneous Revenue

| Actual | | Estimated | |
|--------------|--------|--------------|----------|
| 1999-00..... | \$ 862 | 2005-06..... | \$ 1,321 |
| 2000-01..... | 1,164 | 2006-07..... | 1,334 |
| 2001-02..... | 826 | 2007-08..... | 1,334 |
| 2002-03..... | 530 | 2008-09..... | 1,334 |
| 2003-04..... | 1,295 | 2009-10..... | 1,334 |
| 2004-05..... | 1,348 | 2010-11..... | 1,334 |

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

Revenue Detail

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

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|---|-------------------|---------------------|-------------------|
| Licenses and Fees | | | |
| Banking — Application Fees | \$ 121 | \$ 105 | \$ 123 |
| Savings Associations — Examinations | 24 | 30 | 25 |
| Savings Associations — Overhead Assessments | 42 | 64 | 35 |
| Check Cashers — Examinations | 25 | 37 | 38 |
| Check Cashers — Licenses | 264 | 211 | 200 |
| Check Cashers — Registrations | 28 | 25 | 28 |
| Consumer Credit — Examinations | 168 | 185 | 185 |
| Consumer Credit — Pawnbroker Licenses | 14 | 14 | 14 |
| Consumer Credit — Installment Seller Licenses | 944 | 930 | 940 |
| Consumer Credit — Consumer Discount Company Licenses | 173 | 166 | 170 |
| Consumer Credit — Money Transmitter Licenses | 60 | 60 | 75 |
| Consumer Credit — Sales Finance Licenses | 399 | 375 | 400 |
| Consumer Credit — Collector-Repossessor Licenses | 45 | 47 | 50 |
| Credit Unions — Overhead Assessments | 633 | 663 | 662 |
| Secondary Mortgage Licenses | 1,217 | 1,200 | 1,200 |
| Examinations — Credit Union | 375 | 500 | 500 |
| Examinations — First Mortgage Bankers | 98 | 75 | 110 |
| Examinations — Pawnbrokers | 3 | 5 | 5 |
| Examinations — First Mortgage Brokers | 101 | 110 | 111 |
| Examinations — Second Mortgage | 93 | 130 | 131 |
| Examinations — Trust Companies | 186 | 220 | 200 |
| Examinations — Money Transmitters | 120 | 110 | 125 |
| Examinations — Secondary Mortgage Broker | 57 | 72 | 76 |
| Examinations — Loan Correspondents | 18 | 7 | 18 |
| Examinations — Partially Exempt Registered Entities | 12 | 8 | 8 |
| Examinations — Sales Finance | 0 | 10 | 10 |
| Examinations — Collector-Reposser | 0 | 1 | 1 |
| Examinations — Installment Seller | 26 | 20 | 25 |
| Overhead Assessments — Trust Companies | 80 | 85 | 88 |
| Total Assessment Charges — Banks | 7,085 | 7,200 | 7,236 |
| First Mortgage Company — Licenses | 1,476 | 1,550 | 1,700 |
| Mutual Holding — Application Fees | 30 | 15 | 20 |
| Investigations | 0 | 30 | 50 |
| Continuing Education Program Fees..... | 17 | 10 | 15 |
| Loan Broker Registrations..... | 6 | 6 | 6 |
| Miscellaneous | 5 | 3 | 2 |
| TOTAL | \$ 13,945 | \$ 14,279 | \$ 14,582 |

Banking Department Fund

Revenue Detail (continued)

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|---------------------------------------|-------------------|---------------------|-------------------|
| Fines and Penalties | | | |
| Banking Law--Fines and Penalties..... | \$ 282 | \$ 400 | \$ 420 |
| Miscellaneous Revenue | | | |
| Interest on Securities..... | \$ 1,348 | \$ 1,321 | \$ 1,334 |
| TOTAL REVENUES..... | <u>\$ 15,575</u> | <u>\$ 16,000</u> | <u>\$ 16,336</u> |



BOAT FUND

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

Financial Statement

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------|-------------------|----------------------|----------------------|
| Beginning Balance | \$ 15,309 | \$ 17,698 | \$ 17,170 |
| Receipts: | | | |
| Revenue Estimate..... | \$ 11,148 | \$ 14,275 | \$ 12,892 |
| Prior Year Lapses..... | 1,699 | 748 | 0 |
| Total Receipts..... | <u>\$ 12,847</u> | <u>\$ 15,023</u> | <u>\$ 12,892</u> |
| Funds Available | \$ 28,156 | \$ 32,721 | \$ 30,062 |
| Expenditures: | | | |
| Appropriated..... | \$ 10,458 | \$ 15,551 | \$ 16,105 |
| Estimated Expenditures..... | -10,458 | -15,551 | -16,105 |
| Ending Balance | <u>\$ 17,698</u> | <u>\$ 17,170</u> | <u>\$ 13,957</u> |

Summary by Department

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|---------------------------------|-------------------|---------------------|-------------------|
| Treasury Department | | | |
| General Government | | | |
| Replacement Checks..... | \$ 0 | \$ 5 | \$ 5 |
| Fish and Boat Commission | | | |
| General Government | | | |
| General Operations..... | \$ 9,206 | \$ 11,441 | \$ 13,425 |
| TOTAL STATE FUNDS | <u>\$ 9,206</u> | <u>\$ 11,446</u> | <u>\$ 13,430</u> |
| Federal Funds..... | \$ 1,242 | \$ 4,080 | \$ 2,650 |
| Other Funds..... | 10 | 25 | 25 |
| FUND TOTAL | <u>\$ 10,458</u> | <u>\$ 15,551</u> | <u>\$ 16,105</u> |

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| Licenses and Fees..... | \$ 6,552 | \$ 6,819 | \$ 6,871 | \$ 6,931 | \$ 6,984 | \$ 7,038 | \$ 7,038 |
| Fines and Penalties..... | 221 | 200 | 200 | 225 | 225 | 225 | 225 |
| Miscellaneous..... | 3,123 | 3,151 | 3,146 | 3,155 | 3,130 | 3,130 | 3,105 |
| TOTAL BOAT FUND REVENUES..... | \$ 9,896 | \$ 10,170 | \$ 10,217 | \$ 10,311 | \$ 10,339 | \$ 10,393 | \$ 10,368 |
| Augmentations..... | \$ 1,252 | \$ 4,105 | \$ 2,675 | \$ 2,377 | \$ 2,377 | \$ 2,377 | \$ 2,377 |
| TOTAL BOAT FUND RECEIPTS..... | \$ 11,148 | \$ 14,275 | \$ 12,892 | \$ 12,688 | \$ 12,716 | \$ 12,770 | \$ 12,745 |

Revenue Sources

Licenses and Fees

| Actual | Estimated |
|-----------------------|-----------------------|
| 1999-00..... \$ 5,100 | 2005-06..... \$ 6,819 |
| 2000-01..... 5,462 | 2006-07..... 6,871 |
| 2001-02..... 5,130 | 2007-08..... 6,931 |
| 2002-03..... 5,109 | 2008-09..... 6,984 |
| 2003-04..... 5,454 | 2009-10..... 7,038 |
| 2004-05..... 6,552 | 2010-11..... 7,038 |

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

Fines and Penalties

| Actual | Estimated |
|---------------------|---------------------|
| 1999-00..... \$ 122 | 2005-06..... \$ 200 |
| 2000-01..... 241 | 2006-07..... 200 |
| 2001-02..... 244 | 2007-08..... 225 |
| 2002-03..... 257 | 2008-09..... 225 |
| 2003-04..... 202 | 2009-10..... 225 |
| 2004-05..... 221 | 2010-11..... 225 |

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

Revenue Sources (continued)

Miscellaneous Revenue

| Actual | | Estimated | |
|--------------|----------|--------------|----------|
| 1999-00..... | \$ 2,699 | 2005-06..... | \$ 3,151 |
| 2000-01..... | 3,081 | 2006-07..... | 3,146 |
| 2001-02..... | 3,139 | 2007-08..... | 3,155 |
| 2002-03..... | 2,847 | 2008-09..... | 3,130 |
| 2003-04..... | 3,204 | 2009-10..... | 3,130 |
| 2004-05..... | 3,123 | 2010-11..... | 3,105 |

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

Revenue Detail

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

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|---|-------------------|---------------------|-------------------|
| Licenses and Fees | | | |
| Motor Boat Registration Fees..... | \$ 5,909 | \$ 6,186 | \$ 6,238 |
| Boat Mooring Permits — Walnut Creek Access..... | 41 | 42 | 42 |
| Boating Safety Curriculum Fees..... | 138 | 135 | 135 |
| Boat Capacity Plate Fees..... | 4 | 6 | 6 |
| Boat Titling Fees..... | 460 | 450 | 450 |
| TOTAL..... | \$ 6,552 | \$ 6,819 | \$ 6,871 |
| Fines and Penalties | | | |
| Motor Boat Fines..... | \$ 221 | \$ 200 | \$ 200 |
| TOTAL..... | \$ 221 | \$ 200 | \$ 200 |
| Miscellaneous Revenues | | | |
| Transfer from Motor License and Liquid Fuels | | | |
| Tax Funds..... | \$ 2,260 | \$ 2,300 | \$ 2,300 |
| Miscellaneous..... | 70 | 61 | 61 |
| Interest on Securities..... | 732 | 740 | 735 |
| Sale of Unserviceable Property..... | 1 | 1 | 1 |
| Sales Tax Agent Fee PFC Share..... | 43 | 39 | 39 |
| North East Marina..... | 17 | 10 | 10 |
| TOTAL..... | \$ 3,123 | \$ 3,151 | \$ 3,146 |
| Augmentations | | | |
| Sale of Automobiles..... | \$ 4 | \$ 25 | \$ 25 |
| U.S. Coast Guard Grant for Boating Safety..... | 541 | 2,100 | 1,400 |
| Boating Infrastructure Grant (BIG)..... | -1 | 400 | 100 |
| Department of Transportation - BUI Enforcement..... | 6 | 0 | 0 |
| Sport Fish Restoration..... | 679 | 1,332 | 1,100 |
| Natural Disaster Cost Recovered..... | 0 | 78 | 0 |
| FEMA Homeland Security..... | 0 | 100 | 0 |
| Land and Water Conservation Fund..... | 0 | 20 | 0 |
| Clean Vessel Act..... | 0 | 50 | 50 |
| Wildlife Conservation and Restoration - Non-Game..... | 23 | 0 | 0 |
| TOTAL..... | \$ 1,252 | \$ 4,105 | \$ 2,675 |
| TOTAL RECEIPTS..... | \$ 11,148 | \$ 14,275 | \$ 12,892 |



ENVIRONMENTAL STEWARDSHIP FUND

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

Environmental Stewardship Fund

Financial Statement

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------|-------------------|----------------------|----------------------|
| Beginning Balance | \$ 5,512 | \$ 2,931 | \$ 2,834 |
| Receipts: | | | |
| Revenue Estimate..... | \$ 75,384 | \$ 91,500 | \$ 91,500 |
| Prior Year Lapses..... | 758 | 1,034 | 0 |
| Total Receipts..... | \$ 76,142 | \$ 92,534 | \$ 91,500 |
| Funds Available | \$ 81,654 | \$ 95,465 | \$ 94,334 |
| Expenditures: | | | |
| Appropriated..... | \$ 78,723 | \$ 92,631 | \$ 94,334 |
| Estimated Expenditures..... | -78,723 | -92,631 | -94,334 |
| Ending Balance | \$ 2,931 | \$ 2,834 | \$ 0 |

Summary by Department

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|---|-------------------|------------------------|------------------------|
| Department of Agriculture | | | |
| Grants and Subsidies | | | |
| Agricultural Conservation Easement Program..... | \$ 0 | \$ 10,749 | \$ 9,521 |
| Department of Conservation and Natural Resources | | | |
| General Government | | | |
| Parks & Forest Facility Rehabilitation..... | \$ 15,549 | \$ 9,751 | \$ 7,737 |
| Grants and Subsidies | | | |
| Community Conservation Grants..... | \$ 6,250 | \$ 7,018 | \$ 7,018 |
| Natural Diversity Conservation Grants..... | 750 | 735 | 750 |
| Subtotal..... | \$ 7,000 | \$ 7,753 | \$ 7,768 |
| DEPARTMENT TOTAL..... | \$ 22,549 | \$ 17,504 | \$ 15,505 |
| Department of Environmental Protection | | | |
| General Government | | | |
| Oil and Gas Well Plugging..... | \$ 832 | \$ 1,000 | \$ 0 |
| Abandoned Mine Reclamation and Remediation..... | 0 | 3,400 | 0 |
| Subtotal..... | \$ 832 | \$ 4,400 | \$ 0 |
| Grants and Subsidies | | | |
| Watershed Protection and Restoration..... | \$ 30,227 | \$ 18,765 | \$ 21,751 |
| Sewage and Drinking Water Grants..... | \$ 2,963 | \$ 3,999 | \$ 2,310 |
| Transfer to Hazardous Sites Cleanup Fund..... | 0 | 20,000 | 30,000 |
| Subtotal..... | \$ 33,190 | \$ 42,764 | \$ 54,061 |
| DEPARTMENT TOTAL..... | \$ 34,022 | \$ 47,164 | \$ 54,061 |
| Infrastructure Investment Authority | | | |
| Grants and Subsidies | | | |
| Stormwater, Water and Sewer Grants..... | \$ 22,152 | \$ 17,214 ^a | \$ 15,247 ^a |
| TOTAL STATE FUNDS | \$ 78,723 | \$ 92,631 | \$ 94,334 |

^a Represents maximum amount available under current law. Act 45 of 2005 authorizes the use of up to \$2.5 million of this allocation for a Green Sales Tax Holiday and up to \$10 million for Historic Preservation Grants or Tax Credits if enabling legislation is enacted for these purposes.

Environmental Stewardship Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| Licenses and Fees..... | \$ 71,051 | \$ 89,500 | \$ 89,500 | \$ 89,500 | \$ 89,500 | \$ 89,500 | \$ 89,500 |
| Miscellaneous..... | 4,333 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| TOTAL ENVIRONMENTAL STEWARDSHIP FUND RECEIPTS..... | \$ 75,384 | \$ 91,500 | \$ 91,500 | \$ 91,500 | \$ 91,500 | \$ 91,500 | \$ 91,500 |

Revenue Sources

Licenses and Fees

| Actual | | Estimated | |
|--------------|----------|--------------|-----------|
| 1999-00..... | \$ 1,310 | 2005-06..... | \$ 89,500 |
| 2000-01..... | 5,951 | 2006-07..... | 89,500 |
| 2001-02..... | 5,952 | 2007-08..... | 89,500 |
| 2002-03..... | 55,629 | 2008-09..... | 89,500 |
| 2003-04..... | 90,078 | 2009-10..... | 89,500 |
| 2004-05..... | 71,051 | 2010-11..... | 89,500 |

The Environmental Stewardship Fund originally received revenue from a 25 cent per ton, or 25 cent per three cubic yards, fee for all solid waste received at a landfill in the Commonwealth. Act 90 of 2002 added an additional \$4 per ton disposal fee for all solid waste disposed of at any municipal waste landfill. For fiscal year 2002-03, the first \$50 million received from this fee was deposited into this special fund. In fiscal year 2003-04, all revenue from these fees was deposited in this special fund. Act 233 of 2002 provided a one time \$16.5 million to this program in 2004-05.

| Actual | | Estimated | |
|--------------|--------|--------------|----------|
| 1999-00..... | \$ 119 | 2005-06..... | \$ 2,000 |
| 2000-01..... | 4,042 | 2006-07..... | 2,000 |
| 2001-02..... | 3,972 | 2007-08..... | 2,000 |
| 2002-03..... | 2,302 | 2008-09..... | 2,000 |
| 2003-04..... | 4,892 | 2009-10..... | 2,000 |
| 2004-05..... | 4,333 | 2010-11..... | 2,000 |

Miscellaneous revenues are earned interest.

Environmental Stewardship Fund

Revenue Sources (continued)

Transfers from Other State Funds

| | Actual | | Estimated |
|--------------|-----------|--------------|-----------|
| 1999-00..... | \$ 83,375 | 2005-06..... | \$ 0 |
| 2000-01..... | 130,000 | 2006-07..... | 0 |
| 2001-02..... | 80,000 | 2007-08..... | 0 |
| 2002-03..... | 30,000 | 2008-09..... | 0 |
| 2003-04..... | 15,000 | 2009-10..... | 0 |
| 2004-05..... | 0 | 2010-11..... | 0 |

The intent of Act 68 of 1999 was that an annual appropriation would be made from the General Fund for five years, and that funds from the Hazardous Sites Cleanup Fund and Recycling Fund could be transferred annually for five years. Act 90 of 2002 replaced the General Fund appropriation with the \$4 per ton waste disposal fee.

Revenue Detail

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

| | (Dollar Amounts in Thousands) | | |
|-------------------------------|-------------------------------|-------------------------|-------------------------|
| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
| Licenses and Fees | | | |
| Landfill Fees..... | \$ 71,051 | \$ 89,500 | \$ 89,500 |
| Miscellaneous Revenues | | | |
| Miscellaneous..... | \$ 4,333 | \$ 2,000 | \$ 2,000 |
| TOTAL RECEIPTS..... | <u>\$ 75,384</u> | <u>\$ 91,500</u> | <u>\$ 91,500</u> |



FARM PRODUCTS SHOW FUND

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

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

Farm Products Show Fund

Financial Statement

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--|----------------------|----------------------|----------------------|
| Beginning Balance | \$ 248 | \$ 968 | \$ 220 |
| Receipts: | | | |
| Revenue Estimate..... | \$ 5,234 | \$ 5,234 | \$ 5,234 |
| Transfer from General Fund..... | 3,000 | 3,000 | 3,000 |
| Transfer from Agriculture Farm Operations..... | | 0 | 0 |
| Prior Year Lapses..... | 216 | 0 | 0 |
| Total Receipts..... | <u>\$ 8,450</u> | <u>\$ 8,234</u> | <u>\$ 8,234</u> |
| Funds Available | <u>\$ 8,698</u> | <u>\$ 9,202</u> | <u>\$ 8,454</u> |
| Expenditures: | | | |
| Appropriated..... | \$ 7,730 | \$ 8,982 | \$ 8,234 |
| Estimated Expenditures..... | <u>7,730</u> | <u>8,982</u> | <u>8,234</u> |
| Ending Balance | <u><u>\$ 968</u></u> | <u><u>\$ 220</u></u> | <u><u>\$ 220</u></u> |

Summary by Department

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|----------------------------------|------------------------|------------------------|------------------------|
| Treasury Department | | | |
| General Government | | | |
| Replacement Checks..... | \$ 0 | \$ 5 | \$ 5 |
| Department of Agriculture | | | |
| General Government | | | |
| General Operations..... | \$ 4,730 | \$ 5,977 | \$ 5,229 |
| TOTAL STATE FUNDS | <u><u>\$ 4,730</u></u> | <u><u>\$ 5,982</u></u> | <u><u>\$ 5,234</u></u> |
| Augmentations..... | <u>\$ 3,000</u> | <u>\$ 3,000</u> | <u>\$ 3,000</u> |
| FUND TOTAL | <u><u>\$ 7,730</u></u> | <u><u>\$ 8,982</u></u> | <u><u>\$ 8,234</u></u> |

Farm Products Show Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| Licenses and Fees..... | \$ 288 | \$ 288 | \$ 329 | \$ 329 | \$ 329 | \$ 329 | \$ 329 |
| Miscellaneous..... | 4,946 | 4,946 | 4,905 | 4,905 | 4,905 | 4,905 | 4,905 |
| TOTAL FARM PRODUCTS SHOW FUND REVENUES..... | \$ 5,234 | \$ 5,234 | \$ 5,234 | \$ 5,234 | \$ 5,234 | \$ 5,234 | \$ 5,234 |
| Augmentations..... | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 |
| TOTAL FARM PRODUCTS SHOW FUND RECEIPTS..... | \$ 8,234 | \$ 8,234 | \$ 8,234 | \$ 8,234 | \$ 8,234 | \$ 8,234 | \$ 8,234 |

Revenue Sources

Licenses and Fees

| Actual | Estimated |
|---------------------|------------------|
| 1999-00..... \$ 251 | 2005-06..... 288 |
| 2000-01..... 208 | 2006-07..... 329 |
| 2001-02..... 197 | 2007-08..... 329 |
| 2002-03..... 255 | 2008-09..... 329 |
| 2003-04..... 266 | 2009-10..... 329 |
| 2004-05..... 288 | 2010-11..... 329 |

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

Miscellaneous Revenues

| Actual | Estimated |
|-----------------------|-----------------------|
| 1999-00..... \$ 5,816 | 2005-06..... \$ 4,946 |
| 2000-01..... 3,692 | 2006-07..... 4,905 |
| 2001-02..... 3,884 | 2007-08..... 4,905 |
| 2002-03..... 4,939 | 2008-09..... 4,905 |
| 2003-04..... 5,138 | 2009-10..... 4,905 |
| 2004-05..... 4,946 | 2010-11..... 4,905 |

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

Farm Products Show Fund

Revenue Detail

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

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|--|-------------------|---------------------|-------------------|
| Licenses and Fees | | | |
| Exhibit Fees — Competitive--Farm Show..... | \$ 29 | \$ 29 | \$ 29 |
| Exhibit — Commercial..... | 259 | 259 | 300 |
| TOTAL..... | \$ 288 | \$ 288 | \$ 329 |
| Miscellaneous Revenue | | | |
| Concession Revenue..... | \$ 939 | \$ 921 | \$ 772 |
| Service Charges..... | 422 | 388 | 403 |
| Rentals..... | 1,904 | 2,162 | 2,228 |
| Miscellaneous Revenue..... | 231 | 334 | 336 |
| Interest on Securities, Deposits, Returned Checks..... | 50 | 25 | 25 |
| Parking Fees..... | 1,366 | 1,111 | 1,136 |
| Salary Reimbursement — Dairy and Livestock Association..... | 30 | 0 | 0 |
| Sign Shop Sales..... | 4 | 5 | 5 |
| TOTAL..... | \$ 4,946 | \$ 4,946 | \$ 4,905 |
| Augmentations | | | |
| Transfer from General Fund..... | \$ 3,000 | \$ 3,000 | \$ 3,000 |
| TOTAL..... | \$ 3,000 | \$ 3,000 | \$ 3,000 |
| TOTAL RECEIPTS..... | \$ 8,234 | \$ 8,234 | \$ 8,234 |



FISH FUND

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

Financial Statement

(Dollar Amounts in Thousands)

| | <u>2004-05</u> Actual | <u>2005-06</u> Available | <u>2006-07</u> Estimated |
|--------------------------------|--------------------------|-----------------------------|-----------------------------|
| Beginning Balance | \$ 11,239 | \$ 14,067 | \$ 18,217 |
| Receipts: | | | |
| Revenue Estimate..... | \$ 32,118 | \$ 35,421 | \$ 34,279 |
| Prior Year Lapses..... | 2,674 | 3,729 | 0 |
| Total Receipts | <u>\$ 34,792</u> | <u>\$ 39,150</u> | <u>\$ 34,279</u> |
| Funds Available | \$ 46,031 | \$ 53,217 | \$ 52,496 |
| Expenditures: | | | |
| Appropriated..... | \$ 31,964 | \$ 35,000 | \$ 35,505 |
| Estimated Expenditures..... | -31,964 | -35,000 | -35,505 |
| Ending Balance | <u><u>\$ 14,067</u></u> | <u><u>\$ 18,217</u></u> | <u><u>\$ 16,991</u></u> |

Summary by Department

(Dollar Amounts in Thousands)

| | <u>2004-05</u> Actual | <u>2005-06</u> Estimate | <u>2006-07</u> Budget |
|---------------------------------|--------------------------|----------------------------|--------------------------|
| Treasury Department | | | |
| General Government | | | |
| Replacement Checks..... | \$ 0 | \$ 5 | \$ 5 |
| Fish and Boat Commission | | | |
| General Government | | | |
| General Operations..... | \$ 24,408 | \$ 25,245 | \$ 27,514 |
| TOTAL STATE FUNDS | <u><u>\$ 24,408</u></u> | <u><u>\$ 25,250</u></u> | <u><u>\$ 27,519</u></u> |
| Federal Funds..... | \$ 7,256 | \$ 9,486 | \$ 7,678 |
| Other Funds..... | 300 | 264 | 308 |
| FUND TOTAL | <u><u>\$ 31,964</u></u> | <u><u>\$ 35,000</u></u> | <u><u>\$ 35,505</u></u> |

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| Licenses and Fees..... | \$ 21,992 | \$ 22,931 | \$ 23,491 | \$ 23,494 | \$ 23,496 | \$ 23,496 | \$ 23,496 |
| Fines and Penalties..... | 431 | 431 | 431 | 431 | 431 | 431 | 431 |
| Miscellaneous..... | 2,139 | 2,309 | 2,371 | 2,321 | 2,321 | 2,271 | 2,271 |
| TOTAL FISH FUND REVENUES..... | \$ 24,562 | \$ 25,671 | \$ 26,293 | \$ 26,246 | \$ 26,248 | \$ 26,198 | \$ 26,198 |
| Augmentations..... | \$ 7,556 | \$ 9,750 | \$ 7,986 | \$ 5,988 | \$ 5,988 | \$ 5,988 | \$ 5,988 |
| TOTAL FISH FUND RECEIPTS..... | \$ 32,118 | \$ 35,421 | \$ 34,279 | \$ 32,234 | \$ 32,236 | \$ 32,186 | \$ 32,186 |

Revenue Sources

Licenses and Fees

| Actual | Estimated |
|------------------------|------------------------|
| 1999-00..... \$ 19,229 | 2005-06..... \$ 22,931 |
| 2000-01..... 19,608 | 2006-07..... 23,491 |
| 2001-02..... 19,302 | 2007-08..... 23,494 |
| 2002-03..... 18,723 | 2008-09..... 23,496 |
| 2003-04..... 18,836 | 2009-10..... 23,496 |
| 2004-05..... 21,992 | 2010-11..... 23,496 |

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

Fines and Penalties

| Actual | Estimated |
|---------------------|---------------------|
| 1999-00..... \$ 224 | 2005-06..... \$ 431 |
| 2000-01..... 481 | 2006-07..... 431 |
| 2001-02..... 446 | 2007-08..... 431 |
| 2002-03..... 383 | 2008-09..... 431 |
| 2003-04..... 361 | 2009-10..... 431 |
| 2004-05..... 431 | 2010-11..... 431 |

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

Revenue Sources (continued)

Miscellaneous Revenue

| Actual | Estimated |
|-----------------------|-----------------------|
| 1999-00..... \$ 3,369 | 2005-06..... \$ 2,309 |
| 2000-01..... 2,774 | 2006-07..... 2,371 |
| 2001-02..... 2,288 | 2007-08..... 2,321 |
| 2002-03..... 1,665 | 2008-09..... 2,321 |
| 2003-04..... 2,475 | 2009-10..... 2,271 |
| 2004-05..... 2,139 | 2010-11..... 2,271 |

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

Revenue Detail

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

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|--|-------------------|---------------------|-------------------|
| Licenses and Fees | | | |
| Resident Fishing Licenses..... | \$ 14,342 | \$ 14,760 | \$ 15,096 |
| Resident Senior Fishing Licenses..... | 124 | 136 | 136 |
| Nonresident Fishing Licenses..... | 1,932 | 1,900 | 2,000 |
| Tourist Fishing Licenses - 1 Day..... | 15 | 10 | 25 |
| Tourist Fishing Licenses - 3 Day..... | 588 | 725 | 650 |
| Tourist Fishing Licenses - 7 Day..... | 118 | 110 | 120 |
| Lake Erie Licenses..... | 1 | 1 | 1 |
| Fishing Lake Licenses..... | 23 | 22 | 22 |
| Miscellaneous Permits and Fees..... | 81 | 65 | 110 |
| Scientific Collector's Permits..... | 8 | 9 | 9 |
| Lifetime Fishing Licenses - Senior Resident..... | 408 | 465 | 485 |
| H.R. Stackhouse Facilities User Fees..... | 1 | 3 | 2 |
| Trout/Salmon Stamp..... | 4,351 | 4,725 | 4,835 |
| TOTAL..... | \$ 21,992 | \$ 22,931 | \$ 23,491 |
| Fines and Penalties | | | |
| Fish Law Fines..... | \$ 431 | \$ 431 | \$ 431 |
| TOTAL..... | \$ 431 | \$ 431 | \$ 431 |

Revenue Detail (continued)

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget |
|---|-------------------|----------------------|-------------------|
| Miscellaneous Revenue | | | |
| Sale of Publications..... | \$ 27 | \$ 60 | \$ 35 |
| Sale of Unserviceable Property..... | 0 | 1 | 1 |
| Miscellaneous Revenue..... | 38 | 50 | 50 |
| Interest on Securities and Deposits..... | 743 | 800 | 750 |
| Rental of Fish and Boat Commission Property..... | 27 | 36 | 32 |
| Income from Sand and Gravel Dredging..... | 776 | 925 | 925 |
| Sale of Pennsylvania Angler & Boater..... | 156 | 190 | 160 |
| Sales Tax & Donations Collected..... | 4 | 1 | 2 |
| Pollution and Stream Disturbance Settlements..... | 307 | 150 | 315 |
| Aquatic Resource Education Materials..... | 0 | 1 | 1 |
| Sale of Recreational Fishing Promotional Items..... | 5 | 6 | 5 |
| Royalty Payments..... | 21 | 15 | 23 |
| Refunds of Expenditures..... | 5 | 6 | 6 |
| Sale of Patches..... | 30 | 33 | 31 |
| Sale of Timber..... | 0 | 35 | 35 |
| TOTAL..... | <u>\$ 2,139</u> | <u>\$ 2,309</u> | <u>\$ 2,371</u> |
| TOTAL REVENUES..... | <u>\$ 24,562</u> | <u>\$ 25,671</u> | <u>\$ 26,293</u> |
| Augmentations | | | |
| Sale of Automobiles and Other Vehicles..... | \$ 23 | \$ 55 | \$ 55 |
| Reimbursement for Services - Department of Transportation..... | 145 | 65 | 65 |
| Reimbursement for Services - DEP/EPA Projects..... | 58 | 63 | 63 |
| Federal Reimbursement - Sport Fish Restoration..... | 6,238 | 5,954 | 5,740 |
| Reimbursement for Services - Natural Disaster | 46 | 42 | 0 |
| Federal Reimbursement - Coastal Zone Management..... | 10 | 0 | 0 |
| Federal Reimbursement - Surface Mine Regulation..... | 54 | 50 | 50 |
| Federal Reimbursement - NOAA..... | 318 | 592 | 124 |
| Purchasing Card Rebate..... | 18 | 16 | 20 |
| USFWS - Partner for Wildlife..... | 0 | 10 | 0 |
| Homeland Security Grant..... | 0 | 0 | 150 |
| Chesapeake Bay Program..... | 0 | 842 | 250 |
| Landowner Incentive Program..... | 0 | 0 | 40 |
| Transportation - Endangered/Threatened Species..... | 0 | 23 | 65 |
| Three River Ecological Center..... | 0 | 0 | 40 |
| State Wildlife Grant..... | 646 | 2,038 | 1,324 |
| TOTAL..... | <u>\$ 7,556</u> | <u>\$ 9,750</u> | <u>\$ 7,986</u> |
| TOTAL RECEIPTS..... | <u>\$ 32,118</u> | <u>\$ 35,421</u> | <u>\$ 34,279</u> |



GAME FUND

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

Financial Statement

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------|-------------------------|-------------------------|-------------------------|
| Beginning Balance | \$ 14,700 | \$ 22,747 | \$ 19,246 |
| Receipts: | | | |
| Revenue Estimate..... | \$ 67,417 | \$ 59,458 | \$ 57,333 |
| Prior Year Lapses..... | 762 | 3,088 | 0 |
| Total Receipts..... | <u>\$ 68,179</u> | <u>\$ 62,546</u> | <u>\$ 57,333</u> |
| Funds Available | <u>\$ 82,879</u> | <u>\$ 85,293</u> | <u>\$ 76,579</u> |
| Expenditures: | | | |
| Appropriated..... | \$ 60,132 | \$ 66,047 | \$ 64,335 |
| Estimated Expenditures..... | <u>-60,132</u> | <u>-66,047</u> | <u>-64,335</u> |
| Ending Balance | <u><u>\$ 22,747</u></u> | <u><u>\$ 19,246</u></u> | <u><u>\$ 12,244</u></u> |

Summary by Department

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|---------------------------------------|-------------------------|-------------------------|-------------------------|
| Treasury Department | | | |
| General Government | | | |
| Replacement Checks..... | \$ 0 | \$ 5 | \$ 5 |
| Game Commission | | | |
| General Government | | | |
| General Operations..... | \$ 49,936 | \$ 52,828 | \$ 53,232 |
| Land Acquisition and Development..... | 0 | 0 | 200 |
| DEPARTMENT TOTAL..... | <u>\$ 49,936</u> | <u>\$ 52,828</u> | <u>\$ 53,432</u> |
| TOTAL STATE FUNDS | <u><u>\$ 49,936</u></u> | <u><u>\$ 52,833</u></u> | <u><u>\$ 53,437</u></u> |
| Federal Funds..... | \$ 9,700 | \$ 12,731 | \$ 10,161 |
| Other Funds..... | 496 | 483 | 737 |
| FUND TOTAL..... | <u><u>\$ 60,132</u></u> | <u><u>\$ 66,047</u></u> | <u><u>\$ 64,335</u></u> |

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-2010 Estimated | 2010-2011 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|------------------------|------------------------|
| Licenses and Fees..... | \$ 32,468 | \$ 29,164 | \$ 29,650 | \$ 31,290 | \$ 31,290 | \$ 31,290 | \$ 31,290 |
| Fines and Penalties..... | 1,319 | 1,105 | 1,005 | 1,203 | 1,203 | 1,203 | 1,203 |
| Miscellaneous..... | 23,434 | 15,975 | 15,780 | 14,896 | 14,896 | 14,896 | 14,896 |
| TOTAL GAME FUND REVENUES..... | \$ 57,221 | \$ 46,244 | \$ 46,435 | \$ 47,389 | \$ 47,389 | \$ 47,389 | \$ 47,389 |
| Augmentations..... | \$ 10,196 | \$ 13,214 | \$ 10,898 | \$ 12,386 | \$ 12,386 | \$ 12,386 | \$ 12,386 |
| TOTAL GAME FUND RECEIPTS..... | \$ 67,417 | \$ 59,458 | \$ 57,333 | \$ 59,775 | \$ 59,775 | \$ 59,775 | \$ 59,775 |

Revenue Sources

Licenses and Fees

| Actual | Estimated |
|------------------------|------------------------|
| 1999-00..... \$ 28,394 | 2005-06..... \$ 29,164 |
| 2000-01..... 27,060 | 2006-07..... 29,650 |
| 2001-02..... 29,956 | 2007-08..... 31,290 |
| 2002-03..... 30,288 | 2008-09..... 31,290 |
| 2003-04..... 30,457 | 2009-10..... 31,290 |
| 2004-05..... 32,468 | 2010-11..... 31,290 |

Through the passage of Act 166 of 1998, new fees for licenses became effective July 1999. For resident hunting and resident furtaker licenses, the fees are: ages 17 to 64, \$19.00; over age 65, \$12.00; ages 12 to 16, \$5.00. Resident senior lifetime hunting and furtaker licenses are \$50.00 each; and a resident senior lifetime combination hunting and furtaking license is \$100.00. A junior resident combination hunting and furtaker license is \$8.00. Resident bear hunting and archery licenses are \$15.00; a muzzleloading resident license, \$10.00; and a resident antlerless deer license, \$5.00. For nonresidents of the Commonwealth, hunting licenses are: over age 17, \$100.00; ages 12 to 16, \$40.00. A junior nonresident combination hunting and furtaker license is \$50.00. In addition, a license for a nonresident to hunt bear is \$35.00; a license for a nonresident to hunt antlerless deer, \$25.00; and a muzzleloading license for a nonresident, \$20.00. Nonresidents are also able to purchase an adult furtaker license for \$80.00; a junior furtaker license for \$40.00; and a seven-day license to hunt small game for \$30.00. Amounts shown from 1997-98 through 2008-09 are net of transfers of funds to restricted revenue accounts for general habitat improvement, deer food and cover, and natural propagation of game. Please see the Game Commission presentation in Section E for additional information.

Fines and Penalties

| Actual | Estimated |
|-----------------------|-----------------------|
| 1999-00..... \$ 1,076 | 2005-06..... \$ 1,105 |
| 2000-01..... 1,503 | 2006-07..... 1,005 |
| 2001-02..... 1,288 | 2007-08..... 1,203 |
| 2002-03..... 1,509 | 2008-09..... 1,203 |
| 2003-04..... 1,494 | 2009-10..... 1,203 |
| 2004-05..... 1,319 | 2010-11..... 1,203 |

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

Revenue Sources (continued)

| Miscellaneous Revenue | | | | | |
|------------------------------|----|-----------|--------------|----|--------|
| Actual | | Estimated | | | |
| 1999-00..... | \$ | 20,296 | 2005-06..... | \$ | 15,975 |
| 2000-01..... | | 19,756 | 2006-07..... | | 15,780 |
| 2001-02..... | | 16,215 | 2007-08..... | | 14,896 |
| 2002-03..... | | 16,227 | 2008-09..... | | 14,896 |
| 2003-04..... | | 12,856 | 2009-10..... | | 14,896 |
| 2004-05..... | | 23,434 | 2010-11..... | | 14,896 |

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

Revenue Detail

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

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|---------------------|-------------------|
| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
| Licenses and Fees | | | |
| Resident Hunting Licenses..... | \$ 14,178 | \$ 13,600 | \$ 13,600 |
| Resident Junior Hunting Licenses..... | 269 | 250 | 250 |
| Nonresident Hunting Licenses..... | 6,802 | 6,200 | 6,200 |
| Special Game Permits..... | 360 | 250 | 360 |
| Antlerless Deer Licenses..... | 4,306 | 3,700 | 3,700 |
| Archery Licenses..... | 4,057 | 4,000 | 4,000 |
| Landowner Hunting Licenses..... | 7 | 7 | 7 |
| Resident Senior Hunting Licenses..... | 445 | 450 | 450 |
| Muzzleloading Hunting Licenses..... | 1,918 | 2,000 | 2,000 |
| Right-of-Way Licenses..... | 700 | 700 | 850 |
| Resident Bear Licenses..... | 1,902 | 1,800 | 1,800 |
| Nonresident Bear Licenses..... | 171 | 150 | 150 |
| Hunting License Issuing Agents' Application Fees..... | 16 | 20 | 20 |
| Nonresident Junior Hunting License..... | 129 | 105 | 105 |
| Nonresident 7-Day Hunting License..... | 78 | 75 | 75 |
| Senior Resident - Lifetime Hunting License..... | 165 | 150 | 150 |
| Adult Resident Furtaker License..... | 436 | 420 | 420 |
| Junior Resident Furtaker License..... | 2 | 2 | 2 |
| Senior Resident Furtaker License..... | 9 | 8 | 8 |
| Nonresident Adult Furtaker License..... | 23 | 0 | 20 |
| Resident Special Wild Turkey..... | 0 | 0 | 200 |
| Non-Resident Special Wild Turkey..... | 0 | 0 | 4 |
| Junior Nonresident Furtaker..... | 1 | 0 | 0 |
| Junior Combination License..... | 429 | 400 | 400 |
| Nonresident Archery License..... | 400 | 340 | 340 |
| Nonresident Muzzleloading Hunting License..... | 224 | 190 | 190 |
| Nonresident Migratory Game Bird..... | 28 | 20 | 20 |
| Nonresident Antlerless Deer License..... | 895 | 760 | 760 |
| Senior Resident - Lifetime Combination License..... | 300 | 300 | 300 |
| Nonresident Junior Combination License..... | 49 | 40 | 40 |
| Elk License & Bobcat Permit Applications..... | 152 | 235 | 237 |
| DMAP Harvest Permit..... | 241 | 265 | 265 |
| Resident Military Personnel Hunting..... | 0 | 2 | 2 |
| Migratory Game Bird License..... | 226 | 225 | 225 |
| TOTAL..... | \$ 38,918 | \$ 36,664 | \$ 37,150 |
| Restricted Revenue | | | |
| Transfer to General Habitat Improvement..... | -6,450 | -7,500 | -7,500 |
| TOTAL..... | \$ -6,450 | \$ -7,500 | \$ -7,500 |
| Net Licenses and Fees | | | |
| TOTAL..... | \$ 32,468 | \$ 29,164 | \$ 29,650 |

Revenue Detail (continued)

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|---|-------------------|---------------------|-------------------|
| Fines and Penalties | | | |
| Game Law Fines..... | \$ 1,319 | \$ 1,105 | \$ 1,005 |
| TOTAL..... | <u>\$ 1,319</u> | <u>\$ 1,105</u> | <u>\$ 1,005</u> |
| Miscellaneous Revenue | | | |
| Sports Promotional Publications and Materials..... | \$ 4 | \$ 6 | \$ 6 |
| Sale of Coal..... | 2,687 | 642 | 653 |
| Sale of Stone, Sand, Gravel & Limestone..... | 37 | 32 | 12 |
| Sale of Wood Products..... | 14,380 | 10,000 | 10,000 |
| Interest on Deposits..... | 1 | 1 | 1 |
| Redeposit of Checks..... | 9 | 0 | 0 |
| Sale of Skins and Guns..... | 32 | 20 | 20 |
| Rental of State Property..... | 5 | 8 | 8 |
| Miscellaneous Revenue..... | 90 | 82 | 82 |
| Interest on Securities..... | 1,362 | 1,200 | 1,200 |
| Gas and Oil Ground Rentals and Royalties..... | 2,927 | 2,183 | 2,200 |
| Refund of Expenditures Not Credited to Appropriations..... | 19 | 20 | 20 |
| Miscellaneous Revenue License Division..... | 9 | 9 | 9 |
| Sale of Game News..... | 766 | 691 | 691 |
| Sale of Grain and Hay..... | 6 | 6 | 6 |
| Sale of Nonusable Property..... | 1 | 1 | 1 |
| Sale of Maps..... | 2 | 1 | 1 |
| Wildlife Management Promotional Revenue..... | 280 | 281 | 281 |
| Sale of Wood Products - PR Tracts..... | 521 | 600 | 400 |
| Promotional Items..... | 39 | 0 | 0 |
| Working Together For Wildlife - Non-Game Fund..... | 154 | 120 | 120 |
| Oil and Gas Recovery Support..... | 58 | 39 | 40 |
| Waterfowl Management Stamp Sales and Royalties..... | 45 | 33 | 29 |
| TOTAL..... | <u>\$ 23,434</u> | <u>\$ 15,975</u> | <u>\$ 15,780</u> |
| TOTAL REVENUES..... | <u>\$ 57,221</u> | <u>\$ 46,244</u> | <u>\$ 46,435</u> |
| Augmentations | | | |
| Sale of Automobiles..... | \$ 106 | \$ 100 | \$ 100 |
| Federal Reimbursement - Pittman Robinson Act..... | 8,872 | 7,500 | 7,500 |
| Endangered Species Program..... | 16 | 25 | 20 |
| Pennsylvania Conservation Corps..... | 95 | 112 | 112 |
| Federal Reimbursement - Surface Mine Regulation..... | 63 | 60 | 65 |
| Federal Reimbursement - WCRA..... | 0 | 1,128 | 1,000 |
| Federal Reimbursement - Conservation Corps Farm Bill..... | 150 | 0 | 0 |
| Federal Reimbursement - Conservation Service Farm Bill..... | 0 | 469 | 486 |
| Federal Reimbursement - Chronic Wasting Disease..... | 0 | 90 | 90 |
| Federal Reimbursement - Other Wildlife Grants..... | 599 | 3,459 | 1,000 |
| Private Donations..... | 39 | 36 | 44 |
| PennDot Reimbursement - Deer Roadkill..... | 129 | 145 | 130 |
| Reimbursement from PA Fish and Boat Commission..... | 0 | 0 | 210 |
| PennDot Reimbursement - Environmental Assessments..... | 74 | 65 | 65 |
| Becoming an Outdoors Woman..... | 21 | 0 | 0 |
| Wildlife Conservation..... | 0 | 0 | 51 |
| Purchasing Card Rebate..... | 32 | 25 | 25 |
| | <u>\$ 10,196</u> | <u>\$ 13,214</u> | <u>\$ 10,898</u> |
| TOTAL RECEIPTS..... | <u>\$ 67,417</u> | <u>\$ 59,458</u> | <u>\$ 57,333</u> |



KEYSTONE RECREATION, PARK AND CONSERVATION FUND

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

Keystone Recreation, Park and Conservation Fund

Financial Statement

| | (Dollar Amounts in Thousands) | | |
|--------------------------------|-------------------------------|-------------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
| Beginning Balance | \$ 64,449 | \$ 43,157 | \$ 83,718 |
| Receipts: | | | |
| Revenue Estimate..... | \$ 84,932 | \$ 99,989 | \$ 16,370 |
| Prior Year Lapses..... | 23,891 | 116,778 | 0 |
| Total Receipts..... | <u>\$ 108,823</u> | <u>\$ 216,767</u> | <u>\$ 16,370</u> |
| Funds Available | <u>\$ 173,272</u> | <u>\$ 259,924</u> | <u>\$ 100,088</u> |
| Expenditures: | | | |
| Appropriated..... | \$ 130,115 | \$ 176,206 | \$ 100,001 |
| Estimated Expenditures..... | -130,115 | -176,206 | -100,001 |
| Ending Balance | <u><u>\$ 43,157</u></u> | <u><u>\$ 83,718</u></u> | <u><u>\$ 87</u></u> |

Summary by Department

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|--------------------------|-------------------------|
| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
| Department of Conservation and Natural Resources | | | |
| General Government | | | |
| Park and Forest Facility Rehabilitation — Realty Transfer Tax (94-04)..... | \$ 13,664 | \$ 22,282 | \$ 0 |
| Park and Forest Facility Rehabilitation — Realty Transfer Tax (current year)..... | 20,805 | 25,480 | 29,997 |
| Subtotal..... | <u>\$ 34,469</u> | <u>\$ 47,762</u> | <u>\$ 29,997</u> |
| Grants and Subsidies | | | |
| Grants for Local Recreation — Realty Transfer Tax (94-04)..... | \$ 28,589 | \$ 42,559 | \$ 0 |
| Grants for Local Recreation — Realty Transfer Tax (current year)..... | 17,338 | 21,232 | 24,997 |
| Subtotal..... | <u>\$ 45,927</u> | <u>\$ 63,791</u> | <u>\$ 24,997</u> |
| Grants to Land Trusts — Realty Transfer Tax (94-04)..... | \$ 4,593 | \$ 8,905 | \$ 0 |
| Grants to Land Trusts — Realty Transfer Tax (current year)..... | 6,935 | 8,493 | 9,999 |
| Subtotal..... | <u>\$ 11,528</u> | <u>\$ 17,398</u> | <u>\$ 9,999</u> |
| DEPARTMENT TOTAL..... | <u><u>\$ 91,924</u></u> | <u><u>\$ 128,951</u></u> | <u><u>\$ 64,993</u></u> |
| Department of Education | | | |
| Grants and Subsidies | | | |
| Local Libraries Rehabilitation and Development — Realty Transfer Tax (94-04)..... | \$ 2,872 | \$ 5,198 | \$ 0 |
| Local Libraries Rehabilitation and Development — Realty Transfer Tax (current year)..... | 2,774 | 3,397 | 4,000 |
| Subtotal..... | <u>\$ 5,646</u> | <u>\$ 8,595</u> | <u>\$ 4,000</u> |
| State System of Higher Education — Deferred Maintenance — Realty Transfer Tax (current year)..... | 14,593 | 16,652 | 18,009 |
| DEPARTMENT TOTAL..... | <u>\$ 20,239</u> | <u>\$ 25,247</u> | <u>\$ 22,009</u> |

Keystone Recreation, Park and Conservation Fund

Summary by Department (continued)

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|---------------------|-------------------|
| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
| Historical and Museum Commission | | | |
| Grants and Subsidies | | | |
| Historic Site Development — Realty Transfer | | | |
| Tax (94-04)..... | \$ 8,936 | \$ 10,967 | \$ 0 |
| Historic Site Development — Realty Transfer | | | |
| Tax (current year)..... | 9,016 | 11,041 | 12,999 |
| DEPARTMENT TOTAL..... | <u>\$ 17,952</u> | <u>\$ 22,008</u> | <u>\$ 12,999</u> |
| FUND TOTAL..... | <u>\$ 130,115</u> | <u>\$ 176,206</u> | <u>\$ 100,001</u> |

Keystone Recreation, Park and Conservation Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| Realty Transfer Tax..... | \$ 81,929 | \$ 96,500 | \$ 12,881 | \$ 90,071 | \$ 93,353 | \$ 96,776 | \$ 100,782 |
| Miscellaneous..... | 3,003 | 3,489 | 3,489 | 3,000 | 3,489 | 3,489 | 3,489 |
| TOTAL KEYSTONE RECREATION, PARK AND CONSERVATION FUND RECEIPTS..... | \$ 84,932 | \$ 99,989 | \$ 16,370 | \$ 93,071 | \$ 96,842 | \$ 100,265 | \$ 104,271 |

Revenue Sources

| Realty Transfer Tax | | | |
|---------------------|-----------|--------------|-----------|
| | Actual | | Estimated |
| 1999-00..... | \$ 48,321 | 2005-06..... | \$ 96,500 |
| 2000-01..... | 47,048 | 2006-07..... | 12,881 |
| 2001-02..... | 50,874 | 2007-08..... | 90,071 |
| 2002-03..... | 28,465 | 2008-09..... | 93,353 |
| 2003-04..... | 68,456 | 2009-10..... | 96,776 |
| 2004-05..... | 81,929 | 2010-11..... | 100,782 |

Act 50 of 1993 approved the transfer of 15% of the revenues from the State Realty Transfer Tax to this fund. These monies are distributed to programs according to the formula contained in the act. This Budget proposes a change in the timing of the distribution of the State Realty Transfer Tax revenue to the Keystone Fund, recognizing and obligating revenue in the year received rather than in the subsequent year.

Keystone Recreation, Park and Conservation Fund

Revenue Sources (continued)

Miscellaneous Revenues

| | Actual | | Estimated |
|--------------|----------|--------------|-----------|
| 1999-00..... | \$ 6,541 | 2005-06..... | \$ 3,489 |
| 2000-01..... | 8,074 | 2006-07..... | 3,489 |
| 2001-02..... | 4,124 | 2007-08..... | 3,000 |
| 2002-03..... | 2,349 | 2008-09..... | 3,489 |
| 2003-04..... | 1,540 | 2009-10..... | 3,489 |
| 2004-05..... | 3,003 | 2010-11..... | 3,489 |

Miscellaneous revenues are earned interest.

Revenue Detail

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

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|-----------------------------|-------------------------|-------------------------|-------------------------|
| Realty Transfer Tax..... | \$ 81,929 | \$ 96,500 | \$ 12,881 |
| Miscellaneous Revenues..... | 3,003 | 3,489 | 3,489 |
| TOTAL RECEIPTS..... | <u>\$ 84,932</u> | <u>\$ 99,989</u> | <u>\$ 16,370</u> |



LOTTERY FUND

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

Financial Statement

(Dollar Amounts in Thousands)

| | 2004-05 <u>Actual</u> | 2005-06 <u>Available</u> | 2006-07 <u>Estimated</u> |
|---------------------------------|--------------------------|-----------------------------|-----------------------------|
| Beginning Balance | \$ 199,766 | \$ 280,996 | \$ 357,188 |
| Reserve from Previous Year..... | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> |
| Total Beginning Balance..... | \$ 299,766 | \$ 380,996 | \$ 457,188 |
| Receipts: | | | |
| Revenue Estimate..... | \$ 1,211,916 | \$ 1,323,164 | \$ 1,379,786 |
| Prior Year Lapses..... | <u>8,389</u> | <u>30,085</u> | <u>0</u> |
| Total Receipts..... | \$ 1,220,305 | \$ 1,353,249 | \$ 1,379,786 |
| Funds Available | \$ 1,520,071 | \$ 1,734,245 | \$ 1,836,974 |
| Expenditures: | | | |
| Appropriated..... | \$ 1,139,075 | \$ 1,320,057 | \$ 1,364,528 |
| Current Year Lapses..... | <u>-0</u> | <u>-43,000</u> | <u>0</u> |
| Estimated Expenditures..... | <u>-1,139,075</u> | <u>-1,277,057</u> | <u>-1,364,528</u> |
| Reserve for Current Year..... | \$ -100,000 | \$ -100,000 | \$ -100,000 |
| Ending Balance | <u>\$ 280,996</u> | <u>\$ 357,188</u> | <u>\$ 372,446</u> |

Summary by Department

(Dollar Amounts in Thousands)

| | <u>2004-05</u> Actual | <u>2005-06</u> Estimate | <u>2006-07</u> Budget |
|---|--------------------------|----------------------------|--------------------------|
| Treasury Department | | | |
| General Government | | | |
| Replacement Checks..... | \$ 50 | \$ 50 | \$ 50 |
| Department of Aging | | | |
| General Government | | | |
| Auditor General's Audit Costs..... | \$ 50 | \$ 50 | \$ 50 |
| Subtotal..... | \$ 50 | \$ 50 | \$ 50 |
| Grants and Subsidies | | | |
| PENNCARE..... | \$ 211,899 | \$ 217,876 | \$ 227,923 |
| Pre-Admission Assessment..... | 0 | 7,253 | 7,678 |
| Pharmaceutical Assistance Fund..... | 300,000 | 400,000 | 190,000 |
| Subtotal..... | <u>\$ 511,899</u> | <u>\$ 625,129</u> | <u>\$ 425,601</u> |
| TOTAL STATE FUNDS..... | <u>\$ 511,949</u> | <u>\$ 625,179</u> | <u>\$ 425,651</u> |
| Federal Funds..... | \$ 77,967 | \$ 89,591 | \$ 92,203 |
| Augmentations..... | 600 | 600 | 600 |
| DEPARTMENT TOTAL..... | <u>\$ 590,516</u> | <u>\$ 715,370</u> | <u>\$ 518,454</u> |
| Department of Public Welfare | | | |
| Grants and Subsidies | | | |
| Medical Assistance - Long-Term Care..... | \$ 0 | \$ 0 | \$ 210,000 |
| Department of Revenue | | | |
| General Government | | | |
| General Operations..... | \$ 0 | \$ 27,211 | \$ 33,953 |
| Lottery Advertising..... | 30,000 | 30,000 | 30,000 |
| Player Activated Terminal Costs..... | 0 | 3,000 | 0 |
| Expanded Sales..... | 14,591 | 24,736 | 24,736 |
| On-line Vendor Commissions..... | 50,911 | 53,658 | 52,545 |
| Instant Vendor Commissions..... | 29,301 | 24,388 | 30,776 |
| Auditor General's Audit Costs..... | 86 | 86 | 86 |
| Payment of Prize Money..... | 252,834 | 247,114 | 274,439 |
| Subtotal..... | <u>\$ 377,723</u> | <u>\$ 410,193</u> | <u>\$ 446,535</u> |
| Grants and Subsidies | | | |
| Property Tax and Rent Assistance for Older Pennsylvanians..... | \$ 126,600 | \$ 131,200 | \$ 130,000 |
| Subtotal..... | <u>\$ 126,600</u> | <u>\$ 131,200</u> | <u>\$ 130,000</u> |
| TOTAL STATE FUNDS..... | <u>\$ 504,323</u> | <u>\$ 541,393</u> | <u>\$ 576,535</u> |
| Augmentations..... | 0 | 150 | 160 |
| DEPARTMENT TOTAL..... | <u>\$ 504,323</u> | <u>\$ 541,543</u> | <u>\$ 576,695</u> |

Summary by Department

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|--|----------------------------|----------------------------|----------------------------|
| Department of Transportation | | | |
| Grants and Subsidies | | | |
| Older Pennsylvanians Free Transit..... | \$ 51,800 | \$ 63,579 | \$ 59,536 |
| Fixed Route Transportation..... | 0 | 16,500 | 20,500 |
| Older Pennsylvanians Shared Rides..... | 70,953 | 73,356 | 72,256 |
| DEPARTMENT TOTAL..... | <u>\$ 122,753</u> | <u>\$ 153,435</u> | <u>\$ 152,292</u> |
| TOTAL STATE FUNDS..... | <u>\$ 1,139,075</u> | <u>\$ 1,320,057</u> | <u>\$ 1,364,528</u> |
| Federal Funds..... | \$ 77,967 | \$ 89,591 | \$ 92,203 |
| Other Funds..... | 600 | 750 | 760 |
| FUND TOTAL..... | <u>\$ 1,217,642</u> | <u>\$ 1,410,398</u> | <u>\$ 1,457,491</u> |

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| Collections..... | \$ 1,194,007 | \$ 1,304,461 | \$ 1,359,498 | \$ 1,369,982 | \$ 1,380,474 | \$ 1,387,634 | \$ 1,397,802 |
| Miscellaneous Revenue..... | 17,909 | 18,703 | 20,288 | 20,405 | 19,279 | 16,767 | 12,974 |
| TOTAL LOTTERY FUND REVENUES..... | \$ 1,211,916 | \$ 1,323,164 | \$ 1,379,786 | \$ 1,390,387 | \$ 1,399,753 | \$ 1,404,401 | \$ 1,410,776 |

Revenue Sources

Net Lottery Collections

| Actual | Estimated |
|-------------------------|---------------------------|
| 1999-00..... \$ 908,760 | 2005-06..... \$ 1,304,461 |
| 2000-01..... 858,531 | 2006-07..... 1,359,498 |
| 2001-02..... 989,631 | 2007-08..... 1,369,982 |
| 2002-03..... 1,057,046 | 2008-09..... 1,380,474 |
| 2003-04..... 1,152,198 | 2009-10..... 1,387,634 |
| 2004-05..... 1,194,007 | 2010-11..... 1,397,802 |

Net lottery collections consist of the proceeds from lottery ticket sales less commissions and some prizes. Currently prizes of \$2,500 or less for the on-line games and prizes of \$500 or less for instant games can be paid by the ticket agents. The State Lottery is currently operating seven games. The "Daily Number" game introduced in March 1977, the "Big 4" game introduced in November 1980, the "Cash 5" game introduced in April 1992, "Match 6" started in January of 2004, and "Lucky for Life" which was begun in October of 2004. These games utilize computer sales terminals located across the Commonwealth. The sixth and seventh games are Powerball and Powerplay which began in 2002 as multi-state games. On December 31, 2005, the Millionaire Raffle was introduced to be run periodically thereafter. Ticket prices are \$1 for "Cash 5" which consists of 1 play to pick 5 of 39 numbers, \$2 for "Match 6" which consists of 1 play to pick 6 numbers from 1 to 49 with an additional 12 quick picked numbers; and \$2 for "Lucky for Life" with 1 play to pick 6 numbers from 1 to 38 coupled with an additional computer generated instant game. "Daily Number" and "Big 4" game ticket prices range from \$.50 to \$5. The "Instant Game" ticket prices range from \$1 to \$20. Powerball is played for \$1 per play and Powerplay, which doubles winnings, can be added for \$1 per play as well. The Millionaire Raffle features a ticket price of \$20 for an eight digit raffle number with a limited number of ticket sales.

Powerball is a lotto game which is a combined large jackpot game and a cash game. It involves drawing five out of 49 numbers and one out of 42 numbers. Players win by matching one of nine ways. The Multi-State Lottery Association administers the Powerball game and is a non-profit government-benefit association entirely owned and operated by the member state lotteries. Powerball is a 50% prize payout game which means that 50 cents of every one dollar ticket is paid out in prizes. The State Lottery keeps 50% as its share and then pays the remaining 50% in two parts: out in cash prizes directly to the players in its state, and a percentage share for the jackpot prize back to the association where it is held until there is a winner.

Net lottery collections as reported above correspond to the Lottery Fund revenue remitted to the Commonwealth and reported in the Commonwealth's accounting system. Net lottery collections are derived by subtracting the commissions

Revenue Sources (continued)

Miscellaneous Revenue

| Actual | | Estimated | |
|--------------|-----------|--------------|-----------|
| 1999-00..... | \$ 20,533 | 2005-06..... | \$ 18,703 |
| 2000-01..... | 22,958 | 2006-07..... | 20,288 |
| 2001-02..... | 12,866 | 2007-08..... | 20,405 |
| 2002-03..... | 10,109 | 2008-09..... | 19,279 |
| 2003-04..... | 18,304 | 2009-10..... | 16,767 |
| 2004-05..... | 17,909 | 2010-11..... | 12,974 |

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

Revenue Detail

The following is a list of all Lottery Fund revenues.

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|---|---------------------|---------------------|---------------------|
| Collections..... | \$ 1,194,007 | \$ 1,304,461 | \$ 1,359,498 |
| Miscellaneous..... | 17,909 | 18,703 | 20,288 |
| TOTAL LOTTERY FUND REVENUES..... | \$ 1,211,916 | \$ 1,323,164 | \$ 1,379,786 |



RACING FUND

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

Financial Statement

| | (Dollar Amounts in Thousands) | | |
|--------------------------------|-------------------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
| Beginning Balance | \$ 7,037 | \$ 5,959 | \$ 1,822 |
| Receipts: | | | |
| Revenue Estimate..... | \$ 15,514 | \$ 16,374 | \$ 17,049 |
| Prior Year Lapses..... | 768 | 0 | 0 |
| Total Receipts..... | <u>\$ 16,282</u> | <u>\$ 16,374</u> | <u>\$ 17,049</u> |
| Funds Available | <u>\$ 23,319</u> | <u>\$ 22,333</u> | <u>\$ 18,871</u> |
| Expenditures: | | | |
| Appropriated..... | \$ 17,360 | \$ 20,511 | \$ 17,377 |
| Estimated Expenditures..... | <u>-17,360</u> | <u>-20,511</u> | <u>-17,377</u> |
| Ending Balance | <u>\$ 5,959</u> | <u>\$ 1,822</u> | <u>\$ 1,494</u> |

Summary by Department

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|---------------------|-------------------|
| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
| Treasury Department | | | |
| General Government | | | |
| Replacement Checks..... | <u>\$ 0</u> | <u>\$ 10</u> | <u>\$ 10</u> |
| Department of Agriculture | | | |
| General Government | | | |
| State Racing Commissions..... | \$ 7,797 | \$ 10,597 | \$ 11,578 |
| Equine Toxicology and Research Laboratory..... | 2,078 | 3,487 | 3,487 |
| Payments to Pennsylvania Fairs—Administration..... | 212 | 223 | 245 |
| Subtotal | <u>\$ 10,087</u> | <u>\$ 14,307</u> | <u>\$ 15,310</u> |
| Grants and Subsidies | | | |
| Transfer to the General Fund..... | <u>7,038</u> | <u>5,959</u> | <u>1,822</u> |
| DEPARTMENT TOTAL | <u>\$ 17,125</u> | <u>\$ 20,266</u> | <u>\$ 17,132</u> |
| Department of Revenue | | | |
| General Government | | | |
| Collections—Racing..... | <u>\$ 235</u> | <u>\$ 235</u> | <u>\$ 235</u> |
| FUND TOTAL | <u>\$ 17,360</u> | <u>\$ 20,511</u> | <u>\$ 17,377</u> |

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| Tax Revenues..... | \$ 11,402 | \$ 12,586 | \$ 13,088 | \$ 13,088 | \$ 13,088 | \$ 13,088 | \$ 13,088 |
| Licenses and Fees..... | 456 | 438 | 486 | 486 | 486 | 486 | 486 |
| Miscellaneous Revenue..... | 3,656 | 3,350 | 3,475 | 3,475 | 3,475 | 3,475 | 3,475 |
| TOTAL RACING FUND REVENUES..... | \$ 15,514 | \$ 16,374 | \$ 17,049 | \$ 17,049 | \$ 17,049 | \$ 17,049 | \$ 17,049 |

Revenue Sources

Tax Revenues

| Actual | Estimated |
|------------------------|------------------------|
| 1999-00..... \$ 15,301 | 2005-06..... \$ 12,586 |
| 2000-01..... 13,125 | 2006-07..... 13,088 |
| 2001-02..... 12,442 | 2007-08..... 13,088 |
| 2002-03..... 12,252 | 2008-09..... 13,088 |
| 2003-04..... 11,656 | 2009-10..... 13,088 |
| 2004-05..... 11,402 | 2010-11..... 13,088 |

Act 93 of 1983 combined the Harness Racing Fund and the Horse Racing Fund into the Racing Fund. This act amended portions of the Race Horse Industry Reform Act. For licensed racing corporations annually conducting at least 100 days of racing or for two licensed corporations conducting their racing at the same facility with a minimum of 175 combined racing days, the previous sliding wagering tax rate was changed to 1.5 percent effective July 1, 1986, and thereafter. For licensed racing corporations not conducting the minimum number of racing days, the wagering rate was changed to 2.5 percent from July 1, 1984 to June 30, 1986, and 2 percent thereafter. Act 23 of 2000 changed the amount allocated from the State Racing Fund to the Pennsylvania Breeding Fund to 1 percent of the daily amount wagered for thoroughbred horse racing. Act 127 of 1988 permits off-track betting in the Commonwealth.

Licenses and Fees

| Actual | Estimated |
|---------------------|---------------------|
| 1999-00..... \$ 360 | 2005-06..... \$ 438 |
| 2000-01..... 409 | 2006-07..... 486 |
| 2001-02..... 401 | 2007-08..... 486 |
| 2002-03..... 383 | 2008-09..... 486 |
| 2003-04..... 384 | 2009-10..... 486 |
| 2004-05..... 456 | 2010-11..... 486 |

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

Revenue Sources (continued)

Miscellaneous Revenue

| Actual | | Estimated | |
|--------------|----------|--------------|----------|
| 1999-00..... | \$ 3,792 | 2005-06..... | \$ 3,350 |
| 2000-01..... | 3,759 | 2006-07..... | 3,475 |
| 2001-02..... | 3,383 | 2007-08..... | 3,475 |
| 2002-03..... | 3,758 | 2008-09..... | 3,475 |
| 2003-04..... | 3,892 | 2009-10..... | 3,475 |
| 2004-05..... | 3,656 | 2010-11..... | 3,475 |

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

Revenue Detail

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

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|-------------------------------|-------------------------|-------------------------|-------------------------|
| Tax Revenues | | | |
| State Admission Tax..... | \$ 79 | \$ 70 | \$ 75 |
| Wagering Tax..... | 10,324 | 11,341 | 11,838 |
| Breakage Tax..... | 999 | 1,175 | 1,175 |
| TOTAL..... | <u>\$ 11,402</u> | <u>\$ 12,586</u> | <u>\$ 13,088</u> |
| Licenses and Fees | | | |
| License Fees..... | <u>\$ 456</u> | <u>\$ 438</u> | <u>\$ 486</u> |
| Miscellaneous Revenues | | | |
| Uncashed Tickets..... | \$ 3,267 | \$ 2,900 | \$ 2,900 |
| Interest on Securities..... | 389 | 450 | 575 |
| TOTAL..... | <u>\$ 3,656</u> | <u>\$ 3,350</u> | <u>\$ 3,475</u> |
| TOTAL REVENUES..... | <u><u>\$ 15,514</u></u> | <u><u>\$ 16,374</u></u> | <u><u>\$ 17,049</u></u> |



TOBACCO SETTLEMENT FUND

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

Health Investment Plan

It has been nearly half a decade since the Tobacco Settlement Fund was created. During that time, it has become apparent that there are imbalances in the resource allocation plan set forth in Act 77 of 2001. Act 77 of 2001 created the Tobacco Settlement Fund to receive the revenues from the Master Settlement Agreement (MSA) that was reached with the five major tobacco companies on December 17, 1999. The Tobacco Settlement Fund currently provides funding for health care insurance for the uninsured, home and community-based services for seniors, tobacco use prevention and cessation, broad-based health research, medical care for workers with disabilities and hospital uncompensated care.

To address the imbalances in the resource allocation plan set forth in Act 77, the Governor and the General Assembly agreed in enacting the 2005-06 budget to redirect 12.5 percent of the funds allocated to health care insurance for uninsured adults and 25 percent of the funds allocated to tobacco use prevention and cessation activities to fund the escalating cost of long-term care services for Pennsylvania seniors and persons with disabilities. While the Tobacco funding for health care insurance for the uninsured was decreased in 2005-06, that decrease was more than offset by a new funding stream from the Annual Community Health Reinvestment Agreement. This budget proposes to continue redirecting 12.5 percent of the Tobacco allocation for adult health insurance and 25 percent of the allocation for prevention and cessation for long-term care services.

In 2005, the Commonwealth entered into the Annual Community Health Reinvestment Agreement with Pennsylvania's four Blue Cross/Blue Shield plans. The Blue Cross/Blue Shield plans have agreed to an annual commitment of funds to provide affordable basic health care coverage for thousands of low-income and uninsured Pennsylvanians. This commitment is estimated to total nearly \$1 billion over the six-year life of the agreement. According to the agreement, the Commonwealth receives 60 percent of the annual commitment for statewide health care investments, which is deposited into a restricted account within the Tobacco Settlement Fund, and the plans maintain 40 percent of the annual commitment for community-based health plan investments. This budget projects that \$95 million will be available to the Commonwealth in 2006-07.

The Tobacco Settlement Fund also maintains an endowment component to preserve a portion of the receipts to ensure funds for future generations, sustain critical programs if tobacco allocations decrease and provide ongoing revenue if tobacco allocations cease. The initial payment from the MSA of \$142 million was deposited into the endowment account. In addition, strategic contribution payments, earnings from investments and eight percent of the annual payment from the MSA have been deposited into the endowment account. Because the tobacco payments are not decreasing and there is no evidence that the payments will cease, and health care costs continue to escalate, this budget recommends that the eight percent allocated by Act 77 for the endowment account be redirected to help fund the increasing costs of long-term care services. This budget also recommends that the Tobacco Fund interest and the Endowment Account earnings again be made available for health care costs, for a total Tobacco allocation of \$434.7 million in 2006-07.

Combining the Tobacco Funds and the Community Health Reinvestment Funds, this budget allocates a total of \$529.7 in 2006-07 for the following health care related activities:

Dollar Amounts in Millions

| | |
|---|--|
| <p>➤ Health Care Insurance for the Uninsured: \$204.0 Subsidize health care insurance coverage for uninsured adults with incomes under 200 percent of the Federal poverty level and for workers with disabilities with incomes under 250 percent of the Federal poverty level.</p> <p>➤ Long-Term Living: \$148.4 Provide home and community-based services and nursing home care for seniors and persons with disabilities based on their clinical need and personal preference.</p> <p>➤ Health Research: \$72.0 Fund health-related research proposals from Pennsylvania-based researchers. Fifty percent of these funds will be used to provide accelerated funding of approximately \$500 million over the next two years for The Jonas Salk Legacy Fund – <i>Accelerating Medical Research in Pennsylvania</i>. Please see the Expanding Employment and Opportunity for Pennsylvanians theme in the Overview and Summaries section for additional information on this initiative.</p> | <p>➤ Hospital Uncompensated Care: \$37.9 Support financially distressed hospitals in the provision of uncompensated care and care to Medical Assistance recipients.</p> <p>➤ Tobacco Prevention and Cessation: \$34.1 Fund community-based prevention and cessation programs that are based on best practices for effective intervention from the national Centers for Disease Control.</p> <p>➤ Pharmaceutical Benefits for the Elderly: \$30.3 Support the expansion of the pharmaceutical benefits for the elderly program implemented in 2001.</p> <p>➤ Life Sciences Greenhouses \$3.0 Continue support for the three Life Sciences Greenhouses that invest in companies focused on the research, development and commercialization of cutting-edge therapies and medical technologies.</p> |
| <p>TOTAL \$529.7</p> | |

Financial Statement

(Dollar Amounts in Thousands)

| | <u>2004-05</u> Actual | <u>2005-06</u> Available | <u>2006-07</u> Estimated |
|--------------------------------|--------------------------|-----------------------------|-----------------------------|
| Beginning Balance | \$ 385,514 * | \$ 398,606 | \$ 420,175 |
| Receipts: | | | |
| Revenue Estimate..... | \$ 392,661 | \$ 437,583 | \$ 426,655 |
| Prior Year Lapses..... | <u>4,445</u> | <u>3,697</u> | <u>0</u> |
| Total Receipts..... | <u>397,106</u> | <u>441,280</u> | <u>426,655</u> |
| Funds Available | \$ 782,620 | \$ 839,886 | \$ 846,830 |
| Expenditures: | | | |
| Appropriated..... | \$ 384,014 | \$ 419,711 | \$ 428,892 |
| Estimated Expenditures..... | <u>384,014</u> | <u>419,711</u> | <u>428,892</u> |
| Ending Balance | <u><u>\$ 398,606</u></u> | <u><u>\$ 420,175</u></u> | <u><u>\$ 417,938</u></u> |

* Excludes interest earned on receipts transferred to the Health Endowment Account for Long-Term Hope as restricted receipts; includes \$1.5M lapsed to the fund in 2004-05 and subsequently transferred to the Health Endowment Account in 2005-06.

Summary by Department

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|---|---------------------|------------------------|------------------------|
| Executive Offices | | | |
| General Government | | | |
| Transfer of Lapse Amounts to the Endowment Acct (04-05) (EA)..... | \$ 0 | \$ 1,500 | \$ 0 |
| Transfer of Lapse Amounts to the Endowment Acct (EA)..... | 0 | 4,445 | 3,697 |
| Transfer to Health Endowment Account..... | 30,721 ^a | 29,301 ^a | 0 ^b |
| DEPARTMENT TOTAL..... | \$ 30,721 | \$ 35,246 | \$ 3,697 |
| | | | |
| Department of Aging | | | |
| Grants and Subsidies | | | |
| Home and Community-Based Services..... | \$ 23,850 | \$ 20,536 | \$ 18,188 |
| PACenet Transfer..... | 30,721 | 29,301 | 30,318 |
| | | | |
| TOTAL STATE FUNDS..... | \$ 54,571 | \$ 49,837 | \$ 48,506 |
| | | | |
| Federal Funds..... | \$ 25,442 | \$ 26,264 | \$ 27,485 |
| Augmentations..... | \$ 6,769 | \$ 6,769 | \$ 6,769 |
| DEPARTMENT TOTAL..... | \$ 86,782 | \$ 82,870 | \$ 82,760 |
| | | | |
| Department of Community and Economic Development | | | |
| Grants and Subsidies | | | |
| Tobacco Settlement Investment Board..... | \$ 0 ^c | \$ 0 ^c | \$ 0 ^c |
| Life Sciences Greenhouse..... | 0 | 0 | 3,000 |
| DEPARTMENT TOTAL..... | \$ 0 | \$ 0 | \$ 3,000 |
| | | | |
| Department of Health | | | |
| Grants and Subsidies | | | |
| Health Research - Health Priorities..... | \$ 69,123 | \$ 65,926 | \$ 68,216 |
| Health Research - National Cancer Institute..... | 3,840 | 3,662 | 3,790 |
| Tobacco Use Prevention and Cessation..... | 46,082 | 32,963 ^d | 34,108 ^e |
| DEPARTMENT TOTAL..... | \$ 119,045 | \$ 102,551 | \$ 106,114 |
| | | | |
| Department of Insurance | | | |
| Grants and Subsidies | | | |
| Adult Health Insurance..... | \$ 103,080 | \$ 74,293 ^f | \$ 72,819 ^g |

Summary by Department (continued)

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|---|--------------------------|--------------------------|--------------------------|
| Department of Public Welfare | | | |
| Grants and Subsidies | | | |
| Medical Care for Workers with Disabilities..... | \$ 12,124 | \$ 21,850 | \$ 26,663 |
| Uncompensated Care..... | 38,401 | 36,626 | 37,898 |
| Medical Assistance - Long-Term Care..... | 0 | 72,230 | 99,116 |
| Home and Community-Based Services..... | 26,072 | 27,078 | 31,079 |
| Subtotal..... | <u>\$ 76,597</u> | <u>\$ 157,784</u> | <u>\$ 194,756</u> |
| TOTAL STATE FUNDS..... | <u>\$ 76,597</u> | <u>\$ 157,784</u> | <u>\$ 194,756</u> |
| Federal Funds..... | \$ 94,698 | \$ 108,001 | \$ 114,803 |
| DEPARTMENT TOTAL..... | <u>\$ 171,295</u> | <u>\$ 265,785</u> | <u>\$ 309,559</u> |
| TOTAL STATE FUNDS..... | <u>\$ 384,014</u> | <u>\$ 419,711</u> | <u>\$ 428,892</u> |
| Federal Funds..... | \$ 120,140 | \$ 134,265 | \$ 142,288 |
| Augmentations..... | <u>6,769</u> | <u>6,769</u> | <u>6,769</u> |
| FUND TOTAL..... | <u>\$ 510,923</u> | <u>\$ 560,745</u> | <u>\$ 577,949</u> |

- ^a Funds are actually deposited to the Endowment Account for Long-Term Hope immediately upon receipt of settlement payments.
- ^b This budget proposes retaining all of the 8% transfer (\$30.318M) to the Health Endowment Account for Long-Term Hope within the fund to support health-related expenditures.
- ^c Excludes \$276,000 in 2004-05; \$376,000 in 2005-06; and \$489,000 in 2006-07 appropriated to the Tobacco Settlement Investment Board (actually funded by the Health Endowment Account for Long-Term Hope).
- ^d Reflects Act 41 of 2005 which required retaining one-quarter of the 12% Prevention and Cessation program portion within the fund to support health-related expenditures.
- ^e This budget proposes continuing Act 41 of 2005 requirements to retain one-quarter of the 12% Prevention and Cessation program portion within the fund to support health-related expenditures.
- ^f Reflects Act 41 of 2005 which required retaining one-eighth of the 30% Health Investment program portion within the fund to support health-related expenditures.
- ^g This budget proposes continuing Act 41 of 2005 requirements to retain one-eighth of the 30% Health Investment program portion within the fund to support health-related expenditures.

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| Tobacco Settlement Revenue..... | \$ 392,661 | \$ 437,583 | \$ 426,655 | \$ 433,339 | \$ 433,312 | \$ 432,938 | \$ 432,680 |

Revenue Sources

Tobacco Settlement Revenue

| Actual | | Estimated | |
|--------------|------------|--------------|------------|
| 1999-00..... | \$ 464,554 | 2005-06..... | \$ 378,978 |
| 2000-01..... | 345,013 | 2006-07..... | 378,680 |
| 2001-02..... | 433,529 | 2007-08..... | 385,371 |
| 2002-03..... | 416,918 | 2008-09..... | 385,090 |
| 2003-04..... | 370,857 | 2009-10..... | 384,823 |
| 2004-05..... | 366,258 | 2010-11..... | 384,571 |

Tobacco Settlement revenue includes payments from all tobacco settlements under the Master Tobacco Settlement Agreement not set aside in the restricted revenue Health Endowment Account for Long-Term Hope. Pending creation of the fund, 1999-00 and 2000-01 year receipts were held in a restricted receipt account.

Miscellaneous Revenue

| Actual | | Estimated | |
|--------------|--------|--------------|-----------|
| 1999-00..... | \$ 0 | 2005-06..... | \$ 58,605 |
| 2000-01..... | 0 | 2006-07..... | 47,975 |
| 2001-02..... | 0 | 2007-08..... | 47,968 |
| 2002-03..... | 16,122 | 2008-09..... | 48,222 |
| 2003-04..... | 0 | 2009-10..... | 48,115 |
| 2004-05..... | 26,403 | 2010-11..... | 48,109 |

Miscellaneous Revenue includes investment earnings which would have otherwise been deposited to the Health Endowment Account for Long-Term Hope, but were specified for retention within the fund itself by Act 91 of 2002 and Act 41 of 2005. This budget proposes a similar retention of those earnings to support health-related expenditures.

Revenue Detail

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

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|------------------------|-------------------|---------------------|-------------------|
| Gross Settlements..... | \$ 366,258 | \$ 378,978 | \$ 378,680 |

Restricted Revenues Not Included in Department Total

Health Endowment Account for Long-Term Hope Revenue

(Dollar Amounts in Thousands)

| | Actual | | Estimated | |
|--------------|------------|--|--------------|----------|
| 1999-00..... | \$ 172,926 | | 2005-06..... | \$ 5,945 |
| 2000-01..... | 67,091 | | 2006-07..... | 3,697 |
| 2001-02..... | 54,089 | | 2007-08..... | 24,230 |
| 2002-03..... | 35,971 | | 2008-09..... | 24,169 |
| 2003-04..... | 80,061 | | 2009-10..... | 24,108 |
| 2004-05..... | 38,091 | | 2010-11..... | 24,047 |

Except where otherwise directed by legislation, the Health Endowment Account for Long-Term Hope restricted revenue includes all interest earned in the Tobacco Settlement Fund, the initial payment of Tobacco Settlement funds, strategic contribution payments (beginning in 2007-08), eight percent of each Annual Payment and lapses from the appropriations in the fund except for moneys provided for the Home and Community-Based Care Program and the Health Investment Insurance Program which are reallocated to their respective programs. This budget proposes retention of the Health Endowment Account percentage within the fund itself beginning in 2005-06. Amounts shown for 2007-08 represent strategic contribution payments only.

| | 2004-05 Actual | 2005-06 Estimate | | 2006-07 Budget |
|---|-------------------------|------------------------|--|------------------------|
| 8% of Annual Tobacco Settlement Payments..... | \$ 30,721 | \$ 0 | | \$ 0 |
| Strategic Contribution Payments | 0 | 0 | | 0 |
| Interest | 7,370 | 0 | | 0 |
| Lapses..... | 0 | 5,945 | | 3,697 |
| Total Health Endowment Account for Long-Term Hope..... | <u>\$ 38,091</u> | <u>\$ 5,945</u> | | <u>\$ 3,697</u> |

Tobacco Settlement Investment Board Account

(Dollar Amounts in Thousands)

| | Actual | | Estimated | |
|--------------|--------|--|--------------|--------|
| 1999-00..... | \$ 0 | | 2005-06..... | \$ 376 |
| 2000-01..... | 0 | | 2006-07..... | 489 |
| 2001-02..... | 93 | | 2007-08..... | 489 |
| 2002-03..... | 326 | | 2008-09..... | 489 |
| 2003-04..... | 276 | | 2009-10..... | 489 |
| 2004-05..... | 276 | | 2010-11..... | 489 |

The Tobacco Settlement Investment Board restricted revenue represents the approved expenses of the overseeing investment board to be paid from the investment earnings in the Health Endowment Account for Long-Term Hope. An initial budget is submitted for appropriation of these funds and actual expenses are paid as approved.

| | 2004-05 Actual | 2005-06 Estimate | | 2006-07 Budget |
|--|--------------------|---------------------|--|--------------------|
| Revenue..... | \$ 276 | \$ 376 | | \$ 489 |
| Distribution..... | -276 | -376 | | -489 |
| Total Tobacco Settlement Investment Board Account | <u>\$ 0</u> | <u>\$ 0</u> | | <u>\$ 0</u> |

Restricted Revenues Not Included in Department Total

Community Health Reinvestment Account

(Dollar Amounts in Thousands)

| Actual | | Estimated | |
|--------------|------|--------------|-----------|
| 1999-00..... | \$ 0 | 2005-06..... | \$ 86,301 |
| 2000-01..... | 0 | 2006-07..... | 90,000 |
| 2001-02..... | 0 | 2007-08..... | 93,600 |
| 2002-03..... | 0 | 2008-09..... | 97,344 |
| 2003-04..... | 0 | 2009-10..... | 101,238 |
| 2004-05..... | 0 | 2010-11..... | 105,287 |

The account is used for the restricted receipt and disbursement of funds received in accordance with the Agreement of Community Health Reinvestment entered into February 2, 2005 by the Insurance Department. The Community Health Reinvestment program disburses funds in the Department of Insurance in support of basic health care for adults in accordance with Act 77 of 2001.

| | 2004-05 Actual | 2005-06 Estimate | 2006-07 Budget |
|---------------------------------|-------------------|---------------------|-------------------|
| Revenue..... | \$ 0 | \$ 86,301 | \$ 90,000 |
| Distribution..... | 0 | -86,301 | -90,000 |
| Total Tobacco Settlement | | | |
| Investment Board Account | \$ 0 | \$ 0 | \$ 0 |



Commonwealth of Pennsylvania

Governor's Executive Budget

TAX

EXPENDITURES



TAX EXPENDITURES

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

TAX EXPENDITURE ANALYSIS

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

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

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

The 2006-07 Governor’s Executive Budget presents this tax expenditure analysis covering Commonwealth taxes with annual receipts of at least \$15 million. A complete list of covered taxes is shown in the Table of Contents. The intended purposes of the current analyses are to:

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

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

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

Tax Expenditure Analysis (continued)

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

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

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

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

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

There are three primary limitations on the tax expenditure estimates. First, estimated revenue foregone due to a tax expenditure should not be construed as the revenue that could be gained if the tax expenditure provision were to be rescinded in legislation. The impact of any particular piece of legislation will vary depending on how the bill is drafted, how its terms are defined, when it becomes effective, and how it relates to other parts of the tax law. In contrast, tax expenditure estimates are often based on concepts that are defined by the way that government statistics on the subject are made available to the Department. Furthermore, no attempt has been made to account for changes in taxpayer behavior that may occur because of tax law changes. For example, if the sales and use tax exemptions were rescinded for equipment and utilities directly used in manufacturing, it is possible that capital investment in manufacturing would be reduced and that these sales and use tax receipts would be less than the tax expenditure estimate.

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

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

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

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

CREDIT PROGRAMS

NEIGHBORHOOD ASSISTANCE PROGRAMS

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

Description: A tax credit is available to banks, thrift institutions, title insurance and trust companies, and insurance companies (other than foreign fire/casualty insurance companies), as well as corporations doing business in Pennsylvania and subject to the corporate net income tax and the capital stock/foreign franchise tax that engage in certain assistance programs in impoverished areas or contribute to neighborhood organizations which provide such activities. The credit is allowed for neighborhood assistance, job training, or education for individuals, community services, economic development, or crime prevention in an impoverished area. The program must be approved by the Secretary of Community and Economic Development. The credit available to a taxpayer equals up to 50 percent of the contribution to approved programs during the tax year, but may not exceed \$250,000. An expanded credit of 70 percent (maximum of \$350,000 per taxpayer) may be available for investments in certain priority programs defined by the Secretary of Community and Economic Development. The total amount of credits awarded to all taxpayers cannot exceed \$18 million in a fiscal year. The estimate for fiscal year 2004-05 reflects actual credits awarded under the program for that period. The estimates for future fiscal years reflect the program cap.

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 13.5 | \$ 18.0 | \$ 18.0 | \$ 18.0 | \$ 18.0 | \$ 18.0 | \$ 18.0 |

Beneficiaries: Approximately 660 companies doing business in Pennsylvania benefit from this tax expenditure.

General Fund Tax Expenditures

EMPLOYMENT INCENTIVE PAYMENTS

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

Description: Any bank, thrift institution, title insurance and trust company, or insurance company, as well as any corporation or person subject to the corporate net income tax or the personal income tax, employing persons formerly receiving welfare benefits may claim an employment incentive payment as credit against any tax liability in selected taxes. The credit is for a portion of wages paid to a qualifying employee in the first three years of employment. Employment incentive payment credits are available for employees hired up to December 31, 2009. Additional credit is available for financing associated day care costs. Total employment incentive payment credits authorized cannot exceed \$25 million in any fiscal year. The estimate for fiscal year 2004-05 reflects actual credits awarded under the program for that period. The estimates for future fiscal years reflect the program cap.

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

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

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | \$ 24.9 | \$ 25.0 | \$ 25.0 | \$ 25.0 | \$ 25.0 | \$ 25.0 | \$ 25.0 |

Beneficiaries: Employers of approximately 6,000 qualifying employees in Pennsylvania are expected to benefit from this tax expenditure.

HOMEOWNERS' EMERGENCY MORTGAGE ASSISTANCE FUND

Authorization: Article IV-C of the Housing Finance Agency Law (P.L. 1688, No. 621), as amended.

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

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

Administrative Costs: Nominal

Estimates: There has been no application of credits during FY 1985-86 through FY 2004-05. Limited participation in this program is expected in the future.

Beneficiaries: NA

General Fund Tax Expenditures

JOB CREATION TAX CREDIT

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

Description: A tax credit is available to businesses and individuals creating and sustaining jobs. The tax credit equals \$1,000 per job for each year in the approved term and may be applied to the corporate net income tax, capital stock/foreign franchise tax, insurance premiums tax, gross receipts tax, bank and trust company shares tax, mutual thrift institution tax, title insurance company shares tax, personal income tax, or any combination thereof. The total amount of funds for tax credits available in a year is \$22.5 million. The estimate for fiscal year 2004-05 reflects actual credits awarded under the program for that period. The estimates for future fiscal years reflect the program cap.

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 21.3 | \$ 22.5 | \$ 22.5 | \$ 22.5 | \$ 22.5 | \$ 22.5 | \$ 22.5 |

Beneficiaries: Approximately 50 companies doing business in Pennsylvania benefit from this tax expenditure.

RESEARCH AND DEVELOPMENT TAX CREDIT

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

Description: A research and development tax credit is available for performing qualified research in Pennsylvania. The credit equals 10 percent of the increase in qualified research expenses for the current taxable year over a base period. For tax credits issued through December 2003, total credits in any one fiscal year were capped at \$15 million with \$3 million of the total earmarked exclusively for small business. Beginning in December 2004, total credits in any one fiscal year are capped at \$30 million with \$6 million of the total earmarked exclusively for small business. Starting in December 2004, unused credits may also be sold or assigned to other taxpayers. The credit may be applied against the corporate net income tax, capital stock/foreign franchise tax, personal income tax, or any combination thereof, but may not exceed 50 percent of such qualified tax liability for tax years prior to 2005. For tax years 2005 and forward, the 50 percent limit does not apply. Unused credits may be carried forward fifteen taxable years. Credits are available for tax years ending on or before December 31, 2006. The estimate for fiscal year 2004-05 reflects actual credits awarded under the program for that period. The estimates for future fiscal years reflect the program cap.

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 30.0 | \$ 30.0 | \$ 30.0 | \$ 30.0 | \$ -- | \$ -- | \$ -- |

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

General Fund Tax Expenditures

KEYSTONE OPPORTUNITY ZONE

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

Description: The Department of Community and Economic Development has designated specific areas of deteriorated property as keystone opportunity zones, keystone opportunity expansion zones, and keystone opportunity improvement zones. The program was last amended by Act 51 of 2003. This Act added a lease-based option allowing companies relocating within Pennsylvania to qualify for zone benefits.

Economic activity occurring in these zones is exempt from most local taxation for a period of up to fifteen years beginning with the creation of the particular zone. In addition to benefiting from a limited state sales and use tax exemption, zone residents and qualified businesses are exempt from the following state taxes: personal income, corporate net income, capital stock/foreign franchise, bank shares, and mutual thrift institutions taxes. In addition, qualified businesses may receive credits against insurance premiums tax for jobs created in a zone. The tax expenditure is the value of all the credits and the state taxes waived within the zone.

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 38.0 | \$ 40.4 | \$ 42.6 | \$ 46.0 | \$ 49.8 | \$ 53.9 | \$ 58.4 |

Beneficiaries: Qualified businesses and residents of the designated zones within this Commonwealth benefit from this tax expenditure.

COAL WASTE REMOVAL AND ULTRACLEAN FUELS TAX CREDIT

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

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

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

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

General Fund Tax Expenditures

EDUCATIONAL IMPROVEMENT TAX CREDIT

Authorization: Article XX-B of the Public School Code of 1949 (P.L. 30, No. 14), as amended.

Description: A tax credit is available to banks, thrift institutions, title insurance and trust companies, and insurance companies, as well as corporations doing business in Pennsylvania and subject to the corporate net income tax and the capital stock/foreign franchise tax that contribute to nonprofit scholarship organizations or educational improvement organizations approved by the Department of Community and Economic Development (DCED). A tax credit shall be granted to a business firm providing proof of a contribution to a scholarship organization or an educational improvement organization equal to 75 percent of the total amount contributed during the taxable year. The tax credit must be applied in the taxable year the contribution is made. Any unused portion of the tax credit may not be carried forward or back, nor is it refundable or transferable. A tax credit shall be granted equal to 90 percent of the total amount contributed, if the business provides a written commitment to DCED to contribute the same amount for two consecutive tax years. A tax credit shall not exceed the tax liability of a business for any given taxable year, nor shall the credit exceed \$100,000 per business per taxable year. Through fiscal year 2002-03, the total amount of tax credits approved for all taxpayers was limited to \$30 million in a fiscal year, with \$20 million for contributions to scholarship organizations, and \$10 million for contributions to educational improvement organizations. Beginning in fiscal year 2003-04, the total amount of tax credits approved for all taxpayers cannot exceed \$40 million in a fiscal year, with \$26.7 million for contributions to scholarship organizations, and \$13.3 million for contributions to educational improvement organizations. Beginning in fiscal year 2004-05, an additional \$5.0 million per fiscal year is available for contributions to pre-kindergarten scholarship organizations. Beginning in fiscal year 2005-06, the cap on credits awarded increased to \$44 million per fiscal year, including \$29.3 million for contributions to scholarship organizations and \$14.7 million for contributions to educational improvement organizations. The estimate for fiscal year 2004-05 reflects actual credits awarded under the program for that period. The estimates for future fiscal years reflect the program cap.

Purpose: This program encourages taxpayers to contribute to scholarship organizations or educational improvement organizations in order to promote expanded educational opportunities for students in the Commonwealth.

Administrative Costs: Costs to administer Educational Improvement Tax credits are primarily borne by the Department of Community and Economic Development along with the Department of Revenue and the Department of Education. Estimated costs for all departments total \$0.2 million per year.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | \$ 40.8 | \$ 49.0 | \$ 49.0 | \$ 49.0 | \$ 49.0 | \$ 49.0 | \$ 49.0 |

Beneficiaries Approximately 1,065 companies and 550 scholarship organizations, educational improvement organizations, and pre-kindergarten scholarship organizations benefit from this tax expenditure.

General Fund Tax Expenditures

KEYSTONE INNOVATION ZONE

Authorization: Act of February 12, 2004 (P.L. 99, No. 12).

Description: Act 12 of 2004 created the Keystone Innovation Zone (KIZ) program to foster growth in targeted industry segments, namely research and development and other high technology businesses. The zones are defined parcels and are operated by a partnership of business groups and institutions of higher education.

Qualified businesses operating in a zone are entitled to priority consideration for assistance under a number of state programs, as well as a tax credit. A KIZ company may apply to the Department of Community and Economic Development for a tax credit equal to 50 percent of the increase in its gross revenues from the previous year attributable to its activities in a zone. A KIZ company may not claim in excess of \$100,000 in tax credit per year. No more than \$25 million in tax credits may be awarded in any taxable year.

KIZ companies may apply KIZ tax credits against personal income tax, corporate net income tax, or capital stock/foreign franchise tax liabilities.

KIZ companies may apply for KIZ tax credits beginning September 15, 2006 based on expenses from the prior taxable year. The Department of Community and Economic Development will first award credits no later than December 15, 2006.

Purpose: This tax credit provides a financial incentive to foster growth of research and development and other high technology businesses in affiliation with institutions of higher education.

Administrative Costs: The Department of Community and Economic Development will incur the administrative costs of operating the KIZ program, including the review and award of KIZ tax credits. The Department of Revenue will be responsible for applying credits to taxpayer accounts. Estimated costs for both departments total \$0.2 million per year.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | \$ -- | \$ -- | \$ 25.0 | \$ 25.0 | \$ 25.0 | \$ 25.0 | \$ 25.0 |

Beneficiaries: Approximately 250 companies are expected to receive KIZ tax credits beginning in 2006.

General Fund Tax Expenditures

FILM PRODUCTION TAX CREDIT

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

Description: A tax credit in the amount of 20 percent of qualified film production expenses is available for expenses incurred in Pennsylvania after June 30, 2004. The tax credit may be used to offset capital stock/foreign franchise tax, corporate net income tax, or personal income tax. To qualify, the expenses must be incurred in the production of a film or television show of at least 15 minutes in length that is intended for a national audience. At least 60 percent of total production expenses must be incurred in Pennsylvania.

The total amount of tax credit that can be awarded in any fiscal year is \$10 million. Taxpayers may carryforward unused credit for three years. Unused credit may also be sold or assigned to other taxpayers. No expenses incurred after December 31, 2012 will qualify for the credit. Initially, the Department of Revenue awarded the tax credit on August 15 for qualified expenses incurred during July through December of the prior calendar year. Under current law, the Department of Community and Economic Development is responsible for awarding credits.

Purpose: This tax credit provides an incentive for filmmakers to produce films and television shows in Pennsylvania.

Administrative Costs: The Department of Community and Economic Development will incur the costs of awarding, reviewing and approving the sale or transfer of credit. Annual administrative costs are expected to total \$0.1 million. Costs to administer the Film Production Tax Credit Program credits are borne by the Department of Community and Economic Development and the Department of Revenue. Estimated costs for both departments total \$0.1 million per year.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ -- | \$ 10.0 | \$ 10.0 | \$ 10.0 | \$ 10.0 | \$ 10.0 | \$ 10.0 |

Beneficiaries: A limited number of filmmakers that produce films and television shows in Pennsylvania will benefit from this expenditure.

FIRST CLASS CITIES ECONOMIC DEVELOPMENT DISTRICT

Authorization: Act of December 1, 2004 (P.L. 1750, No. 226).

Description: Act 226 of 2004 created the Economic Development District (EDD) program to provide tax benefits for the construction and operation of a produce terminal in Philadelphia. Companies leasing space in this district may earn tax credits for business conducted within the district. Credits may be taken against personal income tax or corporate net income tax. These companies are also exempt from sales and use tax on otherwise taxable services or goods consumed exclusively within the district. If the City of Philadelphia and the School District of Philadelphia agree to waive the respective taxes for the district property through the life of the program, the district will be approved by the Department of Community and Economic Development. Tax benefits may not extend beyond December 31, 2018.

Purpose: To provide incentives for economic development in Philadelphia.

Administrative Costs: Costs to administer the Economic Development District program are borne by the Department of Community and Economic Development and the Department of Revenue. Estimated costs for both departments total \$0.1 million per year.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ -- | \$ 2.2 | \$ 2.5 | \$ 2.8 | \$ 2.9 | \$ 3.1 | \$ 3.2 |

Beneficiaries: Approximately 50 companies are expected to locate in an EDD upon completion of the produce terminal.

General Fund Tax Expenditures

CORPORATION TAXES

Administrative Costs: Costs to administer various tax expenditures associated with the corporation taxes cannot be separately identified. Tax expenditures are a significant factor associated with the need for more compliance audits and increased complexity of such audits as well as legal rulings, pronouncements, and bulletins. Tax expenditures also contribute significantly to the tax appeals process.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|---|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | Corporate Net Income Tax and Capital Stock/Foreign Franchise Tax | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 3.2 | \$ 3.3 | \$ 3.4 | \$ 3.5 | \$ 3.6 | \$ 3.7 | \$ 3.8 |
| | Selective Business Taxes | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |

CORPORATE NET INCOME TAX

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

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

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

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

NET OPERATING LOSS CARRYFORWARD

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

Act 45 of 1998 increased the three-year carryforward period to ten years for tax years 1995 and thereafter. This act provided a phase-in schedule of net loss deductions making the first ten-year carryforward available in tax year 2005. Suspended losses from 1988 through 1994 could be used variously against 1995 through 1997 tax years. Act 4 of 1999 increased the annual cap on deductions to \$2 million in each of the ten years following the loss, effective January 1, 1999. Act 89 of 2002 increased the ten-year carryforward period to twenty years for losses incurred in the 1998 taxable year and thereafter.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 197.9 | \$ 221.2 | \$ 231.7 | \$ 235.6 | \$ 240.9 | \$ 251.6 | \$ 262.9 |

Beneficiaries: Approximately 22,000 businesses per year benefit from this tax expenditure.

General Fund Tax Expenditures

TRIPLE-WEIGHTED SALES FACTOR

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 47.8 | \$ 51.7 | \$ 53.8 | \$ 54.7 | \$ 55.3 | \$ 55.8 | \$ 56.4 |

Beneficiaries: More than 33,500 corporations are affected by this expenditure. Of those, 11,500 benefit (i.e., have their taxable income reduced) from the expenditure. The estimates shown above reflect the net impact and represent the change in CNIT from corporations who have their taxable income reduced, as well as the impact on corporations that have their taxable income increased as a result of this tax expenditure.

NONPROFIT CORPORATIONS

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 6.1 | \$ 6.5 | \$ 6.8 | \$ 7.2 | \$ 7.6 | \$ 8.0 | \$ 8.4 |

Beneficiaries: Approximately 800 nonprofit corporations operating in Pennsylvania with unrelated business income benefit from this tax expenditure.

General Fund Tax Expenditures

PENNSYLVANIA S CORPORATIONS

Description: Corporations with a valid Pennsylvania S corporation election in effect for the taxable year are subject to corporate net income tax only to the extent that they have net recognized built-in gains. Pennsylvania S corporation shareholders must include their distributive share of Pennsylvania S corporation income for Pennsylvania income tax purposes. The tax expenditure is the difference between what is paid by the shareholders under the personal income tax and what the corporations would have paid had they been fully subject to the corporate net income tax. Act 7 of 1997 provided conformity with the federal Small Business Job Protection Act of 1996 by allowing an increase in the number of shareholders from 35 to 75, effective January 1, 1997. Act 7 also permitted S corporations to have qualified subsidiaries. The subsidiary can be either an S or a C corporation. Act 4 of 1999 eliminated the 25 percent passive income test and waived the five-year waiting period with respect to corporations whose S election was terminated for exceeding the passive income limitation.

Purpose: Sub-chapter S corporations are closely-held corporations and are believed to be major job creators. This provision allows tax treatment that is similar to that of the Internal Revenue Service and most other states for these businesses.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 623.2 | \$ 659.4 | \$ 701.5 | \$ 740.7 | \$ 779.2 | \$ 816.3 | \$ 853.3 |

Beneficiaries: Approximately 140,000 sub-chapter S corporations doing business in Pennsylvania could benefit from this tax expenditure.

LIMITED LIABILITY COMPANIES (LLCs)

Description: Limited liability companies (LLCs) are hybrid business entities that combine the corporate characteristic of limited liability for all owners (members) with the tax treatment of a partnership. LLCs that are not taxed as corporations for federal purposes are exempt from the Pennsylvania corporate net income tax. Act 45 of 1998 clarified that LLCs and business trusts classified by the federal government as "disregarded entities" are not subject to the Pennsylvania corporate net income tax. Members of the LLC must include their share of the LLC's income for Pennsylvania personal income tax purposes or corporate net income tax (if a corporate member). The tax expenditure is the difference between what is paid by the members under the personal income tax and corporate net income tax and what the LLC entities would have paid under the corporate net income tax. Act 124 of 1998 provided that a bank or banking organization may organize as an LLC for the sole purpose of marketing and selling title insurance. An insurance agency may also be organized as an LLC.

Purpose: LLCs are a preferred type of business entity for start-up companies. They combine the limited liability of a corporation with the flexibility of a partnership. This provision allows tax treatment that is similar to that of the Internal Revenue Service and most other states for these businesses.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 394.8 | \$ 395.7 | \$ 442.3 | \$ 480.6 | \$ 515.4 | \$ 548.3 | \$ 581.0 |

Beneficiaries: As many as 87,000 companies doing business in Pennsylvania benefit from this tax expenditure.

General Fund Tax Expenditures

COMMERCIAL PRINTERS

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: A minimal number of corporate taxpayers benefit from this tax expenditure.

FICA TAX ON TIPS

Description: Eating and drinking establishments can claim a deduction from their Pennsylvania taxable income equal to the amount of federal FICA (Federal Insurance Contributions Act) tax on employees' tips.

Purpose: This deduction corrects for a change in federal law. In 1993, a credit for the amount of FICA tax paid on employees' tips was created in the Internal Revenue Code. Taxpayers taking the federal credit may not also take a deduction for tax paid. Pennsylvania does not permit the credit and instead allows this additional deduction from federal taxable income.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 1.6 | \$ 1.7 | \$ 1.7 | \$ 1.7 | \$ 1.8 | \$ 1.8 | \$ 1.8 |

Beneficiaries: Approximately 2,300 taxpayers representing eating and drinking establishments could benefit from this tax expenditure.

NON-PROFIT NONSTOCK COMMODITY OR STOCK EXCHANGE

Description: Act 40 2005 excluded non-profit nonstock commodity or stock exchanges are excluded from the definition of a corporation for corporate net income tax purposes. This provision applies retroactively to taxable years beginning after December 31, 1997.

Purpose: This exemption provides tax relief for non-profit nonstock commodity or stock exchanges.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: A minimal number of corporate taxpayers benefit from this tax expenditure.

CAPITAL STOCK/FOREIGN FRANCHISE TAX

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

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

The capital stock/foreign franchise tax is based on capital stock value which is defined as one-half of the sum of the average net income capitalized at the rate of 9.5 percent plus 75 percent of the net worth, less \$125,000. Act 89 of 2002 modified the Act 23 of 2000 phase-out schedule by reducing the 2001 rate to 7.24 mills in 2002, further reducing the rate to 6.99 mills in 2003, and by reducing the rate by 1 mill per year thereafter until the tax is eliminated. Act 89 of 2002 also suspended the automatic transfer of 0.25 mill of the tax to the Hazardous Sites Cleanup Fund (HSCF). Beginning in fiscal year 2002-03, the HSCF transfer will only occur if the balance in the HSCF is expected to fall below \$5 million. Act 46 of 2003 further modified the phase-out schedule by setting the 2003 rate to 7.24 mills, the 2004 rate to 6.99 mills, and then reducing the rate by 1 mill per year until the tax is eliminated for all tax years beginning after December 31, 2010. The estimates in this analysis include only the General Fund portion of the tax and reflect the current phase-out of the tax.

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

NONPROFIT CORPORATIONS

Description: Nonprofit corporations are exempt from the capital stock/foreign franchise tax. Act 7 of 1997 provided that any nonprofit corporation or entity that is an exempt organization as defined by section 501 of Internal Revenue Code of 1986 (P.L. 99-514, 26 U.S.C.) is exempt. Act 4 of 1999 provided that insurance and travel agency activities carried on by an auto club are subject to the capital stock/foreign franchise tax. The same act restored exempt status to homeowners associations and membership organizations. The estimates below are based on unrelated business income taxed by the federal government.

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

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | \$ 4.0 | \$ 3.9 | \$ 3.5 | \$ 2.9 | \$ 2.3 | \$ 1.6 | \$ 0.8 |

Beneficiaries: Approximately 2,000 nonprofit corporations benefit from this tax expenditure.

General Fund Tax Expenditures

FAMILY FARM CORPORATIONS

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

Act 45 of 1998 specifically defined LLCs and business trusts to be corporations for capital stock/foreign franchise tax purposes. As a result, LLCs and business trusts are eligible for the family farm exemption, if appropriate.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.6 | \$ 0.6 | \$ 0.5 | \$ 0.4 | \$ 0.3 | \$ 0.2 | \$ 0.1 |

Beneficiaries: Approximately 320 family farm corporations operating in Pennsylvania could benefit from this tax expenditure.

ASSETS USED IN MANUFACTURING, PROCESSING, AND RESEARCH AND DEVELOPMENT

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

Act 63 of 1999 modified the manufacturing exemption by disallowing the exemption provided for manufacturing, processing, or research and development activities from the numerator of the sales factor and expanding the exemption by excluding property and payroll attributable to manufacturing, processing, or research and development activities outside of the Commonwealth from the numerator of the property and payroll factors.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 248.4 | \$ 241.8 | \$ 215.5 | \$ 180.6 | \$ 140.6 | \$ 96.1 | \$ 46.9 |

Beneficiaries: Approximately 8,000 corporations operating in Pennsylvania benefit from this tax expenditure.

General Fund Tax Expenditures

APPORTIONMENT FORMULA

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 270.6 | \$ 263.5 | \$ 234.8 | \$ 196.8 | \$ 153.1 | \$ 104.7 | \$ 51.1 |

Beneficiaries: Approximately 8,800 corporations doing business in Pennsylvania benefit from this tax expenditure.

POLLUTION CONTROL DEVICES

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 1.0 | \$ 1.0 | \$ 0.9 | \$ 0.7 | \$ 0.6 | \$ 0.4 | \$ 0.2 |

Beneficiaries: Approximately 20 companies doing business in Pennsylvania benefit from this tax expenditure.

General Fund Tax Expenditures

DEDUCTION FROM THE FIXED FORMULA

Description: For tax years beginning in 1997 and thereafter, corporations may deduct \$125,000 from the capital stock value which is then subject to apportionment to determine the taxable base. The valuation deduction was \$100,000 for tax years 1995 and 1996.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 70.4 | \$ 68.5 | \$ 61.1 | \$ 51.2 | \$ 39.8 | \$ 27.2 | \$ 13.3 |

Beneficiaries: Approximately 200,000 corporations doing business in Pennsylvania benefit from this tax expenditure.

HOLDING COMPANIES

Description: Holding companies may elect, in lieu of a standard apportionment formula, a special apportionment formula that computes the taxable portion of capital stock value by taking 10 percent of the total capital stock value. The single-factor apportionment formula was used as the standard apportionment formula in the estimating process. Holding companies are corporations (1) which derive at least 90 percent of their income from stock or securities and the rendering of administrative or management services to subsidiary corporations and (2) whose assets are at least 60 percent comprised of securities or indebtedness of subsidiary corporations. Act 45 of 1998 clarified that limited liability companies and business trusts are eligible to receive holding company tax treatment.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 289.6 | \$ 281.9 | \$ 251.3 | \$ 210.5 | \$ 163.9 | \$ 112.0 | \$ 54.7 |

Beneficiaries: Approximately 1,125 companies doing business in Pennsylvania benefit from this tax expenditure.

General Fund Tax Expenditures

REGULATED INVESTMENT COMPANIES/REAL ESTATE INVESTMENT TRUSTS

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

There is a potential revenue loss from regulated investment companies and real estate investment trusts (REITs) organized as business trusts. These entities are not subject to capital stock/foreign franchise tax; no cost estimate is available.

There is also a potential revenue loss associated with corporations that conduct Pennsylvania business activity through an investment in business trust RICs, REITs, and certain other related entities. Generally, a corporation's interest in an entity that is not a corporation is considered to be a direct ownership interest in the assets of the entity rather than an intangible interest. Act 232 of 2002 created exceptions to this general rule for RICs, REITs, and certain other related entities that are organized as business trusts. No cost estimate is available.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 6.6 | \$ 6.4 | \$ 5.7 | \$ 4.8 | \$ 3.7 | \$ 2.6 | \$ 1.2 |

Beneficiaries: At least 80 RICs, REITs, and other related entities doing business in Pennsylvania benefit from this tax expenditure. In addition, an unknown number of corporations may benefit from the provisions of Act 232 of 2002.

COMMERCIAL PRINTERS

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: A minimal number of corporate taxpayers benefit from this tax expenditure.

General Fund Tax Expenditures

RESTRICTED PROFESSIONAL COMPANIES

Description: Restricted professional companies (RPCs) are limited liability companies (LLCs) performing restricted professional services. LLCs are hybrid business entities that combine the corporate characteristic of limited liability for all owners (members) with the tax treatment of a partnership. Restricted professional services include chiropractic, dentistry, law, medicine and surgery, optometry, osteopathic medicine, podiatry medicine, public accounting, psychology, and veterinary medicine. These types of businesses give members the protection of limited liability for the neglect of another member. RPCs are exempt from the capital stock/foreign franchise tax. However, an annual fee of \$380 per resident member is imposed under the Associations Code, \$25 of which is credited to the Corporation Bureau's restricted account.

No cost estimate is available.

Purpose: RPCs perform valuable professional services for citizens of the Commonwealth.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: Approximately 2,200 companies doing business in Pennsylvania benefit from this tax expenditure.

EXEMPTION FOR STUDENT LOAN ASSETS

Description: Act 45 of 1998 provided that student loan related assets owned or held by a trust or other entity formed for the securitization of student loans are exempt from capital stock/foreign franchise tax. This provision is effective for tax years beginning on or after January 1, 1998.

Purpose: This program exempts student loan related assets held by loan securitization trusts from the capital stock/foreign franchise tax to conform with the Commonwealth public policy of promoting higher education.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: A minimal number of business trusts and other entities formed for the securitization of student loan assets are the beneficiaries of this tax expenditure.

FINANCIAL INSTITUTION BUSINESS TRUSTS

Description: Act 23 of 2000 created an exemption from tax for a domestic or foreign business trust that is created or managed by an entity subject to bank shares or mutual thrifts tax, or an 80 percent affiliate thereof. The trust must also be created and managed to facilitate the securitization of intangible assets. For federal tax purposes it is classified as a partnership or disregarded entity. This exemption applies to taxable years beginning after December 31, 1999.

Purpose: This exemption acts as an incentive for these trusts to form and operate in the Commonwealth.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: NA

General Fund Tax Expenditures

NON-PROFIT NONSTOCK COMMODITY OR STOCK EXCHANGE

Description: Non-profit nonstock commodity or stock exchanges are excluded from the definition of a corporation for capital stock/foreign franchise tax purposes. This provision applies to taxable years beginning after December 31, 1997.

Purpose: This exemption provides tax relief for non-profit nonstock commodity or stock exchanges.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: A minimal number of corporate taxpayers benefit from this tax expenditure.

GROSS RECEIPTS TAX

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

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

A tax is levied at 50 mills on gross receipts from passengers, baggage, freight, and oil transported within the state; intrastate and interstate telephone and telegraph messages transmitted in the state on landline or cellular systems; and at 44 mills on sales of electric energy. The 44 mill tax rate on sales of electric energy was subject to change based on the revenue neutral reconciliation (RNR) tax rate calculated annually pursuant to Act 138 of 1996, which governs the restructuring of the electric utility industry in Pennsylvania. Act 89 of 2002 established the permanent RNR tax rate at 15 mills for tax years beginning January 1, 2003 and thereafter. The sale of natural gas was subject to the gross receipts tax before Act 4 of 1999 repealed these provisions, effective January 1, 2000.

MUNICIPALLY-OWNED PUBLIC UTILITIES

Description: Gross receipts of public utilities owned or operated by a municipality are exempt from tax to the extent the gross receipts are derived from business done inside the limits of the municipality. The figures for this expenditure are at the statutory utilities gross receipts tax rates applicable to the appropriate tax year.

Purpose: This tax relief encourages municipalities to develop and invest in public utility services and supplemental energy sources including cogeneration facilities. It also benefits residents to the extent the tax relief is reflected through lower utility rates.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 5.5 | \$ 5.6 | \$ 5.8 | \$ 6.0 | \$ 6.1 | \$ 6.3 | \$ 6.5 |

Beneficiaries: The 31 municipally-owned utilities operating in the Commonwealth benefit from this tax expenditure.

General Fund Tax Expenditures

NUCLEAR GENERATING FACILITY DAMAGE

Description: Gross receipts derived from the sale of electricity by an electric light company which are attributable to the recovery of purchased energy costs, clean-up costs, and investment write-off costs due to damage to a nuclear generating facility are exempt from tax.

Purpose: This tax relief alleviates the financial hardship faced by the public utility as a result of damage caused by an accident or natural disaster. It also benefits consumers to the extent the tax relief is reflected in lower utility rates.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: 37 electric suppliers could potentially benefit from this tax expenditure.

ELECTRIC COOPERATIVES

Description: Gross receipts of electric cooperatives are exempt from the tax. The figures for this expenditure are at the statutory utility gross receipts tax rates applicable to the appropriate tax year.

Purpose: These cooperatives are nonprofit corporations organized to engage in rural electrification and are perceived to provide public benefit. This exemption permits this service to be rendered at a reduced cost to the rate payers.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 9.6 | \$ 12.1 | \$ 12.5 | \$ 12.9 | \$ 13.1 | \$ 13.6 | \$ 14.0 |

Beneficiaries: The 13 cooperatives in the Commonwealth benefit from this tax expenditure.

TELECOMMUNICATIONS SALE FOR RESALE EXEMPTION

Description: Gross receipts from the sale for resale of telecommunication services to purchasers subject to the gross receipts tax who subsequently resell the telecommunication services for final consumption are exempt from the tax for tax years beginning after December 31, 1999.

Purpose: The sale for resale exemption is intended to ensure that telecommunication services are not subject to double taxation under the gross receipts tax.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 41.7 | \$ 36.9 | \$ 43.3 | \$ 42.3 | \$ 43.5 | \$ 43.5 | \$ 44.0 |

Beneficiaries: Approximately 350 telecommunication companies could benefit from this tax expenditure.

PUBLIC UTILITY REALTY TAX

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

The public utility realty tax (PURTA) is imposed on public utilities furnishing services under the jurisdiction of the Pennsylvania Public Utility Commission or a regulatory body of another state or the United States.

Act 4 of 1999 fundamentally overhauled PURTA for tax year 1998 and thereafter. The tax rate is annually calculated by the Department of Revenue in order to raise an amount of tax revenue equal to the realty tax equivalent. The Commonwealth imposes this tax on public utility realty in lieu of local real estate taxes and distributes revenue to local taxing authorities based on the realty tax equivalent.

Beginning with PURTA tax year 1998, utilities are taxed on the basis of the property's fair market value, which is the local assessed value adjusted by the common level ratio. After December 31, 1999, assets used in the generation of electricity are excluded from the PURTA tax base and the realty tax equivalent.

For fiscal years prior to 2003-04, an additional 7.6 mills of the PURTA tax base was transferred to the Public Transportation Assistance Fund. Beginning in fiscal year 2003-04, the additional 7.6 mills of the PURTA tax base remains in the General Fund. The estimates in this portion of the analysis include the variable tax as well as the additional 7.6 mill levy.

PROPERTY SUBJECT TO LOCAL TAXATION

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 2.5 | \$ 2.6 | \$ 2.7 | \$ 2.7 | \$ 2.8 | \$ 2.8 | \$ 2.8 |

Beneficiaries: The 452 public utilities could benefit from this tax expenditure.

EASEMENTS

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 2.3 | \$ 2.3 | \$ 2.4 | \$ 2.4 | \$ 2.4 | \$ 2.5 | \$ 2.5 |

Beneficiaries: The 452 public utilities could benefit from this tax expenditure.

General Fund Tax Expenditures

RAILROAD RIGHTS-OF-WAY

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 5.2 | \$ 5.4 | \$ 5.5 | \$ 5.6 | \$ 5.7 | \$ 5.8 | \$ 5.8 |

Beneficiaries: The 74 railroad public utilities could benefit from this tax expenditure.

SEWAGE SERVICES

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 4.6 | \$ 4.7 | \$ 4.9 | \$ 4.9 | \$ 5.0 | \$ 5.1 | \$ 5.1 |

Beneficiaries: The 85 public utilities that provide sewage services benefit from this tax expenditure.

MUNICIPALITIES

Description: Municipalities or municipal authorities furnishing electric, natural gas, telephone, or water public utility services are exempt from tax.

Purpose: The realty used for municipally-furnished utility services is public property used for public purposes. Moreover, taxing such property would result in the municipal government funding the realty tax equivalent distributed to local taxing authorities.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 2.8 | \$ 2.9 | \$ 3.0 | \$ 3.0 | \$ 3.1 | \$ 3.1 | \$ 3.2 |

Beneficiaries: The 493 municipal authorities and the 35 municipal public utilities benefit from this tax expenditure.

General Fund Tax Expenditures

ELECTRIC GENERATION FACILITIES

Description: After December 31, 1999, land and improvements indispensable to the generation of electricity are subject to local real estate tax and are excluded from the PURTA tax base and the realty tax equivalent.

Purpose: Electric generation facilities were removed from the PURTA tax base because electric generation is no longer regulated as a public utility function. The electric competition statute, Act 138 of 1996, changed the definition of public utility, and generation facilities can be owned by unregulated entities. This exemption allows a level playing field for participants in electricity supply.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 21.1 | \$ 21.6 | \$ 22.2 | \$ 22.5 | \$ 22.9 | \$ 23.2 | \$ 23.4 |

Beneficiaries: The 22 electric utilities owning generating assets in Pennsylvania benefit from this tax expenditure.

TRANSITION CREDIT

Description: During the transition years 1998 through 2001, the liability of a public utility under PURTA is limited to 250 percent of its immediate prior year's liability with any reduction in the liability capped at \$100,000 per taxable year. The cost of the transition credit in current fiscal years depends on the calculation of the compensating adjustments for the affected tax years.

Purpose: The PURTA transition credit provides limited relief to taxpayers having a significant increase in their PURTA tax base as a result of Act 4 of 1999.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |

Beneficiaries: Approximately 85 taxpayers benefit from this tax expenditure.

INSURANCE PREMIUMS TAX

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

The insurance premiums tax is imposed on domestic and foreign insurance companies that transact business in Pennsylvania. Certain types of insurance companies are exempt from the tax.

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

The basic tax rate is 2 percent of gross premiums plus any retaliatory tax. A 3 percent rate is imposed on insurance premiums for policies written with unlicensed insurers by a surplus lines agent. Marine insurance companies are subject to a 5 percent tax on their underwriting profits in lieu of the insurance premiums tax.

The estimates in this analysis include the full amount of revenues and the retaliatory charges that would be received from affected insurance companies.

MUTUAL BENEFICIAL ASSOCIATIONS

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 9.0 | \$ 7.9 | \$ 10.0 | \$ 10.3 | \$ 10.5 | \$ 10.9 | \$ 11.3 |

Beneficiaries: The 72 mutual beneficial associations doing business in Pennsylvania benefit from this tax expenditure.

NONPROFIT HOSPITAL AND MEDICAL CARE SERVICE ORGANIZATIONS

Description: Companies organized under the Nonprofit Hospital Plan Act (Act of June 21, 1937, P.L. 1948, No. 378) and the Nonprofit Medical, Osteopathic, Dental and Podiatry Service Corporation Act (Act of June 27, 1939, P.L. 1125, No. 399) are exempt from the insurance premiums tax. Those exempt include, for example, Capital Blue Cross, Hospital Service Association of Northeastern Pennsylvania, Highmark Inc., Pennsylvania Dental Services Corp., Geisinger Health Plan, and Inter-County Health Plan, Inc..

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 107.1 | \$ 107.6 | \$ 136.0 | \$ 146.2 | \$ 153.5 | \$ 161.3 | \$ 170.9 |

Beneficiaries: The 13 nonprofit hospital and medical care service organizations doing business in Pennsylvania benefit from this tax expenditure.

General Fund Tax Expenditures

EXTRAORDINARY MEDICAL BENEFIT

Description: An exemption is allowed for premiums collected by automobile insurance companies for optional extraordinary medical benefit coverage from \$100,000 to \$1,100,000. This exemption applies only to premiums collected in association with policies written after June 1, 1989.

Purpose: This exemption benefits private insurance companies that are required to provide the extraordinary medical coverage as a result of the repeal of Pennsylvania's Catastrophic Loss Trust Fund. This exemption also indirectly benefits subscribers to the extent that it is reflected in reduced premiums.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 |

Beneficiaries: The 790 automobile insurance companies licensed to do business in Pennsylvania may benefit from this tax expenditure.

LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION CREDIT

Description: A tax credit is available to companies that are members of the Pennsylvania Life and Health Insurance Guaranty Association. These companies may offset a proportionate part of assessment payments made to the association against the insurance premiums tax. The credit is for the portion of the assessment that is unrecoverable through premiums and must be taken over five years.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.3 | Nominal | Nominal | Nominal | \$ 0.1 | \$ 0.1 | \$ 0.2 |

Beneficiaries: The 520 life, accident, and health insurance companies doing business in Pennsylvania may benefit from this tax expenditure.

General Fund Tax Expenditures

PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION (PP&CIGA) CREDIT

Description: A tax credit is available to companies that are members of the Pennsylvania Property and Casualty Insurance Guaranty Association (PP&CIGA). Companies may claim a credit for assessments paid to the association in a calendar year that exceed one percent of gross premiums collected from policyholders. The credit must be taken proportionately over five years, beginning the year after the assessment is paid. This tax credit was enacted as part of Act 23 of 2000 to allow member companies to recoup a portion of assessments paid to the association in the form of tax credits.

Purpose: The Pennsylvania Property and Casualty Insurance Guaranty Association protects policyholders and claimants by providing for the payment of benefits and claims for property and casualty policies under certain circumstances. Members are assessed to provide funds to carry out the purpose of the association. This credit also provides indirect relief to property and casualty policyholders to the extent that lower premium rates are maintained.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | \$ 25.1 | \$ 27.9 | \$ 23.3 | \$ 21.9 | \$ 16.9 | \$ 10.2 | \$ 4.7 |

Beneficiaries: The 1,005 property and casualty insurers doing business in Pennsylvania benefit from this tax expenditure.

BANK AND TRUST COMPANY SHARES TAX

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

The bank and trust company shares tax is imposed on every bank and trust company having capital stock and doing business in Pennsylvania.

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

The bank and trust company shares tax contains no expenditures as defined for this tax expenditure analysis.

MUTUAL THRIFT INSTITUTIONS TAX

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

The mutual thrift institutions tax is imposed on the net income of savings institutions, savings banks without capital stock, savings and loan associations, and building and loan associations conducting business in Pennsylvania.

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

The current tax rate is 11.5 percent.

NET OPERATING LOSS CARRYFORWARD

Description: Thrift institutions may deduct from current taxable income the net losses from previous taxable years. A net loss for a taxable year may be carried over three years and must be carried to the earliest allowable tax year. There is no carryback of losses to prior years.

Purpose: This deduction reduces the tax burden for a period of time after an operating loss period thereby aiding the thrift institution after it has attained economic health as measured by its taxable income.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 2.4 | \$ 2.3 | \$ 1.8 | \$ 1.9 | \$ 1.8 | \$ 1.8 | \$ 1.7 |

Beneficiaries: The 164 mutual thrift companies could benefit from this tax expenditure.

CREDIT UNIONS

Description: Credit unions are exempt from taxation. The tax expenditure is determined by applying the appropriate mutual thrift institutions tax rate to their net earnings.

Purpose: Credit unions are cooperative associations incorporated to promote thrift and to provide a source of credit for their members. This program provides tax relief to credit unions as well as their members to the extent that it is reflected in higher rates earned on savings and lower rates charged for loans.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 18.6 | \$ 19.9 | \$ 21.2 | \$ 22.6 | \$ 24.1 | \$ 25.7 | \$ 27.4 |

Beneficiaries: The 655 state and federal credit unions operating in Pennsylvania benefit from this tax expenditure.

General Fund Tax Expenditures

SALES AND USE TAX

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

Administrative Costs: Costs incurred to administer the multiple tax expenditures associated with the sales and use tax cannot be separately identified. Tax expenditures are a significant factor associated with the need for more compliance audits and the increased complexity of compliance audits. These audits contribute significantly to the volume of appeals processed by the Department of Revenue.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 12.2 | \$ 12.5 | \$ 12.6 | \$ 12.8 | \$ 13.0 | \$ 13.2 | \$ 13.4 |

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

GENERAL/PERSONAL EXPENDITURES

FOOD

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$1,004.2 | \$1,082.3 | \$1,122.8 | \$1,153.9 | \$1,188.1 | \$1,221.8 | \$1,255.9 |

Beneficiaries: Virtually all 4.9 million households benefit from this tax expenditure.

General Fund Tax Expenditures

CANDY AND GUM

Description: The purchase at retail or use of candy and gum, regardless of where sold, is exempt from taxation.

Purpose: Candy and gum are considered to be food. Exempting candy and gum regardless of where sold provides for uniformity in the taxation of these items.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 44.0 | \$ 47.4 | \$ 49.2 | \$ 50.5 | \$ 52.0 | \$ 53.5 | \$ 55.0 |

Beneficiaries: NA

PERSONAL HYGIENE PRODUCTS

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 40.8 | \$ 42.9 | \$ 45.8 | \$ 48.9 | \$ 52.4 | \$ 56.1 | \$ 59.9 |

Beneficiaries: Virtually all 4.9 million households benefit from this tax expenditure.

NEWSPAPERS

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 37.5 | \$ 37.8 | \$ 38.2 | \$ 38.6 | \$ 39.0 | \$ 39.4 | \$ 39.8 |

Beneficiaries: NA

General Fund Tax Expenditures

MAGAZINES

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 19.7 | \$ 19.7 | \$ 19.6 | \$ 19.6 | \$ 19.5 | \$ 19.5 | \$ 19.4 |

Beneficiaries: Approximately 2.9 million households benefit from this tax expenditure.

CLOTHING AND FOOTWEAR

Description: The purchase at retail or use of wearing apparel, footwear, and other articles of clothing worn on the human body is exempt from taxation. Additionally, the purchase at retail or use of clothing patterns and other items that are to be a component part of clothing is exempt from tax. Accessories, ornamental wear, formal day or evening apparel, furs, and sporting goods are taxable.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 848.4 | \$ 875.9 | \$ 897.8 | \$ 930.3 | \$ 969.1 | \$1,006.9 | \$1,036.0 |

Beneficiaries: Virtually all 4.9 million households benefit from this tax expenditure.

AMUSEMENT DEVICES

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

Purpose: These expenditures are considered to be payments for nontaxable services.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 15.5 | \$ 15.5 | \$ 15.5 | \$ 15.5 | \$ 15.5 | \$ 15.5 | \$ 15.5 |

Beneficiaries: Approximately 1.8 million persons may benefit from this tax expenditure.

General Fund Tax Expenditures

PRESCRIPTION DRUGS AND ORTHOPEDIC EQUIPMENT

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 378.3 | \$ 408.9 | \$ 441.5 | \$ 469.4 | \$ 497.0 | \$ 526.8 | \$ 559.0 |

Beneficiaries: NA

NON-PRESCRIPTION DRUGS

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 69.0 | \$ 70.3 | \$ 71.7 | \$ 73.1 | \$ 74.5 | \$ 76.0 | \$ 77.4 |

Beneficiaries: Virtually all 4.9 million households benefit from this tax expenditure.

LIQUOR OR MALT BEVERAGE PURCHASED FROM RETAIL DISPENSER

Description: Alcoholic beverages purchased in a drinking place or bar are exempt from taxation. Purchases from a state liquor store or a beer distributor are taxed, despite the wholesale nature of a portion of these sales. The estimates represent the difference in the tax that would be collected at the retail level and the tax presently collected on the bulk sale.

Purpose: Taxing container sales rather than per drink sales reduces overall administrative and reporting burdens for vendors and audit efforts by the Department of Revenue.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 98.3 | \$ 102.9 | \$ 107.8 | \$ 112.9 | \$ 118.2 | \$ 123.7 | \$ 129.6 |

Beneficiaries: Approximately 4.3 million people benefit from this tax expenditure.

General Fund Tax Expenditures

CHARGES FOR RETURNABLE CONTAINERS

Description: Separately stated deposit charges for returnable containers are excluded from the purchase price and are exempt from taxation.

Purpose: Deposit charges usually represent a security in the event a container is not returned. For this reason, a true exchange of property is not considered to have occurred.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 18.3 | \$ 19.4 | \$ 20.7 | \$ 22.0 | \$ 23.4 | \$ 25.0 | \$ 26.7 |

Beneficiaries: Approximately 267,700 business establishments and an unknown number of households may benefit from this tax expenditure.

WRAPPING AND PACKING SUPPLIES

Description: The purchase or use of wrapping paper, twine, bags, cartons, tape, rope, labels, nonreturnable containers, and all other wrapping supplies which are incidental to the delivery of personal property is exempt from taxation. This exclusion applies to retailers only. A separately stated charge for wrapping or packaging is taxable.

Purpose: Exemption of these items prevents double taxation since the cost of wrapping supplies, as a final input of the product, is included in the price charged by the retailer.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: Approximately 65,000 retail and wholesale establishments benefit from this tax expenditure.

CASKETS AND BURIAL VAULTS

Description: The purchase or use of caskets, burial vaults, markers, cremation urns, and tombstones for human graves, including foundations, is exempt from taxation.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 24.5 | \$ 25.6 | \$ 27.1 | \$ 28.9 | \$ 31.0 | \$ 33.1 | \$ 35.2 |

Beneficiaries: As many as 126,600 households benefit from this tax expenditure annually.

General Fund Tax Expenditures

FLAGS

Description: The purchase or use of Pennsylvania and United States flags is exempt from taxation.

Purpose: The exemption of flags may be based on the perception that governmental support of national and state symbols is a worthy public policy objective.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 1.4 | \$ 1.4 | \$ 1.5 | \$ 1.5 | \$ 1.5 | \$ 1.5 | \$ 1.6 |

Beneficiaries: Approximately 2.4 million households and numerous businesses and organizations benefit from this tax expenditure.

TEXTBOOKS

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 24.1 | \$ 24.9 | \$ 25.8 | \$ 26.6 | \$ 27.5 | \$ 28.5 | \$ 29.4 |

Beneficiaries: As many as 660,600 college students may benefit from this tax expenditure.

CATALOGS AND DIRECT MAIL ADVERTISING

Description: The purchase or use of a mail order catalog or direct mail advertising literature and materials is exempt from taxation. Effective July 1, 1998, this exemption was extended to the purchase or use of electoral literature or material and certain mailing lists.

Purpose: The purchase of these items may be perceived as incidental to the advertising service being provided.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 66.1 | \$ 70.0 | \$ 74.1 | \$ 78.5 | \$ 83.1 | \$ 88.0 | \$ 93.2 |

Beneficiaries: NA

General Fund Tax Expenditures

FOOD STAMP PURCHASES

Description: The purchase at retail or use of tangible personal property in accordance with the federal Food Stamp Act of 1977 is exempt from taxation. Primarily, exempt items are soft drinks, certain drink mixes, vegetable and fruit seeds and plants, and certain prepared cold foods.

Purpose: This provision is mandated by federal law for continued state participation in the federally funded food stamp program.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 3.8 | \$ 4.0 | \$ 4.1 | \$ 4.3 | \$ 4.5 | \$ 4.7 | \$ 4.9 |

Beneficiaries: Approximately 454,400 households benefit from this tax expenditure.

GRATUITIES

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 61.5 | \$ 63.6 | \$ 65.8 | \$ 68.1 | \$ 70.5 | \$ 72.9 | \$ 75.4 |

Beneficiaries: Approximately 4.6 million households and an unknown number of businesses benefit from this tax expenditure.

FUELS AND UTILITIES

COAL

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 97.4 | \$ 94.6 | \$ 91.9 | \$ 89.3 | \$ 86.8 | \$ 84.3 | \$ 81.9 |

Beneficiaries: Approximately 103,500 households and 10,600 businesses benefit from this tax expenditure.

FIREWOOD

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.7 | \$ 0.8 | \$ 0.9 | \$ 1.0 | \$ 1.2 | \$ 1.3 | \$ 1.6 |

Beneficiaries: Approximately 562,000 households that use firewood or wood pellets as their primary heat source benefit from this tax expenditure. Also, there are an estimated 841,000 thousand households with usable, wood burning fireplaces that may benefit from this tax expenditure.

General Fund Tax Expenditures

RESIDENTIAL UTILITIES

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | Electric: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 266.9 | \$ 272.0 | \$ 277.6 | \$ 283.1 | \$ 288.6 | \$ 294.3 | \$ 300.1 |
| | Fuel Oil/Gas: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 351.3 | \$ 385.0 | \$ 331.4 | \$ 307.3 | \$ 305.2 | \$ 305.3 | \$ 307.1 |
| | Telephone: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 93.8 | \$ 97.5 | \$ 100.9 | \$ 104.3 | \$ 108.8 | \$ 112.3 | \$ 113.2 |

Beneficiaries: Approximately 4.7 million households (electricity), 3.9 million households (fuel oil/gas), and 4.7 million households (telephone) benefit from this tax expenditure.

WATER

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 193.4 | \$ 203.0 | \$ 215.4 | \$ 226.3 | \$ 237.5 | \$ 249.1 | \$ 261.3 |

Beneficiaries: Approximately 4.2 million households and about 269,300 businesses benefit from this tax expenditure.

General Fund Tax Expenditures

GASOLINE AND MOTOR FUELS

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

Purpose: Because these items are already subject to fuels taxes, the legislature has provided for their exemption from the sales and use tax.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 656.7 | \$ 786.6 | \$ 954.5 | \$ 999.6 | \$ 974.8 | \$ 979.6 | \$ 995.2 |

Beneficiaries: Approximately 4.5 million households and owners of more than 1.6 million heavy trucks, buses, etc., benefit from this tax expenditure.

MOTOR VEHICLES / VESSELS

COMMON CARRIERS

Description: Vehicles purchased by a public utility, engaged in business as a common carrier, to be used in rendering utility services are exempt from taxation. Since the enactment of the Federal Aviation Act, effective January 1, 1995, Pennsylvania has recognized contract carriers as common carriers. Household goods carriers and private carriers remain taxable.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 283.8 | \$ 292.2 | \$ 300.9 | \$ 309.8 | \$ 319.0 | \$ 328.4 | \$ 338.2 |

Beneficiaries: Approximately 6,100 common carriers could benefit from this tax expenditure.

COMMERCIAL VESSELS (Construction)

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

Purpose: This exclusion places Pennsylvania shipbuilders at a competitively neutral position relative to shipbuilders in those states allowing this exemption.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 2.8 | \$ 2.9 | \$ 3.0 | \$ 3.1 | \$ 3.2 | \$ 3.4 | \$ 3.5 |

Beneficiaries: NA

General Fund Tax Expenditures

COMMERCIAL VESSELS (Repair)

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.7 | \$ 0.7 | \$ 0.8 | \$ 0.9 | \$ 1.0 | \$ 1.0 | \$ 1.0 |

Beneficiaries: As many as 5 establishments may benefit from this tax expenditure.

COMMERCIAL VESSELS (Equipment, Maintenance)

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: NA

MOTOR VEHICLES (Out-of-State Purchasers)

Description: The purchase or use of a motor vehicle by a non-resident, to be used outside Pennsylvania, which is registered in another state within twenty days of delivery is exempt from taxation. Delivery must be taken outside of Pennsylvania.

Purpose: The exemption protects the participation of Pennsylvania car dealers in the out-of-state market while preventing potential abuses of such an exemption by Pennsylvania residents.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: NA

General Fund Tax Expenditures

SCHOOL BUSES

Description: The purchase at retail or use of school buses is exempt from taxation. These buses must be used exclusively for the transportation of children for school purposes. The provision is extended to persons who have contracts with school districts to transport children.

Purpose: The costs of transporting school children are directly borne by school districts and indirectly by state government through subsidy programs. This exemption, while limiting state sales and use tax revenues, also decreases state educational subsidy costs.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | \$ 12.2 | \$ 12.2 | \$ 12.1 | \$ 12.1 | \$ 12.1 | \$ 12.1 | \$ 12.1 |

Beneficiaries: Approximately 900 private contractors and 5,700 schools benefit from this tax expenditure.

PRODUCTION EXPENDITURES

MANUFACTURING EXEMPTION (Manufacture and Processing)

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 828.8 | \$ 948.0 | \$ 964.9 | \$ 983.0 | \$1,010.2 | \$1,020.9 | \$1,027.0 |

Beneficiaries: Approximately 17,000 manufacturers and an unknown number of processors and remanufacturers benefit from this tax expenditure.

MANUFACTURING EXEMPTION (Agriculture)

Description: By law, "sale at retail" does not include, and therefore exempts, rendering services or the purchase or use of machinery, equipment and parts, and supplies including utilities used directly or consumed in farming, dairying, horticulture, floriculture, or aquaculture. Under Act 45 of 1998, farming includes the propagation and raising of horses to be used exclusively for commercial racing activities. This exemption does not apply to motor vehicles, maintenance facilities, managerial or other nonoperational activities or materials, supplies, or equipment used relative to real estate, obtaining disinfecting or pest control services, or building maintenance and cleaning services.

Purpose: Exemption of agricultural equipment and supplies prevents the multiple taxation that could occur in the production of an agricultural commodity for sale and consumption. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 142.7 | \$ 144.8 | \$ 146.8 | \$ 148.8 | \$ 151.0 | \$ 153.1 | \$ 155.4 |

Beneficiaries: Approximately 58,000 farm operators benefit from this tax expenditure.

General Fund Tax Expenditures

MANUFACTURING EXEMPTION (Public Utility)

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: Approximately 6,900 public utilities could benefit from this tax expenditure.

MANUFACTURING EXEMPTION (Foundations for Machinery and Equipment)

Description: Foundations for machinery and equipment used directly in manufacturing, farming, dairying, agriculture, horticulture, floriculture, aquaculture, processing or producing, and delivering or rendering a public utility service are exempt from taxation. Included for a public utility, are sand, gravel, crushed rock, concrete, or similar material used as bedding or surrounding pipe used directly to render sewer or water service.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 1.0 | \$ 1.1 | \$ 1.2 | \$ 1.2 | \$ 1.2 | \$ 1.3 | \$ 1.3 |

Beneficiaries: Approximately 81,000 entities benefit from this tax expenditure.

CONTRACT FARMING

Description: The purchase or use of tangible personal property or services that are directly used in farming, dairying, or agriculture for the production of food are exempt from tax, even if the purchaser is not the entity directly involved in the agricultural activity. This exemption applies to machinery, equipment, parts, supplies, and utilities used in the production of food.

Purpose: Exemption of agricultural equipment and supplies prevents the multiple taxation that could occur in the production of an agricultural food commodity for sale and consumption. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 21.7 | \$ 21.9 | \$ 22.1 | \$ 22.4 | \$ 22.7 | \$ 22.9 | \$ 23.2 |

Beneficiaries: An unknown number of businesses engaged in contract farming benefit from this tax expenditure.

General Fund Tax Expenditures

COMMERCIAL MOTION PICTURES

Description: Tangible personal property used directly in the production of a feature-length commercial motion picture distributed to a national audience is exempt from taxation. This exemption does not apply to nonoperational activities or materials.

Purpose: Exemption of property used directly in producing a commercial motion picture provides an incentive for businesses to operate in Pennsylvania.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 3.9 | \$ 4.3 | \$ 4.6 | \$ 4.9 | \$ 5.2 | \$ 5.4 | \$ 5.6 |

Beneficiaries: Approximately 15 film companies annually benefit from this tax expenditure.

OTHER

AIRLINE CATERING

Description: Airline purchases of catered food and non-alcoholic beverages served to passengers in connection with the airline service are exempt from tax.

Purpose: This tax exemption lowers the cost of catered food and non-alcoholic beverages purchased by airlines, which may also reduce the cost of airline travel for consumers.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 3.6 | \$ 3.6 | \$ 3.5 | \$ 3.5 | \$ 3.5 | \$ 3.5 | \$ 3.5 |

Beneficiaries: Approximately 27 airlines may benefit from this expenditure.

COIN-OPERATED FOOD AND BEVERAGE VENDING MACHINES

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 2.0 | \$ 2.0 | \$ 2.1 | \$ 2.2 | \$ 2.3 | \$ 2.4 | \$ 2.6 |

Beneficiaries: As many as 649 vending machine operators may benefit from this tax expenditure.

General Fund Tax Expenditures

HOTEL-PERMANENT RESIDENT

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.5 | \$ 0.6 | \$ 0.6 | \$ 0.6 | \$ 0.7 | \$ 0.7 | \$ 0.8 |

Beneficiaries: Approximately 1,400 persons benefit from this tax expenditure.

COMMISSION

Description: A licensed vendor is permitted a 1% discount as a credit against the gross amount of tax collected provided that a tax return, with full payment due the department, is postmarked on or before the due date. Nearly all tax returns are due 20 days after the end of a collection period.

Purpose: This provision is intended to defray the vendor's cost of collecting and remitting the sales and use tax.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 64.6 | \$ 65.0 | \$ 67.7 | \$ 70.0 | \$ 72.7 | \$ 75.5 | \$ 78.1 |

Beneficiaries: Approximately 211,000 vendors benefit from this tax expenditure.

OUT-OF-STATE CREDIT

Description: A credit is allowed for the purchase of personal property or taxable services for use outside Pennsylvania equal to the sales tax paid in the applicable state. The state must grant substantially similar tax relief as provided by Pennsylvania.

Purpose: Allowing a credit for tax paid in another state prevents double taxation.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: NA

General Fund Tax Expenditures

TRADE-IN VALUE

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 306.7 | \$ 306.8 | \$ 311.9 | \$ 316.9 | \$ 323.4 | \$ 330.5 | \$ 335.7 |

Beneficiaries: Approximately 90 purchasers of aircraft, 11,100 purchasers of computers, 11,800 purchasers of boats, and 702,000 purchasers of cars and trucks annually benefit from this tax expenditure.

ISOLATED SALES

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 64.1 | \$ 66.8 | \$ 69.7 | \$ 72.0 | \$ 74.8 | \$ 77.7 | \$ 80.4 |

Beneficiaries: NA

TEMPORARY USAGE

Description: Property purchased outside Pennsylvania by a nonresident and temporarily used in Pennsylvania for seven days or less or any length of time by a tourist or vacationer is exempt from taxation. If the property is consumed in the state it becomes taxable.

Purpose: Providing an exemption for temporary usage of taxable property in Pennsylvania does not discourage entry into the state by vacationers, tourists, or others who attend, or are involved in specific short term events or activities.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: NA

General Fund Tax Expenditures

HORSES

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 3.3 | \$ 3.4 | \$ 3.4 | \$ 3.4 | \$ 3.4 | \$ 3.4 | \$ 3.4 |

Beneficiaries: Approximately 2,000 Standard bred horse purchasers and an unknown number of purchasers of other types of horses benefit from this tax expenditure.

YOUTH SPORTS PROGRAMS

Description: The purchase of food and beverages from nonprofit associations which support sports programs for participants aged 18 or younger or for persons with a physical or mental handicap regardless of age is exempt from taxation.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: NA

EXEMPT ORGANIZATIONS

Description: The sale of personal property or services to or for use by any institution of purely public charity as defined by Act 55 of 1997 is exempt from taxation. Act 45 of 1998 extended this exemption to include the purchase or use of certain machinery and equipment used in a construction contract with an exempt entity. The purchase or use may be made by a construction contractor or the exempt entity. Transactions unrelated to the trade or business of such organizations are taxable as are certain materials and supplies purchased for use in connection with real estate.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | Charitable Organizations: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 213.2 | \$ 220.7 | \$ 223.9 | \$ 227.6 | \$ 232.1 | \$ 236.7 | \$ 241.9 |
| | Volunteer Fireman's Organizations: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 46.6 | \$ 48.3 | \$ 49.0 | \$ 49.8 | \$ 50.8 | \$ 51.8 | \$ 52.9 |
| | Nonprofit Educational Institutions: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 55.0 | \$ 56.9 | \$ 57.7 | \$ 58.7 | \$ 59.8 | \$ 61.0 | \$ 62.4 |
| | Religious Organizations: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 39.4 | \$ 40.8 | \$ 41.4 | \$ 42.1 | \$ 42.9 | \$ 43.8 | \$ 44.7 |

Beneficiaries: Approximately 28,500 organizations currently benefit from this tax expenditure.

General Fund Tax Expenditures

EXEMPT GOVERNMENTAL UNITS

Description: The sale of tangible personal property or services to or for use by the federal government, the Commonwealth, or its instrumentalities, or political subdivisions is exempt from taxation. Act 45 of 1998 extended this exemption to include the purchase or use of certain machinery or equipment used in a construction contract with a governmental unit. The purchase or use may be by a contractor or governmental unit. Based on the criteria adopted to define tax expenditures, federal transactions are not included in this study. Commonwealth transactions are also excluded because revenues would offset expenditures with no net effect. The estimates, therefore, represent the tax on local government expenditures and construction contractors.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 365.1 | \$ 388.1 | \$ 404.7 | \$ 422.9 | \$ 443.1 | \$ 463.0 | \$ 482.3 |

Beneficiaries: Approximately 3,100 local governmental units benefit from this tax expenditure.

VETERANS' ORGANIZATIONS

Description: Act 96 of 1998 provides that the sale of tangible personal property or services to or for use by veteran organizations for benevolent, charitable, or patriotic purposes is exempt from taxation. Certain machinery and equipment, purchased for or used in construction contracts with veteran organizations, is also exempt, whether purchased or used by a contractor or the veteran organization. Purchases of alcoholic beverages remain taxable.

Purpose: These organizations provide patriotic and charitable services. This exemption permits these services to be rendered at reduced cost.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 1.3 | \$ 1.4 | \$ 1.4 | \$ 1.4 | \$ 1.5 | \$ 1.5 | \$ 1.5 |

Beneficiaries: Approximately 1,400 organizations benefit from this tax expenditure.

SUBSTITUTED TAX BASE

Description: The tax on tangible personal property purchased at least six months prior to the first taxable use in Pennsylvania may be based on the prevailing market price at the time of the taxable use. This substituted base would be in lieu of taxing the original purchase price.

Purpose: This alternative tax base permits taxpayers to pay tax relative to the current market value of such assets that most closely approximates current taxable value.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: NA

General Fund Tax Expenditures

OUT-OF-STATE PURCHASES

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: NA

RAIL TRANSPORTATION EQUIPMENT

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: NA

FISH FEED

Description: The purchase or use of fish feed by sportsmen's clubs, fish cooperatives, or nurseries approved by the Pennsylvania Fish Commission is exempt from taxation.

Purpose: The exemption provides special treatment benefiting organizations that raise fish intended for human consumption.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |

Beneficiaries: The 171 cooperative nurseries and an unknown number of other entities benefit from this tax expenditure.

General Fund Tax Expenditures

TOURIST PROMOTION AGENCIES

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.4 | \$ 0.4 | \$ 0.4 | \$ 0.3 | \$ 0.3 | \$ 0.3 | \$ 0.3 |

Beneficiaries: All 45 tourist promotion agencies benefit from this tax expenditure.

TROUT

Description: The purchase or use of brook trout, brown trout, or rainbow trout is exempt from taxation.

Purpose: Special treatment is conferred to those involved in the raising or sale of trout intended for human consumption.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |

Beneficiaries: Approximately 34 entities benefit from this tax expenditure.

CONSTRUCTION OF MEMORIALS

Description: The purchase or use of materials used in the construction or erection of objects commemorating or memorializing historical events is exempt from taxation. These objects must be purchased by not-for-profit organizations and erected on publicly owned property.

Purpose: This exemption has been provided because these memorials are presumably erected for public benefit and gratification.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 |

Beneficiaries: NA

General Fund Tax Expenditures

STORAGE

Description: Charges for storage, other than for self-storage, of tangible personal property are exempt from taxation.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 32.4 | \$ 34.5 | \$ 36.7 | \$ 39.0 | \$ 41.5 | \$ 44.2 | \$ 47.0 |

Beneficiaries: NA

PUBLIC TRANSPORTATION (Local)

Description: Expenditures for public transportation fares are not taxable.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 151.8 | \$ 158.0 | \$ 164.2 | \$ 170.8 | \$ 178.0 | \$ 185.0 | \$ 191.8 |

Beneficiaries: Approximately 6.9 million people benefit from this tax expenditure.

STAIR LIFT DEVICES

Description: The purchase or use of property or services used in installing or repairing stair lift devices is exempt from taxation when the device is installed or used in the residence of a physically disabled person requiring the device to ascend or descend stairs. The physical disability must be certified by a physician.

Purpose: Stair lift devices could be considered essential for people with a physical disability that prevents them from ascending or descending stairs. This exemption reduces the regressive nature of the tax and eases the tax burden on people requiring the devices.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.5 | \$ 0.6 | \$ 0.6 | \$ 0.6 | \$ 0.6 | \$ 0.6 | \$ 0.6 |

Beneficiaries: As many as 1.0 million residents who have difficulty ascending and descending stairs may benefit from this tax expenditure.

General Fund Tax Expenditures

BAD DEBTS

Description: Sales tax vendors may apply for a refund equal to one hundred percent of bad debts associated with sales tax paid to the state for sales written off by the vendor and deducted for federal income tax purposes because the vendor did not receive full payment from the purchaser. No refund is granted for interest, finance charges, or expenses incurred in attempting to collect receivables. This expenditure is based on actual refund amounts approved by the Department.

Purpose: The bad debt refund provision lessens the economic impact experienced by vendors when they extend credit to customers for taxable purchases and subsequently incur uncollectible accounts receivable (bad debts).

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Estimates: | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 2.7 | \$ 2.8 | \$ 2.9 | \$ 3.0 | \$ 3.1 | \$ 3.2 | \$ 3.3 |

Beneficiaries: Any of the 250,000 licensed vendors could benefit from this tax expenditure, if they extend credit or accept checks for payment.

UNIFORM COMMERCIAL CODE FILING FEES

Description: Separately stated Uniform Commercial Code (UCC) filing fees, copy requests, and certification fees paid to a state or local agency are exempt from tax.

Purpose: UCC filing legally identifies the lien holder for personal property collateral. These fees may be perceived as incidental to the purchase or use of the tangible personal property and as such, are exempt from tax.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Estimates: | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.7 | \$ 0.8 | \$ 0.8 | \$ 0.8 | \$ 0.9 | \$ 0.9 | \$ 0.9 |

Beneficiaries: As many as 79,500 entities benefit from this tax expenditure annually.

CALL CENTER CREDIT

Description: A tax credit is available to call centers for the sales and use tax paid on incoming and outgoing interstate telecommunications. The credit is equal to the gross receipts tax paid by a telephone company on the receipts derived from the incoming and outgoing interstate telecommunications. An eligible call center must be located in Pennsylvania, employ 150 or more employees who initiate or answer telephone calls using at least 200 phone lines, and utilize an automated call distribution system. The total amount of credits awarded is limited to \$30 million per year. The tax credit is available for sales and use tax paid for periods on or after January 1, 2004. The estimate for fiscal year 2004-05 reflects actual credits awarded under the program for that period. The estimates for future fiscal years reflect the program cap.

Purpose: This exemption retains jobs by providing an incentive for call centers to maintain and expand operations in Pennsylvania.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Estimates: | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 1.4 | \$ 30.0 | \$ 30.0 | \$ 30.0 | \$ 30.0 | \$ 30.0 | \$ 30.0 |

Beneficiaries: Approximately 30 call-centers located in Pennsylvania will benefit from this tax credit.

General Fund Tax Expenditures

RENTAL OF FILMS FOR COMMERCIAL EXHIBITION

Description: The purchase at retail or use of motion picture films rented or licensed from a distributor for the purpose of commercial exhibition are exempt from taxation.

Purpose: This provision allows the entertainment services associated with these films to be delivered to the public at a reduced cost. Were these films not exempt, the additional cost would likely be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | \$ 0.6 | \$ 0.6 | \$ 0.7 | \$ 0.7 | \$ 0.8 | \$ 0.8 | \$ 0.8 |

Beneficiaries: Approximately 195 motion pictures and video exhibition companies, 62 television broadcasting stations, and 13 cable and subscription programming companies benefit from this expenditure.

General Fund Tax Expenditures

SERVICES

Description: Expenditures for services are not taxable under the sales and use tax except when specifically taxed by law.

Purpose: Because the primary basis for the sales and use tax is tangible personal property, the majority of services are not taxed unless they are related to taxable property. Legislation adopted in 1991 imposed the tax on charges for selected business services. Act 7 of 1997 removed computer services from the list of taxable services.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| LODGING | | | | | | | |
| Recreational parks, camps & campgrounds | \$ 12.0 | \$ 12.8 | \$ 13.6 | \$ 14.5 | \$ 15.4 | \$ 16.4 | \$ 17.4 |
| PERSONAL SERVICES | | | | | | | |
| Cleaning, storage & repair of clothing & shoes ⁽¹⁾ | \$ 12.9 | \$ 13.1 | \$ 13.3 | \$ 13.5 | \$ 13.7 | \$ 13.9 | \$ 14.1 |
| Dry-cleaning of clothing & garments ⁽¹⁾ | 8.8 | 8.9 | 9.0 | 9.1 | 9.2 | 9.3 | 9.4 |
| Hair and nail services..... | 51.2 | 53.3 | 55.5 | 57.8 | 60.2 | 62.7 | 65.3 |
| Funeral parlors , crematories & death care services .. | 27.1 | 27.8 | 28.5 | 29.2 | 29.9 | 30.7 | 31.5 |
| Other: diet, dating, tanning, beauty, message, etc. | 8.0 | 8.5 | 9.0 | 9.5 | 10.1 | 10.7 | 11.3 |
| BUSINESS SERVICES | | | | | | | |
| Placement of local advertisements (except internet) .. | \$ 378.1 | \$ 393.8 | \$ 410.3 | \$ 427.5 | \$ 445.5 | \$ 464.3 | \$ 484.0 |
| Interior office cleaning services (employee cost only). | 41.1 | 44.6 | 48.4 | 52.5 | 56.9 | 61.7 | 66.9 |
| Consulting, public relations & office administration..... | 470.9 | 498.2 | 527.1 | 557.7 | 590.1 | 624.4 | 660.6 |
| Scientific research & development services | 176.5 | 195.9 | 217.4 | 241.2 | 267.7 | 297.1 | 329.7 |
| Investigation, guard & security systems services | 76.7 | 81.9 | 87.5 | 93.5 | 99.9 | 106.7 | 114.0 |
| COMPUTER SERVICES | | | | | | | |
| Custom programming, design & data processing | \$ 387.5 | \$ 424.0 | \$ 459.0 | \$ 489.7 | \$ 519.9 | \$ 543.5 | \$ 563.0 |
| AUTOMOTIVE SERVICES | | | | | | | |
| Parking lots & garages..... | \$ 26.5 | \$ 27.5 | \$ 28.6 | \$ 29.8 | \$ 31.0 | \$ 32.2 | \$ 33.5 |
| RECREATION SERVICES | | | | | | | |
| Spectator sports admissions (excludes schools) | \$ 51.7 | \$ 55.1 | \$ 58.7 | \$ 62.5 | \$ 66.6 | \$ 70.9 | \$ 75.5 |
| Theater, dance, music & performing arts admissions. | 10.1 | 10.7 | 11.3 | 12.0 | 12.7 | 13.5 | 14.3 |
| Memberships and lessons: golf, fitness, skiing, etc.... | 48.2 | 50.2 | 52.3 | 54.5 | 56.8 | 59.2 | 61.7 |
| Other admissions: scenic tours, museums, movies, amusement parks, etc..... | 61.8 | 65.5 | 69.5 | 73.7 | 78.2 | 82.9 | 87.9 |
| HEALTH SERVICES | | | | | | | |
| Health, except hospitals, physicians and dentists..... | \$ 1,244.1 | \$ 1,331.2 | \$ 1,424.4 | \$ 1,524.4 | \$ 1,630.8 | \$ 1,744.9 | \$ 1,867.0 |
| Hospitals | 1,648.9 | 1,782.2 | 1,924.4 | 2,045.8 | 2,166.3 | 2,295.9 | 2,436.4 |
| Physician office services | 745.6 | 798.9 | 856.0 | 917.2 | 982.7 | 1,052.9 | 1,128.1 |
| Dental office services | 185.5 | 197.7 | 210.7 | 224.6 | 239.4 | 255.2 | 272.0 |
| PROFESSIONAL SERVICES | | | | | | | |
| Legal | \$ 510.9 | \$ 544.6 | \$ 580.5 | \$ 618.8 | \$ 659.6 | \$ 703.1 | \$ 749.5 |
| Engineering | 292.0 | 306.9 | 322.6 | 339.1 | 356.4 | 374.6 | 393.7 |
| Surveying, architectural..... | 111.3 | 117.1 | 123.2 | 129.6 | 136.3 | 143.3 | 150.7 |
| Accounting, auditing and bookkeeping services | 187.7 | 197.9 | 208.7 | 220.1 | 232.1 | 244.7 | 258.0 |
| Specialized design | 21.2 | 21.9 | 22.6 | 23.4 | 24.2 | 25.0 | 25.8 |
| MISCELLANEOUS SERVICES | | | | | | | |
| Basic television ⁽¹⁾ | \$ 103.5 | \$ 107.8 | \$ 114.0 | \$ 121.6 | \$ 130.6 | \$ 139.7 | \$ 148.7 |
| Tuition (college, vocational training & instruction)..... | 549.7 | 572.8 | 606.0 | 646.6 | 694.2 | 742.5 | 790.4 |
| Electrical, plumbing, heating & air conditioning service fees | NA | NA | NA | NA | NA | NA | NA |
| Veterinary fees | 38.9 | 40.5 | 42.8 | 45.7 | 49.1 | 52.5 | 55.9 |
| Stockbroker fees | NA | NA | NA | NA | NA | NA | NA |
| Real estate agent fees | NA | NA | NA | NA | NA | NA | NA |
| Financial institution fees..... | 354.6 | 368.0 | 388.7 | 414.5 | 444.9 | 476.2 | 506.0 |
| Pilots fees..... | NA | NA | NA | NA | NA | NA | NA |
| Other: waste management, libraries, archives, other Professional, scientific & information services, etc. | 175.3 | 184.9 | 195.1 | 205.8 | 217.1 | 229.1 | 241.7 |

⁽¹⁾ These services are specifically exempt by statute.

Beneficiaries: Virtually all 4.9 million households benefit from one or more of these service tax expenditures.

General Fund Tax Expenditures

CIGARETTE TAX

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

The cigarette tax is an excise tax, based on a rate of 6.75 cents per cigarette, levied on the sale or possession of cigarettes in Pennsylvania. Prior to January 7, 2004 the tax rate was 5.0 cents per cigarette. Only one sale of cigarettes, whether individual cigarettes, packages, cartons, or cases, is taxable. Beginning in fiscal year 2002-03, fixed annual amounts of \$30.73 million and \$20.485 million of cigarette tax receipts are transferred to the Children's Health Insurance Program (CHIP) and the Agricultural Conservation Easement Purchase (ACEP) Fund, respectively. Transfers of cigarette tax receipts to CHIP began in fiscal year 1992-93 at the rate of two thirty-firsts of receipts. After January 1, 1997, the transfer amount was increased to three thirty-firsts of receipts. Transfers of cigarette tax receipts to the ACEP fund began in fiscal year 1993-94 at the rate of two thirty-firsts of receipts. Beginning January 7, 2004, 18.52 percent of cigarette tax receipts are transferred to the Health Care Provider Retention Account (HCPRA). The analyses below reflect only the General Fund portion of the tax expenditures.

Administrative Costs: Costs to administer the cigarette tax expenditures are nominal.

STATE VETERANS HOMES

Description: Sales to retail dealers located in state veterans homes for resale to residents in such homes are exempt. Federal veterans hospitals are exempt under federal law.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 |

Beneficiaries: Residents in four state veteran's homes benefit from this tax expenditure.

UNSTAMPED CIGARETTES (200 AND UNDER)

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: NA

General Fund Tax Expenditures

COMMISSIONS ON SALES OF STAMPS

Description: Cigarette stamping agents are permitted a commission of 0.98 percent of the value of all cigarette tax stamps purchased from the Department of Revenue or its authorized agents to be affixed to cigarettes for sale within the Commonwealth. Prior to January 7, 2004, the commission was equal to 1.25 percent. The commission does not apply to purchases of stamps by a cigarette-stamping agent in amounts of less than one hundred dollars (\$100).

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 10.2 | \$ 10.0 | \$ 9.8 | \$ 9.6 | \$ 9.4 | \$ 9.2 | \$ 9.1 |

Beneficiaries: Approximately 120 cigarette stamping agents may benefit from this tax expenditure.

MALT BEVERAGE TAX

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

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

Administrative Costs: Costs to administer the malt beverage tax expenditures are nominal.

EMERGENCY TAX CREDIT

Description: The emergency tax credit provides manufacturers of malt or brewed beverages, whose annual production of malt or brewed beverages does not exceed 1.5 million barrels, a maximum annual credit of \$200,000 for capital improvement expenditures. Prior to January 1, 2004, the tax credit was limited to manufacturers whose annual production of malt or brewed beverages did not exceed 300,000 barrels. This tax credit cannot exceed the amount of qualifying capital expenditures made during the emergency tax credit period (items of plant, equipment, and machinery intended for use in the manufacture and sale of malt or brewed beverages within the Commonwealth). Under current law, the tax credit period expires after December 31, 2008. This tax credit may only be used during the emergency tax credit period.

Purpose: This credit grants a limited tax subsidy for capital improvements made by small brewers. This provision could help lower the risk of business failure and subsequent loss of employment opportunities.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 1.0 | \$ 1.2 | \$ 1.2 | \$ 1.2 | \$ 1.2 | \$ -- | \$ -- |

Beneficiaries: Approximately 10 manufacturers of malt or brewed beverages may benefit from this tax expenditure.

General Fund Tax Expenditures

LIQUOR TAX

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

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

PERSONAL INCOME TAX

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

The personal income tax is levied against the taxable income of resident and nonresident individuals, estates and trusts, partnerships, S corporations, business trusts, and limited liability companies that are not taxed as corporations for federal purposes. Pennsylvania taxes eight classes of income: (1) compensation; (2) net profits from the operation of a business, profession, or farm; (3) net gains on income less net losses from dispositions of property; (4) net gains on income from rents, royalties, patents, and copyrights; (5) dividends; (6) interest; (7) gambling and lottery winnings; and (8) net gains on income derived through estates or trusts.

Administrative Costs: Costs to administer the various tax expenditures associated with the personal income tax cannot be separately identified. The existence of tax expenditures may result in taxpayer uncertainties, which create an administrative burden on the department relative to additional compliance audits, letter rulings, pronouncements and bulletins.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 3.3 | \$ 3.4 | \$ 3.5 | \$ 3.6 | \$ 3.7 | \$ 3.8 | \$ 3.9 |

EXCLUSIONS FROM INCOME

RETIREMENT INCOME

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$1,809.3 | \$1,898.5 | \$1,992.2 | \$2,090.4 | \$2,193.5 | \$2,301.7 | \$2,445.2 |

Beneficiaries: As many as 2.0 million retired residents and their survivors benefit from this tax expenditure.

General Fund Tax Expenditures

RETIREMENT CONTRIBUTIONS BY EMPLOYERS

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 798.7 | \$ 843.2 | \$ 885.3 | \$ 929.6 | \$ 974.0 | \$1,016.6 | \$1,058.4 |

Beneficiaries: As many as 5.6 million employees benefit from this tax expenditure.

NONQUALIFIED DEFERRED COMPENSATION

Description: Following the federal constructive receipt rule, Act 40-2005 stipulated that deferrals to nonqualified deferred compensation plans are not includible in compensation. This change applies to appeals which arise prior to or after the effective date of this act, July 7, 2005, and applies to taxable years beginning after December 31, 2002.

Purpose: With certain significant exceptions, Pennsylvania's constructive receipt rules were generally made consistent with the federal constructive receipt rules used to determine when compensation is received by a cash basis taxpayer.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 7.5 | \$ 15.2 | \$ 15.7 | \$ 16.2 | \$ 16.6 | \$ 17.1 | \$ 17.6 |

Beneficiaries: Approximately 6,000 residents benefit from this tax expenditure.

EMPLOYEE BENEFIT PROGRAM EMPLOYER CONTRIBUTIONS

Description: Payments made by employers or labor unions for programs covering hospitalization, sickness, disability, or death, supplemental unemployment benefits, group life insurance, and strike benefits are exempt from taxation. Effective January 1, 1998, this expenditure also includes personal use of employer provided property and services.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 908.6 | \$ 959.2 | \$1,007.2 | \$1,057.5 | \$1,108.1 | \$1,156.4 | \$1,204.0 |

Beneficiaries: As many as 5.6 million employees benefit from this tax expenditure.

General Fund Tax Expenditures

CAFETERIA PLANS

Description: Payments made by employers, on behalf of employees, into a qualifying cafeteria plan are exempt from taxation if the program does not discriminate in favor of highly compensated individuals. This exemption parallels the limited exemption treatment of employee benefit programs covering hospitalization, sickness, disability, or death, supplemental unemployment benefits, or strike benefits. Effective January 1, 1998, this expenditure also includes payments made on behalf of employees for personal use of employer provided property and services.

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

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | \$ 74.4 | \$ 78.3 | \$ 82.2 | \$ 86.4 | \$ 90.5 | \$ 94.4 | \$ 98.3 |

Beneficiaries: NA

LIFE INSURANCE PROCEEDS

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

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

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | \$ 81.3 | \$ 85.1 | \$ 89.1 | \$ 93.2 | \$ 97.6 | \$ 102.1 | \$ 106.9 |

Beneficiaries: The death payment beneficiaries of approximately 193,900 life insurance policies benefit from this tax expenditure.

SICKNESS OR DISABILITY PROCEEDS

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

Purpose: These payments are excluded because they do not take the place of an employee's regular wages or salary. However, sick pay in the form of regular wages or salary is taxable.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: NA

General Fund Tax Expenditures

UNEMPLOYMENT AND SUPPLEMENTAL UNEMPLOYMENT COMPENSATION

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 79.8 | \$ 76.1 | \$ 74.9 | \$ 77.0 | \$ 79.1 | \$ 81.3 | \$ 83.6 |

Beneficiaries: Approximately 676,000 people benefit from this tax expenditure.

WORKER'S COMPENSATION

Description: Disability, retirement, or other payments arising under workmen's compensation acts, occupational disease acts, and similar legislation are exempt from taxation.

Purpose: These benefits are not related to services rendered and are intended to provide income or subsistence during periods of disability when the taxpayer was injured on the job and also to pay workers' medical bills for injuries sustained on the job. These benefits more closely resemble insurance payments, which are not taxable.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 80.6 | \$ 82.3 | \$ 84.2 | \$ 86.0 | \$ 87.9 | \$ 89.9 | \$ 91.8 |

Beneficiaries: As many as 93,600 residents benefit from this tax expenditure.

STRIKE BENEFITS

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: NA

PUBLIC ASSISTANCE

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

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 16.0 | \$ 15.5 | \$ 15.8 | \$ 15.9 | \$ 16.0 | \$ 16.1 | \$ 16.2 |

Beneficiaries: Approximately 286,900 people benefit from this tax expenditure.

General Fund Tax Expenditures

SALE OF A PRINCIPAL RESIDENCE

Description: Beginning January 1, 1998, the gain from a sale of principal residence is excludable from income. Prior to January 1, 1998, this expenditure was a once in a lifetime exclusion of up to \$100,000 for those 55 and over.

Purpose: A principal residence is typically sold to meet the changing needs of the taxpayer and not in an effort to recognize a capital gain.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 164.6 | \$ 180.6 | \$ 180.8 | \$ 165.2 | \$ 165.2 | \$ 167.9 | \$ 171.4 |

Beneficiaries: The owners of approximately 218,800 principal residences that are sold each year in Pennsylvania benefit from this tax expenditure.

COMPENSATION FOR MILITARY SERVICE

Description: Compensation for military service by a Pennsylvania resident in a combat zone is excludable from tax. Income received for military service outside the Commonwealth (whether or not it is in a combat zone) while on active duty as a member of the armed forces is excludable from compensation.

Purpose: This provision reduces tax on members of the armed forces while on active duty in service of the country.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 94.8 | \$ 100.8 | \$ 106.7 | \$ 112.9 | \$ 119.2 | \$ 125.3 | \$ 131.3 |

Beneficiaries: Approximately 61,500 residents benefit from this tax expenditure.

SCHOLARSHIPS, GRANTS, FELLOWSHIPS, AND STIPENDS

Description: Scholarships, grants, fellowships, and stipends awarded on the basis of need or academic achievement for the purpose of encouraging or allowing the recipient to further his educational development are not taxable. Fellowships and stipends are taxable if they are awarded as compensation for past, present, or future services.

Purpose: Awards made on the basis of detached generosity are considered to be gifts and are not taxable as income.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 61.7 | \$ 65.2 | \$ 68.9 | \$ 72.8 | \$ 76.9 | \$ 81.3 | \$ 85.9 |

Beneficiaries: The recipients of approximately 154,200 state grants and scholarships, 154,000 federal grants and scholarships, and an unknown number of private scholarships, grants, fellowships, and stipends, benefit from this tax expenditure.

General Fund Tax Expenditures

REIMBURSEMENTS FOR ACTUAL EXPENSES

Description: Payments by an employer to an employee to reimburse actual expenses incurred by the employee in the conduct of the employer's business are excludable from compensation.

Purpose: This provision insures that employees incurring business expenses, for which they are later reimbursed in the actual amount of the expenses, are not taxed on the reimbursements. Such expenses and reimbursements are treated as if the employer had made the expenditure directly.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: NA

UNREIMBURSED EXPENSES

Description: Unreimbursed expenditures made by employees are excludable from compensation if they are: necessary to enable the taxpayer to properly perform the duties of employment, reasonable in amount, directly related to the taxpayer's occupation, and customary in the taxpayer's occupation.

Purpose: This provision enhances the fairness of the tax for those employees who incur expenses for the benefit of the employer, in order to properly perform a job, or to retain a rate of compensation.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 74.8 | \$ 75.3 | \$ 75.9 | \$ 76.4 | \$ 76.9 | \$ 77.4 | \$ 77.9 |

Beneficiaries: Individuals filing approximately 1.2 million returns benefit from this tax expenditure.

BUSINESS INCOME DEDUCTIONS

Description: Ordinary and reasonable expenses necessary to operate a business or profession may be deducted from the gross receipts of that business or profession. This expenditure does not measure the cost of sales and operations or wages and salaries deductions.

Purpose: Businesses and professions are taxed on "net" profits; therefore, expenses necessary to produce the income may be deducted before tax is computed.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <i>Depreciation:</i> | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 99.6 | \$ 101.8 | \$ 104.9 | \$ 109.8 | \$ 115.7 | \$ 122.5 | \$ 129.2 |
| | <i>Other:</i> | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$1,103.0 | \$1,128.3 | \$1,161.8 | \$1,216.6 | \$1,282.1 | \$1,356.7 | \$1,431.3 |

Beneficiaries: Approximately 1.2 million businesses and professions benefit from this tax expenditure.

General Fund Tax Expenditures

FOSTER CARE

Description: Payments received by foster parents are explicitly excluded from the definition of compensation.

Purpose: This exemption provides an incentive for families to bear the burden of caring for foster children.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 9.4 | \$ 10.6 | \$ 11.9 | \$ 13.3 | \$ 15.0 | \$ 16.9 | \$ 19.0 |

Beneficiaries: The foster parents of approximately 33,918 children benefit from this tax expenditure.

MEDICAL SAVINGS ACCOUNTS

Description: Annual contributions made to medical savings accounts via an account administrator and the interest earned on these accounts are not taxable. The account must be combined with a health insurance policy with an annual deductible of \$1,500 to \$2,500 for an individual and \$3,000 to \$4,500 for a family. Tax-deductible annual contributions must not exceed 65 percent of the insurance policy's deductible for individual coverage and 75 percent for family coverage. Act 179 of 1996 established this expenditure based on a four-year federal pilot program effective January 1, 1997. Participants in the program may continue to contribute after the federal pilot program's expiration date. In addition, new participants may be permitted on a limited basis.

Purpose: This exemption reduces the cost and could improve the quality and availability of health care to Pennsylvanians.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.3 | \$ 0.3 | \$ 0.3 | \$ 0.3 | \$ 0.3 | \$ 0.3 | \$ 0.3 |

Beneficiaries: Individuals filing approximately 8,200 returns benefit from this tax expenditure.

HEALTH SAVINGS ACCOUNTS

Description: Act 48-2005 stated that any income from a Health Savings Account (HSA), as well as any amount paid out or distributed from a HSA, that is used exclusively for qualified medical expenses of the beneficiary or reimbursement of those expenses, is exempt from taxation. Distributions paid out for reasons other than the qualified medical expenses of the beneficiary, as well as excess contributions, are taxable. These provisions apply to taxable years beginning after December 31, 2004.

Purpose: This provision reduces the cost and could improve the quality and availability of health care to Pennsylvanians.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ - | \$ 0.2 | \$ 0.3 | \$ 0.5 | \$ 0.6 | \$ 0.7 | \$ 0.8 |

Beneficiaries: Individuals filing approximately 56,000 returns are estimated to benefit from this tax expenditure. This number is expected to rise over time.

General Fund Tax Expenditures

TUITION PREPAYMENT PROGRAM

Description: The tax expenditure is based on the difference between the amount paid into the program and the value of credits redeemed or payments from the program. The value of credits or payments received from a tuition prepayment program is exempt from taxation when used for the specified purpose

Purpose: This provision lessens the burden of tax on families saving for college education.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: NA

EXEMPTION FOR ELECTION OFFICIALS

Description: Compensation and other payments received by county election officials are exempt from taxation.

Purpose: This exemption provides an incentive to serve as a county election official.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.8 | \$ 0.8 | \$ 0.8 | \$ 0.8 | \$ 0.8 | \$ 0.8 | \$ 0.9 |

Beneficiaries: As many as 104,400 election officials benefit from this tax expenditure.

PENNSYLVANIA LOTTERY WINNINGS

Description: Prizes of the Pennsylvania Lottery are exempt from the state personal income tax. Prior to fiscal year 1999-00, an amount equal to total Lottery prizes paid multiplied by the current PIT rate was transferred from the Lottery Fund to the General Fund. Since the General Fund was reimbursed for the exemption of Lottery prizes, this transfer was considered a Lottery expenditure. Act 4 of 1999 eliminated the transfer, creating an actual General Fund expenditure. Since Pennsylvania Lottery winnings paid (if they were reported on a taxpayer return) could be offset by lottery and other gambling losses on a taxpayer's return, an estimate of this expenditure is not available.

Purpose: This provision provides an additional benefit to individuals winning lottery prizes.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: NA

General Fund Tax Expenditures

CREDITS

SPECIAL POVERTY PROVISIONS (TAX FORGIVENESS)

Description: Special tax forgiveness provisions allow eligible claimants to reduce their tax liability depending on the amount of their eligibility income. For tax year 2004, a taxpayer with no dependents and with eligibility income of \$8,750 or less will qualify for some amount of forgiveness. A married couple with no dependents and with eligibility income of \$15,250 or less will also qualify for some amount of forgiveness. The eligibility income limits increase by \$9,500 for each dependent.

Purpose: This provision provides tax relief for taxpayers with low incomes.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 311.5 | \$ 302.2 | \$ 293.1 | \$ 284.3 | \$ 275.8 | \$ 267.5 | \$ 259.5 |

Beneficiaries: Individuals filing approximately 1.4 million returns benefit from this tax expenditure.

OUT-OF-STATE CREDIT

Description: Pennsylvania residents who have income which is subject to both Pennsylvania personal income tax and the income or wage tax of another state (excluding compensation earned in states with reciprocal agreements) or country may claim the lesser of the actual tax paid to the other state or country, or the tax calculated using PA taxable income earned in the other state or country, multiplied by the current PA tax rate as a credit against the personal income tax.

Purpose: This provision prevents the double taxation of income earned by a Pennsylvania resident in another state or country.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 180.6 | \$ 186.4 | \$ 195.9 | \$ 206.7 | \$ 219.1 | \$ 230.5 | \$ 241.7 |

Beneficiaries: Individuals filing approximately 118,000 returns benefit from this tax expenditure.

ESTIMATED TAXES

ESTIMATED TAXES FOR FIDUCIARIES

Description: Act 40-2005 stated that fiduciaries are allowed to adopt the federal annualization rules for calculating estimated payments. This change may lower or eliminate one or more estimated payments. These provisions apply to payments made after June 30, 2006.

Purpose: This provision adopts annualized federal rules for calculating estimated payments for estates and trusts to provide consistency between state and federal laws.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ -- | \$ -- | \$ 1.8 | \$ 0.8 | \$ 0.8 | \$ 0.9 | \$ 0.9 |

Beneficiaries: Approximately 59,000 fiduciaries are estimated to benefit from this tax expenditure.

General Fund Tax Expenditures

ESTIMATED TAXES FOR FARMERS

Description: Individuals having an estimated gross income from farming which is at least two-thirds of their total gross income may file an estimated tax declaration any time on or before January 15 of the succeeding year. If such an individual files a final return and pays the entire tax due by March 1, the return may be considered the declaration due on or before January 15. The estimates measure the interest lost due to delayed estimated payments.

Purpose: This provision provides assistance to farmers by allowing more liberal estimated payment rules, enhancing the farmers' cash flow.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |

Beneficiaries: Farmers operating approximately 59,000 farms benefit from this tax expenditure.

ESTIMATED PAYMENTS FOR SMALL AMOUNTS

Description: Individuals with taxable income of \$8,000 or less not subject to withholding are not required to pay estimated taxes. The threshold was changed from \$2,500 effective January 1, 2000.

Purpose: These provisions reduce paperwork for the Department of Revenue and taxpayers with small amounts of income not subject to withholding.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 1.0 | \$ 0.9 | \$ 0.8 | \$ 0.8 | \$ 0.7 | \$ 0.7 | \$ 0.6 |

Beneficiaries: Approximately 1.6 million Pennsylvania residents benefit from this tax expenditure.

REALTY TRANSFER TAX

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

The realty transfer tax is a documentary stamp tax on the value of any interest in real estate transferred by deed. The tax rate is 1 percent of the value of the real estate transferred. Each party to a document is jointly and severally liable for the tax imposed, unless the party is an excluded party or the document evidences an excludable transaction. The excluded status of a party does not relieve the other parties to a transaction from the entire tax due. The amounts below represent the General Fund portion of the realty transfer tax expenditures only and do not include expenditures for the portion transferred to the Keystone Recreation, Park, and Conservation Fund pursuant to Act 50 of 1993, as amended by Act 89 of 2002. Prior to Act 89 of 2002, 15 percent of the state levied realty transfer tax was transferred to the Keystone Recreation, Park, and Conservation Fund. Act 89 of 2002 lowered the transfer to 10 percent for January 2002 through June 2002 and to 7.5 percent for July 2002 through June 2003. For July 2003 and thereafter the transfer rate returns to 15 percent.

Administrative Costs: Costs to administer the realty transfer tax expenditures are approximately \$0.3 million annually.

TRANSFERS TO GOVERNMENTAL UNITS

Description: A transfer to the Commonwealth, the federal government, or their agencies, political subdivisions, or instrumentalities by gift, dedication, condemnation, or in lieu of condemnation is exempt from taxation.

Purpose: This exemption provides tax relief to the grantor of property to a governmental entity. Without an exemption, the grantor would be required to pay the tax. The exemption may encourage donation of property to a governmental entity.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 3.8 | \$ 4.1 | \$ 3.9 | \$ 3.8 | \$ 3.9 | \$ 4.1 | \$ 4.2 |

Beneficiaries: Approximately 3,200 local governmental units could benefit from this tax expenditure.

PARTITION OF REALTY BY CO-TENANTS

Description: A partition of realty, passed by testate or intestate succession and held by co-tenants, into two or more distinctive portions with each party taking shares equal to their undivided interest is an excluded transaction.

Purpose: Tax relief is given to the heirs to assist in the equitable settlement of the estate. Heirs to realty do not always want joint ownership in the realty willed to them as co-tenants. This exemption enables the parties to partition the realty into two or more distinct portions with each party taking shares equal to their undivided interest without incurring tax.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |

Beneficiaries: NA

General Fund Tax Expenditures

TRANSFERS AMONG FAMILY MEMBERS

Description: Transfers between husband and wife, parent and child or the spouse of such child, siblings and/or the spouse of a sibling, and a grandparent and grandchild, or the spouse of such a grandchild are exempt from taxation.

Purpose: This exemption reduces the tax burden on families by exempting transfers to family members.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 72.7 | \$ 78.3 | \$ 74.6 | \$ 73.1 | \$ 75.7 | \$ 78.6 | \$ 81.8 |

Beneficiaries: NA

TRANSFERS TO SHAREHOLDERS OR PARTNERS

Description: A transfer from a corporation or association to its shareholder or member, where the grantee owns stock or holds an interest in the same proportion as his interest in the real estate being conveyed, is an excluded transaction. The stock or interest must be held by the grantee for more than two years.

Purpose: This exemption recognizes that the grantee has an ownership interest in the realty conveyed to him in the same proportion as stock owned in the corporation or interest in the association.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 1.7 | \$ 1.8 | \$ 1.7 | \$ 1.7 | \$ 1.8 | \$ 1.8 | \$ 1.9 |

Beneficiaries: NA

TRANSFERS TO OR FROM A NONPROFIT INDUSTRIAL DEVELOPMENT AGENCY

Description: A transfer to a nonprofit industrial development agency or authority is an excluded transaction. A transfer from a nonprofit industrial development agency or authority to a grantee purchasing directly from it is an excluded transaction if (1) the grantee uses such real estate for the primary purpose of manufacturing, fabricating, compounding, processing, publishing, research and development, transportation, energy conversion, energy production, pollution control, warehousing, or agriculture and (2) the authority has full ownership interest in the real estate transferred.

Purpose: These exemptions encourage transfers of realty to nonprofit organizations for industrial development and from nonprofit organizations for use in various activities that may contribute to economic development in the Commonwealth.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 3.7 | \$ 4.0 | \$ 3.8 | \$ 3.7 | \$ 3.8 | \$ 4.0 | \$ 4.2 |

Beneficiaries: NA

General Fund Tax Expenditures

TRANSFERS BETWEEN RELIGIOUS ORGANIZATIONS

Description: A transfer between religious organizations or persons holding title for a religious organization, with both parties possessing tax-exempt status under the Internal Revenue Code, is an excluded transaction. The real estate cannot have been used by such transferor for commercial purposes.

Purpose: This exemption provides tax relief to religious organizations that are perceived to provide social benefits.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 1.4 | \$ 1.5 | \$ 1.5 | \$ 1.4 | \$ 1.5 | \$ 1.5 | \$ 1.6 |

Beneficiaries: Approximately 15,800 religious organizations could benefit from this tax expenditure.

TRANSFERS TO A CONSERVANCY

Description: A transfer to or from a conservancy that possesses a tax-exempt status pursuant to the Internal Revenue Code and which has as its primary purpose preservation of land for historic, recreational, scenic, agricultural, or open space opportunities is an excluded transaction.

Purpose: This exemption encourages the preservation of realty with historic, recreational, scenic, or agricultural value.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 |

Beneficiaries: Approximately 70 land conservancies could benefit from this tax expenditure.

REAL ESTATE DEVOTED TO AGRICULTURE

Description: A transfer of real estate devoted to the business of agriculture to a family farm corporation or family farm partnership by a member of the same family is an excluded transaction. The family must own at least 75 percent of each class of stock in a family farm corporation. The family farm may also lease the farmland as long as it is used for farming.

Purpose: This exemption provides tax relief for the establishment or expansion of the family farm corporation or family farm partnership thereby recognizing the importance of the family-owned farm.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: Approximately 3,850 family farm corporations or partnerships could benefit from this tax expenditure.

General Fund Tax Expenditures

OWNERSHIP INTEREST IN REAL ESTATE COMPANY OR FAMILY FARM _____

Description: A transfer between members of the same family of an ownership interest in a real estate company, family farm corporation, or family farm partnership is an excluded transaction.

Purpose: A transfer of ownership interest between members of the same family is not considered a change in ownership of the business. This exemption encourages the preservation of family farm corporations, family farm partnerships, and family-owned real estate businesses by allowing transfers of ownership interests between members of the same family not to count toward the corporation becoming an acquired company.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: Approximately 3,850 family farm corporations or partnerships and an unknown number of real estate companies could benefit from this tax expenditure.

TRANSFERS OF REALTY VALUED AT \$100 OR LESS _____

Description: A transaction where the tax due is one dollar (\$1.00) or less is an excluded transaction.

Purpose: The administrative costs of collecting the revenue from a transfer of realty valued at \$100 or less are thought to be greater than the revenue.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |

Beneficiaries: NA

PRODUCTION OR EXTRACTION OF COAL, OIL, NATURAL GAS, OR MINERALS _____

Description: Leases for the production or extraction of coal, oil, natural gas, or minerals and assignments thereof are excluded transactions.

Purpose: This exemption gives tax relief to the mining and extracting industries to produce and extract coal, oil, natural gas, and minerals at a lower cost.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: Approximately 1,350 companies may benefit from this tax expenditure.

General Fund Tax Expenditures

PUBLIC UTILITY EASEMENTS

Description: A transfer of an easement to a person furnishing public utility service is an excluded transaction if the easement is used in, or useful for, furnishing public utility services.

Purpose: Public utility easements are numerous and the majority of them are conveyed for a small consideration. The administrative costs of collecting the revenue from an easement to a provider of public utility services are thought to be greater than the revenue.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |

Beneficiaries: The 452 public utilities could benefit from this tax expenditure.

STANDING TIMBER OR CROPS

Description: Standing timber and crops are not deemed to actually pass with the conveyance of realty when the instrument provides for severance and removal within an immediate ascertainable date.

Purpose: Timber and crops are personal property in this instance, the transfer of which is not subject to realty transfer tax.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: NA

INHERITANCE TAX

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

Administrative Costs: Costs to administer the inheritance tax expenditures are approximately \$0.3 million annually. Costs incurred to administer the multiple tax expenditures associated with inheritance tax cannot be separately identified.

FAMILY RELATED EXEMPTIONS AND EXCLUSIONS

PREFERENTIAL RATE FOR TRANSFERS TO LINEAL BENEFICIARIES

Description: Effective July 1, 2000, assets transferred to lineal beneficiaries are taxed at a 4.5 percent rate rather than the 15 percent rate for assets transferred to non-lineal heirs. Lineal beneficiaries include grandparents, parents, and lineal descendants (including adopted or step children). Prior to July 1, 2000, transfers to lineal beneficiaries were taxed at a rate of 6 percent.

Purpose: This provision reduces the tax burden on the immediate family members of the decedent.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 666.7 | \$ 654.8 | \$ 661.4 | \$ 675.8 | \$ 695.9 | \$ 717.8 | \$ 740.2 |

Beneficiaries: Approximately 34,300 estates benefit from this tax expenditure.

General Fund Tax Expenditures

TRANSFERS OF PROPERTY TO SPOUSE

Description: Property passing to a spouse of a decedent is exempt from inheritance tax. This estimate is based on the difference between taxing all assets transferred between spouses at the lineal rate of 4.5 percent and the spousal rate of 0 percent.

Purpose: This provision prevents an undue tax burden on a surviving spouse especially when assets cannot be jointly owned. It allows spouses to maintain homes and other assets without being subject to inheritance tax.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$1,321.3 | \$1,354.3 | \$1,388.1 | \$1,422.7 | \$1,458.2 | \$1,494.6 | \$1,531.9 |

Beneficiaries: Approximately 33,000 estates benefit from this tax expenditure.

EXEMPTION FOR TRANSFERS OF PROPERTY FROM A CHILD TO PARENT

Description: Property passing from a child twenty-one years of age or younger to a parent is subject to a 0 percent tax rate. This estimate measures the difference between taxing child to parent transfers at the lineal rate of 4.5 percent and the child to parent rate of 0 percent.

Purpose: This provision reduces the tax burden on families receiving assets due to the untimely death of a child. The transfer of assets to parents was previously taxed as a lineal transfer. This rate change, authorized by Act 23 of 2000, is effective for decedents dying July 1, 2000 or later.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 1.3 | \$ 1.2 | \$ 1.2 | \$ 1.3 | \$ 1.3 | \$ 1.3 | \$ 1.4 |

Beneficiaries: Approximately 150 estates benefit from this tax expenditure.

PREFERENTIAL RATE FOR TRANSFERS TO SIBLINGS

Description: Effective July 1, 2000, assets transferred to siblings, defined as brothers or sisters with at least one parent in common, by blood or adoption, are taxed at a rate of 12 percent rather than the rate of 15 percent for assets transferred to non-lineal heirs. Prior to July 1, 2000, transfers to siblings were taxed at a rate of 15 percent.

Purpose: This provision reduces the tax burden on estates that transfer assets to a sibling of the decedent. It recognizes that a sibling is often a decedent's closest relative and that transfers to siblings should be taxed at a lower rate than transfers to unrelated beneficiaries.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 19.2 | \$ 18.8 | \$ 19.0 | \$ 19.4 | \$ 20.0 | \$ 20.6 | \$ 21.3 |

Beneficiaries: Approximately 5,900 estates benefit from this tax expenditure.

General Fund Tax Expenditures

LIFE INSURANCE PROCEEDS

Description: Life insurance proceeds, whether or not payable to the estate of the decedent, are exempt from inheritance tax.

Purpose: This provision lessens the tax burden on the insurance beneficiaries of the decedent, who are likely to be family members. A common reason for purchasing life insurance is to assist with the payment of inheritance and estate taxes.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 84.6 | \$ 89.0 | \$ 93.5 | \$ 98.3 | \$ 103.3 | \$ 108.6 | \$ 114.1 |

Beneficiaries: Estates of the decedents associated with approximately 171,000 life insurance policies benefit from this expenditure.

FEDERAL WAR RISK INSURANCE AND NATIONAL SERVICE LIFE INSURANCE PROCEEDS

Description: Proceeds of federal war risk insurance, national service life insurance, or other similar governmental insurance are exempt from inheritance tax.

Purpose: This provision lessens the tax burden on beneficiaries of U.S. military personnel and dependents who receive increased insurance when stationed in an area where military conflict is possible.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.6 | \$ 0.6 | \$ 0.6 | NA | NA | NA | NA |

Beneficiaries: The families of fallen Pennsylvanians benefit from this tax expenditure.

FAMILY EXEMPTION

Description: A \$3,500 family exemption from inheritance tax is permitted for the decedent's surviving spouse, children, or parents living in the decedent's household at the time of death.

Purpose: This provision allows a small tax-free transfer of property to immediate family members residing with the decedent. Smaller taxable estates benefit to a greater extent.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 1.4 | \$ 1.4 | \$ 1.4 | \$ 1.4 | \$ 1.4 | \$ 1.4 | \$ 1.4 |

Beneficiaries: Approximately 9,000 families benefit from this tax expenditure.

PERSONAL EXCLUSIONS AND DEDUCTIONS

EMPLOYMENT BENEFITS

Description: Employment benefits that the decedent did not have the right to possess, enjoy, assign, or anticipate before death are exempt from inheritance tax. Exempt benefits include pensions, stock-bonuses, profit-sharing plans, Keoghs, Individual Retirement Accounts, and other retirement plans. If the decedent did have the right to possess, enjoy, assign, or anticipate the benefits, they are exempt from Pennsylvania inheritance tax only to the same extent they are exempt from the federal estate tax.

Purpose: This provision limits inheritance tax on employment benefits to which the decedent did not have full rights. An individual is presumed to have full rights to these employment benefits after age 59 ½ -- the age at which someone may utilize at least a portion of these funds without penalty under the Internal Revenue Code.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 23.1 | \$ 25.3 | \$ 27.6 | \$ 30.2 | \$ 33.0 | \$ 36.1 | \$ 39.4 |

Beneficiaries: Estates of the approximately 7,000 decedents of working age and under 59½ at death may benefit from this tax expenditure.

ESTATE ADMINISTRATION EXPENSES

Description: Expenses for attorney fees, funeral and burial expenses, tombstones and grave markers, and other expenses incurred in administering the estate are deductible from the taxable estate.

Purpose: This provision allows for the deduction of reasonable and necessary expenses associated with managing the estate.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 59.3 | \$ 60.8 | \$ 62.3 | \$ 63.8 | \$ 65.4 | \$ 67.1 | \$ 68.7 |

Beneficiaries: Approximately 49,400 estates benefit from this tax expenditure.

DEBTS AND LIABILITIES OF THE DECEDENT

Description: A deduction from the gross estate is allowed for debts and liabilities of the decedent.

Purpose: This provision increases the fairness of the tax by insuring that property is included in the taxable estate based on its net value. For example, a mortgage is deducted from the value of real property to properly value the decedent's interest in that property.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 39.6 | \$ 40.6 | \$ 41.7 | \$ 42.7 | \$ 43.8 | \$ 44.9 | \$ 46.0 |

Beneficiaries: Approximately 34,400 estates benefit from this tax expenditure.

General Fund Tax Expenditures

SOCIAL SECURITY DEATH PAYMENTS

Description: The lump-sum social security death benefit is exempt from inheritance tax.

Purpose: This provision helps limit the impact of the tax on poorer beneficiaries. The social security death benefit could comprise the majority of assets for many small taxable estates.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 1.0 | \$ 1.0 | \$ 1.0 | \$ 1.0 | \$ 1.0 | \$ 1.0 | \$ 1.0 |

Beneficiaries: Approximately 47,300 estates benefit from this tax expenditure.

RAILROAD RETIREMENT BURIAL BENEFITS

Description: The lump-sum railroad retirement burial benefit is exempt from inheritance tax.

Purpose: This provision helps limit the impact of the tax on poorer beneficiaries. The railroad retirement burial benefit could comprise the majority of assets for many small taxable estates.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |

Beneficiaries: An estimated 400 estates receive lump sum benefit payments from the U.S. Railroad Retirement Board.

ADVANCEMENTS

Description: Transfers made as an advancement of or on account of an intestate share or in satisfaction or partial satisfaction of a gift by will are exempt unless the gift was made within a year of death and gifts to the transferee exceeded \$3,000 during that calendar year.

Purpose: Gifts, as long as they are not made within one year of the date of death, are exempt from inheritance tax. This provision provides that these advancements be treated as gifts that are not intended to avoid the tax.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: Approximately 56,000 estates might benefit from this tax expenditure.

General Fund Tax Expenditures

PROPERTY SUBJECT TO POWER OF APPOINTMENT

Description: Property left to a trust by the decedent (grantor) subject to a power of appointment (by a grantee), whether or not exercised and notwithstanding any blending of such property with property of the grantee, is exempt from inheritance tax in the estate of the grantee.

Purpose: Pennsylvania taxes the transfer of these assets subject to a power of appointment at the time the interest is created (when the grantor dies). The grantee may have a life interest in the estate with any remainder passing to some other person. This provision prevents taxation when the property is subsequently distributed upon the death of the grantee, having already been taxed in the estate of the grantor.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: NA

NOMINAL OWNERSHIP OF PROPERTY

Description: Property held in the name of a decedent who held no beneficial interest in the property is exempt from inheritance tax.

Purpose: This provision prevents property in which the decedent had no real interest from being included in the taxable estate.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: NA

BUSINESS RELATED EXCLUSIONS AND DEDUCTIONS

PREFERENTIAL VALUATION OF FARMLAND

Description: Farmland which was devoted to agricultural use for the three years preceding the death of the decedent and is not less than ten contiguous acres or has an anticipated yearly gross income derived from agricultural use of \$2,000 or more, is valued based on its current use rather than its highest use.

Purpose: This provision helps to maintain family farms since land currently devoted to agricultural use is often more valuable if developed.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: NA

SMALL BUSINESS INTEREST TRANSFER EXTENDED PAYMENT SCHEDULE

Description: The inheritance tax due on the transfer of a qualified small business interest may be paid in 20 consecutive quarterly installments beginning nine months after the decedent's death. Each installment payment bears interest of 9 percent per annum.

Purpose: This provision helps protect small businesses upon the death of the owner from a sudden tax burden. Payments are spread out over time so that asset sales can be avoided.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: NA

OTHER EXCLUSIONS

TRANSFERS TO GOVERNMENTS

Description: Intervivos transfers and bequests to governments are exempt from inheritance tax.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 1.0 | \$ 1.0 | \$ 1.0 | \$ 1.1 | \$ 1.1 | \$ 1.1 | \$ 1.1 |

Beneficiaries: Approximately 5,000 governmental units could benefit from this tax expenditure.

General Fund Tax Expenditures

TRANSFERS TO CHARITABLE AND FRATERNAL ORGANIZATIONS

Description: Intervivos transfers and bequests to charitable and fraternal organizations are exempt from inheritance tax.

Purpose: Charitable and fraternal organizations provide public services that are believed to benefit citizens. This exemption represents an indirect means of assistance to these entities and may increase the money available for charitable purposes.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | \$ 151.3 | \$ 155.0 | \$ 158.9 | \$ 162.9 | \$ 166.9 | \$ 171.1 | \$ 175.4 |

Beneficiaries: An estimated 31,500 charitable and fraternal organizations might benefit from this tax expenditure.

Motor License Fund Tax Expenditures

LIQUID FUELS AND FUELS TAX

Authorization: Chapter 90 of Title 75 of the Pennsylvania Consolidated Statutes. The tax is a permanent trust fund tax of 12.0 cents per gallon imposed on all liquid fuels and fuels used or sold and delivered by distributors in the Commonwealth beginning October 1, 1997. Prior to this date, liquid fuels were taxed under the provisions of the Act of May 21, 1931 (P.L. 149, No. 105), as amended, known as the Liquid Fuels Tax Act and fuels were taxed under the Act of January 14, 1952 (P.L. 1965 No. 550), as amended, known as the Fuels Use Tax Act. Both of these acts were repealed effective October 1, 1997. Aviation gasoline and jet fuel are also taxed under the liquid fuels and fuels tax. However, separate tax rates are set for these fuels. Effective January 1, 2006, the tax rate for aviation gasoline is 5.3 cents per gallon and the tax rate for jet fuels is 2.0 cents per gallon.

OIL COMPANY FRANCHISE TAX

Authorization: Chapter 95 of Title 75 of the Pennsylvania Consolidated Statutes. Beginning October 1, 1997, the tax is imposed on all taxable liquid fuels and fuels on a cents-per gallon equivalent basis. The tax rate is calculated annually by the Department of Revenue. The tax rate for calendar year 2006 is 19.2 cents per gallon for liquid fuels and 26.1 cents per gallon for fuels. Receipts from 57 mills of the tax are deposited as unrestricted Motor License Fund revenue. Prior to October 1, 1997, the tax was an excise tax of 153.5 mills per gallon imposed on all oil companies conducting business in Pennsylvania for the privilege of exercising their corporate franchise, doing business, employing capital, owning or leasing property, maintaining an office, or having employees in the Commonwealth.

ALTERNATIVE FUELS TAX

Authorization: Chapter 90 of Title 75 of the Pennsylvania Consolidated Statutes. Beginning October 1, 1997, the tax is imposed on alternative fuels used to propel vehicles on public highways. Alternative fuels include natural gas, compressed natural gas, liquid propane gas and liquefied petroleum gas, alcohols, gasoline-alcohol mixtures containing at least 85 percent alcohol by volume, hydrogen, hythane, electricity, and any other fuel not taxable as liquid fuels or fuels. The tax rate applied to each gasoline gallon equivalent of alternative fuel equals the current liquid fuels tax and oil company franchise tax applicable to one gallon of gasoline.

Administrative Costs: Costs to administer the multiple tax expenditures associated with the liquid fuels and fuels, oil company franchise, and alternative fuels taxes cannot be separately identified. Tax expenditures are a significant factor associated with the need for more compliance audits and the increased complexity of such audits.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.7 | \$ 0.7 | \$ 0.7 | \$ 0.8 | \$ 0.8 | \$ 0.8 | \$ 0.8 |

Motor License Fund Tax Expenditures

POLITICAL SUBDIVISIONS

Description: Fuels purchased by political subdivisions of the Commonwealth are exempt from the tax.

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

(Dollar Amounts in Millions)

Estimates: **Liquid Fuels:**

| <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 4.3 | \$ 4.2 | \$ 4.3 | \$ 4.4 | \$ 4.4 | \$ 4.5 | \$ 4.5 |

Jet Fuel & Aviation Gasoline:

| <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |

Fuels:

| <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 6.0 | \$ 6.2 | \$ 6.2 | \$ 6.3 | \$ 6.4 | \$ 6.4 | \$ 6.5 |

Oil Company Franchise:

| <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 16.3 | \$ 19.5 | \$ 20.5 | \$ 20.7 | \$ 20.9 | \$ 21.1 | \$ 21.2 |

Beneficiaries: Approximately 3,100 governmental units benefit from these tax expenditures.

VOLUNTEER EMERGENCY VEHICLES

Description: Fuel purchased by a volunteer fire company, volunteer ambulance service, or volunteer rescue squad and used solely in official vehicles is exempt from the tax.

Purpose: Volunteer emergency organizations provide public services that are perceived to benefit citizens. This exemption permits these services to be rendered at a reduced cost.

(Dollar Amounts in Millions)

Estimates: **Liquid Fuels:**

| <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 0.8 | \$ 0.8 | \$ 0.8 | \$ 0.9 | \$ 0.9 | \$ 0.9 | \$ 0.9 |

Jet Fuel & Aviation Gasoline:

| <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |

Fuels:

| <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 2.2 | \$ 2.3 | \$ 2.3 | \$ 2.3 | \$ 2.3 | \$ 2.4 | \$ 2.4 |

Oil Company Franchise:

| <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 5.0 | \$ 6.0 | \$ 6.4 | \$ 6.4 | \$ 6.5 | \$ 6.5 | \$ 6.6 |

Beneficiaries: Approximately 2,000 volunteer fire departments and an unknown number of other volunteer organizations benefit from these tax expenditures.

Motor License Fund Tax Expenditures

NONPROFIT NONPUBLIC SCHOOLS

Description: Fuel purchased by any nonprofit nonpublic school in which a Commonwealth resident may legally fulfill compulsory school attendance requirements is granted an exemption from the tax.

Purpose: Since state government indirectly subsidizes transporting public school children, this exemption provides similar treatment to nonprofit nonpublic schools.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | Liquid Fuels: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 |
| | Jet Fuel & Aviation Gasoline: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |
| | Fuels: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 |
| | Oil Company Franchise: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.3 | \$ 0.3 | \$ 0.4 | \$ 0.4 | \$ 0.4 | \$ 0.4 | \$ 0.4 |

Beneficiaries: As many as 3,000 nonprofit nonpublic schools may benefit from these tax expenditures.

SECOND CLASS COUNTY PORT AUTHORITIES

Description: Purchases of fuel by second class county port authorities are exempt from the tax.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | Liquid Fuels: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |
| | Jet Fuel & Aviation Gasoline: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |
| | Fuels: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |
| | Oil Company Franchise: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: One second class county port authority benefits from these tax expenditures.

Motor License Fund Tax Expenditures

ELECTRIC COOPERATIVES

Description: Fuel purchases for vehicles operated by electric cooperatives are exempt from the tax.

Purpose: These cooperatives are nonprofit corporations organized to engage in rural electrification and are perceived to provide a public benefit. This exemption permits this service to be rendered at a reduced cost.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | Liquid Fuels: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |
| | Jet Fuel & Aviation Gasoline: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |
| | Fuels: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |
| | Oil Company Franchise: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 |

Beneficiaries: There are 13 electric cooperatives in the Commonwealth that benefit from these tax expenditures.

AGRICULTURAL USE

Description: A full refund of tax paid is granted for fuel consumed in agricultural use relating to the actual production of farm products. Fuel used in farm machinery or equipment engaged in the production or harvesting of agricultural products is exempt from taxation under these provisions.

Purpose: This exemption allows farmers to provide agricultural products at a reduced cost.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | Liquid Fuels: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 1.2 | \$ 1.2 | \$ 1.2 | \$ 1.2 | \$ 1.2 | \$ 1.2 | \$ 1.2 |
| | Jet Fuel & Aviation Gasoline: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |
| | Fuels: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 |
| | Oil Company Franchise: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 1.8 | \$ 2.1 | \$ 2.3 | \$ 2.3 | \$ 2.3 | \$ 2.4 | \$ 2.4 |

Beneficiaries: Individuals operating approximately 58,200 farms benefit from these tax expenditures.

Motor License Fund Tax Expenditures

TRUCK REFRIGERATION UNITS

Description: A full refund of tax paid is granted for undyed diesel fuel used in truck refrigeration units when the tank that fuels the refrigeration unit is used solely for that purpose and is separate from that which powers the vehicle.

Purpose: This provision allows a refund for fuel consumed in an off-road manner when such use can be clearly documented.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | Liquid Fuels: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |
| | Fuels: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.7 | \$ 0.7 | \$ 0.7 | \$ 0.7 | \$ 0.7 | \$ 0.7 | \$ 0.7 |
| | Oil Company Franchise: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 1.2 | \$ 1.4 | \$ 1.5 | \$ 1.5 | \$ 1.5 | \$ 1.5 | \$ 1.5 |

Beneficiaries: Approximately 200 entities benefit from these tax expenditures.

POWER TAKE-OFF

Description: A full refund of tax paid is granted for undyed fuel consumed in a power takeoff unit used to load for delivery to a farm or to unload at a farm, farm feed, feed products, lime, or limestone products for agricultural use. Tax paid will be refunded provided that the fuel usage is documented by an electronic monitoring device used in conjunction with an electronically controlled engine.

Purpose: This provision allows a refund for fuel consumed in an off-road manner when such use can be clearly documented.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | Liquid Fuels: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |
| | Fuels: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |
| | Oil Company Franchise: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |

Beneficiaries: Fewer than 20 taxpayers benefit from these tax expenditures.

Motor License Fund Tax Expenditures

DISCOUNT

Description: A distributor is permitted a variable percentage discount based on gross tax due provided the liquid fuels and fuels tax return and payment due are timely filed. Returns and payments are generally due on or before the 20th day of each month for the preceding month's sales.

Purpose: This discount is intended to defray the cost of preparing and remitting the liquid fuels and fuels tax reports and payments.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | Liquid Fuels: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 4.5 | \$ 4.4 | \$ 4.5 | \$ 4.6 | \$ 4.6 | \$ 4.7 | \$ 4.7 |
| | Jet Fuel & Aviation Gasoline: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 |
| | Fuels: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 1.6 | \$ 1.6 | \$ 1.6 | \$ 1.6 | \$ 1.6 | \$ 1.7 | \$ 1.7 |

Beneficiaries: Approximately 490 distributors benefit from these tax expenditures.

FOREIGN DIPLOMATS

Description: Fuel purchased by foreign diplomats whose country has entered into a treaty with the United States is exempt from payment of the tax.

Purpose: The Commonwealth grants this exemption administratively at the request of the federal government.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | Liquid Fuels: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |
| | Jet Fuel & Aviation Gasoline: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |
| | Fuels: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |
| | Oil Company Franchise: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: The number of foreign diplomats benefiting from these tax expenditures is unknown but presumed to be nominal.

Motor License Fund Tax Expenditures

BUSES

Description: A bus company is entitled to a refund equal to 55 mills of the oil company franchise tax imposed on fuels consumed by motorbuses within this Commonwealth.

Purpose: Act 3 of 1997 repealed the 6 cent surtax imposed on all motor carriers and replaced it with a 55 mill increase in the oil company franchise tax imposed on fuels. Since buses were historically exempt from the surtax, they have been granted a refund for the 55 mill surtax replacement effective January 1, 1999.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.3 | \$ 0.3 | \$ 0.3 | \$ 0.3 | \$ 0.3 | \$ 0.3 | \$ 0.3 |

Beneficiaries: Approximately 100 bus companies benefit from this tax expenditure.

MOTOR CARRIERS ROAD TAX / IFTA

Authorization: Chapter 96 of Title 75 of the Pennsylvania Consolidated Statutes. The motor carriers road tax is equal to the current Pennsylvania liquid fuels and fuels or alternative fuels tax rate per gallon plus the oil franchise tax currently in effect. Prior to October 1, 1997, an additional tax of 6 cents per gallon was collected through the motor carriers road tax. Effective October 1, 1997, this tax was repealed and replaced by a tax of 55 mills on each gallon of fuels and collected through the oil franchise tax. Effective January 1, 1996, under Act 75 of 1995, Pennsylvania implemented the provisions of the International Fuel Tax Agreement (IFTA). Under IFTA, fuel consumed in "qualified motor vehicles" is subject to taxation at current rates. A qualified motor vehicle is a motor vehicle, other than a recreational vehicle, which is used, designed, or maintained for transportation of persons or property and which has two axles and a registered gross weight exceeding 26,000 pounds, three axles or more regardless of weight, or used in combination when the registered gross weight exceeds 26,000 pounds. IFTA provisions do not distinguish taxable use by vehicle types, only by weight and axle configuration. Therefore, Act 75 of 1995 repealed the motorbus road tax effective January 1, 1996. The following estimates reflect the full tax rate imposed.

Administrative Costs: Costs to administer the multiple tax expenditures associated with motor carrier road tax/IFTA cannot be identified separately. Tax expenditures are not believed to be a significant factor associated with the need for more compliance audits and contribute minimally to the length of time necessary to complete such audits.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.7 | \$ 0.7 | \$ 0.7 | \$ 0.8 | \$ 0.8 | \$ 0.8 | \$ 0.8 |

Motor License Fund Tax Expenditures

POLITICAL SUBDIVISIONS

Description: Vehicles operated by political subdivisions are exempt from the requirements of the motor carriers road tax.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 12.8 | \$ 14.3 | \$ 14.9 | \$ 15.0 | \$ 15.2 | \$ 15.3 | \$ 15.4 |

Beneficiaries: Approximately 3,100 governmental units benefit from this tax expenditure.

FARM VEHICLES

Description: Qualified motor vehicles bearing a Pennsylvania farm truck registration operating under restricted use and farm vehicles exempt from registration are exempt from the motor carriers road tax.

Purpose: This exemption allows farmers to provide agricultural products at a reduced cost.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 3.8 | \$ 4.3 | \$ 4.5 | \$ 4.5 | \$ 4.6 | \$ 4.6 | \$ 4.6 |

Beneficiaries: Individuals operating approximately 58,200 farms benefit from this tax expenditure.

EMERGENCY VEHICLES

Description: Fire, rescue, ambulance, and select other emergency vehicles are exempt from the motor carriers road tax.

Purpose: Emergency organizations provide public services that are perceived to benefit citizens. This exemption permits these services to be rendered at a reduced cost.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 7.6 | \$ 8.5 | \$ 8.9 | \$ 8.9 | \$ 9.0 | \$ 9.1 | \$ 9.2 |

Beneficiaries: Approximately 2,500 fire departments and an unknown number of other organizations benefit from this tax expenditure.

Motor License Fund Tax Expenditures

SPECIAL MOBILE EQUIPMENT

Description: Vehicles not designed or used primarily for the transportation of persons or property and that only incidentally operate or move over a highway, such as ditch digging apparatus, well-boring apparatus, earth moving, and road construction machinery, are exempt from the motor carriers road tax.

Purpose: Exemption is granted to these vehicles because of their specialized off-highway use.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | Nominal | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 |

Beneficiaries: The owners of approximately 2,200 special mobile equipment vehicles benefit from this tax expenditure.

IMPLEMENTS OF HUSBANDRY

Description: A vehicle designed or adapted to be used exclusively for agricultural operations is exempt from the motor carriers road tax.

Purpose: This exemption allows the farmer to provide agricultural products at a reduced price.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 |

Beneficiaries: The owners of approximately 200 implements of husbandry vehicles benefit from this tax expenditure.

CHARITABLE AND RELIGIOUS ORGANIZATIONS

Description: Vehicles operated by charitable and religious organizations are exempt from the motor carriers road tax.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 1.8 | \$ 2.0 | \$ 2.1 | \$ 2.1 | \$ 2.1 | \$ 2.1 | \$ 2.2 |

Beneficiaries: Approximately 26,000 charitable and religious organizations may benefit from this tax expenditure.

Motor License Fund Tax Expenditures

CHURCHES

Description: A motorbus owned by and registered to a church, exempt under section 1901 of Title 75, is exempt from the motor carriers road tax.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: As many as 10,500 churches may benefit from this tax expenditure.

ELECTRIC COOPERATIVES

Description: Qualified motor vehicles operated by electric cooperatives are exempt from the motor carriers road tax.

Purpose: These cooperatives are nonprofit corporations organized to engage in rural electrification and are perceived to provide public benefit. This exemption permits this service to be rendered at a reduced cost to the rate payers.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: There are 13 cooperatives in the Commonwealth that benefit from this tax expenditure.

VEHICLES NEEDING EMERGENCY REPAIRS

Description: A qualified motor vehicle needing emergency repairs, which was granted authorization from the Pennsylvania State Police to enter this Commonwealth, is exempt from the motor carriers road tax.

Purpose: This exemption was granted due to the temporary emergency nature of the vehicle entering Pennsylvania for needed repairs.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: NA

Motor License Fund Tax Expenditures

VEHICLES SECURING REPAIRS OR RECONDITIONING

Description: Exemption from the motor carriers road tax is provided for unladen or towed motor vehicles or unladen trailers entering Pennsylvania solely for the purpose of securing repairs or reconditioning.

Purpose: This exemption was granted so as to not discourage vehicle owners from obtaining repairs or reconditioning of a vehicle from a Pennsylvania business.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: NA

SCHOOL BUSES

Description: Buses designed to carry 11 or more passengers used for the transportation of preprimary, primary, or secondary school students to or from public, private, or parochial schools or school-related activities or events are exempt from the motor carriers road tax.

Purpose: Since state government indirectly subsidizes transporting school children, this exemption decreases state educational subsidy costs.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 8.5 | \$ 9.7 | \$ 10.1 | \$ 10.1 | \$ 10.2 | \$ 10.3 | \$ 10.4 |

Beneficiaries: Approximately 5,700 schools benefit from this tax expenditure.

RECREATIONAL VEHICLES

Description: Qualified motor vehicles such as motor homes, pickup trucks with attached campers, and buses when used exclusively for personal pleasure by individuals, are exempt from the motor carriers road tax.

Purpose: The motor carrier road tax/IFTA requirements are intended to apply to selected commercial vehicles. This provision exempts personal use only vehicles which would otherwise be subject to these taxing requirements.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: NA

Motor License Fund Tax Expenditures

MOTOR VEHICLE CODE

Authorization: The Motor Vehicle Code, contained in Title 75 of the Act of June 17, 1976 (P.L. 162, No. 81), became effective July 1, 1977. This amended the Act of April 29, 1959 (P.L. 58, No. 32) known as "The Vehicle Code." Contained in the Motor Vehicle Code are provisions for the titling, registration and licensing of vehicles, operation of vehicles, vehicle characteristics, and the administration and enforcement of the code.

Administrative Costs: Costs to administer the motor vehicle code tax expenditures are borne by the Department of Transportation and cannot be separately identified.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 |

VEHICLE REGISTRATIONS

Description: Specific entities that request the authority to operate are granted a full or partial exemption from the registration fee. Not shown below are exempt categories with unknown numbers of vehicles which include, for example, mobile/modular homes and off road construction vehicles.

Purpose: This exemption provides relief to the organizations or individuals cited below. Many of those cited are dependent upon charitable contributions or augmented incomes. This exemption is also an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <i>Disabled/Severely Disabled Veterans:</i> | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 |

Beneficiaries: The owners of approximately 8,300 vehicles benefit from this tax expenditure.

Charitable Organizations:

| | | | | | | |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| \$ 1.1 | \$ 1.1 | \$ 1.1 | \$ 1.1 | \$ 1.1 | \$ 1.2 | \$ 1.2 |

Beneficiaries: The owners of approximately 15600 vehicles benefit from this tax expenditure.

Former Prisoners of War:

| | | | | | | |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |

Beneficiaries: The owners of approximately 930 vehicles benefit from this tax expenditure.

Motor License Fund Tax Expenditures

Farm Trucks:

| <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 3.3 | \$ 3.3 | \$ 3.3 | \$ 3.4 | \$ 3.4 | \$ 3.4 | \$ 3.5 |

Beneficiaries: The owners of approximately 11,200 farm trucks benefit from this tax expenditure.

Emergency Vehicles:

| <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 3.8 | \$ 3.9 | \$ 3.9 | \$ 4.0 | \$ 4.0 | \$ 4.0 | \$ 4.1 |

Beneficiaries: Approximately 2,500 volunteer fire departments and an unknown number of other organizations benefit from this tax expenditure.

Fire Department Vehicles:

| <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 3.9 | \$ 3.9 | \$ 4.0 | \$ 4.0 | \$ 4.1 | \$ 4.1 | \$ 4.1 |

Beneficiaries: Approximately 2,500 fire departments benefit from this tax expenditure.

Political Subdivisions:

| <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 15.7 | \$ 15.8 | \$ 16.0 | \$ 16.1 | \$ 16.3 | \$ 16.4 | \$ 16.6 |

Beneficiaries: Approximately 3,100 governmental units benefit from this tax expenditure.

Older Pennsylvanians:

| <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 5.5 | \$ 5.8 | \$ 6.1 | \$ 6.4 | \$ 6.7 | \$ 7.1 | \$ 7.4 |

Beneficiaries: Older Pennsylvanians owning approximately 176,800 vehicles benefit from this tax expenditure.

CARNIVAL TRUCKS/TRUCK TRACTORS

Description: Owners who document with the Department of Transportation that the truck or tractor is used exclusively for the purpose of transporting circus or carnival personnel, equipment, or machinery are granted a reduced registration fee.

Purpose: The reduced registration fee provides partial relief for those vehicles being used only between April 1 and September 30.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |

Beneficiaries: The owners of approximately 130 carnival vehicles benefit from this tax expenditure.

Motor License Fund Tax Expenditures

CERTIFICATES OF TITLE

Description: Ownership of a particular vehicle is recorded by the issuance of a certificate of title for which a fee is charged. Specific entities exempt from this title fee are political subdivisions, totally disabled veterans, emergency vehicles, and foreign nationals.

Purpose: This exemption provides relief to the organizations or individuals cited above. The General Assembly has provided an exemption for these entities due to their perceived special status.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 | \$ 0.2 |

Beneficiaries: The owners of approximately 8,000 vehicles benefit from this tax expenditure.

INSPECTION STICKERS

Description: All vehicles registered in Pennsylvania are required to have periodic safety inspections to insure their roadworthiness. A certificate of inspection is issued for a fee to show the vehicle meets specified safety standards. The Commonwealth administratively grants an exemption from the certificate fee to vehicles operated by political subdivisions.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.3 | \$ 0.3 | \$ 0.3 | \$ 0.3 | \$ 0.3 | \$ 0.3 | \$ 0.3 |

Beneficiaries: Approximately 3,100 governmental units benefit from this tax expenditure.

BRIDGE PERMITS

Description: Bridges on state owned rights-of-way need periodic maintenance and construction work. Permits are issued, for a fee, by the state to perform such work. The Commonwealth administratively grants an exemption from the permit fee to political subdivisions who are performing work for the state.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |

Beneficiaries: As many as 3,100 political subdivisions may benefit from this tax expenditure.

Motor License Fund Tax Expenditures

HAULING PERMITS

Description: Permits, for which a fee is charged, are issued to firms who wish to haul loads that exceed the maximum size or weight specifications of certain highways and bridges. The Commonwealth administratively grants an exemption from the permit fee to political subdivisions.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |

Beneficiaries: As many as 3,100 political subdivisions may benefit from this tax expenditure.

POLICE ACCIDENT REPORTS

Description: Traffic accident reports are generated as a result of any accident where there is bodily injury or death or if one or more vehicles must be towed from the scene. A fee is charged to obtain a copy of the police accident report. The Commonwealth administratively grants an exemption for paying an accident report fee to political subdivisions.

Purpose: This exemption provides local prosecuting officials an aid in law enforcement.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |

Beneficiaries: As many as 3,100 political subdivisions may benefit from this tax expenditure.

Racing Fund Tax Expenditures

The Racing Fund, a special revenue fund, is comprised of monies received from taxes, licenses and fees, and miscellaneous revenues collected by the State Racing Commissions derived from the regulation of harness and horse racing. Prior to December 30, 1983, thoroughbred racing tax revenues consisted of wagering, breakage, and admissions taxes and harness racing tax revenues consisted of wagering and admissions taxes as assessed by the Race Horse Industry Reform Act (Act 135 of December 17, 1981). The Harness Racing Fund and the Horse Racing Fund were combined into the Racing Fund by Act 93 of 1983. This act also amended portions of the Race Horse Industry Reform Act relating to taxation.

Administrative Costs: Administrative costs associated with these tax expenditures are nominal.

WAGERING TAX

Authorization: Act of May 16, 1986 (P.L. 205, No. 63).

NEW CORPORATIONS

Description: Racing Corporations licensed after May 16, 1986 are subject to a reduced wagering tax rate, 1 percent rather than the normal 1.5 percent rate, for a period of four years.

Purpose: This provision may have been perceived as an incentive to promote the formation of new racing corporations.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: Any racing corporation licensed after the cited date will benefit from this tax expenditure.

ADMISSIONS TAX

Authorization: Department of Revenue letter ruling with concurrence of counsel for Racing Commission.

DARK DAY SIMULCASTS

Description: The minimum admissions tax, currently 5 percent of 50 cents, is waived at events where no admission charge is levied and where simulcasts of races from other facilities are featured rather than live races.

Purpose: This provision may have been perceived as a way to promote simulcast attendance at Commonwealth racing facilities.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: All seven racing associations benefit from this tax expenditure.

UNEMPLOYMENT COMPENSATION INSURANCE TAX

Administrative Costs: The costs of administering the tax expenditure associated with the unemployment compensation insurance tax are nominal.

LIMITATION OF THE TAXABLE WAGE BASE _____

Authorization: Act of December 5, 1936 (2nd special session, 1937 P.L. 2897, No. 1), 4(x)(1), as amended, 43 P.S. 753(x)(1).

The purpose of the tax is to provide a fund from which compensation is paid to workers who have become unemployed through no fault of their own. Contributions are required to be made by all employers who pay wages to individuals working in Pennsylvania and whose services are covered under the unemployment compensation law. This tax may include employee contributions withheld by employers from each employee's gross wages. The Pennsylvania Unemployment Compensation Law is administered by the Department of Labor and Industry.

Description: The Commonwealth's unemployment compensation law provides for a limitation of the taxable wage base to the first \$8,000 of wages paid to each employee during a calendar year by an employer. Prior to 1984 the limitation on taxable remuneration had been \$7,000. All state governments are required by the federal government to tax at least the first \$7,000 of subject wages. Many states, including Pennsylvania, have chosen to keep their bases close to the federal minimum. The estimate represents the cost of this limitation as measured by the difference between contributions based on taxable wages and contributions based on total wages. In 1988, legislation was enacted which provides for a "trigger" mechanism to regulate employer and employee contributions. The trigger mechanism working in conjunction with the experience rating system would change tax rates in response to a change in the taxable wage base. The methodology used for this estimate does not incorporate the changes that would occur to the tax rates as a result of tax base changes. Projected tax rates were used to estimate contributions based on currently taxable wages. The same tax rates were used to estimate contributions based on total wages paid by contributory employers.

Purpose: The limitation on taxable wages limits growth in employer tax liabilities that would otherwise occur as wages rise.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | \$6,579.0 | \$7,086.1 | \$7,193.6 | \$7,313.3 | \$7,722.4 | \$8,112.0 | \$8,494.2 |

Beneficiaries: Pennsylvania's unemployment compensation tax system is legislatively designed to generate a sufficient amount of revenue to meet annual benefit payments and maintain an adequate reserve in the state's Unemployment Compensation Trust Fund. Since the tax rates are a function of taxable wages, an increase in the amount of taxable wages to total wages would result in a decrease in the assigned tax rates (trigger mechanism). Ultimately, this would maintain revenues at a level comparable to the current tax structure. This situation, however, involves special treatment for some employers compared to others based upon the level of wages paid to the employees. This special treatment (tax expenditure) would be different for every contributory employer in each major industry division and would have to be calculated on an individual employer basis. In general, under the current system, an employer with higher wage employees benefits by paying on a small portion of total wages. If the taxable wage base were total wages paid to employees, the employer with higher employee wages would have to pay a greater amount in taxes, even though the rate would be reduced significantly.

As of the first quarter of 2005 there were 270,791 contributory employers to the Unemployment Compensation Fund. The following is a breakdown of these employers according to major industry division¹:

| | | | |
|---|--------|---|--------|
| Natural Resources and Mining | 2,601 | Financial Activities | 19,539 |
| Construction | 31,748 | Professional and Business Services..... | 46,866 |
| Manufacturing..... | 15,673 | Education and Health Services..... | 28,188 |
| Trade | 53,867 | Leisure and Hospitality | 25,985 |
| Transportation, Warehousing, Utilities | 7,290 | Other Services..... | 33,925 |
| Information..... | 3,757 | Local Government | 857 |

¹Based on NAICS industry classification. Data may not add to totals due to the unavailability of industry classification for some employers.

PUBLIC TRANSPORTATION ASSISTANCE FUND

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

The Public Transportation Assistance Fund provides for the capital, asset maintenance, and certain other transportation needs of the Commonwealth's public transit entities.

Fund revenues are derived from a motor vehicle lease tax; a motor vehicle rental fee; a fee on the sale of new tires; 0.44 percent of total sales and use tax receipts in lieu of the repealed periodicals tax; 0.09 percent of total sales and use tax receipts in lieu of the repealed lease tax on class four and above motor carriers, and 0.417 percent of sales and use tax in lieu of transfers from the public utility realty tax (PURTA) and the utilities gross receipts tax. By provisions of Act 46 of 2003, beginning in fiscal year 2003-04, revenues associated with the 7.6 mills of PURTA, previously transferred to this fund, will remain in the General Fund. Act 138 of 1996 (electric competition) provided for transfers from the utility gross receipts tax to the Public Transportation Assistance Fund beginning in fiscal year 1998-99. Act 46 of 2003 repealed this transfer effective for fiscal year 2003-04 and forward. Certain entities and transactions are exempt from these taxes and fees. With the exception of the fee on tires and the class 4 and above motor carrier tax expenditure, the remaining tax expenditures parallel those in the General Fund sales and use tax expenditures.

Administrative Costs: Administrative costs are believed to be nominal.

MOTOR VEHICLE LEASE TAX AND MOTOR VEHICLE RENTAL FEE

The Commonwealth levies a 3 percent tax on the total price charged for each lease of a motor vehicle subject to tax under Article II of the Tax Reform Code of 1971.

A fee of \$2 per day or portion of a day is imposed on each rental of a motor vehicle subject to tax under Article II of the Tax Reform Code of 1971.

COMMON CARRIERS

Description: Vehicles leased or rented by a public utility, engaged in business as a common carrier, to be used in rendering utility services are exempt from taxation. Since the enactment of the Federal Aviation Act, effective January 1, 1995, Pennsylvania has recognized contract carriers as common carriers. Household goods carriers and private carriers remain taxable.

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

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | Motor Vehicle Leases: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |
| | Motor Vehicle Rentals: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: Approximately 6,100 common carriers could benefit from this tax expenditure.

Special Fund Tax Expenditures

SCHOOL BUSES

Description: The lease or rental of school buses is exempt from taxation. These buses must be used exclusively for the transportation of children for school purposes. The provision is extended to persons who have contracts with school districts to transport children. For the purposes of this analysis, the majority of these contracts are assumed to be leases.

Purpose: The costs of transporting school children are directly borne by school districts and indirectly by state government through subsidy programs. This exemption, while limiting state Public Transportation Assistance Fund revenues, decreases state educational subsidy costs.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | Motor Vehicle Leases: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 3.1 | \$ 3.2 | \$ 3.3 | \$ 3.3 | \$ 3.4 | \$ 3.5 | \$ 3.6 |
| | Motor Vehicle Rentals: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 |

Beneficiaries: Approximately 5,700 schools may benefit from this tax expenditure.

MOTOR CARRIERS (CLASS 4 AND ABOVE)

Description: Motor carriers in vehicle classes 4 and above are exempt from the motor vehicle lease tax.

Purpose: This exemption benefits those entities engaged in commercial leasing. Presumably, many of these vehicles are operated as common carriers that are normally treated as a utility service.

(Dollar Amounts in Millions)

| | | | | | | | |
|-------------------|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | Motor Vehicle Leases: | | | | | | |
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: The owners of 296,300 motor carrier vehicles (class 4 and above) benefit from this tax expenditure.

Special Fund Tax Expenditures

EXEMPT ORGANIZATIONS

Description: The lease or rental of personal property to or for use by any (1) charitable organization, (2) volunteer fireman's organization, (3) nonprofit educational institution, or (4) religious organization is exempt from taxation. Transactions unrelated to the trade or business of such organizations are taxable.

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

(Dollar Amounts in Millions)

Estimates:

| Motor Vehicle Leases: | | | | | | | |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

| Motor Vehicle Rentals: | | | | | | | |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | NA | NA | NA | NA | NA | NA | NA |

Beneficiaries: Approximately 33,200 organizations may benefit from this tax expenditure.

EXEMPT GOVERNMENTAL UNITS

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

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

(Dollar Amounts in Millions)

Estimates:

| Motor Vehicle Leases: | | | | | | | |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.7 | \$ 0.7 | \$ 0.7 | \$ 0.7 | \$ 0.8 | \$ 0.8 | \$ 0.8 |

| Motor Vehicle Rentals: | | | | | | | |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
| | \$ 0.3 | \$ 0.3 | \$ 0.3 | \$ 0.4 | \$ 0.4 | \$ 0.4 | \$ 0.4 |

Beneficiaries: Approximately 3,100 political subdivisions may benefit from this tax expenditure.

Special Fund Tax Expenditures

TIRE FEE

The Commonwealth imposes a \$1 fee per tire on each sale of new tires intended for highway use.

EXEMPT GOVERNMENTAL UNITS

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

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

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal | Nominal |

Beneficiaries: Approximately 3,100 political subdivisions may benefit from this tax expenditure.



Commonwealth of Pennsylvania

Governor's Executive Budget

*DEPARTMENT
PRESENTATIONS*



GOVERNOR'S OFFICE

The Governor directs and coordinates the work of State Government and guides the programs of the agencies in the direction that assures compliance with existing law, definable needs and administration goals.

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)
2004-05 2005-06 2006-07
ACTUAL AVAILABLE BUDGET

GENERAL FUND:

General Government:

| | | | |
|------------------------|---------------|---------------|---------------|
| Governor's Office..... | \$ 7,320 | \$ 7,400 | \$ 7,300 |
|------------------------|---------------|---------------|---------------|

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|-------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| EXECUTIVE DIRECTION | | | | | | | |
| GENERAL FUND..... | \$ 7,320 | \$ 7,400 | \$ 7,300 | \$ 7,300 | \$ 7,300 | \$ 7,300 | \$ 7,300 |
| 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..... | \$ 7,320 | \$ 7,400 | \$ 7,300 | \$ 7,300 | \$ 7,300 | \$ 7,300 | \$ 7,300 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 7,320 | \$ 7,400 | \$ 7,300 | \$ 7,300 | \$ 7,300 | \$ 7,300 | \$ 7,300 |
| 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..... | \$ 7,320 | \$ 7,400 | \$ 7,300 | \$ 7,300 | \$ 7,300 | \$ 7,300 | \$ 7,300 |

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.

This program also provides for the Governor's Residence. The residence is used for State functions and to provide a domicile for the Governor and the First Family. The expenses for official functions, as well as those essential to managing a household, are paid from the Governor's Office appropriation. The maintenance of the residence is primarily the responsibility of the Department of General Services. Equipment, supplies (except food) and housekeeping services are provided by the department.

Program Recommendations:

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

GENERAL FUND
Governor's Office
 \$ -100 —reduction in administrative costs.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|-------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Governor's Office | \$ 7,320 | \$ 7,400 | \$ 7,300 | \$ 7,300 | \$ 7,300 | \$ 7,300 | \$ 7,300 |



EXECUTIVE OFFICES

To assist the Governor in the administration of State Government, the Office of Administration performs the duties of a central management agency and coordinates through the Office of Information Technology the Commonwealth's information technology strategies. The Office of the Budget performs the duties of a central financial management agency, prepares the annual Governor's Budget and Five Year Financial Plan based upon the Governor's priorities and analysis of program effectiveness, and provides comptroller services for the maintenance and management of all agency accounts in the Commonwealth.

The Office of General Counsel provides legal counsel in matters affecting the operation of State agencies. The Juvenile Court Judges Commission provides technical and financial assistance to the juvenile probation staffs of the county courts. The Inspector General investigates suspected improper use of State resources and investigates and recovers funds disbursed as a result of fraud or overpayment of welfare benefits. The Commission on Crime and Delinquency provides the planning and technical assistance for the improvement of the criminal justice system as well as financial assistance to relieve the financial hardship of individuals who have been victimized by criminal acts.

The Human Relations Commission, the Commission for Women, the African-American Affairs Commission and the Latino Affairs Commission promote equal opportunities for all people in employment, housing, public accommodations and education.

The Rural Development Council works to promote rural development in Pennsylvania. The Council on the Arts provides for encouragement and development of the arts in Pennsylvania. The Public Employee Retirement Commission monitors public employe retirement plans to assure their actuarial viability.

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|-----------------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| GENERAL FUND: | | | |
| General Government: | | | |
| Office of Administration | \$ 8,073^a | \$ 7,951^a | \$ 7,951 |
| (F)Medicaid Service Assurance Initiative..... | 10 | 20 | 0 |
| (A)Classification and Pay Services..... | 2,450 | 2,451 | 2,508 |
| (A)Workplace Support Division (SEAP)..... | 1,947 | 1,636 | 1,636 |
| (A)Clerical Testing Program..... | 57 | 57 | 0 |
| (A)Temporary Clerical Pool..... | 4,600 | 4,683 | 4,683 |
| (A)Bureau of Management Consulting..... | 2,286 | 1,640 | 1,963 |
| (A)Executive Board/Directives Management..... | 278 | 97 | 343 |
| (A)Labor Relations..... | 516 | 795 | 1,771 |
| (A)Managing for Government Responsiveness Training..... | 181 | 214 | 214 |
| (A)Group Life Insurance Program Commissions..... | 88 | 88 | 88 |
| (A)Leadership Development Institute..... | 133 | 102 | 102 |
| Subtotal..... | <u>\$ 20,619</u> | <u>\$ 19,734</u> | <u>\$ 21,259</u> |
| Medicare Part B Penalties | 480 | 536 | 521 |
| Commonwealth Technology Services | 58,522^b | 58,923^b | 64,964 |
| (A)Commonwealth Technology Services..... | 0 | 0 | 51 |
| (A)Radio Local User Fees..... | 0 | 0 | 1 |
| (A)Information Technology Services..... | 0 | 0 | 1,378 |
| (F)DCSI - Electronic Reporting (EA)..... | 1,855 | 1,150 | 356 |
| (F)Juvenile Accountability Incentive Block Grants (EA)..... | 448 | 0 | 0 |
| (F)Juvenile Tracking System Development (EA)..... | 405 | 350 | 0 |
| (F)Public Health Threat Identification and Response (EA)..... | 400 | 0 | 0 |
| (F)Public Health Preparedness (EA)..... | 0 | 500 | 0 |
| Subtotal..... | <u>\$ 61,630</u> | <u>\$ 60,923</u> | <u>\$ 66,750</u> |
| Integrated Enterprise System | 43,871^c | 40,514^c | 16,327 |
| (A)Integrated Enterprise System..... | 0 | 0 | 20,290 |
| (A)Supplier Relationship Management System..... | 0 | 0 | 830 |
| (A)Applications Development..... | 0 | 0 | 804 |
| Subtotal..... | <u>\$ 43,871</u> | <u>\$ 40,514</u> | <u>\$ 38,251</u> |
| Office of Inspector General | 3,350 | 3,339 | 3,339 |
| (A)Reimbursements for Special Fund Investigations..... | 1,050 | 1,100 | 1,100 |
| Subtotal..... | <u>\$ 4,400</u> | <u>\$ 4,439</u> | <u>\$ 4,439</u> |
| Inspector General - Welfare Fraud | 12,979 | 13,100 | 13,600 |
| (F)TANFBG - Program Accountability..... | 1,800 | 1,500 | 1,500 |
| (F)Food Stamps - Program Accountability..... | 5,832 | 6,755 | 6,324 |
| (F)Medical Assistance - Program Accountability..... | 2,565 | 4,000 | 4,286 |
| (F)CCDFBG - Subsidized Day Care Fraud..... | 600 | 1,000 | 1,057 |
| Subtotal..... | <u>\$ 23,776</u> | <u>\$ 26,355</u> | <u>\$ 26,767</u> |
| Office of the Budget | 31,613^d | 31,526^d | 31,526 |
| (F)WIA - Program Accountability..... | 400 | 400 | 400 |
| (F)Aging and Disability Resource Center..... | 386 | 384 | 462 |
| (F)Health Care Access..... | 0 | 900 | 260 |
| (F)Long-term Care Initiative..... | 400 | 391 | 322 |
| (F)Quality Assurance Improvement..... | 272 | 303 | 416 |
| (F)Real Choice - Housing Integration..... | 0 | 575 | 490 |
| (F)Real Choice Systems Change..... | 0 | 600 | 0 |
| (F)Medical Assistance Disabled Access..... | 0 | 180 | 100 |
| (F)Real Choice - Systems Transformation..... | 0 | 700 | 0 |
| (F)Hurricane Katrina Victims Travel Expenses (EA)..... | 0 | 5,000 | 0 |
| (A)Support for Commonwealth Payroll Operations..... | 6,338 | 7,083 | 7,083 |
| (A)Support for PLCB Comptroller's Office..... | 7,531 | 8,070 | 8,070 |
| (A)Support for Comptroller Services..... | 17,611 | 18,937 | 18,937 |
| (A)Cash and Counseling..... | 0 | 0 | 250 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| Subtotal..... | \$ 64,551 | \$ 75,049 | \$ 68,316 |
| Audit of the Auditor General..... | 0 | 100 | 0 |
| Office of General Counsel..... | 4,430 | 3,987 | 3,987 |
| (A)CLE Registration Fees..... | 25 | 100 | 71 |
| Subtotal..... | \$ 4,455 | \$ 4,087 | \$ 4,058 |
| Rural Development Council..... | 213 | 188 | 209 |
| (F)Rural Development..... | 50 | 80 | 0 |
| (F)PA Community Resource Matrix..... | 25 | 0 | 0 |
| Subtotal..... | \$ 288 | \$ 268 | \$ 209 |
| Human Relations Commission..... | 10,284 | 10,323 | 10,699 |
| (F)EEOC - Special Project Grant..... | 2,000 | 2,000 | 2,000 |
| (F)HUD - Special Project Grant..... | 3,500 | 3,500 | 3,500 |
| (A)Miscellaneous Revenues..... | 13 | 25 | 25 |
| Subtotal..... | \$ 15,797 | \$ 15,848 | \$ 16,224 |
| Latino Affairs Commission..... | 219 | 212 | 235 |
| African American Affairs Commission..... | 344 | 318 | 329 |
| Asian-American Affairs Commission..... | 0 | 139 | 144 |
| Council on the Arts..... | 1,115 | 1,138 | 1,197 |
| (F)NEA - Grants to the Arts - Administration..... | 250 | 240 | 240 |
| Subtotal..... | \$ 1,365 | \$ 1,378 | \$ 1,437 |
| Commission for Women..... | 273 | 273 | 285 |
| Juvenile Court Judges Commission..... | 2,181 | 2,129 | 2,229 |
| Public Employee Retirement Commission..... | 707 | 721 | 746 |
| Commission on Crime and Delinquency..... | 4,550 | 4,073 | 4,073 |
| (F)Plan for Juvenile Justice..... | 330 | 350 | 350 |
| (F)DCSI - Administration..... | 1,524 | 1,883 | 1,883 |
| (F)DCSI - Program Grants..... | 26,400 | 30,000 | 30,000 |
| (F)Justice Assistance Grants..... | 0 | 1,000 ^e | 20,000 |
| (F)DCSI - Criminal History Records..... | 10 | 10 | 10 |
| (F)Juvenile Justice - Title V..... | 1,000 | 3,000 | 2,000 |
| (F)Juvenile Justice - Title V - Administration..... | 15 | 28 | 28 |
| (F)Statistical Analysis Center..... | 25 | 150 | 150 |
| (F)Criminal Identification Technology..... | 4,400 | 4,800 | 4,800 |
| (F)Crime Victims Compensation Services..... | 863 | 8,053 | 6,101 |
| (F)Crime Victims Assistance..... | 16,000 | 18,000 | 18,000 |
| (F)Violence Against Women..... | 5,000 | 6,000 | 6,000 |
| (F)Violence Against Women - Administration..... | 135 | 250 | 250 |
| (F)Juvenile Justice State Challenge Grants..... | 300 | 400 | 100 |
| (F)Local Law Enforcement Block Grant..... | 2,400 | 4,000 | 1,000 |
| (F)Truth in Sentencing Incentive Grants..... | 25,000 | 60,000 ^f | 40,000 |
| (F)Residential Substance Abuse Treatment Program..... | 2,950 | 3,000 | 3,000 |
| (F)DFSC - Special Programs..... | 4,600 | 5,200 | 5,200 |
| (F)Crime Victims Assistance (VOCA) - Admin/Operations..... | 930 | 1,148 | 1,148 |
| (F)Juvenile Accountability Incentive Program..... | 13,500 | 10,000 | 8,000 |
| (F)Juvenile Accountability Incentive Program - Administration..... | 200 | 240 | 190 |
| (F)Combat Underage Drinking Program..... | 450 | 550 | 550 |
| (F)Pennsylvanians Against Underage Drinking..... | 400 | 500 | 1,000 |
| (F)Juvenile Justice and Delinquency Prevention..... | 2,800 | 4,500 | 4,500 |
| (F)Safe Neighborhoods..... | 1,450 | 1,600 | 1,600 |
| (F)Forensic Science Program..... | 150 | 400 | 500 |
| (F)Drug Court Coordination..... | 0 | 200 | 200 |
| (F)Integrated Justice Data Hubs..... | 500 | 500 | 500 |
| (F)Services for Human Trafficking Victims..... | 0 | 295 | 295 |
| (F)Victims' Rights Compliance Project..... | 0 | 75 | 100 |
| (F)Protection Orders..... | 0 | 0 | 1,031 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| (F)Sexual Assault Services Program..... | 0 | 0 | 2,000 |
| (F)Statewide Automated Victim Information Notification..... | 0 | 600 _g | 1,250 |
| (F)Terrorism Awareness and Prevention (EA)..... | 40 | 40 | 0 |
| (F)Homeland Security Master Trainer (EA)..... | 150 | 200 | 0 |
| (F)VOCA - Flight 93 Disaster - Assistance & Reimbursements (EA)..... | 451 | 1,200 | 0 |
| (F)Early Childhood Analysis (EA)..... | 0 | 75 | 75 |
| (A)PCCD - Special Projects..... | 2 | 2 | 2 |
| Subtotal..... | \$ 116,525 | \$ 172,322 | \$ 165,886 |
| Partnership for Safe Children..... | 5,974 | 5,675 | 5,675 |
| Victims of Juvenile Crime..... | 3,631 | 3,450 | 3,450 |
| Weed and Seed Program..... | 3,340 | 3,423 | 3,173 |
| Subtotal..... | \$ 3,340 | \$ 3,423 | \$ 3,173 |
| Subtotal - State Funds..... | \$ 196,149 | \$ 192,038 | \$ 174,659 |
| Subtotal - Federal Funds..... | 133,171 | 198,775 | 183,524 |
| Subtotal - Augmentations..... | 45,106 | 47,080 | 72,200 |
| Total - General Government..... | \$ 374,426 | \$ 437,893 | \$ 430,383 |
| Grants and Subsidies: | | | |
| Intermediate Punishment Programs..... | \$ 3,430 | \$ 3,430 | \$ 3,430 |
| Intermediate Punishment Drug and Alcohol Treatment..... | 13,325 | 15,825 | 15,825 |
| Drug Education and Law Enforcement..... | 3,101 | 2,791 | 2,791 |
| Research-Based Violence Prevention..... | 7,281 | 5,965 | 4,790 |
| (F)TANFBG - Nurse Home Visitation..... | 3,784 | 0 | 0 |
| Improvement of Juvenile Probation Services..... | 5,918 | 5,918 | 5,918 |
| Safe Neighborhoods..... | 3,700 | 6,825 | 0 |
| Violence Reduction..... | 0 | 1,150 | 0 |
| Specialized Probation Services..... | 15,326 | 13,793 | 13,793 |
| Law Enforcement Activities..... | 7,500 | 7,500 | 0 |
| Grants to the Arts..... | 14,500 | 14,500 | 15,225 |
| (F)NEA - Grants to the Arts..... | 750 | 623 | 526 |
| Cultural Activities..... | 0 | 5,260 | 0 |
| Subtotal - State Funds..... | \$ 74,081 | \$ 82,957 | \$ 61,772 |
| Subtotal - Federal Funds..... | 4,534 | 623 | 526 |
| Total - Grants and Subsidies..... | \$ 78,615 | \$ 83,580 | \$ 62,298 |
| STATE FUNDS..... | \$ 270,230 | \$ 274,995 | \$ 236,431 |
| FEDERAL FUNDS..... | 137,705 | 199,398 | 184,050 |
| AUGMENTATIONS..... | 45,106 | 47,080 | 72,200 |
| GENERAL FUND TOTAL..... | \$ 453,041 | \$ 521,473 | \$ 492,681 |
| MOTOR LICENSE FUND: | | | |
| General Government: | | | |
| Office of the Budget..... | \$ 5,457 | \$ 5,831 | \$ 5,831 |
| (A)Reimbursement for Comptroller Services..... | 619 | 792 | 792 |
| Subtotal..... | \$ 6,076 | \$ 6,623 | \$ 6,623 |
| Statewide Public Safety Radio System..... | 5,871 | 5,871 | 10,751 |
| Integrated Enterprise System Plant Maintenance..... | 0 | 0 | 5,034 |
| Subtotal - State Funds..... | \$ 11,328 | \$ 11,702 | \$ 21,616 |
| Subtotal - Augmentations..... | 619 | 792 | 792 |
| Total - General Government..... | \$ 11,947 | \$ 12,494 | \$ 22,408 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|------------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| STATE FUNDS..... | \$ 11,328 | \$ 11,702 | \$ 21,616 |
| AUGMENTATIONS..... | 619 | 792 | 792 |
| MOTOR LICENSE FUND TOTAL..... | \$ 11,947 | \$ 12,494 | \$ 22,408 |
| <u>TOBACCO SETTLEMENT FUND:</u> | | | |
| <i>Grants and Subsidies:</i> | | | |
| Transfer to Health Endowment Account (EA)..... | \$ 30,721 ^h | \$ 29,301 ^h | \$ 0 |
| Transfer of Lapse Amounts to the Endowment Acct (04-05) (EA)..... | 0 | 1,500 | 0 |
| Transfer of Lapse Amounts to the Endowment Acct (EA)..... | 0 | 4,445 | 3,697 |
| Total - Grants and Subsidies..... | \$ 30,721 | \$ 35,246 | \$ 3,697 |
| TOBACCO SETTLEMENT FUND TOTAL..... | \$ 30,721 | \$ 35,246 | \$ 3,697 |
| <u>OTHER FUNDS:</u> | | | |
| GENERAL FUND: | | | |
| Victim/Witness Services..... | \$ 6,818 | \$ 6,577 | \$ 7,483 |
| Crime Victims Reimbursements..... | 8,847 | 6,000 | 7,884 |
| Constables Education and Training Account..... | 2,102 | 1,881 | 2,118 |
| Deputy Sheriffs Education and Training Account..... | 3,018 | 265 | 3,094 |
| Drug Abuse Resistance Education..... | 61 | 68 | 68 |
| GENERAL FUND TOTAL..... | \$ 20,846 | \$ 14,791 | \$ 20,647 |
| SUBSTANCE ABUSE EDUCATION AND DEMAND REDUCTION FUND: | | | |
| Substance Abuse Education & Demand Reduction Programs..... | \$ 0 | \$ 1,230 | \$ 5,439 |
| Substance Abuse Education & Demand Reduction - Admin..... | 0 | 65 | 120 |
| SUBSTANCE ABUSE EDUCATION AND DEMAND REDUCTION FUND TOTAL... | \$ 0 | \$ 1,295 | \$ 5,559 |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 270,230 | \$ 274,995 | \$ 236,431 |
| SPECIAL FUNDS..... | 42,049 | 46,948 | 25,313 |
| FEDERAL FUNDS..... | 137,705 | 199,398 | 184,050 |
| AUGMENTATIONS..... | 45,725 | 47,872 | 72,992 |
| OTHER FUNDS..... | 20,846 | 16,086 | 26,206 |
| TOTAL ALL FUNDS..... | \$ 516,555 | \$ 585,299 | \$ 544,992 |

^a 2004-05 Actual appropriated as \$8,638,000 and 2005-06 Available appropriated as \$8,516,000. Adjustment amounts reflect net effect of transfers for reorganizations of administrative and information technology operations.

^b 2004-05 Actual appropriated as \$59,743,000 and 2005-06 Available appropriated as \$60,144,000. Adjustment amounts reflect net effect of transfers for reorganizations of administrative and information technology operations.

^c 2004-05 Actual appropriated as \$43,067,000 and 2005-06 Available appropriated as \$39,710,000. Adjustment amounts reflect net effect of transfers for reorganizations of administrative and information technology operations.

^d 2004-05 Actual appropriated as \$30,631,000 and 2005-06 Available appropriated as \$30,544,000. Adjustment amounts reflect net effect of transfers for reorganizations of administrative and information technology operations.

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

^f Includes recommended supplemental appropriation of \$20,000,000.

^g Includes recommended supplemental appropriation of \$600,000.

^h Funds are actually deposited to the Endowment Account for Long-Term Hope immediately upon receipt of settlement payments.

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| EXECUTIVE DIRECTION | | | | | | | |
| GENERAL FUND..... | \$ 167,308 | \$ 164,398 | \$ 139,183 | \$ 138,946 | \$ 136,643 | \$ 134,543 | \$ 134,543 |
| SPECIAL FUNDS..... | 42,049 | 46,948 | 25,313 | 21,875 | 21,875 | 21,875 | 21,875 |
| FEDERAL FUNDS..... | 15,448 | 24,788 | 15,973 | 15,973 | 15,973 | 15,973 | 15,973 |
| OTHER FUNDS..... | 45,685 | 47,745 | 72,894 | 72,894 | 72,894 | 72,894 | 72,894 |
| SUBCATEGORY TOTAL..... | \$ 270,490 | \$ 283,879 | \$ 253,363 | \$ 249,688 | \$ 247,385 | \$ 245,285 | \$ 245,285 |
| LEGAL SERVICES | | | | | | | |
| GENERAL FUND..... | \$ 4,430 | \$ 3,987 | \$ 3,987 | \$ 3,987 | \$ 3,987 | \$ 3,987 | \$ 3,987 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 25 | 100 | 71 | 71 | 71 | 71 | 71 |
| SUBCATEGORY TOTAL..... | \$ 4,455 | \$ 4,087 | \$ 4,058 | \$ 4,058 | \$ 4,058 | \$ 4,058 | \$ 4,058 |
| PREVENTION AND ELIMINATION OF DISCRIMINATORY PRACTICES | | | | | | | |
| GENERAL FUND..... | \$ 11,120 | \$ 11,265 | \$ 11,692 | \$ 11,692 | \$ 11,692 | \$ 11,692 | \$ 11,692 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 |
| OTHER FUNDS..... | 13 | 25 | 25 | 25 | 25 | 25 | 25 |
| SUBCATEGORY TOTAL..... | \$ 16,633 | \$ 16,790 | \$ 17,217 | \$ 17,217 | \$ 17,217 | \$ 17,217 | \$ 17,217 |
| DEVELOPMENT OF ARTISTS AND AUDIENCES | | | | | | | |
| GENERAL FUND..... | \$ 15,615 | \$ 20,898 | \$ 16,422 | \$ 16,422 | \$ 16,422 | \$ 16,422 | \$ 16,422 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 1,000 | 863 | 766 | 766 | 766 | 766 | 766 |
| OTHER FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUBCATEGORY TOTAL..... | \$ 16,615 | \$ 21,761 | \$ 17,188 | \$ 17,188 | \$ 17,188 | \$ 17,188 | \$ 17,188 |
| CRIMINAL AND JUVENILE JUSTICE PLANNING AND COORDINATION | | | | | | | |
| GENERAL FUND..... | \$ 44,632 | \$ 44,632 | \$ 43,207 | \$ 43,207 | \$ 43,207 | \$ 43,207 | \$ 43,207 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 115,757 | 168,247 | 161,811 | 161,811 | 161,811 | 161,811 | 161,811 |
| OTHER FUNDS..... | 20,848 | 16,088 | 26,208 | 26,208 | 26,208 | 26,208 | 26,208 |
| SUBCATEGORY TOTAL..... | \$ 181,237 | \$ 228,967 | \$ 231,226 | \$ 231,226 | \$ 231,226 | \$ 231,226 | \$ 231,226 |
| REINTEGRATION OF JUVENILE DELINQUENTS | | | | | | | |
| GENERAL FUND..... | \$ 27,125 | \$ 29,815 | \$ 21,940 | \$ 21,940 | \$ 21,940 | \$ 21,940 | \$ 21,940 |
| 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..... | \$ 27,125 | \$ 29,815 | \$ 21,940 | \$ 21,940 | \$ 21,940 | \$ 21,940 | \$ 21,940 |

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 270,230 | \$ 274,995 | \$ 236,431 | \$ 236,194 | \$ 233,891 | \$ 231,791 | \$ 231,791 |
| SPECIAL FUNDS..... | 42,049 | 46,948 | 25,313 | 21,875 | 21,875 | 21,875 | 21,875 |
| FEDERAL FUNDS..... | 137,705 | 199,398 | 184,050 | 184,050 | 184,050 | 184,050 | 184,050 |
| OTHER FUNDS..... | 66,571 | 63,958 | 99,198 | 99,198 | 99,198 | 99,198 | 99,198 |
| DEPARTMENT TOTAL..... | \$ 516,555 | \$ 585,299 | \$ 544,992 | \$ 541,317 | \$ 539,014 | \$ 536,914 | \$ 536,914 |

PROGRAM OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Commonwealth can be achieved.

Program: Executive Direction

The Executive Direction Program provides administrative support and policy direction for implementing, maintaining and monitoring the substantive programs of the Commonwealth.

Program Element: Administration

The Office of Administration provides administrative support and policy direction of centralized human resource services to all agencies under the Governor's jurisdiction. The Office of Administration provides leadership in transformation of human resource business systems and processes through implementation of the Enterprise Resource Planning initiative, Integrated Enterprise System. The Office of Administration sustains positive working relationships with unions, negotiating and administering collective bargaining agreements between the Commonwealth and the various unions representing State employees under the provision of the Public Employee Relations Act of 1970, as well as administering the classification, salary, and benefits structures for all employees. The Office of Administration maximizes performance through attracting, developing, training and retaining human resources. The Office of Administration also assures a diverse workforce and workplace free from discrimination by administering the Commonwealth's Equal Employment Opportunity (EEO) policy and programs.

The Office of Administration also provides overall direction and support for the Governor's cost saving, revenue enhancement and customer service initiatives through the Office of Management and Productivity.

Program Element: Information Technology

The Office of Administration is responsible for developing and administering statewide policies and standards governing management and use of the Commonwealth's information technology (IT) resources.

The Deputy Secretary for Information Technology/ State Chief Information Officer (CIO) is responsible for developing and administering statewide policies and standards governing the management and use of the Commonwealth's IT resources. A Communities of Practice (CoP) Deputy CIO monitors agency IT project performance, sets strategic direction, approves plans, addresses IT staff and budget issues and drives the CoP agencies toward system integration and shared application and maintenance paradigms.

The **Deputy CIO for the Health and Human Services** Team supports agencies by providing project and contract management for selected projects such as the Community-Based Service Integration Project, initiated in 2005.

The **Deputy CIO for Environment** oversees and leads geospatial technology (GT) projects involving local, state and federal agencies, and implements GT data standards to facilitate data and system interoperability at all levels of government.

The **Deputy CIO for the Public Safety** Team manages the Justice Network (JNET, a secure, virtual system for the sharing of justice information by authorized users at the federal, state, county and local levels), the Statewide Public Safety Radio System (a two way wireless communications network for both voice and data, which includes a statewide web of radio towers and smaller cell sites linked together with fiber optics and microwave relays), and the Offender Management System (OMS, a joint project between the Department of Corrections and the Board of Probation & Parole for the management of offender information).

The **Deputy CIO for General Government Operations** Team and agency members are responsible for enhancements to the PA Open for Business (PAO4B) Portal, developing a coordinated approach for grants management within the Commonwealth enterprise, replacing the Department of State's Corporation Registration System for the maintenance of data on more than 1.5 million companies that do business in the Commonwealth and for completing the roll out of the Statewide Uniform Registry of Electors (SURE) to the remaining 11 counties in an effort to improve public, state, and county access to election registration data.

The **Integrated Enterprise System** serves to maintain, improve, and grow the Enterprise Resource Planning (ERP) system to accommodate the administrative and operational requirements of the Commonwealth and to promote standardization of business processes in an effective, efficient manner. The IES Team works directly with business owner agencies (Governor's Budget Office, Comptroller Operations, Department of General Services, and the Office of Human Resources & Management) to refine business processes and system operating efficiencies. In addition, IES is involved with the deployment of additional ERP modules, including Supplier Relationship Management (SRM) with DGS, and Plant Maintenance with PA DOT.

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

Program: Executive Direction (continued)

designed to maintain public confidence, integrity and efficiency in State Government.

The Office of Inspector General's Welfare Fraud Investigations and Recovery Operation is responsible for conducting investigations into suspected welfare fraud and abuse as well as performing collection activities for welfare programs administered by the Department of Public Welfare. The collection activities involve the recovery of benefits provided due to clerical errors, omissions or inaccurate information supplied by applicants, and in the case of medical assistance, charges for services exceeding allowable amounts. In addition, the Office of Inspector General recovers the costs of benefits provided to recipients who are eligible for Supplemental Security Income, tort recoveries, unemployment compensation, workers' compensation and veterans' benefits.

Program Element: Commonwealth Budget and Accounting

The Office of the Budget assists the Governor in formulating fiscal policies and procedures and in preparing the Commonwealth Budget for delivery to the General Assembly. The establishment of authorized complement levels for those agencies within the scope of authority of the Governor is the responsibility of the Office of the Budget. The office also prepares fiscal notes and reviews proposed regulations as mandated by Act 149 of 1978.

In addition, the Office of the Budget provides accounting,

auditing and financial advisory and supportive services to all Commonwealth agencies and is responsible for the publishing of the Comprehensive Annual Financial Report (CAFR). The office also provides resources and support to the Integrated Enterprise System initiative.

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. The Council's responsibilities include: assessing Pennsylvania's rural development needs, identifying the State's various available resources and compiling and analyzing data to produce insights into rural development.

Program Element: Public Employee Pensions

The Public Employee Retirement Commission, in accordance with Act 66 of 1981, is mandated to provide actuarial analyses to the General Assembly and the Governor in conjunction with their consideration of public pension legislation and to study and advise on public employee pension policy. Under Act 293 of 1972, the commission reviews actuarial valuation reports filed by county employee retirement plans. Under Act 205 of 1984 the commission regulates and enforces the actuarial funding standards governing municipal pension plans and certifies the cost data utilized in allocating General Municipal Pension System State Aid.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Office of Administration: | | | | | | | |
| Cost per contract hour of management/supervisory training | \$31.74 | \$34.68 | \$34.68 | \$34.68 | \$34.68 | \$34.68 | \$34.68 |
| Contact hours of briefings and training for Human Resource professionals and others | 14,778 | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 |
| Reclassification requests (Approved/Disapproved/Modified/Returned Without Action) | 1,152 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Vacancies Filled by New Hires (Permanent/Temporary) | 4,236 | 9,532 | 9,532 | 9,532 | 9,532 | 9,532 | 9,532 |
| EEO complaints investigated | 390 | 260 | 260 | 260 | 260 | 260 | 260 |
| Office for Information Technology: | | | | | | | |
| Enterprise Help Desk - System Availability Application is accessible 99% during business hours (Bureau of Services and Solutions)* | N/A | 99.5% | 99.7% | 99.9% | 99.9% | 99.9% | 99.9% |
| Maintain high availability (99.5%) of e-mail system during working hours (Bureau of Infrastructure and Operations)** | 99.5% | 99.5% | 99.6% | 99.7% | 99.8% | 99.9% | 99.9% |
| Application availability to law enforcement and other government agencies (JNET)* | 97.0% | 98.0% | 98.5% | 98.8% | 98.8% | 99.0% | 99.0% |
| User online availability of SAP to Commonwealth employees (IES)* | 98.7% | 98.7% | 98.1% | 98.1% | 98.1% | 98.1% | 98.1% |
| Office of the Budget: | | | | | | | |
| Months between fiscal year end and CAFR publication | 6.0 | 5.5 | 5.0 | 4.5 | 4.0 | 4.0 | 4.0 |
| Percent of invoices that are electronic | | | | | | | |

Executive Offices

Program: Executive Direction (continued)

| Program Measures: (continued) | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|----------|----------|----------|----------|----------|----------|----------|
| invoices | 39% | 41% | 43% | 45% | 47% | 49% | 51% |
| Pay percentage of invoices with 30 days from receipt of invoice (baseline date in SAP) | 82% | 83% | 84% | 85% | 86% | 87% | 88% |
| Audits and Engagements - Percentage of comments/recommendations implemented* | 84% | 85% | 86% | 87% | 88% | 89% | 90% |
| Comptroller Operations Federal Accounting - Percent of Federal funds drawn within 7 calendar days* | 99.5% | 99.5% | 99.5% | 99.5% | 99.5% | 99.5% | 99.5% |
| Office of Inspector General: | | | | | | | |
| General investigations* | 400 | 390 | 350 | 350 | 350 | 350 | 350 |
| Arrest investigations* | 27 | 25 | 20 | 20 | 20 | 20 | 20 |
| Background investigations* | 137 | 148 | 140 | 140 | 140 | 140 | 140 |
| Office of Inspector General/Welfare Fraud: | | | | | | | |
| Collections, recovery, and recoupments (in thousands) | \$34,569 | \$39,800 | \$39,800 | \$39,800 | \$39,800 | \$39,800 | \$39,800 |
| Fraud Prevention: DPW Referrals* | 21,895 | 21,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 |
| Fraud Prevention: Investigations* | 21,073 | 20,500 | 21,500 | 21,500 | 21,500 | 21,500 | 21,500 |
| Fraud Prevention: Ineligibility Determination* | 10,898 | 10,500 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 |
| Fraud Investigations/Prosecutions/ Administrative Disqualification Hearings* | 6,249 | 5,500 | 6,500 | 6,500 | 6,500 | 6,500 | 6,500 |
| Pharmacy Reviews: Reviews conducted* | NA | 100 | 200 | 200 | 200 | 200 | 200 |
| Durable Medical/Equipment Reviews - Reviews Conducted* | NA | 50 | 100 | 100 | 100 | 100 | 100 |

EEO complaints investigated reflects a revised methodology. Formal complaints at either the agency or Office of Administration are counted, however, inquiries not in the form of a formal complaint are excluded.

Office of the Budget: The reduction in time to produce the CAFR may have a favorable impact on the Commonwealth's bond rating as well as provide more timely financial information for management.

Fraud investigations decrease in 2005-06 from 2004-05, reflecting fewer referrals on Food Stamp trafficking from the Department of Public Welfare; 2006-07 reflects increased investigative activities.

*New program measure.

**Measure retitled.

Program Recommendations:

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

| | |
|---|--|
| <p>GENERAL FUND</p> <p>Medicare Part B Penalties</p> <p>\$ -15 —to continue current program.</p> <p>Commonwealth Technology Services</p> <p>\$ -1,677 —Initiative—Operational efficiency. Savings from replacing contracted information technology services with agency staff.</p> <p>4,000 —Initiative—Digital Base Map. To develop a seamless digital base map of Pennsylvania.</p> <p>3,718 —to continue current program.</p> <hr/> <p>\$ 6,041 <i>Appropriation Increase</i></p> <p>Integrated Enterprise System</p> <p>\$ -3,897 —reduced operating costs.</p> <p>-20,290 —reduction due to implementation of administrative billings.</p> <hr/> <p>\$ -24,187 <i>Appropriation Decrease</i></p> | <p>Inspector General - Welfare Fraud</p> <p>\$ 500 —to continue current program.</p> <p>Audit of the Auditor General</p> <p>\$ -100 —nonrecurring cost.</p> <p>Rural Development Council</p> <p>\$ 21 —to continue current program.</p> <p>Public Employee Retirement Commission</p> <p>\$ 25 —to continue current program.</p> <p>Law Enforcement Activities</p> <p>\$ -7,500 —nonrecurring project.</p> |
|---|--|

Program: Executive Direction (continued)

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

| | | |
|------------|---|--|
| | MOTOR LICENSE FUND | |
| | Statewide Public Safety Radio System | Transfer of Lapse Amounts to the Endowment Account (04-05) (EA) |
| \$ 4,880 | —to continue current program. | \$ -1,500 —reduction in lapse amounts. |
| | Integrated Enterprise System Plant Maintenance | Transfer of Lapse Amounts to the Endowment Account (EA) |
| \$ 5,034 | —new infrastructure software support. | \$ -748 —reduction in lapse amounts. |
| | TOBACCO SETTLEMENT FUND | |
| | Transfer to Health Endowment Account (EA) | |
| \$ -29,301 | —funding proposed for re-distribution as outlined in the Tobacco Settlement Fund presentation in Section C. | All other appropriations are recommended at the current year funding levels. |

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Office of Administration | \$ 8,073 | \$ 7,951 | \$ 7,951 | \$ 7,951 | \$ 7,951 | \$ 7,951 | \$ 7,951 |
| Medicare Part B Penalties | 480 | 536 | 521 | 521 | 521 | 521 | 521 |
| Commonwealth Technology Services | 58,522 | 58,923 | 64,964 | 64,727 | 62,324 | 60,324 | 60,324 |
| Integrated Enterprise System | 43,871 | 40,514 | 16,327 | 16,327 | 16,327 | 16,327 | 16,327 |
| Office of Inspector General | 3,350 | 3,339 | 3,339 | 3,339 | 3,339 | 3,339 | 3,339 |
| Inspector General - Welfare Fraud | 12,979 | 13,100 | 13,600 | 13,600 | 13,600 | 13,600 | 13,600 |
| Office of the Budget | 31,613 | 31,526 | 31,526 | 31,526 | 31,526 | 31,526 | 31,526 |
| Audit of the Auditor General | 0 | 100 | 0 | 0 | 100 | 0 | 0 |
| Rural Development Council | 213 | 188 | 209 | 209 | 209 | 209 | 209 |
| Public Employee Retirement Commission .. | 707 | 721 | 746 | 746 | 746 | 746 | 746 |
| Law Enforcement Activities | 7,500 | 7,500 | 0 | 0 | 0 | 0 | 0 |
| TOTAL GENERAL FUND | \$ 167,308 | \$ 164,398 | \$ 139,183 | \$ 138,946 | \$ 136,643 | \$ 134,543 | \$ 134,543 |
| MOTOR LICENSE FUND: | | | | | | | |
| Office of the Budget | \$ 5,457 | \$ 5,831 | \$ 5,831 | \$ 5,831 | \$ 5,831 | \$ 5,831 | \$ 5,831 |
| Statewide Public Safety Radio System | 5,871 | 5,871 | 10,751 | 11,010 | 11,010 | 11,010 | 11,010 |
| Integrated Enterprise System Plant Maintenance | 0 | 0 | 5,034 | 5,034 | 5,034 | 5,034 | 5,034 |
| TOTAL MOTOR LICENSE FUND | \$ 11,328 | \$ 11,702 | \$ 21,616 | \$ 21,875 | \$ 21,875 | \$ 21,875 | \$ 21,875 |
| TOBACCO SETTLEMENT FUND: | | | | | | | |
| Transfer to Health Endowment Account (EA) | \$ 30,721 | \$ 29,301 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Transfer of Lapse Amounts to the Endowment Acct (04-05) (EA) | 0 | 1,500 | 0 | 0 | 0 | 0 | 0 |
| Transfer of Lapse Amounts to the Endowment Acct (EA) | 0 | 4,445 | 3,697 | 0 | 0 | 0 | 0 |
| TOTAL TOBACCO SETTLEMENT FUND | \$ 30,721 | \$ 35,246 | \$ 3,697 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

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 (OGC). 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. OGC 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 also oversees the Labor and Employment Office, which provides legal services to all agencies, boards, and commissions under the Governor's jurisdiction in all areas of employment law. 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)

The Office of General Counsel appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Office of General Counsel | \$ 4,430 | \$ 3,987 | \$ 3,987 | \$ 3,987 | \$ 3,987 | \$ 3,987 | \$ 3,987 |

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 also provides information from state government directly to the African American community.

The Commission for Women functions as the Commonwealth's advocate for women and girls, and is responsible for developing and implementing policies and programs that work to ensure equal opportunity. In addition to legislative advocacy, the commission monitors women's employment and educational needs, promotes healthcare awareness and political participation. The commission's work includes the dissemination of information through its website and hotline, as well as the publication of periodicals and handbooks; news releases to press and broadcast media; speeches to groups and media appearances.

The Commission on Asian American Affairs is an advocate agency for the Asian American residents of the Commonwealth. It advises the Governor on policies, procedures, legislation and regulations that affect the growing Asian American communities in Pennsylvania. The commission also serves as a resource to Commonwealth departments and agencies on how to better serve the Asian American communities.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Human Relations Commission: | | | | | | | |
| Formal complaint investigation: | | | | | | | |
| Average complaints active | 15,683 | 14,750 | 14,750 | 14,750 | 14,750 | 14,750 | 14,750 |
| Complaints closed | 4,817 | 4,800 | 4,800 | 4,800 | 4,800 | 4,800 | 4,800 |
| Financial awards to complainants | | | | | | | |
| (thousands) | \$11,722 | \$11,500 | \$11,500 | \$11,500 | \$11,500 | \$11,500 | \$11,500 |
| Case settlement rate | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% |
| Commission for Women: | | | | | | | |
| Website visits for educational, employment, and health care information | 100,000 | 150,000 | 205,000 | 208,000 | 210,000 | 215,000 | 215,000 |

Program: Prevention and Elimination of Discriminatory Practices (continued)

Program Recommendations:

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

| | | | | | |
|----|-----|---|----|----|---|
| \$ | 376 | Human Relations Commission —to continue current program. | \$ | 5 | Asian American Affairs Commission —to continue current program. |
| \$ | 23 | Latino Affairs Commission —to continue current program. | \$ | 12 | Commission for Women —to continue current program. |
| \$ | 11 | African American Affairs Commission —to continue current program. | | | |

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Human Relations Commission | \$ 10,284 | \$ 10,323 | \$ 10,699 | \$ 10,699 | \$ 10,699 | \$ 10,699 | \$ 10,699 |
| Latino Affairs Commission | 219 | 212 | 235 | 235 | 235 | 235 | 235 |
| African American Affairs Commission | 344 | 318 | 329 | 329 | 329 | 329 | 329 |
| Asian-American Affairs Commission | 0 | 139 | 144 | 144 | 144 | 144 | 144 |
| Commission for Women | 273 | 273 | 285 | 285 | 285 | 285 | 285 |
| TOTAL GENERAL FUND | \$ 11,120 | \$ 11,265 | \$ 11,692 | \$ 11,692 | \$ 11,692 | \$ 11,692 | \$ 11,692 |

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 input from more than 40 advisory review panels that provide an evaluation of applications and feedback on program structures.

The council supports and assists the arts in the Commonwealth in several specific areas: 1) a grant program

that responds to most applications and program initiatives either directly or through a decentralized network of 13 regional funding partners, 2) partnerships and initiatives developed by the council to seek opportunities and address issues affecting the arts that are beyond the capacity of a single arts institution, and 3) additional services provided by staff and through partnerships with state, regional and national service organizations.

Through programs such as Accessibility to the Arts for Individuals with Disabilities, Arts in Education Partnership, Pennsylvania Performing Arts on Tour, Local Government, and Preserving Diverse Cultures, ethnically diverse organizations, artists and ensembles are encouraged to participate in the arts.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Attendance at supported events (in thousands) | 28,000 | 29,000 | 29,000 | 29,500 | 30,000 | 30,500 | 31,000 |
| Grant applications received/reviewed | 2,500 | 2,600 | 2,700 | 2,750 | 2,800 | 2,850 | 2,870 |
| Awards made | 1,794 | 1,850 | 1,880 | 1,960 | 1,980 | 2,000 | 2,010 |

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

| | |
|---|--|
| <p>Council on the Arts \$ 59 —to continue current program.</p> <p>Grants to the Arts \$ 725 —to provide a funding increase.</p> | <p>Cultural Activities \$ -5,260 —nonrecurring program.</p> |
|---|--|

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Council on the Arts | 1,115 | 1,138 | 1,197 | 1,197 | 1,197 | 1,197 | 1,197 |
| Grants to the Arts | 14,500 | 14,500 | 15,225 | 15,225 | 15,225 | 15,225 | 15,225 |
| Cultural Activities | 0 | 5,260 | 0 | 0 | 0 | 0 | 0 |
| TOTAL GENERAL FUND | \$ 15,615 | \$ 20,898 | \$ 16,422 | \$ 16,422 | \$ 16,422 | \$ 16,422 | \$ 16,422 |

PROGRAM OBJECTIVE: To provide criminal and juvenile justice system policy analysis, coordination and planning to improve criminal justice programs.

Program: Criminal and Juvenile Justice Planning and Coordination

Program Element: Planning and Coordination

The Pennsylvania Commission on Crime and Delinquency (PCCD) supports the criminal and juvenile justice systems by providing system-wide criminal statistical and analytical services, and by fostering interagency coordination and cooperation, as well as by rendering training and technical assistance. Appointed task forces, advisory groups and planning committees, encompassing commission and non-commission members, advise the commission in addressing specific 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 and value 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 and Delinquency Prevention Advisory Committee, PCCD plays a central role in collaborative initiatives involving the Department of Public Welfare, the Juvenile Court Judges Commission, the Department of Education and other agencies in the development and implementation of policy and programming relative to juvenile justice and delinquency prevention—especially research-based, evidence-based prevention programs. The Research-Based Delinquency and Violence Prevention Program has supported these efforts since 1998-99. PCCD is the State's focal point for promoting local efforts to implement risk-focused, community mobilization programming directed toward preventing delinquency, violence, substance abuse and other

adolescent problem behaviors. The Partnership for Safe Children funding has supported these efforts since 1999-00. The commission administers the Federal Juvenile Justice and Delinquency Prevention Act Formula Grant Program, as well as the Juvenile Accountability Block Grant Program—both of which provide funds that support treatment/intervention programs and juvenile justice system improvement projects. The commission also administers the Governor's portion of the Commonwealth's Federal Safe and Drug Free Schools and Communities Act funding allocation that is used to support projects and programs that prevent drug use/abuse and violence among children and youth. Federal Enforcing Underage Drinking Laws Block Grant funds are also administered by the commission, which support underage and binge drinking prevention and enforcement efforts.

The commission provides training and technical assistance to county prison boards and local officials through the County Intermediate Punishment Act. This act provided counties with opportunities to develop various intermediate punishment programs for nonviolent offenders to alleviate overcrowding in the county prisons. In addition, PCCD administers the Drug and Alcohol Treatment-Based Restrictive Intermediate Punishment Program which provides support to counties for drug and alcohol assessment, evaluation and treatment services. The projects link drug and alcohol treatment with a combination of restrictive sanctions including: residential rehabilitation centers; halfway houses; day reporting centers; work release centers; intensive supervision with electronic monitoring; house arrest with intensive supervision; and house arrest with electronic monitoring. The Substance Abuse Education and Demand Reduction Fund was established by Act 198 of 2002. State funds are earmarked for research-based approaches to prevention, intervention, training, treatment and education services to reduce substance abuse and implement statewide programs to assist families in accessing such services. Monies for the fund are obtained through offender fines.

Through the use of Federal Drug Control and System Improvement (DCSI) and Byrne Memorial Justice Assistance Act (JAG) formula grant funds administered by PCCD, State and local units of government receive start-up monies for projects to improve the justice system. Major priorities for new local projects include juvenile justice initiatives; community-based criminal justice initiatives; corrections; community-based planning initiatives; new and expanded county criminal justice automation efforts; comprehensive victim services; training; and evaluation activities.

PCCD administers a training program for deputy sheriffs, financed through a surcharge on fees levied by the sheriffs

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

for legal services executed. A 760-hour basic training curriculum provides for certification of deputy sheriffs and biennial continuing education provides for re-certification. The PCCD also provides training and certification for constables including an 80-hour basic training, mandatory 20-hour annual continuing education, and basic and annual firearms training. Constables training is funded through a surcharge on constable services.

PCCD provides Statewide training and technical assistance for law enforcement personnel to implement community-based crime reduction strategies; coordinates Statewide efforts promoting law enforcement's involvement in policing practices, 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 drug education and law enforcement education in the schools and provides funds for School Resource Officers underwriting a Statewide Law Enforcement Accreditation program, designed specifically for the multitude of mid-sized and smaller departments.

The commission administers the Federal Residential Substance Abuse Treatment Program. This program provides funding to develop and implement residential substance abuse treatment programs within State and local correctional facilities in which prisoners are incarcerated for a period of time sufficient to permit substance abuse treatment. In addition, the commission also administers the State 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.

Through Act 30 of 2001, the powers and duties of PCCD were expanded to include the continuing development of comprehensive, community-based violence prevention plans including efforts initiated by the Governor's Partnership for Safe Children, as well as the development and promotion of comprehensive targeted crime prevention efforts and a planning process for the revitalization of high-crime and distressed communities, such as those already underway with the Weed and Seed Program.

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. In addition, the Victims of Juvenile Offenders Program supports community-based services to assist victims of juvenile offenders through grants to district attorneys, juvenile probation offices, and community-based victims services providers in 66 of the State's 67 counties. Grants are made using court imposed

costs authorized by Act 96 of 1984, as amended by Act 85 of 2002, the Federal Victims of Crime Act of 1984, and a State appropriation for services for victims of juvenile offenders. In addition, the commission is the State administering agency for the S.T.O.P. (Services, Training, Officers, and Prosecution) Grant Program authorized through the Violence Against Women Act. These funds support the efforts of teams in 46 counties comprised of law enforcement, prosecutors, and victims' services programs.

Act 86 of 2000 amended the Crime Victims Act by adding definitions for adult, juvenile and preadjudication disposition. The act provides victims of crimes committed by juvenile offenders with the same rights as victims of crimes committed by adult offenders including receiving basic information pertaining to victims assistance, obtaining access to information concerning disposition of cases and receiving reimbursement of losses. Act 85 of 2002 further amended the act to provide victims notification of an adult offender's release from a boot camp, facility, and the right to witness the execution of an offender.

The Victims Compensation Assistance Program was created by Act 139 of 1976 as a response to the financial losses incurred by victims of crime. The Office of Victim Services is responsible for the administration of the program. Currently, individuals who are injured during a crime may be compensated for uninsured or unreimbursable medical expenses, counseling, relocation expenses, crime scene clean-up expenses, and loss of earnings and monies that are stolen or defrauded from individuals on fixed incomes. In the case of a homicide, funeral expenses, within limits, and loss of support may be compensated to those who qualify. The program does not pay for pain and suffering nor does it pay for property loss, in most instances. The maximum award is \$35,000, including \$20,000 for loss of support and \$15,000 for loss of earnings. Payments for counseling, crime-scene cleanup and certain other costs are over and above the \$35,000 maximum award. The Victims Compensation Assistance Program is the payer of last resort for crime victims' losses and the office is required to verify all aspects of each claim prior to payment.

Payments to victims are disbursed from a special nonlapsing restricted revenue account that receives its funding from a penalty assessment of at least \$35 levied against certain offenders who plead guilty or nolo contendere, who are convicted of a crime or who are placed in a diversionary program. Juveniles, when there is a consent decree or an adjudication of delinquency, pay a penalty assessment of at least \$25, which is also paid into the fund.

Payment funds are also provided by the Federal Victims of Crime Act of 1984 that allocates Federal reimbursements to states for compensation programs based on a formula of prior year payments to victims

The passage of Act 45 of 2003 became effective on February 21, 2004. Prior to its passage, crime victims' restitution

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

payments unclaimed by rightful owners for more than five years were presumed abandoned and deposited in the Commonwealth's General Fund. The act directs the State Treasurer to deposit the unclaimed restitution payments in

the Crime Victims Compensation Fund (CVCF) on or before June 30 of each year. The 2004 deposit received by the CVCF amounted to slightly over \$358,000; the 2005 deposit totaled slightly over \$551,000.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Planning and Coordination | | | | | | | |
| Counties with Communities That Care (CTC) sites | 58 | 58 | 58 | 67 | 67 | 67 | 67 |
| Percent of active CTC sites indicating a reduction in one or more risk factors* | 65% | 70% | 70% | 70% | 70% | 70% | 70% |
| Number of intensive treatment model programs implemented to date | 37 | 46 | 55 | 65 | 75 | 85 | 85 |
| Number of non-intensive treatment model programs implemented to date | 86 | 96 | 106 | 116 | 126 | 136 | 136 |
| Active offenders sentenced to the Intermediate Punishment Program successfully completing their sentence (as determined by the Court) | 65% | 65% | 65% | 65% | 65% | 65% | 65% |
| Average number of jail days saved per active offender through participation in the Intermediate Punishment Program | 65 | 60 | 60 | 60 | 60 | 60 | 60 |
| Active offenders in the program that will successfully complete the treatment-based Restrictive Intermediate Punishment portion of their sentence | 53% | 53% | 53% | 53% | 53% | 53% | 53% |
| Average number of jail days saved per active offender through participation in treatment-based Restrictive Intermediate Punishment | 347 | 334 | 334 | 334 | 334 | 334 | 334 |
| Reduction of incidents of youth violence in a Weed and Seed site | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% |
| Number of new businesses started in a Weed and Seed site | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Reduction in blighted properties in a Weed and Seed site | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% |
| Victim Services | | | | | | | |
| Victims compensation claim processing time - new claims (weeks) | 10.49 | 11.00 | 10.75 | 10.75 | 10.50 | 10.50 | 10.25 |
| Victims compensation claims paid | 4,004 | 4,594 | 5,145 | 5,763 | 6,454 | 7,228 | 8,096 |

The average Crime Victim's Compensation program reimbursement per claim in 2004-05 was \$2,302.

Average number of jail days saved per active offender through participation in treatment-based Restrictive Intermediate Punishment increased from the projection shown in last year's budget due to a change in measurement methodology.

*New program measure.

Program Recommendations:

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

| | | |
|----|--------|--|
| \$ | -250 | Weed and Seed Program —nonrecurring projects. |
| \$ | -1,175 | Research-Based Violence Prevention —reflects program transfer to Nurse Family Partnership appropriation in Department of Public Welfare. |

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

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| Commission on Crime and Delinquency | \$ 4,550 | \$ 4,073 | \$ 4,073 | \$ 4,073 | \$ 4,073 | \$ 4,073 | \$ 4,073 |
| Partnership for Safe Children | 5,974 | 5,675 | 5,675 | 5,675 | 5,675 | 5,675 | 5,675 |
| Victims of Juvenile Crime | 3,631 | 3,450 | 3,450 | 3,450 | 3,450 | 3,450 | 3,450 |
| Weed and Seed Program | 3,340 | 3,423 | 3,173 | 3,173 | 3,173 | 3,173 | 3,173 |
| Intermediate Punishment Programs | 3,430 | 3,430 | 3,430 | 3,430 | 3,430 | 3,430 | 3,430 |
| Intermediate Punishment Drug and Alcohol Treatment | 13,325 | 15,825 | 15,825 | 15,825 | 15,825 | 15,825 | 15,825 |
| Drug Education and Law Enforcement | 3,101 | 2,791 | 2,791 | 2,791 | 2,791 | 2,791 | 2,791 |
| Research-Based Violence Prevention | 7,281 | 5,965 | 4,790 | 4,790 | 4,790 | 4,790 | 4,790 |
| TOTAL GENERAL FUND | \$ 44,632 | \$ 44,632 | \$ 43,207 | \$ 43,207 | \$ 43,207 | \$ 43,207 | \$ 43,207 |

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 and Mercyhurst College, provides the support to enable probation officers to receive Master of Science Degrees in the Administration of Justice. By the end of 2006-07, 514 juvenile justice professionals will have earned graduate degrees through 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 378 specialized probation officers pursuant to JCJC standards. Of these positions, 110 are for school-based probation, 153 are for community-based probation, 42 are for intensive probation, 51 are for aftercare services, and 22 are specialized probation services supervisors. The commission will continue this program during 2006-07.

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 by the court are tested for one or more of the following drugs: THC, cocaine, barbiturates, amphetamines, opiates, PCP, benzodiazepines and alcohol. Outcome information regarding each youth tested is collected by the commission and entered into its drug-testing database.

Juvenile arrests for violent crimes (murder, forcible rape, robbery and aggravated assault) increased from 4,901 in 2003 to 5,117 in 2004. The arrest rate per 100,000 juveniles increased from 355 in 2003 to 371 in 2004.

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 network to electronically connect criminal justice agencies to facilitate information sharing.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Children referred to court | 43,533 | 41,036 | 41,036 | 41,036 | 41,036 | 41,036 | 41,036 |
| Commitments as a percent of referrals | 13.9% | 13.9% | 13.9% | 13.9% | 13.9% | 13.9% | 13.9% |
| Children arrested for violent crime | 4,901 | 4,901 | 4,901 | 4,901 | 4,901 | 4,901 | 4,901 |
| Full-time equivalent Juvenile Probation Officer positions | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 |
| Juvenile cases closed that received probation supervision or other services | 17,983 | 17,983 | 17,983 | 17,983 | 17,983 | 17,983 | 17,983 |
| Percent employed or engaged in an educational/vocational activity at case closing | 80.5% | 80.5% | 80.5% | 80.5% | 80.5% | 80.5% | 80.5% |

Program: Reintegration of Juvenile Delinquents (continued)

| Program Measures: (continued) | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Juvenile offenders who completed supervision without a new offense resulting in a Consent Decree, adjudication of delinquency, or conviction | 15,583 | 15,583 | 15,583 | 15,583 | 15,583 | 15,583 | 15,583 |

Program Recommendations:

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

| | | | |
|-----------|--|-----------|---|
| \$ 100 | Juvenile Court Judges Commission —to continue current program. | \$ -1,150 | Violence Reduction —nonrecurring project. |
| \$ -6,825 | Safe Neighborhoods —nonrecurring project. | | |

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Juvenile Court Judges Commission | \$ 2,181 | \$ 2,129 | \$ 2,229 | \$ 2,229 | \$ 2,229 | \$ 2,229 | \$ 2,229 |
| Improvement of Juvenile Probation Services | 5,918 | 5,918 | 5,918 | 5,918 | 5,918 | 5,918 | 5,918 |
| Safe Neighborhoods | 3,700 | 6,825 | 0 | 0 | 0 | 0 | 0 |
| Violence Reduction | 0 | 1,150 | 0 | 0 | 0 | 0 | 0 |
| Specialized Probation Services | 15,326 | 13,793 | 13,793 | 13,793 | 13,793 | 13,793 | 13,793 |
| TOTAL GENERAL FUND | \$ 27,125 | \$ 29,815 | \$ 21,940 | \$ 21,940 | \$ 21,940 | \$ 21,940 | \$ 21,940 |



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) | | |
|-----------------------------------|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| <u>GENERAL FUND:</u> | | | |
| <i>General Government:</i> | | | |
| Lieutenant Governor's Office..... | \$ 935 | \$ 979 | \$ 979 |
| Board of Pardons..... | 365 | 384 | 406 |
| | <hr/> | <hr/> | <hr/> |
| Total - General Government..... | \$ 1,300 | \$ 1,363 | \$ 1,385 |
| | <hr/> | <hr/> | <hr/> |
| GENERAL FUND TOTAL..... | \$ 1,300 | \$ 1,363 | \$ 1,385 |

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|-------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| EXECUTIVE DIRECTION | | | | | | | |
| GENERAL FUND..... | \$ 1,300 | \$ 1,363 | \$ 1,385 | \$ 1,385 | \$ 1,385 | \$ 1,385 | \$ 1,385 |
| 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..... | \$ 1,300 | \$ 1,363 | \$ 1,385 | \$ 1,385 | \$ 1,385 | \$ 1,385 | \$ 1,385 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 1,300 | \$ 1,363 | \$ 1,385 | \$ 1,385 | \$ 1,385 | \$ 1,385 | \$ 1,385 |
| 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..... | \$ 1,300 | \$ 1,363 | \$ 1,385 | \$ 1,385 | \$ 1,385 | \$ 1,385 | \$ 1,385 |

Lieutenant Governor

PROGRAM OBJECTIVE: To provide an effective administrative system through which substantive programs of the agency can be accomplished.

Program: Executive Direction

This program provides for the execution of duties relating to the Office of the Lieutenant Governor. These duties, as prescribed by the Constitution, include presiding over the Senate; assuming the Office of the Governor for the remainder of the Governor's term, if necessary, as a result of the death, conviction or impeachment, failure to qualify or resignation of the Governor; and serving as Chairman of

the Pennsylvania Board of Pardons which reviews applications for reprieve, commutation of sentences and pardons. Through statute, the Lieutenant Governor also serves as Chairman of the Local Government Advisory Committee, which advises the Governor's Center for Local Government Services and the Administration on the needs and concerns of local government entities.

Program Recommendations:

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

\$ 22 **Board of Pardons**
—to continue current program.

The Lieutenant Governor's Office appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Lieutenant Governor's Office | \$ 935 | \$ 979 | \$ 979 | \$ 979 | \$ 979 | \$ 979 | \$ 979 |
| Board of Pardons | 365 | 384 | 406 | 406 | 406 | 406 | 406 |
| TOTAL GENERAL FUND | \$ 1,300 | \$ 1,363 | \$ 1,385 | \$ 1,385 | \$ 1,385 | \$ 1,385 | \$ 1,385 |



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) | | |
|--|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| GENERAL FUND: | | | |
| General Government: | | | |
| General Government Operations..... | \$ 37,796 | \$ 40,796 | \$ 40,796 |
| (F)Medicaid Fraud..... | 3,631 | 3,831 | 4,155 |
| (F)MAGLOCLEN..... | 6,409 | 6,933 | 7,461 |
| (F)Gun Violence Prosecution..... | 40 | 0 | 0 |
| (F)DCSI - Senior Crime Prevention University (EA)..... | 51 | 40 | 0 |
| (A)Legal Fees Reimbursement..... | 67 | 20 | 10 |
| (A)Medicaid Fraud Reimbursements..... | 50 | 25 | 25 |
| (A)Collections - Legal..... | 0 | 10 | 20 |
| (A)Investigative Costs Reimbursements..... | 88 | 50 | 50 |
| (A)Environmental Crimes Investigative Costs..... | 18 | 48 | 48 |
| (A)Public Protection Law Enforcement..... | 0 | 3,000 | 1,500 |
| (A)Reimbursement for District Attorneys..... | 0 | 0 | 4,558 |
| (A)Continuing Legal Education..... | 1 | 5 | 5 |
| Subtotal..... | \$ 48,151 | \$ 54,758 | \$ 58,628 |
| (R)Office of Consumer Advocate..... | 4,689 | 4,846 | 4,899 |
| Computer Enhancements..... | 1,000 | 1,000 | 0 |
| Drug Law Enforcement..... | 22,971 | 24,221 | 24,221 |
| (F)High Intensity Drug Trafficking Areas..... | 3,187 | 3,226 | 3,318 |
| (F)Prescription Drug Monitoring..... | 413 | 163 | 0 |
| (F)Witness Protection..... | 448 | 0 | 0 |
| (F)DCSI - Computer Forensics (EA)..... | 12 | 0 | 0 |
| (F)DCSI - Witness Relocation (EA)..... | 140 | 95 | 563 |
| (A)Seized/Forfeited Property - State Court Awarded..... | 0 | 1,552 | 0 |
| (A)Seized/Forfeited Property - U.S. Department of Justice..... | 15 | 590 | 590 |
| (A)Recovery of Narcotics Investigation Overtime Costs..... | 81 | 50 | 50 |
| Subtotal..... | \$ 27,267 | \$ 29,897 | \$ 28,742 |
| Local Drug Task Forces..... | 9,216 | 9,308 | 9,308 |
| Drug Strike Task Force..... | 1,770 | 1,804 | 1,804 |
| Witness Relocation Program..... | 0 | 437 | 0 |
| Gun Violence Reduction Witness Relocation..... | 0 | 563 | 0 |
| Child Predator Unit..... | 0 | 680 | 680 |
| Capital Appeals Case Unit..... | 612 | 612 | 612 |
| (A)Seized and Forfeited Property / Dept of Justice..... | 0 | 221 | 0 |
| Charitable Nonprofit Conversions..... | 949 | 949 | 949 |
| Tobacco Law Enforcement..... | 513 | 680 | 680 |
| Subtotal - State Funds..... | \$ 74,827 | \$ 81,050 | \$ 79,050 |
| Subtotal - Federal Funds..... | 14,331 | 14,288 | 15,497 |
| Subtotal - Augmentations..... | 320 | 5,571 | 6,856 |
| Subtotal - Restricted Revenues..... | 4,689 | 4,846 | 4,899 |
| Total - General Government..... | \$ 94,167 | \$ 105,755 | \$ 106,302 |
| Grants and Subsidies: | | | |
| County Trial Reimbursement..... | \$ 150 | \$ 150 | \$ 150 |
| STATE FUNDS..... | \$ 74,977 | \$ 81,200 | \$ 79,200 |
| FEDERAL FUNDS..... | 14,331 | 14,288 | 15,497 |
| AUGMENTATIONS..... | 320 | 5,571 | 6,856 |
| RESTRICTED REVENUES..... | 4,689 | 4,846 | 4,899 |
| GENERAL FUND TOTAL..... | \$ 94,317 | \$ 105,905 | \$ 106,452 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|--------------------------|--------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| <u>OTHER FUNDS:</u> | | | |
| GENERAL FUND: | | | |
| Seized/Forfeited Property - State Court Awarded..... | \$ 1,839 | \$ 3,997 | \$ 2,978 |
| Seized/Forfeited Property - U.S. Department of Justice..... | 915 | 1,215 | 740 |
| Seized/Forfeited Property - PSP-OAG Agreement..... | 839 | 1,000 | 1,000 |
| OAG Investigative Funds - Outside Sources..... | 3,429 | 3,714 | 3,894 |
| Seized/Forfeited Property - U.S. Treasury Department..... | 27 | 20 | 20 |
| Public Protection Law Enforcement..... | 1,776 | 3,505 | 1,975 |
| Coroner's Education Board..... | 19 | 21 | 21 |
| Community Drug Abuse Prevention Program..... | 0 | 250 | 150 |
| Seized / Forfeited Propty- US Dept of Homeland Security..... | 0 | 310 | 30 |
| GENERAL FUND TOTAL..... | <u>\$ 8,844</u> | <u>\$ 14,032</u> | <u>\$ 10,808</u> |
| | | | |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 74,977 | \$ 81,200 | \$ 79,200 |
| SPECIAL FUNDS..... | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 14,331 | 14,288 | 15,497 |
| AUGMENTATIONS..... | 320 | 5,571 | 6,856 |
| RESTRICTED..... | 4,689 | 4,846 | 4,899 |
| OTHER FUNDS..... | 8,844 | 14,032 | 10,808 |
| TOTAL ALL FUNDS..... | <u>\$ 103,161</u> | <u>\$ 119,937</u> | <u>\$ 117,260</u> |

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| PUBLIC PROTECTION AND LAW ENFORCEMENT | | | | | | | |
| GENERAL FUND..... | \$ 74,977 | \$ 81,200 | \$ 79,200 | \$ 79,200 | \$ 79,200 | \$ 79,200 | \$ 79,200 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 14,331 | 14,288 | 15,497 | 15,497 | 15,497 | 15,497 | 15,497 |
| OTHER FUNDS..... | 13,853 | 24,449 | 22,563 | 22,563 | 22,563 | 22,563 | 22,563 |
| SUBCATEGORY TOTAL..... | \$ 103,161 | \$ 119,937 | \$ 117,260 | \$ 117,260 | \$ 117,260 | \$ 117,260 | \$ 117,260 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 74,977 | \$ 81,200 | \$ 79,200 | \$ 79,200 | \$ 79,200 | \$ 79,200 | \$ 79,200 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 14,331 | 14,288 | 15,497 | 15,497 | 15,497 | 15,497 | 15,497 |
| OTHER FUNDS..... | 13,853 | 24,449 | 22,563 | 22,563 | 22,563 | 22,563 | 22,563 |
| DEPARTMENT TOTAL..... | \$ 103,161 | \$ 119,937 | \$ 117,260 | \$ 117,260 | \$ 117,260 | \$ 117,260 | \$ 117,260 |

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.

Act 57 of 2005 amended the County Code to provide for full-time district attorneys in third through eighth class counties under certain conditions. The salary to be paid the full-time district attorney is set at \$1,000 less than a common pleas court judge in that county. The Commonwealth will annually reimburse counties for 65 percent of the salary for the full-time district attorney. Salaries paid in calendar year 2006 will be eligible for Commonwealth reimbursement. This budget assumes that increased fees and fines will be enacted to provide the funds for the reimbursement.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Cases presented to the Statewide | | | | | | | |
| Investigating Grand Jury | 36 | 45 | 45 | 45 | 45 | 45 | 45 |
| Local drug task force arrests | 5,750 | 5,300 | 5,300 | 5,300 | 5,300 | 5,300 | 5,300 |
| Drug arrests resulting from Grand Jury presentments | 154 | 180 | 180 | 180 | 180 | 180 | 180 |
| Review of estates, charities, nonprofits, and healthcare conversions for compliance with rules and regulations | 2,239 | 2,400 | 2,400 | 2,400 | 2,400 | 2,400 | 2,400 |
| Consumer complaints concerning business practices investigated and mediated | 41,335 | 43,000 | 43,000 | 43,000 | 43,000 | 43,000 | 43,000 |
| Dollar value of recoupment to consumers regarding business practices (thousands) | \$6,797 | \$7,000 | \$7,000 | \$7,000 | \$7,000 | \$7,000 | \$7,000 |
| Consumer complaints concerning business practices - healthcare industry | 1,835 | 1,600 | 1,600 | 1,600 | 1,600 | 1,600 | 1,600 |

Program Recommendations:

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

| | | |
|-----------|--|--|
| \$ -1,000 | Computer Enhancements —nonrecurring project. | All other appropriations are recommended at the current year funding levels. This budget also recommends the following for the Office of the Consumer Advocate from its restricted account in the General Fund. |
| \$ -437 | Witness Relocation Program —nonrecurring funding. | |
| \$ -563 | Gun Violence Reduction Witness Relocation —nonrecurring funding. | |
| | | \$ 53 Office of the Consumer Advocate —to continue current program. |

Program: Public Protection and Law Enforcement (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| General Government Operations | \$ 37,796 | \$ 40,796 | \$ 40,796 | \$ 40,796 | \$ 40,796 | \$ 40,796 | \$ 40,796 |
| Computer Enhancements | 1,000 | 1,000 | 0 | 0 | 0 | 0 | 0 |
| Drug Law Enforcement | 22,971 | 24,221 | 24,221 | 24,221 | 24,221 | 24,221 | 24,221 |
| Local Drug Task Forces | 9,216 | 9,308 | 9,308 | 9,308 | 9,308 | 9,308 | 9,308 |
| Drug Strike Task Force | 1,770 | 1,804 | 1,804 | 1,804 | 1,804 | 1,804 | 1,804 |
| Witness Relocation Program | 0 | 437 | 0 | 0 | 0 | 0 | 0 |
| Gun Violence Reduction Witness Relocation | 0 | 563 | 0 | 0 | 0 | 0 | 0 |
| Child Predator Unit | 0 | 680 | 680 | 680 | 680 | 680 | 680 |
| Capital Appeals Case Unit | 612 | 612 | 612 | 612 | 612 | 612 | 612 |
| Charitable Nonprofit Conversions | 949 | 949 | 949 | 949 | 949 | 949 | 949 |
| Tobacco Law Enforcement | 513 | 680 | 680 | 680 | 680 | 680 | 680 |
| County Trial Reimbursement | 150 | 150 | 150 | 150 | 150 | 150 | 150 |
| TOTAL GENERAL FUND | \$ 74,977 | \$ 81,200 | \$ 79,200 | \$ 79,200 | \$ 79,200 | \$ 79,200 | \$ 79,200 |



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)

| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
|--|-------------------|----------------------|-------------------|
| <u>GENERAL FUND:</u> | | | |
| <i>General Government:</i> | | | |
| Auditor General's Office | \$ 46,259 | \$ 48,059 | \$ 48,059 |
| (A) Reimbursement Auditing Services..... | 8,941 | 8,650 | 9,714 |
| (A) Sale of Autos..... | 1 | 0 | 0 |
| Subtotal..... | \$ 55,201 | \$ 56,709 | \$ 57,773 |
| Board of Claims | 1,920 | 1,920 | 1,920 |
| Computer Enhancements | 2,000 | 1,000 | 0 |
| Subtotal..... | \$ 2,000 | \$ 1,000 | \$ 0 |
| Subtotal - State Funds..... | \$ 50,179 | \$ 50,979 | \$ 49,979 |
| Subtotal - Augmentations..... | 8,942 | 8,650 | 9,714 |
| Total - General Government..... | \$ 59,121 | \$ 59,629 | \$ 59,693 |
| STATE FUNDS..... | \$ 50,179 | \$ 50,979 | \$ 49,979 |
| AUGMENTATIONS..... | 8,942 | 8,650 | 9,714 |
| GENERAL FUND TOTAL | \$ 59,121 | \$ 59,629 | \$ 59,693 |
| <u>OTHER FUNDS:</u> | | | |
| MUNICIPAL PENSION AID FUND: | | | |
| Municipal Pension Aid..... | \$ 204,259 | \$ 201,880 | \$ 225,000 |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 50,179 | \$ 50,979 | \$ 49,979 |
| SPECIAL FUNDS..... | 0 | 0 | 0 |
| AUGMENTATIONS..... | 8,942 | 8,650 | 9,714 |
| OTHER FUNDS..... | 204,259 | 201,880 | 225,000 |
| TOTAL ALL FUNDS | \$ 263,380 | \$ 261,509 | \$ 284,693 |

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|----------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| AUDITING | | | | | | | |
| GENERAL FUND..... | \$ 50,179 | \$ 50,979 | \$ 49,979 | \$ 49,979 | \$ 49,979 | \$ 49,979 | \$ 49,979 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 8,942 | 8,650 | 9,714 | 9,714 | 9,714 | 9,714 | 9,714 |
| SUBCATEGORY TOTAL..... | \$ 59,121 | \$ 59,629 | \$ 59,693 | \$ 59,693 | \$ 59,693 | \$ 59,693 | \$ 59,693 |
| MUNICIPAL PENSION SYSTEMS | | | | | | | |
| GENERAL FUND..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 204,259 | 201,880 | 225,000 | 225,000 | 225,000 | 225,000 | 225,000 |
| SUBCATEGORY TOTAL..... | \$ 204,259 | \$ 201,880 | \$ 225,000 | \$ 225,000 | \$ 225,000 | \$ 225,000 | \$ 225,000 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 50,179 | \$ 50,979 | \$ 49,979 | \$ 49,979 | \$ 49,979 | \$ 49,979 | \$ 49,979 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 213,201 | 210,530 | 234,714 | 234,714 | 234,714 | 234,714 | 234,714 |
| DEPARTMENT TOTAL..... | \$ 263,380 | \$ 261,509 | \$ 284,693 | \$ 284,693 | \$ 284,693 | \$ 284,693 | \$ 284,693 |

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 and certain local government entities. The Auditor General is mandated to perform audits of any entity receiving funds from the Commonwealth or any entity collecting funds that belong to the Commonwealth. Each year, the department performs thousands of regular and special post audits of Commonwealth agencies, 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 each year by the Auditor General and an independent certified public accounting firm.

Special audits may be made when the Auditor General determines they appear to be necessary. Special audits must also be conducted when the Governor calls upon the Auditor General to do them.

The Fiscal Code also requires the Auditor General to audit public assistance payments to determine the eligibility of persons receiving public assistance grants. Recipients are subject to continuous audit. These audits serve to adjust grants to persons either ineligible or receiving overpayments or underpayments.

In addition to fiscal duties, by statute the Auditor General serves as a member of the State Public School Building Authority and other major Commonwealth boards and commissions.

The Board of Claims operates within this program as an independent judicial and administrative body with jurisdiction to hear and determine claims against the Commonwealth that equal or exceed \$300.

Program Recommendations:

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

Computer Enhancements
 \$ -1,000 —nonrecurring program.

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Auditor General's Office | \$ 46,259 | \$ 48,059 | \$ 48,059 | \$ 48,059 | \$ 48,059 | \$ 48,059 | \$ 48,059 |
| Board of Claims | 1,920 | 1,920 | 1,920 | 1,920 | 1,920 | 1,920 | 1,920 |
| Computer Enhancements | 2,000 | 1,000 | 0 | 0 | 0 | 0 | 0 |
| TOTAL GENERAL FUND | \$ 50,179 | \$ 50,979 | \$ 49,979 | \$ 49,979 | \$ 49,979 | \$ 49,979 | \$ 49,979 |

PROGRAM OBJECTIVE: To assist municipal pension systems through review and audit of their pension funds.

Program: Municipal Pension Systems

In 1984, the General Assembly passed Act 205, known as the Municipal Pension Plan Funding Standard and Recovery Act. The enactment of this legislation was in response to the solvency problems facing many of the Commonwealth's municipal pension systems. The act requires the submission of municipal pension plan actuarial reports to the Public Employee Retirement Commission (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.

The Auditor General administers the Municipal Pension

Systems Aid program, established by Act 205 to distribute funding to municipal pension plans for police officers and paid firefighters. The program is funded through the Municipal Pension Aid Fund, which receives all proceeds of the Foreign Casualty Insurance Premium Tax and a portion of the Foreign Fire Insurance Premium Tax.

The Auditor General is also responsible for distributing proceeds from the Foreign Fire Insurance Tax Fund to municipalities for payment to volunteer firefighter relief associations. Financial statements for the Municipal Pension State Aid Fund and the Fire Insurance Tax Fund are presented in the Special Funds Appendix section of this budget.

Program Recommendations:

This budget recommends the following changes from the Municipal Pension Aid Fund:
(Dollar Amounts in Thousands)

| | | |
|----|--------|--|
| \$ | 23,120 | Municipal Pension Aid Fund —to continue current program. |
|----|--------|--|



TREASURY DEPARTMENT

The Treasury Department is responsible for receiving all Commonwealth monies and for depositing such monies in State depositories approved by the Board of Finance and Revenue, for managing all securities in its custody to the best advantage of the Commonwealth, for preauditing all requisitions for the expenditures of funds and for disbursement of all State monies upon proper authorization to those entitled to receive payment.

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|-----------------------|-----------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| GENERAL FUND: | | | |
| <i>General Government:</i> | | | |
| State Treasurer's Office..... | \$ 23,976 | \$ 24,976 | \$ 24,976 |
| (A)Expenses - Unemployment Compensation..... | 1,454 | 5,420 | 7,294 |
| (A)Fees - Federal Savings Bonds..... | 18 | 0 | 0 |
| (A)Photocopy Services..... | 3 | 0 | 0 |
| (A)Administrative Fees..... | 627 | 0 | 0 |
| (A)SAP Postage Reimbursements..... | 313 | 0 | 0 |
| (A)Miscellaneous..... | 6 | 0 | 0 |
| Computer Integration Program..... | 335 | 1,835 | 0 |
| Escheats Administration..... | 17,576 | 14,620 | 14,620 |
| (A)Unclaimed Property Audit Services..... | 220 | 0 | 0 |
| Board of Finance and Revenue..... | 2,309 | 2,309 | 2,309 |
| Tuition Account Program Advertising..... | 1,000 | 1,000 | 1,000 |
| Intergovernmental Organizations..... | 914 | 1,011 | 1,011 |
| Publishing Monthly Statements..... | 15 | 25 | 25 |
| Replacement Checks (EA)..... | 2,999 | 8,500 | 3,000 |
| Subtotal..... | \$ 7,237 | \$ 12,845 | \$ 7,345 |
| Subtotal - State Funds..... | \$ 49,124 | \$ 54,276 | \$ 46,941 |
| Subtotal - Augmentations..... | 2,641 | 5,420 | 7,294 |
| Total - General Government..... | \$ 51,765 | \$ 59,696 | \$ 54,235 |
| <i>Grants and Subsidies:</i> | | | |
| Law Enforcement & Emergency Response Personnel Death Benefit..... | \$ 762 | \$ 2,407 ^a | \$ 1,600 ^a |
| <i>Debt Service:</i> | | | |
| Loan and Transfer Agents..... | \$ 15 | \$ 75 | \$ 75 |
| General Obligation Debt Service..... | 399,925 | 712,373 | 852,697 |
| (F)Debt Service - Federal Fiscal Relief..... | 377,619 | 0 | 0 |
| (A)Student Community Building Fees..... | 419 | 341 | 129 |
| Subtotal - State Funds..... | \$ 399,940 | \$ 712,448 | \$ 852,772 |
| Subtotal - Federal Funds..... | 377,619 | 0 | 0 |
| Subtotal - Augmentations..... | 419 | 341 | 129 |
| Total - Debt Service..... | \$ 777,978 | \$ 712,789 | \$ 852,901 |
| STATE FUNDS..... | \$ 449,826 | \$ 769,131 | \$ 901,313 |
| FEDERAL FUNDS..... | 377,619 | 0 | 0 |
| AUGMENTATIONS..... | 3,060 | 5,761 | 7,423 |
| GENERAL FUND TOTAL..... | \$ 830,505 | \$ 774,892 | \$ 908,736 |
| MOTOR LICENSE FUND: | | | |
| <i>General Government:</i> | | | |
| Administration Refunding Liquid Fuels Tax..... | \$ 451 | \$ 455 | \$ 455 |
| Replacement Checks - Motor License Fund (EA)..... | 100 | 250 | 100 |
| Total - General Government..... | \$ 551 | \$ 705 | \$ 555 |
| <i>Refunds:</i> | | | |
| Refunding Liquid Fuels Tax - Agriculture..... | \$ 4,000 | \$ 4,000 | \$ 4,000 |
| Refunding Liquid Fuels Tax - State Share..... | 350 | 350 | 350 |
| Refunding Liquid Fuels Tax - Political Subdivisions..... | 3,200 | 3,200 | 3,200 |
| Refunding Liquid Fuels Tax - Volunteer Services..... | 400 | 400 | 400 |
| Refunding Marine Liquid Fuels Tax - Boat Fund..... | 2,800 | 2,800 | 2,800 |
| Refunding Liquid Fuels Tax - Snowmobiles & ATV's (06/06)..... | 1,000 | 0 | 0 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| Total - Refunds..... | \$ 11,750 | \$ 10,750 | \$ 10,750 |
| Debt Service: | | | |
| Capital Debt Transportation Projects..... | \$ 11,890 | \$ 12,097 | \$ 11,461 |
| General Obligation Debt Service..... | 10,037 | 10,625 | 11,372 |
| (R)Capital Bridge Debt (EA)..... | 23,554 | 23,816 | 19,151 |
| Loan and Transfer Agent..... | 50 | 50 | 50 |
| Subtotal - State Funds..... | \$ 21,977 | \$ 22,772 | \$ 22,883 |
| Subtotal - Restricted Revenues..... | 23,554 | 23,816 | 19,151 |
| Total - Debt Service..... | \$ 45,531 | \$ 46,588 | \$ 42,034 |
| STATE FUNDS..... | \$ 34,278 | \$ 34,227 | \$ 34,188 |
| RESTRICTED REVENUES..... | 23,554 | 23,816 | 19,151 |
| MOTOR LICENSE FUND TOTAL..... | \$ 57,832 | \$ 58,043 | \$ 53,339 |
| <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)..... | \$ 50 | \$ 50 | \$ 50 |
| <u>RACING FUND:</u> | | | |
| <i>General Government:</i> | | | |
| Replacement Checks-Racing Fund (EA)..... | \$ 0 | \$ 10 | \$ 10 |
| <u>OTHER FUNDS:</u> | | | |
| TUITION ACCOUNT GUARANTEED SAVINGS PROGRAM FUND: | | | |
| Tuition Account Program Bureau..... | \$ 1,033 | \$ 1,033 | \$ 1,033 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|--------------------------|--------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| (A)Application Fees..... | 113 | 131 | 131 |
| TUITION ACCOUNT GUARANTEED SAVINGS PROGRAM FUND TOTAL..... | <u>\$ 1,146</u> | <u>\$ 1,164</u> | <u>\$ 1,164</u> |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 449,826 | \$ 769,131 | \$ 901,313 |
| SPECIAL FUNDS..... | 34,328 | 34,312 | 34,273 |
| FEDERAL FUNDS..... | 377,619 | 0 | 0 |
| AUGMENTATIONS..... | 3,060 | 5,761 | 7,423 |
| RESTRICTED..... | 23,554 | 23,816 | 19,151 |
| OTHER FUNDS..... | 1,146 | 1,164 | 1,164 |
| TOTAL ALL FUNDS..... | <u>\$ 889,533</u> | <u>\$ 834,184</u> | <u>\$ 963,324</u> |

^a Act 59 of 2005 increased the required payments effective December 15, 2003. Therefore, retroactive costs are also included in the 2005-06 fiscal year.

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|-------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| DISBURSEMENT | | | | | | | |
| GENERAL FUND..... | \$ 48,957 | \$ 55,647 | \$ 47,505 | \$ 47,505 | \$ 47,505 | \$ 47,505 | \$ 47,505 |
| SPECIAL FUNDS..... | 12,351 | 11,540 | 11,390 | 11,390 | 11,390 | 11,390 | 11,390 |
| FEDERAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 3,787 | 6,584 | 8,458 | 8,458 | 8,458 | 8,458 | 8,458 |
| SUBCATEGORY TOTAL..... | \$ 65,095 | \$ 73,771 | \$ 67,353 | \$ 67,353 | \$ 67,353 | \$ 67,353 | \$ 67,353 |
| INTERSTATE RELATIONS | | | | | | | |
| GENERAL FUND..... | \$ 914 | \$ 1,011 | \$ 1,011 | \$ 1,011 | \$ 1,011 | \$ 1,011 | \$ 1,011 |
| 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..... | \$ 914 | \$ 1,011 | \$ 1,011 | \$ 1,011 | \$ 1,011 | \$ 1,011 | \$ 1,011 |
| DEBT SERVICE | | | | | | | |
| GENERAL FUND..... | \$ 399,955 | \$ 712,473 | \$ 852,797 | \$ 939,184 | \$ 1,035,736 | \$ 1,112,807 | \$ 1,191,098 |
| SPECIAL FUNDS..... | 21,977 | 22,772 | 22,883 | 23,936 | 23,690 | 23,251 | 22,759 |
| FEDERAL FUNDS..... | 377,619 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 23,973 | 24,157 | 19,280 | 18,134 | 14,386 | 9,152 | 8,688 |
| SUBCATEGORY TOTAL..... | \$ 823,524 | \$ 759,402 | \$ 894,960 | \$ 981,254 | \$ 1,073,812 | \$ 1,145,210 | \$ 1,222,545 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 449,826 | \$ 769,131 | \$ 901,313 | \$ 987,700 | \$ 1,084,252 | \$ 1,161,323 | \$ 1,239,614 |
| SPECIAL FUNDS..... | 34,328 | 34,312 | 34,273 | 35,326 | 35,080 | 34,641 | 34,149 |
| FEDERAL FUNDS..... | 377,619 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 27,760 | 30,741 | 27,738 | 26,592 | 22,844 | 17,610 | 17,146 |
| DEPARTMENT TOTAL..... | \$ 889,533 | \$ 834,184 | \$ 963,324 | \$ 1,049,618 | \$ 1,142,176 | \$ 1,213,574 | \$ 1,290,909 |

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 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 and Act 59 of 2005, the Treasury Department is required to pay death benefits, adjusted annually for inflation, to the surviving spouse or children of 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.

The Treasury Department administers the Tuition Account Program that provides for two programs for postsecondary educational savings. The Tuition Account Guaranteed Savings Program Fund provides for the advance purchase of tuition credits for students who will attend institutions of higher education. Savings for higher education may also be made through the Tuition Account Investment Program Fund. A cash flow statement for each fund is included in the Special Funds Appendix.

The State Treasurer is responsible for the administration and enforcement of the Commonwealth's abandoned and unclaimed property laws. Tangible and intangible property that has remained unclaimed for five or more years is reported and remitted to the Treasury Department by holders in possession of the property. The Commonwealth maintains perpetual custody of the property until it is claimed by the rightful owner. Revenues generated by collection of unclaimed property cover the costs of paying claims.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|-------------------|-------------------|-------------------|----------------|----------------|----------------|----------------|
| Disbursements issued | | | | | | | |
| Disbursements — checks | 5,000,249 | 4,078,226 | 4,000,000 | NA | NA | NA | NA |
| Disbursements — wires | 6,047,788 | 5,967,512 | 6,000,000 | NA | NA | NA | NA |
| Interest earned on investments: | | | | | | | |
| General Fund (in thousands) | \$ 120,884 | \$ 145,215 | \$ 145,000 | NA | NA | NA | NA |
| Motor License Fund (in thousands) | 57,198 | 71,882 | 72,000 | NA | NA | NA | NA |
| TOTAL | \$ 178,082 | \$ 217,097 | \$ 217,000 | NA | NA | NA | NA |

Program: Disbursement (continued)

Program Recommendations:

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

| | GENERAL FUND | | MOTOR LICENSE FUND |
|-----------|---|---------|--|
| \$ -1,835 | Computer Integration Program —nonrecurring computer integration costs. | | Replacement Checks – Motor License Fund (EA) —based on most recent projection of program requirements. |
| \$ -5,500 | Replacement Checks (EA) —based on projection of funding requirements. | \$ -150 | |
| \$ -1,632 | Law Enforcement & Emergency Response Personnel Death Benefits —retroactive costs and 2005-06 supplemental needs per Act 59 of 2005. | | |
| 825 | —based on most recent projection of claims. | | |
| \$ -807 | <i>Appropriation Decrease</i> | | |

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| State Treasurer's Office | \$ 23,976 | \$ 24,976 | \$ 24,976 | \$ 24,976 | \$ 24,976 | \$ 24,976 | \$ 24,976 |
| Computer Integration Program | 335 | 1,835 | 0 | 0 | 0 | 0 | 0 |
| Escheats Administration | 17,576 | 14,620 | 14,620 | 14,620 | 14,620 | 14,620 | 14,620 |
| Board of Finance and Revenue | 2,309 | 2,309 | 2,309 | 2,309 | 2,309 | 2,309 | 2,309 |
| Tuition Account Program Advertising | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Replacement Checks (EA) | 2,999 | 8,500 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| Law Enforcement & Emergency Response Personnel Death Benefit | 762 | 2,407 | 1,600 | 1,600 | 1,600 | 1,600 | 1,600 |
| TOTAL GENERAL FUND | \$ 48,957 | \$ 55,647 | \$ 47,505 | \$ 47,505 | \$ 47,505 | \$ 47,505 | \$ 47,505 |
| MOTOR LICENSE FUND: | | | | | | | |
| Administration Refunding Liquid Fuels Tax | \$ 451 | \$ 455 | \$ 455 | \$ 455 | \$ 455 | \$ 455 | \$ 455 |
| Replacement Checks - Motor License Fund (EA) | 100 | 250 | 100 | 100 | 100 | 100 | 100 |
| Refunding Liquid Fuels Tax - Agriculture ... | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| Refunding Liquid Fuels Tax - State Share.. | 350 | 350 | 350 | 350 | 350 | 350 | 350 |
| Refunding Liquid Fuels Tax - Political Subdivisions | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 |
| Refunding Liquid Fuels Tax - Volunteer Services | 400 | 400 | 400 | 400 | 400 | 400 | 400 |
| Refunding Marine Liquid Fuels Tax - Boat Fund | 2,800 | 2,800 | 2,800 | 2,800 | 2,800 | 2,800 | 2,800 |
| Refunding Liquid Fuels Tax - Snowmobiles & ATV's (06/06) | 1,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL MOTOR LICENSE FUND | \$ 12,301 | \$ 11,455 | \$ 11,305 | \$ 11,305 | \$ 11,305 | \$ 11,305 | \$ 11,305 |

Program: Disbursement (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| 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 |
| 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) | \$ 50 | \$ 50 | \$ 50 | \$ 50 | \$ 50 | \$ 50 | \$ 50 |
| RACING FUND: | | | | | | | |
| Replacement Checks — Racing Fund (EA) | \$ 0 | \$ 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)

The Intergovernmental Organizations appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Intergovernmental Organizations | \$ 914 | \$ 1,011 | \$ 1,011 | \$ 1,011 | \$ 1,011 | \$ 1,011 | \$ 1,011 |

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 for disaster recovery costs; economic revitalization efforts; low-cost loans for water supply and sewage treatment improvements; loans to

volunteer fire companies; and a wide variety of construction and renovation projects for hospitals, higher education facilities, State parks, flood control, correctional institutions and various public buildings.

The Commonwealth has saved substantial amounts of debt service interest payments through the issuance of refunding bonds to retire debt incurred in prior years when interest rates were considerably higher. The Commonwealth continues to monitor its debt for additional refunding opportunities.

Program Recommendations:

GENERAL FUND
 \$ 140,324 —the net effect on principal and interest requirements and other costs relating to the General Fund debt service.

MOTOR LICENSE FUND
 \$ 111 —the net effect on principal and interest requirements and other costs relating to the Motor License Fund debt service.

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Publishing Monthly Statements | \$ 15 | \$ 25 | \$ 25 | \$ 25 | \$ 25 | \$ 25 | \$ 25 |
| Loan and Transfer Agents | 15 | 75 | 75 | 75 | 75 | 75 | 75 |
| General Obligation Debt Service | 399,925 | 712,373 | 852,697 | 939,084 | 1,035,636 | 1,112,707 | 1,190,998 |
| TOTAL GENERAL FUND | \$ 399,955 | \$ 712,473 | \$ 852,797 | \$ 939,184 | \$ 1,035,736 | \$ 1,112,807 | \$ 1,191,098 |
| MOTOR LICENSE FUND: | | | | | | | |
| Capital Debt Transportation Projects | \$ 11,890 | \$ 12,097 | \$ 11,461 | \$ 12,564 | \$ 12,318 | \$ 11,962 | \$ 11,470 |
| General Obligation Debt Service | 10,037 | 10,625 | 11,372 | 11,322 | 11,322 | 11,239 | 11,239 |
| Loan and Transfer Agent | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| TOTAL MOTOR LICENSE FUND | \$ 21,977 | \$ 22,772 | \$ 22,883 | \$ 23,936 | \$ 23,690 | \$ 23,251 | \$ 22,759 |



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 older Pennsylvanians can address their concerns to State Government.

Statewide services are provided through the local Area Agencies on Aging. Services include long-term care assessment, home and community-based services, nutrition, employment, transportation, domiciliary care and protection. Additionally, the Department of Aging manages the pharmaceutical assistance program for older Pennsylvanians.

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| GENERAL FUND: | | | |
| General Government: | | | |
| General Government Operations..... | \$ 17,287 | \$ 7,912 | \$ 7,329 |
| (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..... | 938 | 1,042 | 939 |
| (F)Pharmacy Education..... | 5,000 | 12,084 | 12,084 |
| (F)DCSI - Older Domestic Violence Victims Cross Training (EA)..... | 33 | 0 | 0 |
| (F)DCSI - Protective Services Training (EA)..... | 50 | 13 | 0 |
| (F)DCSI - Sexual Abuse Response Training (EA)..... | 49 | 25 | 0 |
| (F)Public Health Emergency Preparedness - Bioterrorism (EA)..... | 0 | 110 | 250 |
| (A)Intergovernmental Transfer - Administration..... | 206 | 199 | 190 |
| (A)Day Care Licensure..... | 8 | 8 | 8 |
| Subtotal..... | \$ 25,561 | \$ 23,383 | \$ 22,790 |
| Subtotal - State Funds..... | \$ 17,287 | \$ 7,912 | \$ 7,329 |
| Subtotal - Federal Funds..... | 8,060 | 15,264 | 15,263 |
| Subtotal - Augmentations..... | 214 | 207 | 198 |
| Total - General Government..... | \$ 25,561 | \$ 23,383 | \$ 22,790 |
| Grants and Subsidies: | | | |
| Family Caregiver..... | \$ 11,461 | \$ 11,461 | \$ 11,750 |
| (F)Programs for the Aging - Title III - Family Caregiver..... | 10,000 | 10,000 | 10,000 |
| Subtotal..... | \$ 21,461 | \$ 21,461 | \$ 21,750 |
| Pre-Admission Assessment..... | 6,080 | 0 | 0 |
| (F)Pre-Admission Assessment..... | 7,446 | 0 | 0 |
| Subtotal..... | \$ 13,526 | \$ 0 | \$ 0 |
| Legal Advocacy for Older Pennsylvanians..... | 600 | 600 | 0 |
| Alzheimer's Outreach..... | 526 | 250 | 250 |
| (F)Memory Loss Screening..... | 597 | 400 | 0 |
| (F)Alzheimer's Demonstration Grant..... | 0 | 0 | 350 |
| Subtotal..... | \$ 1,123 | \$ 650 | \$ 600 |
| Subtotal - State Funds..... | \$ 18,667 | \$ 12,311 | \$ 12,000 |
| Subtotal - Federal Funds..... | 18,043 | 10,400 | 10,350 |
| Total - Grants and Subsidies..... | \$ 36,710 | \$ 22,711 | \$ 22,350 |
| STATE FUNDS..... | \$ 35,954 | \$ 20,223 | \$ 19,329 |
| FEDERAL FUNDS..... | 26,103 | 25,664 | 25,613 |
| AUGMENTATIONS..... | 214 | 207 | 198 |
| GENERAL FUND TOTAL..... | \$ 62,271 | \$ 46,094 | \$ 45,140 |
| LOTTERY FUND: | | | |
| General Government: | | | |
| Auditor General's Audit Cost..... | \$ 50 | \$ 50 | \$ 50 |
| Subtotal..... | \$ 50 | \$ 50 | \$ 50 |
| Grants and Subsidies: | | | |
| PENNCARE..... | \$ 211,899 | \$ 217,876 | \$ 227,923 |
| (F)Programs for the Aging - Title III..... | 52,000 | 52,000 | 52,000 |
| (F)Programs for the Aging - Nutrition..... | 10,000 | 10,000 | 10,000 |
| (F)Programs for the Aging - Title V - Employment..... | 5,300 | 5,300 | 5,300 |
| (F)Programs for the Aging - Title VII - Elder Rights Protection..... | 4,700 | 4,700 | 4,700 |
| (F)Medical Assistance - Attendant Care..... | 4,067 | 6,010 | 8,256 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|--------------------------|--------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| (F)Medical Assistance Support..... | 800 | 1,250 | 1,164 |
| (F)Disability Resource Center..... | 800 | 0 | 0 |
| (F)Training Grant to Stop Abuse..... | 300 | 0 | 0 |
| (F)Elder Mistreatment Research..... | 0 | 275 | 275 |
| (F)Performance Measures Outcome Project..... | 0 | 40 | 40 |
| (A)Intergovernmental Transfer - MA Support..... | 600 | 600 | 600 |
| Subtotal..... | <u>\$ 290,466</u> | <u>\$ 298,051</u> | <u>\$ 310,258</u> |
| Pre-Admission Assessment..... | 0 | 7,253 | 7,678 |
| (F)Pre-Admission Assessment..... | 0 | 10,016 | 10,468 |
| Subtotal..... | <u>\$ 0</u> | <u>\$ 17,269</u> | <u>\$ 18,146</u> |
| Pharmaceutical Assistance Fund..... | 300,000 | 400,000 | 190,000 |
| Subtotal - State Funds..... | \$ 511,899 | \$ 625,129 | \$ 425,601 |
| Subtotal - Federal Funds..... | 77,967 | 89,591 | 92,203 |
| Subtotal - Augmentations..... | 600 | 600 | 600 |
| Total - Grants and Subsidies..... | <u>\$ 590,466</u> | <u>\$ 715,320</u> | <u>\$ 518,404</u> |
| STATE FUNDS..... | \$ 511,949 | \$ 625,179 | \$ 425,651 |
| FEDERAL FUNDS..... | 77,967 | 89,591 | 92,203 |
| AUGMENTATIONS..... | 600 | 600 | 600 |
| LOTTERY FUND TOTAL..... | <u>\$ 590,516</u> | <u>\$ 715,370</u> | <u>\$ 518,454</u> |
| <u>TOBACCO SETTLEMENT FUND:</u> | | | |
| <i>Grants and Subsidies:</i> | | | |
| Home and Community-Based Services (EA)..... | \$ 23,850 | \$ 20,536 | \$ 18,188 |
| (F)Medical Assistance - Community Services..... | 25,442 | 26,264 | 27,485 |
| (A)Intergovernmental Transfer - MA Support..... | 6,769 | 6,769 | 6,769 |
| Subtotal..... | <u>\$ 56,061</u> | <u>\$ 53,569</u> | <u>\$ 52,442</u> |
| PACENET Transfer (EA)..... | 30,721 | 29,301 | 30,318 |
| Subtotal - State Funds..... | \$ 54,571 | \$ 49,837 | \$ 48,506 |
| Subtotal - Federal Funds..... | 25,442 | 26,264 | 27,485 |
| Subtotal - Augmentations..... | 6,769 | 6,769 | 6,769 |
| Total - Grants and Subsidies..... | <u>\$ 86,782</u> | <u>\$ 82,870</u> | <u>\$ 82,760</u> |
| STATE FUNDS..... | \$ 54,571 | \$ 49,837 | \$ 48,506 |
| FEDERAL FUNDS..... | 25,442 | 26,264 | 27,485 |
| AUGMENTATIONS..... | 6,769 | 6,769 | 6,769 |
| TOBACCO SETTLEMENT FUND TOTAL..... | <u>\$ 86,782</u> | <u>\$ 82,870</u> | <u>\$ 82,760</u> |
| <u>OTHER FUNDS:</u> | | | |
| PHARMACEUTICAL ASSISTANCE FUND: | | | |
| Contracted Services (EA)..... | \$ 169,800 a | \$ 88,776 a | \$ 54,797 a |
| Administration of PACE (EA)..... | 0 | 0 | 904 |
| PHARMACEUTICAL ASSISTANCE FUND TOTAL..... | <u>\$ 169,800</u> | <u>\$ 88,776</u> | <u>\$ 55,701</u> |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|------------------------------|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 35,954 | \$ 20,223 | \$ 19,329 |
| SPECIAL FUNDS..... | 566,520 | 675,016 | 474,157 |
| FEDERAL FUNDS..... | 129,512 | 141,519 | 145,301 |
| AUGMENTATIONS..... | 7,583 | 7,576 | 7,567 |
| OTHER FUNDS..... | 169,800 | 88,776 | 55,701 |
| TOTAL ALL FUNDS..... | \$ 909,369 | \$ 933,110 | \$ 702,055 |

^a Transfer to Pharmaceutical Assistance Fund not added to the total to avoid double counting: 2004-05 Actual is \$300,000,000, 2005-06 Available is \$400,000,000 and 2006-07 Budget is \$190,000,000.

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| COMMUNITY SERVICES FOR OLDER PENNSYLVANIANS | | | | | | | |
| GENERAL FUND..... | \$ 35,954 | \$ 20,223 | \$ 19,329 | \$ 19,329 | \$ 19,329 | \$ 19,329 | \$ 19,329 |
| SPECIAL FUNDS..... | 235,799 | 245,715 | 253,839 | 257,722 | 258,043 | 258,030 | 258,017 |
| FEDERAL FUNDS..... | 129,512 | 141,519 | 145,301 | 133,217 | 133,217 | 133,217 | 133,217 |
| OTHER FUNDS..... | 7,583 | 7,576 | 7,567 | 7,567 | 7,567 | 7,567 | 7,567 |
| SUBCATEGORY TOTAL..... | \$ 408,848 | \$ 415,033 | \$ 426,036 | \$ 417,835 | \$ 418,156 | \$ 418,143 | \$ 418,130 |
| PHARMACEUTICAL ASSISTANCE | | | | | | | |
| GENERAL FUND..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 330,721 | 429,301 | 220,318 | 274,294 | 322,830 | 353,807 | 390,786 |
| FEDERAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 169,800 | 88,776 | 55,701 | 44,257 | 34,849 | 35,530 | 32,788 |
| SUBCATEGORY TOTAL..... | \$ 500,521 | \$ 518,077 | \$ 276,019 | \$ 318,551 | \$ 357,679 | \$ 389,337 | \$ 423,574 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 35,954 | \$ 20,223 | \$ 19,329 | \$ 19,329 | \$ 19,329 | \$ 19,329 | \$ 19,329 |
| SPECIAL FUNDS..... | 566,520 | 675,016 | 474,157 | 532,016 | 580,873 | 611,837 | 648,803 |
| FEDERAL FUNDS..... | 129,512 | 141,519 | 145,301 | 133,217 | 133,217 | 133,217 | 133,217 |
| OTHER FUNDS..... | 177,383 | 96,352 | 63,268 | 51,824 | 42,416 | 43,097 | 40,355 |
| DEPARTMENT TOTAL..... | \$ 909,369 | \$ 933,110 | \$ 702,055 | \$ 736,386 | \$ 775,835 | \$ 807,480 | \$ 841,704 |

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 (AAA), 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 AAA is to inform these people of available services. AAAs sponsor over 650 senior centers throughout the Commonwealth that provide a full range of social, 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 most clinically appropriate environment and assists them in securing and managing intensive in-home services tailored to their needs. A continuum of services is available based on the functional and financial qualifications of the consumer ranging from home delivered meals to intensive in-home services for older Pennsylvanians needing the level of care

available in institutional settings. Persons with higher income or assets share in the cost of services. This budget proposes to increase the availability of home and community-based care as an alternative to nursing facility care. Home and community-based services promote independence and self-reliance, and maximize opportunities for family and community involvement.

A variety of personal support services are available for the growing population of frail older Pennsylvanians. The most common service is home delivered meals for people unable to prepare adequate meals for themselves or participate in group dining at senior centers. Personal care and related services assist functionally limited persons with key activities of daily living such as eating, dressing and personal hygiene either in their own homes or in adult daily living centers. Home support services provide for performance of labor intensive, unskilled or semi-skilled maintenance, cleaning tasks or routine household chores. Protective services are provided to older Pennsylvanians who are at imminent risk of abuse, neglect, exploitation or abandonment. Services are designed to provide the least restrictive alternative to meet the client's need.

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: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Pennsylvanians 60 years and older | 2,472,200 | 2,483,200 | 2,502,000 | 2,552,800 | 2,601,400 | 2,644,200 | 2,690,000 |
| Pennsylvanians 85 years and older | 278,000 | 289,000 | 300,600 | 311,600 | 320,100 | 329,100 | 338,000 |
| Persons served in the community who are clinically nursing home eligible | 37,652 | 40,522 | 42,035 | 42,835 | 42,835 | 42,835 | 42,835 |
| Pre-Admission Assessment: | | | | | | | |
| Initial Assessments | 68,851 | 70,200 | 85,750 | 85,750 | 85,750 | 85,750 | 85,750 |
| Referrals to nursing homes. | 34,727 | 35,408 | 43,120 | 43,120 | 43,120 | 43,120 | 43,120 |
| Referrals for community services | 34,021 | 34,688 | 42,500 | 42,500 | 42,500 | 42,500 | 42,500 |

Program: Community Services for Older Pennsylvanians (continued)

| Program Measures: (continued) | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Persons receiving assistance: | | | | | | | |
| Congregate meals | 95,490 | 95,615 | 95,615 | 95,615 | 95,615 | 95,615 | 95,615 |
| Transportation (complete round trips) | 70,583 | 70,585 | 70,585 | 70,585 | 70,585 | 70,585 | 70,585 |
| Personal assistance services | 1,129 | 995 | 995 | 995 | 995 | 995 | 995 |
| Attendant care services | 844 | 973 | 1,213 | 1,215 | 1,215 | 1,215 | 1,215 |
| Home delivered meals | 49,400 | 49,725 | 49,825 | 49,825 | 49,825 | 49,825 | 49,825 |
| Home support services | 10,910 | 16,678 | 16,680 | 16,680 | 16,680 | 16,680 | 16,680 |
| Personal care services | 17,389 | 16,700 | 16,700 | 16,700 | 16,700 | 16,700 | 16,700 |
| Protective services | 11,462 | 12,090 | 12,090 | 12,090 | 12,090 | 12,090 | 12,090 |
| Families receiving caregiver support | 5,053 | 5,053 | 5,055 | 5,055 | 5,055 | 5,055 | 5,055 |

Persons receiving congregate meals and transportation reflect decreased estimates based on a new reporting system.

Changes in personal assistance services, home support services and personal care services reflect shifts in consumer demand for services.

Program Recommendation:

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

| | |
|--|--|
| <p>GENERAL FUND:</p> <p>General Government Operations</p> <p>\$ -904 —to transfer PACE personnel costs to the Pharmaceutical Assistance Fund.</p> <p>321 —to continue current program.</p> <hr style="width: 50%; margin-left: 0;"/> <p>\$ -583 <i>Appropriation Decrease</i></p> <p>Family Caregiver</p> <p>\$ 229 —to provide for a two percent cost-of-living adjustment.</p> <p>60 —to continue current program.</p> <hr style="width: 50%; margin-left: 0;"/> <p>\$ 289 <i>Appropriation Increase</i></p> <p>Legal Advocacy for Older Pennsylvanians</p> <p>\$ -600 —nonrecurring projects.</p> <p>LOTTERY FUND: PENNCARE</p> <p>\$ 4,336 —to provide a two percent cost-of-living adjustment.</p> <p>2,088 —to provide Attendant Care services to an additional 240 recipients.</p> <p>3,010 —to continue current Attendant Care services.</p> <p>699 —to provide services as a result of nursing home transition activities.</p> <p>-86 —nonrecurring program cost.</p> <hr style="width: 50%; margin-left: 0;"/> <p>\$ 10,047 <i>Appropriation Increase</i></p> | <p>Pre-Admission Assessment</p> <p>\$ 425 —to continue current program.</p> <p>TOBACCO SETTLEMENT FUND: Home and Community-Based Services</p> <p>\$ 1,110 —to continue current home and community- based services and expand to additional recipients, including nursing home transition activities.</p> <p>-3,458 —nonrecurring projects.</p> <hr style="width: 50%; margin-left: 0;"/> <p>\$ -2,348 <i>Appropriation Decrease</i></p> <p>All other appropriations are recommended at the current year funding level.</p> |
|--|--|

Program: Community Services for Older Pennsylvanians (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| General Government Operations | \$ 17,287 | \$ 7,912 | \$ 7,329 | \$ 7,329 | \$ 7,329 | \$ 7,329 | \$ 7,329 |
| Family Caregiver | 11,461 | 11,461 | 11,750 | 11,750 | 11,750 | 11,750 | 11,750 |
| Pre-Admission Assessment | 6,080 | 0 | 0 | 0 | 0 | 0 | 0 |
| Legal Advocacy for Older Pennsylvanians | 600 | 600 | 0 | 0 | 0 | 0 | 0 |
| Alzheimer's Outreach | 526 | 250 | 250 | 250 | 250 | 250 | 250 |
| TOTAL GENERAL FUND | \$ 35,954 | \$ 20,223 | \$ 19,329 | \$ 19,329 | \$ 19,329 | \$ 19,329 | \$ 19,329 |
| LOTTERY FUND: | | | | | | | |
| Auditor General's Audit Cost | \$ 50 | \$ 50 | \$ 50 | \$ 50 | \$ 50 | \$ 50 | \$ 50 |
| PENNCARE | 211,899 | 217,876 | 227,923 | 231,819 | 231,819 | 231,819 | 231,819 |
| Pre-Admission Assessment | 0 | 7,253 | 7,678 | 7,678 | 7,678 | 7,678 | 7,678 |
| TOTAL LOTTERY FUND | \$ 211,949 | \$ 225,179 | \$ 235,651 | \$ 239,547 | \$ 239,547 | \$ 239,547 | \$ 239,547 |
| TOBACCO SETTLEMENT FUND: | | | | | | | |
| Home and Community-Based Services | \$ 23,850 | \$ 20,536 | \$ 18,188 | \$ 18,175 | \$ 18,496 | \$ 18,483 | \$ 18,470 |

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 and Tobacco Settlement Fund revenue and administered by the Department of Aging, is referred to as PACE.

The PACE program has two components. Act 37 of 2003 expanded the income eligibility limits for both components to enroll additional consumers. The traditional, comprehensive program is for older Pennsylvanians whose annual income is at or below \$14,500 for single persons and \$17,700 for married persons. PACE pays the entire cost of prescription drugs and insulin supplies after a mandatory copayment of \$6 for generic and \$9 for brand-name prescriptions is made. The PACE Needs Enhancement Tier (PACENET) program is available for older Pennsylvanians whose annual income is between \$14,500 and \$23,500 for single persons and between \$17,700 and \$31,500 for married persons. PACENET pays the entire cost of prescription drugs and insulin supplies after a claimant meets a \$40 per person per month deductible and a mandatory copayment of \$8 for generic and \$15 for brand-name prescriptions. The \$40 deductible is cumulative if it is not met each month. Participating pharmacies are reimbursed at 90 percent of the average wholesale costs of prescription drugs plus a dispensing fee, their usual and customary charge, or the most current Federal upper payment limit established in the Medicaid Program for generic drugs plus a dispensing fee, whichever is less. 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. In addition, Act 134 of 1996 prohibits payment for cosmetic drugs and for less than effective drugs without certification by a physician.

Enacted in December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 created a new outpatient drug benefit as Part D of Medicare. An interim Medicare Drug Discount Card and Transitional Assistance Program began in June 2004. Low-income PACE enrollees, not enrolled in a Medicare HMO were enrolled into the transitional assistance program permitting PACE to charge to the Medicare Program up to \$600 per year for each enrollee's pharmaceutical expenses in 2004 and 2005.

Medicare Part D drug coverage began in January 2006. The PACE Program acts as the enrollees' personal representative and is facilitating PACE cardholder enrollment into the Extra Help/Low-Income Subsidy offering under Part

D. Additionally, throughout 2006, the Program will collaborate with selected prescription drug plans to facilitate enrollment of PACE and PACENET cardholders into Part D. As cardholders are enrolled in Medicare Part D plans, the new PACE Plus Medicare program will coordinate benefits with the plans, and provide coverage including: the gap between Medicare Part D plans basic coverage and catastrophic benefit, co-payment differential, premiums for PACE cardholders and drugs excluded by the Medicare Modernization Act of 2003. Please see the Enhancing Programs for Pennsylvania Seniors theme in the Overview and Summaries section for additional information on this initiative.

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 for brand drugs pursuant to the determination established by section 1927(c)(1) of the Social Security Act and a rebate of 14 percent of the average manufacturer price for generic drugs purchased through the program. In addition, participating manufacturers agree to pay an excessive pharmaceutical price inflation discount equivalent to the difference between the quarterly average 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.

The Department of Aging serves as the administrative and fiscal agent for other Commonwealth-sponsored drug reimbursement programs. Pharmaceutical claims for the Chronic Renal Disease Program, Cystic Fibrosis Program, Spina Bifida Program, Metabolic Conditions Program (all within the Department of Health) and the Special Pharmaceutical Benefits Program (Department of Public Welfare) are processed through the PACE/PACENET system. In 2005, the program began adjudicating claims for the State Worker's Insurance Fund (Department of Labor and Industry). The program serves as the fiscal agent for the General Assistance Program, the Special Pharmaceutical Assistance Program (Department of Public Welfare) and the Chronic Renal Disease Program (Department of Health) for the collection of rebates from pharmaceutical manufacturers.

Program: Pharmaceutical Assistance (continued)

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|-----------|-----------|-----------|------------|------------|------------|------------|
| Comprehensive PACE Program: | | | | | | | |
| Older Pennsylvanians enrolled (average) . | 192,485 | 186,180 | 176,625 | 168,100 | 160,000 | 152,275 | 144,925 |
| Total prescriptions per year | 9,912,978 | 9,830,305 | 9,555,415 | 9,329,550 | 9,104,000 | 8,877,635 | 8,652,025 |
| Average PACE cost per prescription | \$44.26 | \$47.36 | \$14.36 | \$14.81 | \$15.23 | \$15.60 | \$15.92 |
| PACE Needs Enhancement Tier (PACENET): | | | | | | | |
| Older Pennsylvanians enrolled (average) . | 97,997 | 110,260 | 202,295 | 269,755 | 310,305 | 330,925 | 343,250 |
| Total prescriptions per year | 2,881,112 | 3,572,424 | 7,271,840 | 10,083,310 | 12,345,995 | 14,005,990 | 15,697,400 |
| Average PACENET cost per prescription .. | \$52.40 | \$55.81 | \$13.05 | \$13.49 | \$14.11 | \$14.71 | \$15.35 |

The average PACE and PACENET cost per prescription decreases in 2006-07 to reflect the implementation of the Federal Medicare Part D pharmacy benefit which reduces the PACE Program's share in the cost of each prescription.

Program Recommendations:

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

| | |
|---|--|
| <p>LOTTERY FUND: Pharmaceutical Assistance Fund \$ -170,000 —decrease in Lottery Funds needed to support PACE Program due to implementation of the Federal Medicare Part D Pharmacy benefit. \$ -40,000 —nonrecurring 2005-06 excess appropriation authority. <hr/> \$ -210,000 <i>Appropriation Decrease</i></p> | <p>TOBACCO SETTLEMENT FUND: PACENET Transfer (EA) \$ 1,017 —increase in Tobacco Settlement Funds available for transfer.</p> |
|---|--|

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| LOTTERY FUND: | | | | | | | |
| Pharmaceutical Assistance Fund | \$ 300,000 | \$ 400,000 | \$ 190,000 | \$ 244,000 | \$ 292,000 | \$ 323,000 | \$ 360,000 |
| TOBACCO SETTLEMENT FUND: | | | | | | | |
| PACENET Transfer (EA) | \$ 30,721 | \$ 29,301 | \$ 30,318 | \$ 30,294 | \$ 30,830 | \$ 30,807 | \$ 30,786 |



DEPARTMENT OF AGRICULTURE

The mission of the Department of Agriculture is to encourage and promote agriculture and related industries throughout the Commonwealth.

The department's mission is accomplished through four major programs: consumer protection, property protection, farmland preservation and farmers and agribusiness development. The department provides a full range of services to farmers and consumers from Harrisburg and through seven regional offices located around the State.

The Department of Agriculture carries out activities to ensure wholesome and safe agricultural products for consumers; expand existing and develop new domestic and foreign markets for Pennsylvania's farmers to compete in the global economy; 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) | | |
|---|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| GENERAL FUND: | | | |
| <i>General Government:</i> | | | |
| General Government Operations..... | \$ 31,017 | \$ 29,451 | \$ 29,451 |
| (F) Plant Pest Detection System..... | 1,200 | 1,200 | 1,200 |
| (F) Poultry Grading Service..... | 59 | 59 | 59 |
| (F) Medicated Feed Mill Inspection..... | 27 | 30 | 50 |
| (F) National School Lunch Administration..... | 350 | 425 ^a | 400 |
| (F) Emergency Food Assistance..... | 3,000 | 3,200 | 3,200 |
| (F) Pesticide Control..... | 1,000 | 1,000 | 1,000 |
| (F) Agricultural Risk Protection..... | 1,900 | 2,000 | 2,000 |
| (F) Commodity Supplemental Food..... | 1,500 | 1,500 | 1,500 |
| (F) Organic Cost Distribution..... | 180 | 180 | 180 |
| (F) Animal Disease Control..... | 2,000 | 2,000 | 2,000 |
| (F) Food Establishment Inspections..... | 100 | 300 | 300 |
| (F) Food Safety Inspection Service..... | 29 | 0 | 0 |
| (F) Integrated Pest Management..... | 150 | 150 | 150 |
| (F) Johnes Disease Herd Project..... | 1,800 | 1,800 | 1,800 |
| (F) Avian Influenza Surveillance..... | 500 | 1,000 | 1,000 |
| (F) Oral Rabies Vaccine..... | 50 | 100 | 100 |
| (F) Exotic Newcastle Disease Control..... | 200 | 300 | 300 |
| (F) Scrapie Disease Control..... | 60 | 60 | 60 |
| (F) Foot and Mouth Disease Monitoring..... | 100 | 100 | 100 |
| (F) Wildlife Services..... | 800 | 800 | 800 |
| (F) Animal Identification..... | 2,000 | 2,000 | 2,000 |
| (F) Dairy Development..... | 0 | 500 | 500 |
| (F) Bioterrorism Preparedness (EA)..... | 1,070 | 2,000 | 4,000 |
| (F) West Nile Virus Control (EA)..... | 200 | 200 | 200 |
| (F) Sept 2004 - Tropical Storm Ivan Public Assistance (EA)..... | 40 | 0 | 0 |
| (F) Food Safety Inspection..... | 0 | 12 | 0 |
| (A) Lime Inspection..... | 26 | 31 | 30 |
| (A) Feed Inspections and Registrations..... | 495 | 498 | 499 |
| (A) Milk Plant Inspections..... | 22 | 26 | 26 |
| (A) Mailing List Production..... | 5 | 7 | 7 |
| (A) Special Conferences and Projects..... | 10 | 0 | 0 |
| (A) Administrative Services..... | 926 | 1,024 | 1,278 |
| (A) Pesticide Regulation..... | 1,072 | 1,155 | 1,155 |
| (A) Training Rides and Attractions..... | 21 | 20 | 20 |
| (A) Food Site Inspection..... | 45 | 45 | 50 |
| (A) Farm Account Reimbursement..... | 2 | 0 | 0 |
| (A) Nutrient Management Certification Fees..... | 4 | 11 | 13 |
| (A) Apiary Registration and Fees..... | 10 | 5 | 10 |
| (A) Biomass Energy..... | 16 | 20 | 20 |
| (A) Weights and Measures Inspection Services..... | 11 | 10 | 10 |
| (A) Food Employee Certification Fees..... | 210 | 75 | 210 |
| (A) Transfer from Fertilizer Account..... | 99 | 100 | 100 |
| (A) Consumer Fireworks License..... | 35 | 325 | 175 |
| (A) Chronic Wasting Disease..... | 26 | 0 | 10 |
| (A) Purchasing Card Rebate..... | 17 | 12 | 12 |
| (A) Aquaculture..... | 8 | 0 | 4 |
| (A) Sponsorships Aquaculture..... | 0 | 0 | 4 |
| (A) Trade Booth Shows - Aquaculture..... | 0 | 0 | 1 |
| Subtotal..... | \$ 52,392 | \$ 53,731 | \$ 55,984 |
| Food Safety and Inspection..... | 0 | 0 | 300 |
| Farmers' Market Food Coupons..... | 2,000 | 2,000 | 2,000 |
| (F) Farmers' Market Food Coupons..... | 3,300 | 4,300 | 4,000 |
| (F) Senior Farmers' Market Nutrition..... | 2,500 | 3,000 | 3,000 |
| Agricultural Conservation Easement Administration..... | 520 | 520 | 520 |
| (F) Farmland Protection..... | 3,000 | 4,000 | 4,000 |
| (A) Reimbursement from PennDOT..... | 0 | 3 | 3 |
| (A) Transfer From Pesticides..... | 0 | 45 | 0 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|--------------------------|--------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| Agricultural Research | 3,000 | 3,000 | 2,100 |
| Agricultural Promotion, Education, and Exports | 1,282 | 1,286 | 1,186 |
| (A)International Promotion..... | 0 | 8 | 13 |
| (A)Aquaculture Promotion..... | 0 | 15 | 29 |
| (A)Farm Show Revenue..... | 40 | 0 | 0 |
| Hardwoods Research and Promotion | 780 | 780 | 598 |
| Farm Safety | 111 | 111 | 111 |
| Nutrient Management | 297 | 320 | 320 |
| Subtotal - State Funds..... | \$ 39,007 | \$ 37,468 | \$ 36,586 |
| Subtotal - Federal Funds..... | 27,115 | 32,216 | 33,899 |
| Subtotal - Augmentations..... | 3,100 | 3,435 | 3,679 |
| Total - General Government..... | <u>\$ 69,222</u> | <u>\$ 73,119</u> | <u>\$ 74,164</u> |
| Grants and Subsidies: | | | |
| Animal Health Commission | \$ 5,250 | \$ 5,250 | \$ 5,250 |
| Animal Indemnities | 20 | 20 | 20 |
| Transfer to State Farm Products Show Fund | 3,000 | 3,000 | 3,000 |
| Payments to Pennsylvania Fairs | 4,385 | 4,400 | 4,400 |
| Livestock Show | 225 | 225 | 225 |
| Open Dairy Show | 225 | 225 | 225 |
| Junior Dairy Show | 50 | 50 | 50 |
| 4-H Club Shows | 55 | 55 | 55 |
| State Food Purchase | 17,450 | 18,000 | 18,000 |
| Food Marketing and Research | 3,000 | 3,000 | 3,000 |
| Product Promotion and Marketing | 850 | 850 | 850 |
| (F)Market Improvement..... | 150 | 150 | 150 |
| (F)Keystone Agriculture Innovation Center..... | 1,000 | 1,000 | 0 |
| Future Farmers | 104 | 104 | 104 |
| Agriculture & Rural Youth | 110 | 110 | 110 |
| Transfer to Nutrient Management Fund | 3,280 | 3,280 | 3,280 |
| Local Soil and Water Districts | 1,660 | 1,660 | 1,210 |
| Crop Insurance (06/07) | 2,000 | 1,000 | 1,000 |
| (F)Crop Insurance..... | 2,000 | 2,000 | 2,000 |
| Plum Pox Virus - Fruit Tree Indemnities (06/07) | 500 | 500 | 0 |
| Subtotal - State Funds..... | \$ 42,164 | \$ 41,729 | \$ 40,779 |
| Subtotal - Federal Funds..... | 3,150 | 3,150 | 2,150 |
| Total - Grants and Subsidies..... | <u>\$ 45,314</u> | <u>\$ 44,879</u> | <u>\$ 42,929</u> |
| STATE FUNDS..... | \$ 81,171 | \$ 79,197 | \$ 77,365 |
| FEDERAL FUNDS..... | 30,265 | 35,366 | 36,049 |
| AUGMENTATIONS..... | 3,100 | 3,435 | 3,679 |
| GENERAL FUND TOTAL | <u>\$ 114,536</u> | <u>\$ 117,998</u> | <u>\$ 117,093</u> |
| FARM PRODUCTS SHOW FUND: | | | |
| General Government: | | | |
| General Operations (EA) | \$ 4,730 | \$ 5,977 | \$ 5,229 |
| (A)Transfer from General Fund..... | 0 ^b | 0 ^b | 0 ^b |
| Subtotal - State Funds..... | \$ 4,730 | \$ 5,977 | \$ 5,229 |
| Total - General Government..... | <u>\$ 4,730</u> | <u>\$ 5,977</u> | <u>\$ 5,229</u> |
| STATE FUNDS..... | \$ 4,730 | \$ 5,977 | \$ 5,229 |
| FARM PRODUCTS SHOW FUND TOTAL | <u>\$ 4,730</u> | <u>\$ 5,977</u> | <u>\$ 5,229</u> |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|----------------------|------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| ENVIRONMENTAL STEWARDSHIP FUND: | | | |
| <i>Grants and Subsidies:</i> | | | |
| Transfer to Agricultural Conservation Easement Purchase (EA)..... | \$ 0 | \$ 10,749 | \$ 9,521 |
| RACING FUND: | | | |
| <i>General Government:</i> | | | |
| State Racing Commissions (EA)..... | \$ 7,797 | \$ 10,597 | \$ 11,578 |
| Equine Toxicology and Research Laboratory (EA)..... | 2,078 | 3,487 | 3,487 |
| Payments to Pennsylvania Fairs - Administration (EA)..... | 212 | 223 | 245 |
| Total - General Government..... | \$ 10,087 | \$ 14,307 | \$ 15,310 |
| <i>Grants and Subsidies:</i> | | | |
| Transfer to General Fund (EA)..... | \$ 7,038 | \$ 5,959 | \$ 1,822 |
| RACING FUND TOTAL..... | \$ 17,125 | \$ 20,266 | \$ 17,132 |
| OTHER FUNDS: | | | |
| GENERAL FUND: | | | |
| Agriculture Farm Operations..... | \$ 12 | \$ 23 | \$ 23 |
| Dog Law Administration..... | 6,837 | 6,806 | 9,128 |
| Pesticide Regulation..... | 2,442 | 2,614 | 3,211 |
| Plant Pest Management..... | 454 | 534 | 452 |
| National School Lunch..... | 62 | 60 | 60 |
| GENERAL FUND TOTAL..... | \$ 9,807 | \$ 10,037 | \$ 12,874 |
| AGRICULTURAL CONSERVATION EASEMENT PURCHASE FUND: | | | |
| Purchase of County Easements (EA)..... | \$ 38,339 | \$ 51,815 | \$ 90,000 |
| NUTRIENT MANAGEMENT FUND: | | | |
| Planning, Loans, Grants, and Technical Assistance (EA)..... | \$ 3,016 | \$ 2,745 | \$ 1,861 |
| Nutrient Management - Administration (EA)..... | 303 | 461 | 359 |
| NUTRIENT MANAGEMENT FUND TOTAL..... | \$ 3,319 | \$ 3,206 | \$ 2,220 |
| GROWING GREENER BOND FUND: | | | |
| Transfer to Agricultural Conservation Easement Purchase Fund..... | \$ 0 | \$ 0 ^c | \$ 40,000 ^c |
| RACING FUND: | | | |
| Sire Stakes Fund..... | \$ 4,139 | \$ 4,790 | \$ 4,790 |
| Breeders' Fund..... | 8,345 | 8,500 | 8,400 |
| RACING FUND TOTAL..... | \$ 12,484 | \$ 13,290 | \$ 13,190 |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 81,171 | \$ 79,197 | \$ 77,365 |
| SPECIAL FUNDS..... | 21,855 | 36,992 | 31,882 |
| FEDERAL FUNDS..... | 30,265 | 35,366 | 36,049 |
| AUGMENTATIONS..... | 3,100 | 3,435 | 3,679 |
| OTHER FUNDS..... | 63,949 | 78,348 | 158,284 |
| TOTAL ALL FUNDS..... | \$ 200,340 | \$ 233,338 | \$ 307,259 |

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

^b Not added to the total to avoid double counting: 2004-05 Actual is \$3,000,000, 2005-06 Available is \$3,000,000, and 2006-07 Budget is \$3,000,000.

^c Actually appropriated as \$80,000,000 continuing executive authorization in 2005-06. Amount shown is an estimate of program disbursements within the fiscal year.

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| PROTECTION AND DEVELOPMENT OF AGRICULTURAL INDUSTRIES | | | | | | | |
| GENERAL FUND..... | \$ 61,721 | \$ 59,197 | \$ 57,365 | \$ 57,365 | \$ 57,365 | \$ 57,365 | \$ 57,365 |
| SPECIAL FUNDS..... | 4,942 | 16,949 | 14,995 | 19,016 | 19,016 | 19,016 | 19,016 |
| FEDERAL FUNDS..... | 17,105 | 20,006 | 20,989 | 20,989 | 20,989 | 20,989 | 20,989 |
| OTHER FUNDS..... | 54,565 | 68,493 | 148,773 | 148,773 | 108,773 | 108,773 | 108,773 |
| SUBCATEGORY TOTAL..... | \$ 138,333 | \$ 164,645 | \$ 242,122 | \$ 246,143 | \$ 206,143 | \$ 206,143 | \$ 206,143 |
| HORSE RACING REGULATION | | | | | | | |
| GENERAL FUND..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 16,913 | 20,043 | 16,887 | 16,559 | 16,559 | 16,559 | 16,559 |
| FEDERAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 12,484 | 13,290 | 13,190 | 13,190 | 13,190 | 13,190 | 13,190 |
| SUBCATEGORY TOTAL..... | \$ 29,397 | \$ 33,333 | \$ 30,077 | \$ 29,749 | \$ 29,749 | \$ 29,749 | \$ 29,749 |
| EMERGENCY FOOD ASSISTANCE | | | | | | | |
| GENERAL FUND..... | \$ 19,450 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 13,160 | 15,360 | 15,060 | 15,060 | 15,060 | 15,060 | 15,060 |
| OTHER FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUBCATEGORY TOTAL..... | \$ 32,610 | \$ 35,360 | \$ 35,060 | \$ 35,060 | \$ 35,060 | \$ 35,060 | \$ 35,060 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 81,171 | \$ 79,197 | \$ 77,365 | \$ 77,365 | \$ 77,365 | \$ 77,365 | \$ 77,365 |
| SPECIAL FUNDS..... | 21,855 | 36,992 | 31,882 | 35,575 | 35,575 | 35,575 | 35,575 |
| FEDERAL FUNDS..... | 30,265 | 35,366 | 36,049 | 36,049 | 36,049 | 36,049 | 36,049 |
| OTHER FUNDS..... | 67,049 | 81,783 | 161,963 | 161,963 | 121,963 | 121,963 | 121,963 |
| DEPARTMENT TOTAL..... | \$ 200,340 | \$ 233,338 | \$ 307,259 | \$ 310,952 | \$ 270,952 | \$ 270,952 | \$ 270,952 |

PROGRAM OBJECTIVE: To strengthen the agricultural economy and related enterprises.

Program: Protection and Development of Agricultural Industries

The Department of Agriculture facilitates an environment in which small, medium and large farming operations can be profitable and related industries can thrive.

Program Element: Protection and Development of Agricultural Industries

The stewardship and sustainability of the agricultural industry is integral to the competitiveness of Pennsylvania's overall economy and the quality of life of its citizens.

To improve the economy of the Pennsylvania agriculture and food industry, programs have been developed to enhance the ability of Pennsylvania agriculture, food and wood businesses to market their products in a competitive marketplace. Emphasis is placed on the marketing of raw agricultural products through direct consumer marketing and on value-added products that utilize commodities produced by Pennsylvania farmers.

Activities include commodity promotion, domestic and international business development, market opportunities, and agricultural land preservation.

Through commodity promotion the agency focuses on direct consumer market development and creating trade and consumer demands for Pennsylvania agriculture and food products, usually through promotional activities. Equally important, promotional activities operated under this program are designed to increase and enhance the awareness of consumers within and outside the borders of the Commonwealth about the product and agribusiness opportunities offered in Pennsylvania.

In order to further enhance these efforts, the Pennsylvania Preferred program has been developed. The intent of this program is to identify Pennsylvania produced, processed, and packaged products to consumers, recognizing that over 90% of Pennsylvania consumers surveyed indicate a desire to purchase Pennsylvania products. This program allows Pennsylvania Preferred products to be easily identified by consumers using packages and point of sale trademarks.

In recognition of the nearly \$1 billion in Pennsylvania products that are exported annually, the domestic and international business development program helps Pennsylvania companies market their products beyond the borders of Pennsylvania by providing promotional opportunities in foreign marketplaces and technical outreach to Pennsylvania food and agriculture businesses.

The market opportunities program examines domestic and foreign marketplaces to identify market needs and communicates these needs to the Pennsylvania food and agriculture industry. Pennsylvania businesses are then better able to expand as they develop products and services that meet the needs of the Pennsylvania farmer, producer and processor. The department's objective to strengthen markets

is coordinated with boards representing specific product interests; these boards are funded through producer fees based on their production.

Further assisting the department in providing development opportunities for the Commonwealth's agricultural industry, the Department of Community and Economic Development's Small Business First Program and the Machinery and Equipment Loan Fund are available. These two programs will allow farm businesses to borrow funds at competitive rates. In addition, with the full implementation of the First Industries Fund, over \$100 million in business financing will be available to production agriculture. These programs form the foundation for the Commonwealth's growing agribusiness industry and economic development assistance and further allow the department to leverage the existing business development support provided to agriculture.

This program includes funding for the operation of the Farm Show Complex in Harrisburg, the grant program, and payments to Pennsylvania Fairs. Funding is used for agricultural fair operating reimbursements and grants 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 fairs.

Other promotional activities include appearances by statewide commodity representatives at shopping centers and other public functions; developing and displaying exhibits that depict agriculture's role in the economy of Pennsylvania; and working with statewide commodity organizations.

The agricultural land preservation activity, through the Agricultural Conservation Easement Purchase Fund created by Act 64 of 1988 that implemented a referendum approved by the electorate in November of 1987, purchases easements on prime agriculture land to ensure its continued use for agricultural purpose. Funding comes from a dedicated portion of the cigarette tax which is directed to this program. In addition, Growing Greener legislation was approved in 1999 to provide funding commencing in fiscal year 1999-2000 through fiscal year 2003-2004 totaling \$82,643,000. Act 233 of 2002 provided \$16,500,000 of the fees collected under 27 Pa. C.S. 6301 (relating to the disposal fee for municipal waste landfills) to be deposited in 2004-2005. Growing Greener II reestablished permanent funding for the agricultural easements by providing a yearly percentage (14.8%) of the Environmental Stewardship Fund revenues. Growing Greener II bond sales will provide \$80,000,000 for the purchase of agricultural easements over the next 5 years.

Agricultural research grants provide for scientific research into plant and animal health. This research identifies prevention mechanisms for disease and proactive mechanisms for enhancement of the quality and quantity of agricultural products.

Program: Protection and Development of Agricultural Industries (continued)

Program Element: Consumer Commodity Inspections

The Department is committed to protect the health and safety of the consumer and assuring the availability of quality agriculture products to consumers through regulatory efforts.

Among the Department's protection activities are efforts in food safety. In 2004-05 the Bureau of Food Safety and Laboratory Services conducted 8,084 inspections and issued 18,395 registrations for food manufacturing firms, warehouses, and retail food stores; licensed and inspected 22,694 public eating and drinking places, and 4,291 frozen dessert operations; inspected 2,801 schools and 537 camps and summer food sites; and permitted and inspected approximately 220 seasonal farm labor camps. In 2004-05 the Bureau also issued 892 milk permits and inspected 615 dairy processing, manufacturing and distribution facilities. The division issues approved inspector permits, approved dairy sampler's licenses, and dairy laboratory director's certificates. Dairy equipment, bulk milk tank and tanker inspections are also performed. The agency inspects egg processing plants, grocery stores, and warehouses in relation to eggs, fruits and vegetables grading and is a third party monitor for the PEQAP (Pennsylvania Egg Quality Program) in the state.

The Department's focus in achieving compliance has been through education. Training classes have been given to restaurants, schools and camps. The department has developed a non-profit food safety training course curriculum, booklet entitled "Food, Fundraising and You" and a School Food Service Food Safety booklet. A PA Food Code Training course is offered to agencies and local jurisdictions within the Commonwealth.

The agency is responsible for the regulation and maintenance of uniform standards of legal weights and measures of Commonwealth products. The Weight and Measures division of the Bureau of Ride and Measurement Standards performed 50,733 inspections in 2004-2005. The Amusement Ride division completed 1,479 inspections in 2004-2005. Act 1996-155 changed the law from counties "shall" have a sealer of weights and measures to "may" have. By July 1, 2005, over 40 counties discontinued their county weights and measures programs. As a result, the department is required to assume inspection activities within those counties. Devices inspected include fuel dispensers, small/medium/large capacity scales, vehicle tanks' meters, propane meters, timing devices, scanners, UPC systems, grain moisture meters and livestock scales.

Additional activities guarantee the quality of animal feeds, fertilizers, liming materials, plant materials and pesticides. Act 53 of 1996 transferred the responsibility for enforcement of the Seasonal Farm Labor Act from the Department of Environmental Protection to the Department of Agriculture. Act 97 of 2001 updated the licensing and registration requirements relating to the sale and distribution of fertilizers, soil conditioners and plant growth substances in the

Commonwealth.

To protect the consumer and ensure the availability of quality agriculture products, the department regulates the sale of feed, fertilizer, lime and seeds by requiring certain label information and by sampling and analyzing products in its Harrisburg laboratories. During 2004-2005, 2,904 agribusinesses were inspected and 2,812 feed, fertilizer and lime samples were analyzed. In addition, 7,073 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 is improving the process to protect Pennsylvania's food production system from agro-terrorism. Fertilizer, feed and pesticide manufacturers, dealers and distributors will be advised on preventing the use of agricultural production tools for terrorist activities. An extensive training program for veterinarians and growers will be developed and implemented to recognize animal diseases or agents that may be used by bioterrorists.

The department inspects all ornamental nurseries and greenhouses periodically to determine the presence of new plant pests. This activity is intended to ensure correct diagnosis of the pest and to quarantine and/or prescribe proper treatment. During 2004-05, 1,762 dealer and 3,626 nursery and greenhouse inspections were conducted, along with the issuance of 2,486 phytosanitary certificates for the exportation of plant material. The department also inspected 2,032 apiaries involving 11,209 colonies of bees in 2004 for disease problems. The Pesticide Control Law provides for the regulation of the sale, use, handling, storage and transportation of pesticides. The department fulfills its statutory responsibilities by requiring registration of all pesticide products, testing and certification or registration of all private, commercial, and public pesticide applicators to insure minimum competency levels, licensing pesticide application business and dealers. The department periodically inspects those who manufacture, distribute, use, or transport pesticides and investigates complaints about misuse. During 2004-2005, 580 pesticide dealers and 6,182 pesticide application businesses were licensed, 33,237 pesticide applicators were certified, 3,112 service technicians registered, 12,021 pesticide products registered, 788 inspections and investigations conducted and 48 samples were analyzed. This program strives to provide for the optimum use of pesticides while minimizing their adverse effects on human life and the environment.

Pesticide expenditures are reflected in this program as Other Funds.

The State Conservation Commission, whose chairmanship alternates each year between the Secretary of Agriculture and the Secretary 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 program provides

Program: Protection and Development of Agricultural Industries (continued)

support for plan reviews; grant applications for best management practices along with certification for nutrient management specialists. A newly created hauler certification program for commercial manure haulers will be implemented by 2006.

Program Element: Animal Health

The department is committed to maintaining the health of domestic animals in order to protect human health, to protect the quantity, quality and safety of food of animal origin, and to provide for the general welfare of domestic animals.

Pennsylvania agriculture is a national leader in livestock and poultry production. The Bureau of Animal Health and Diagnostic Services is responsible for the containment and eradications of livestock and poultry diseases that affect animal and human health or cause significant economic loss to agriculture.

The Bureau provides services such as evaluating certificates of veterinary inspection for both interstate and intrastate movement to assure that animals in Pennsylvania have met necessary health requirements. The agency develops test programs for diseases such as brucellosis, bovine tuberculosis, pseudorabies, Johne's disease, scrapie, avian influenza, and Chronic Wasting disease and provides quality assurance programs, including an annual diagnostic herd program for brucellosis-free herds; tuberculosis-free herds; the Avian Influenza Monitored Flock program; Johne's Disease National Status Program; the Dairy Quality Assurance Program and the Chronic Wasting Disease Monitored Herd program.

The agency licenses and inspects domestic animal auctions. Promotion of animal health, public health and the production of safe animal origin products is achieved through on-farm testing enforcement of animal health regulations and ongoing communications with producers and health professionals.

The Pennsylvania Veterinary Laboratory (PVL) at the

Department of Agriculture is one of three laboratories participating in the Pennsylvania Animal Diagnostic Laboratory System (PADLS). The other two laboratories are affiliated with the University of Pennsylvania and Penn State University. The PVL is part of a nationwide network of state and federal laboratories dedicated to identifying and combating animal diseases. The laboratory provides animal health services to producers' domestic animals with emphasis on infectious, nutritional, and toxic diseases.

The Bureau of Animal Health and PADLS has a joint application, known as PAHerds, which combines an animal tracking information system and a laboratory information system to allow entities to perform detailed analysis of animal disease and provides the capability to effectively locate and eradicate disease outbreaks.

The Bureau Director of Animal Health and Diagnostic Services is the State Veterinarian and is the Executive Director of the Animal Health and Diagnostic Commission (AH&DC). The AH&DC coordinates and funds the PADLS, field investigations, research grants, quality assurance programs and disease surveillance programs designed to protect the livestock, poultry, wildlife, food chain, and human population of Pennsylvania.

Included in this category is dog law enforcement. Primary functions include: the investigation and prosecution of dangerous dog incidents, investigation of dog bites, enforcement of licensing and rabies vaccination requirements for dogs and kennels, control and regulation of the sale and transportation of dogs, annual kennel inspections, reimbursement of law enforcement agencies for the detention and disposition of stray dogs and reimbursement to owners of livestock and poultry for damage caused by dogs and coyotes. In 2004, 908,429 dogs, 2,440 kennels were licensed and 4,878 kennels were inspected.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|----------|----------|----------|----------|----------|----------|----------|
| Development of Pennsylvania's agricultural industry: | | | | | | | |
| Dollar volume of food and agricultural exports (millions) | \$1,305 | \$1,351 | \$1,450 | \$1,500 | \$1,525 | \$1,550 | \$1,600 |
| Small Business First, Machinery and Equipment Loan Fund, and Next Generation Farmer Loan Program applications funded | 11 | 100 | 120 | 130 | 140 | 150 | 160 |
| Dollar value of Federal USDA investments in agriculture projects pertaining to increasing income or decreasing costs for farmers and agribusinesses (thousands) | \$35,281 | \$36,200 | \$38,400 | \$40,000 | \$42,000 | \$44,000 | \$46,000 |
| Department of Agriculture's crop insurance policies sold | 16,202 | 16,200 | 16,000 | 16,200 | 16,400 | 16,600 | 16,800 |

Program: Protection and Development of Agricultural Industries (continued)

| Program Measures: (continued) | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Value of crop insurance protection policies (millions) | \$281 | \$281 | \$282 | \$285 | \$287 | \$289 | \$301 |
| Occupancy rate at the farm show complex* | NA | 36.7% | 37.9% | 38.9% | 39.9% | 40.7% | 41.4% |
| Farm acreage preserved | 46,208 | 44,000 | 67,000 | 52,000 | 44,000 | 44,000 | 44,000 |
| Consumer Commodity Inspections: . | | | | | | | |
| Food, safety, weights and measures, and plant industry inspections completed that require follow-up action (thousands).. | 15 | 18 | 14 | 14 | 14 | 14 | 14 |
| Homeland security exercises attended by Department of Agriculture personnel. This includes exercises set up by PEMA and the responsibility of the State Animal Response Team (SART). | 12 | 10 | 12 | 12 | 12 | 12 | 12 |
| Nutrient management: | | | | | | | |
| Dollars invested in helping producers meet nutrient management requirements (thousands) | \$1,880 | \$2,384 | \$2,450 | \$2,500 | \$2,500 | \$2,500 | \$2,500 |
| Increase in percentage of farms meeting the Nutrient Management Act and the CAFO (Concentrated Animal Feeding Operations) requirements | 4% | 10% | 28% | 18% | 10% | 10% | 4% |
| Increase in the number of farms developing nutrient management plans | 130 | 90 | 230 | 160 | 90 | 80 | 80 |
| Importing farms required to have additional documentation to protect water resources | NA | 390 | 775 | 900 | 900 | 800 | 200 |
| Nutrient management plans approved ... | 200 | 320 | 320 | 350 | 350 | 350 | 200 |
| Animal Health: | | | | | | | |
| Animal samples diagnosed at the PADLS labs (thousands) | 758 | 759 | 761 | 762 | 763 | 764 | 765 |
| Dairy profit teams* | 10 | 58 | 128 | 196 | 261 | 298 | 333 |
| Agricultural education curriculum developed to state academic standards and accessed by the educational community (thousands)* | 25 | 27 | 29 | 31 | 33 | 35 | 37 |

Farm acreage preserved will increase in 2006-07 due to the additional availability of Growing Greener II bond proceeds.

*New program measure.

Program: Protection and Development of Agricultural Industries (continued)

Program Recommendations:

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

| | | |
|---------|---|---|
| | GENERAL FUND | |
| | Food Safety and Inspection | All other General Fund Appropriations are recommended at the current year funding levels. |
| \$ 300 | —Initiative—Food Safety and Inspection. To enhance food safety and inspection activities across the Commonwealth. | |
| | Agricultural Research | ENVIRONMENTAL STEWARDSHIP FUND |
| \$ -900 | —nonrecurring projects. | Transfer to Agricultural Conservation Easement Purchase Fund (EA) |
| | Agricultural Promotion, Education and Exports | —nonrecurring costs. |
| \$ -100 | —nonrecurring projects. | STATE FARM PRODUCTS SHOW FUND |
| | Hardwoods Research and Promotion | General Operations (EA) |
| \$ -182 | —nonrecurring projects. | —nonrecurring costs. |
| | Local Soil and Water Districts | RACING FUND |
| \$ -450 | —nonrecurring projects. | Payments to Pennsylvania Fairs – Administration (EA) |
| | Plum Pox Virus – Fruit Tree Indemnities | —to continue current program. |
| \$ -500 | —nonrecurring projects. | |

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| General Government Operations | \$ 31,017 | \$ 29,451 | \$ 29,451 | \$ 29,451 | \$ 29,451 | \$ 29,451 | \$ 29,451 |
| Food Safety and Inspection | 0 | 0 | 300 | 300 | 300 | 300 | 300 |
| Agricultural Conservation Easement Administration | 520 | 520 | 520 | 520 | 520 | 520 | 520 |
| Agricultural Research | 3,000 | 3,000 | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 |
| Agricultural Promotion, Education, and Exports | 1,282 | 1,286 | 1,186 | 1,186 | 1,186 | 1,186 | 1,186 |
| Hardwoods Research and Promotion | 780 | 780 | 598 | 598 | 598 | 598 | 598 |
| Farm Safety | 111 | 111 | 111 | 111 | 111 | 111 | 111 |
| Nutrient Management | 297 | 320 | 320 | 320 | 320 | 320 | 320 |
| Animal Health Commission | 5,250 | 5,250 | 5,250 | 5,250 | 5,250 | 5,250 | 5,250 |
| Animal Indemnities | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Transfer to State Farm Products Show Fund | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| Payments to Pennsylvania Fairs | 4,385 | 4,400 | 4,400 | 4,400 | 4,400 | 4,400 | 4,400 |
| Livestock Show | 225 | 225 | 225 | 225 | 225 | 225 | 225 |
| Open Dairy Show | 225 | 225 | 225 | 225 | 225 | 225 | 225 |
| Junior Dairy Show | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| 4-H Club Shows | 55 | 55 | 55 | 55 | 55 | 55 | 55 |
| Food Marketing and Research | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| Product Promotion and Marketing | 850 | 850 | 850 | 850 | 850 | 850 | 850 |
| Future Farmers | 104 | 104 | 104 | 104 | 104 | 104 | 104 |
| Agriculture & Rural Youth | 110 | 110 | 110 | 110 | 110 | 110 | 110 |
| Transfer to Nutrient Management Fund | 3,280 | 3,280 | 3,280 | 3,280 | 3,280 | 3,280 | 3,280 |
| Local Soil and Water Districts | 1,660 | 1,660 | 1,210 | 1,210 | 1,210 | 1,210 | 1,210 |
| Crop Insurance (06/07) | 2,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Plum Pox Virus - Fruit Tree Indemnities (06/07) | 500 | 500 | 0 | 0 | 0 | 0 | 0 |
| TOTAL GENERAL FUND | \$ 61,721 | \$ 59,197 | \$ 57,365 | \$ 57,365 | \$ 57,365 | \$ 57,365 | \$ 57,365 |

Program: Protection and Development of Agricultural Industries (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| ENVIRONMENTAL STEWARDSHIP FUND: | | | | | | | |
| Transfer to Agricultural Conservation | | | | | | | |
| Easement Purchase (EA) | \$ 0 | \$ 10,749 | \$ 9,521 | \$ 13,542 | \$ 13,542 | \$ 13,542 | \$ 13,542 |
| FARM PRODUCTS SHOW FUND: | | | | | | | |
| General Operations (EA) | \$ 4,730 | \$ 5,977 | \$ 5,229 | \$ 5,229 | \$ 5,229 | \$ 5,229 | \$ 5,229 |
| RACING FUND: | | | | | | | |
| Payments to Pennsylvania Fairs — | | | | | | | |
| Administration (EA) | \$ 212 | \$ 223 | \$ 245 | \$ 245 | \$ 245 | \$ 245 | \$ 245 |

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, percentages of the amount wagered as specified by law are credited to the Breeder's Fund and to the Sire Stakes Fund. Act 23 of 2000 amended the Race Horse Industry Reform Act to increase the percentage credited to the Breeder's Fund from 0.7% 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.

Act 71 of 2004 established the Race Horse Development Fund, which will receive revenue generated by licensed gaming facilities. Proceeds will be distributed to licensees conducting live horse racing. Track owners will deposit 80 percent of the proceeds into a purse account. Thoroughbred tracks will commit the remaining proceeds to the Breeder's Fund and a Horseman's Organization Fund. Standardbred tracks will commit proceeds to the Sire Stakes Fund, the PA Standardbred Fund, and a Horsemen's Organizational Fund.

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: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Participant licenses issued: harness and horse racing | 9,800 | 10,200 | 11,000 | 12,000 | 12,500 | 13,000 | 13,500 |
| Investigations to ensure compliance with established rules and regulations: harness and horse racing | 3,400 | 3,400 | 3,700 | 4,000 | 4,200 | 4,300 | 4,400 |
| Licenses suspended for noncompliance of rules and regulations: harness and horse racing | 160 | 170 | 180 | 190 | 200 | 210 | 220 |
| Equine toxicology and research lab successful identification of weekly quality control test substance at least 90% of the time | 90% | 91% | 91% | 92% | 92% | 93% | 93% |

Program: Horse Racing Regulation (continued)

Program Recommendations:

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

| | |
|--------------------------------------|---|
| RACING FUND | |
| State Racing Commissions (EA) | |
| \$ | 981 —to continue current program. |
| | |
| Transfer to General Fund (EA) | |
| \$ | –4,137 —decrease in funds available to transfer. Law requires June 30th ending surplus to be transferred to the General Fund. |

The Equine Toxicology and Research Laboratory (EA) is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| RACING FUND: | | | | | | | |
| State Racing Commissions (EA) | \$ 7,797 | \$ 10,597 | \$ 11,578 | \$ 11,578 | \$ 11,578 | \$ 11,578 | \$ 11,578 |
| Equine Toxicology and Research Laboratory (EA) | 2,078 | 3,487 | 3,487 | 3,487 | 3,487 | 3,487 | 3,487 |
| Transfer to General Fund (EA) | 7,038 | 5,959 | 1,822 | 1,494 | 1,494 | 1,494 | 1,494 |
| TOTAL STATE RACING FUND | \$ 16,913 | \$ 20,043 | \$ 16,887 | \$ 16,559 | \$ 16,559 | \$ 16,559 | \$ 16,559 |

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 (SFPP) provides State fund cash grants to counties or a designated lead agency for the purchase and distribution of food to needy individuals. Funding is allocated to each of the Commonwealth's 67 county lead agencies based on: unemployment and non-public assistance food stamp and medical assistance eligible individuals. County lead agencies are authorized to expend up to eight percent of the grant for administrative costs.

Food acquired and donated by the United States Department of Agriculture (USDA) is distributed through the

Emergency Food Assistance Program (TEFAP). The TEFAP provides USDA commodities for household use, specifically for unemployed and low income individuals who meet established eligibility criteria.

TEFAP commodities are allocated to each of the Commonwealth's 67 lead agencies based on the number of eligible participants. TEFAP administrative monies, provided by the USDA, are allocated based on each county's relative share of unemployment and poverty statistics.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Improving participant access to | | | | | | | |
| Pennsylvania fruits and vegetables: | | | | | | | |
| Farmer Markets participating in the Farmers Market Nutrition Program (FMNP) | 803 | 849 | 849 | 849 | 849 | 849 | 849 |
| Dollar value of commodities distributed (thousands) | \$ 44,000 | \$ 44,000 | \$ 49,000 | \$ 49,000 | \$ 49,000 | \$ 49,000 | \$ 49,000 |
| Persons receiving donated or surplus foods (thousands): | | | | | | | |
| Traditional Program | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| TEFAP | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 |
| State Food Purchase Program | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 |
| Percentage of farmers' market coupons redeemed by: | | | | | | | |
| WIC recipients | 60% | 60% | 60% | 60% | 60% | 60% | 60% |
| Seniors | 87% | 87% | 87% | 87% | 87% | 87% | 87% |

Program Recommendations:

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

All appropriations are recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Farmers' Market Food Coupons | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 |
| State Food Purchase | 17,450 | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 |
| TOTAL GENERAL FUND | \$ 19,450 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 |



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 regulatory environment that will facilitate development of a sound financial services industry that adequately meets the needs of industry and the public.

The Department of Banking protects the public through the supervision, regulation and examination of records, accounts and policies of State-chartered financial institutions.

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)
 2004-05 2005-06 2006-07
 ACTUAL AVAILABLE BUDGET

BANKING DEPARTMENT FUND:

General Government:

| | | | | | | |
|------------------------------------|----|--------|----|--------|----|--------|
| General Government Operations..... | \$ | 14,196 | \$ | 18,120 | \$ | 18,004 |
|------------------------------------|----|--------|----|--------|----|--------|

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| REGULATION OF FINANCIAL INSTITUTIONS | | | | | | | |
| GENERAL FUND..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 14,196 | 18,120 | 18,004 | 18,004 | 18,004 | 18,004 | 18,004 |
| FEDERAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUBCATEGORY TOTAL..... | \$ 14,196 | \$ 18,120 | \$ 18,004 | \$ 18,004 | \$ 18,004 | \$ 18,004 | \$ 18,004 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 14,196 | 18,120 | 18,004 | 18,004 | 18,004 | 18,004 | 18,004 |
| FEDERAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DEPARTMENT TOTAL..... | \$ 14,196 | \$ 18,120 | \$ 18,004 | \$ 18,004 | \$ 18,004 | \$ 18,004 | \$ 18,004 |

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. In addition to these activities, the department received approximately 7,701 consumer inquiries during 2004-05.

As of June 30, 2005, there were 166 banking institutions under the department's supervision: 47 commercial banks, 43 bank and trust companies, 51 savings banks, one private bank, 23 non-depository trust companies, and one foreign bank which maintained a representative office in Pennsylvania. There were 10 savings associations and 77 credit unions chartered and supervised by the Department of Banking. Also operating in the Commonwealth were 130 one-bank holding companies and 20 multi-bank holding companies. The department renews non-depository institution licenses annually and issues new licenses upon review and approval of license applications. The 15,041 non-depository entities at the end of June 2005 included: 3,683 installment sellers; 4,278 first mortgage bankers and brokers; 4,222 second mortgage lenders, brokers and brokers' agents; 1,037 sales finance companies; and 483 consumer discount companies. The remaining 1,338 licenses were held by pawnbrokers, money transmitters, check cashers and collector-repossessors.

In 2004-2005, as part of the redesigning of the organizational structure, an investigation unit was created to facilitate a reduction in financial abuse. The Office of Financial Education was established in April 2004 to promote financial literacy and help consumers avoid financial abuse. Also at this time an electronic government initiative was developed to provide internet-based licensing and reporting of complaints towards institutions under the department's purview.

Recent legislative enactments have impacted the Department of Banking's program responsibilities. Act 22 of 1998, as amended by Act 200 of 2002, requires the annual

licensing, or for certain retail food stores the registration, and regulation of all check cashers doing business in Pennsylvania.

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

Act 55 of 2001, the Mortgage Bankers and Brokers and Consumer Equity Protection Act, provides the department with broad regulatory and enforcement authority over financial entities which make covered or "predatory loans" in the Commonwealth; strengthens industry bonding requirements; authorizes the department to obtain criminal background information from applicants and provides licensing exemption for religious organizations which meet certain requirements.

Act 186 of 2002, which amended the Motor Vehicle Sales Finance Act, provides increased exam and enforcement authority and additional consumer disclosures and permits incidental items relating to automobile sales to be financed under the Act.

Act 207 of 2002, commonly referred to as the Credit Union Parity Legislation, authorized state chartered credit unions to engage in activities permitted by federally chartered credit unions subject to conditions of the department.

Act 209 of 2002, which amended the Department of Banking Code, authorized the department to receive criminal history record information from other state and federal agencies when evaluating initial applicants for departmental licensure; permitted the publishing of final orders for violation of departmental licensing statutes; clarified the department's ability to share examination and regulatory information with other state and federal securities and insurance regulatory agencies; and provided increased enforcement authority, injunctive authority, fining authority and clarification of departmental authority to promulgate regulations, statements of policy and interpretive letters.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Supervision of State-chartered: | | | | | | | |
| Banks | 166 | 173 | 173 | 173 | 173 | 173 | 173 |
| Savings and loan associations | 8 | 10 | 10 | 10 | 10 | 10 | 10 |
| Credit unions | 73 | 77 | 77 | 77 | 77 | 77 | 77 |

Program: Financial Institution Regulation (continued)

| Program Measures: (continue) | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Consumer credit agencies: | | | | | | | |
| First mortgage bankers/brokers | 4,278 | 4,000 | 4,000 | 4,200 | 4,200 | 4,200 | 4,200 |
| Second mortgage lenders/brokers/ broker's agents | 4,222 | 3,700 | 3,700 | 3,700 | 3,700 | 3,700 | 3,700 |
| Sales finance companies | 1,037 | 950 | 950 | 950 | 950 | 950 | 950 |
| Consumer discount companies | 483 | 490 | 490 | 490 | 490 | 490 | 490 |
| Pawnbrokers | 53 | 55 | 55 | 55 | 55 | 55 | 55 |
| Money transmitters | 26 | 25 | 25 | 25 | 25 | 25 | 25 |
| Collectors-repossessors | 160 | 150 | 150 | 150 | 150 | 150 | 150 |
| Installment sellers licensed | 3,683 | 3,700 | 3,700 | 3,700 | 3,700 | 3,700 | 3,700 |
| Check casher licenses | 525 | 550 | 550 | 550 | 550 | 550 | 550 |
| Electronic filing of license applications | 640 | 1,282 | 1,282 | 1,284 | 1,300 | 1,300 | 1,300 |
| Percentage of license applications filed electronically | 5.5% | 10.2% | 10.2% | 10.5% | 11.0% | 15.0% | 21.0% |
| Electronic filing of annual reports | 266 | 573 | 573 | 593 | 600 | 625 | 650 |
| Percentage of annual reports filed electronically | 2.1 | 4.5% | 4.5% | 4.7% | 5.0% | 5.5% | 6.0% |

Program Recommendations:

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

General Government Operations
 \$ -116 —nonrecurring moving expenses.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|-------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| BANKING DEPARTMENT FUND: | | | | | | | |
| General Government Operations | \$ 14,196 | \$ 18,120 | \$ 18,004 | \$ 18,004 | \$ 18,004 | \$ 18,004 | \$ 18,004 |



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 all persons on the basis of merit and fitness.

The Civil Service Commission administers the Commonwealth's merit system. The responsibilities of the commission include recruitment of qualified candidates; evaluation of applicants' education and experience to determine if minimum requirements have been met; development and administration of examinations; and certification of eligibles to the appointing agencies.

Civil Service Commission

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|------------------|------------------|
| | 2004-05 | 2005-06 | 2006-07 |
| | ACTUAL | AVAILABLE | BUDGET |
| <u>GENERAL FUND:</u> | | | |
| <i>General Government:</i> | | | |
| General Government Operations..... | \$ 1 | \$ 1 | \$ 1 |
| (A) Fees From Agencies..... | 14,507 | 14,663 | 14,663 |
| (A) Special Merit System Services..... | 881 | 884 | 884 |
| | <hr/> | <hr/> | <hr/> |
| Subtotal - State Funds..... | \$ 1 | \$ 1 | \$ 1 |
| Subtotal - Augmentations..... | 15,388 | 15,547 | 15,547 |
| | <hr/> | <hr/> | <hr/> |
| Total - General Government..... | \$ 15,389 | \$ 15,548 | \$ 15,548 |
| | <hr/> | <hr/> | <hr/> |
| STATE FUNDS..... | \$ 1 | \$ 1 | \$ 1 |
| AUGMENTATIONS..... | 15,388 | 15,547 | 15,547 |
| | <hr/> | <hr/> | <hr/> |
| GENERAL FUND TOTAL..... | \$ 15,389 | \$ 15,548 | \$ 15,548 |
| | <hr/> | <hr/> | <hr/> |

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 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..... | 15,388 | 15,547 | 15,547 | 15,547 | 15,547 | 15,547 | 15,547 |
| SUBCATEGORY TOTAL..... | \$ 15,389 | \$ 15,548 | \$ 15,548 | \$ 15,548 | \$ 15,548 | \$ 15,548 | \$ 15,548 |
| 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..... | 15,388 | 15,547 | 15,547 | 15,547 | 15,547 | 15,547 | 15,547 |
| DEPARTMENT TOTAL..... | \$ 15,389 | \$ 15,548 | \$ 15,548 | \$ 15,548 | \$ 15,548 | \$ 15,548 | \$ 15,548 |

Civil Service Commission

PROGRAM OBJECTIVE: To provide a sufficient number of qualified, available persons to meet agency merit system staffing needs.

Program: Personnel Selection

Through this program, the Civil Service Commission provides qualified persons to meet merit system staffing needs.

The commission ensures the Commonwealth merit system is in full compliance with all State laws and regulations concerning employee selection procedures and the Federal Uniform Guidelines on Employee Selection Procedures. This includes job analysis and implementation of a program to identify and correct adverse impacts of examinations on protected groups.

Goals of the commission include 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 State and local client agencies, and prompt and accurate resolution or adjudication of complaints, grievances and appeals.

In recent years, the commission has increased operating efficiency with the implementation of computerized examination, imaging and workflow, and applicant self scheduling systems. These improvements have reduced the time required to apply for and take an exam, receive an examination score, and be placed on a candidate eligibility listing. These enhancements have increased the commission's ability to provide real-time candidate eligibility listings to client agencies seeking to fill vacancies. The commission is in the process of configuring software that will facilitate the migration of paper application supplements to on-line forms. Upon completion, all commission applications and supplements will be available on-line.

The funds supporting this program are received from billing various General and Special Fund State and local client agencies.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total eligibles on list | 240,992 | 230,000 | 220,000 | 220,000 | 220,000 | 220,000 | 220,000 |
| Persons scheduled for exams | 156,966 | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 |
| Appeal requests received and processed | 451 | 500 | 500 | 500 | 500 | 500 | 500 |
| Certifications audited | 9,950 | 10,000 | 10,000 | 10,000 | 10,000 | 1,000 | 10,000 |
| People with disabilities provided employment information | 3,387 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 |
| Persons taking computerized exams | 75,316 | 76,000 | 76,000 | 76,000 | 76,000 | 76,000 | 76,000 |
| Annual cost of merit system per covered employee | \$221 | \$225 | \$225 | \$225 | \$225 | \$225 | \$225 |
| Agency client satisfaction rating (based on a 5-point scale) | 3.7 | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 |
| Test-taker satisfaction rating (based on a 5-point scale) | 4.4 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 |

Program Recommendations:

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

The General Government Operations appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|-------------------------------------|----------------|------------------|----------------|------------------|------------------|------------------|------------------|
| | Actual | Available | Budget | Estimated | Estimated | Estimated | 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.

Community and Economic Development

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| GENERAL FUND: | | | |
| General Government: | | | |
| General Government Operations..... | \$ 16,469 | \$ 17,990 | \$ 17,990 |
| (F)ARC - Technical Assistance..... | 250 | 275 | 225 |
| (F)DOE - Weatherization Administration..... | 535 | 535 | 535 |
| (F)SCDBG - Administration..... | 1,720 | 1,720 | 1,720 |
| (F)CSBG - Administration..... | 1,402 | 1,402 | 1,402 |
| (F)LIHEABG - Administration..... | 535 | 535 | 535 |
| (F)Communications Infrastructure..... | 830 | 830 | 830 |
| (F)Americorps Training and Technical Assistance..... | 0 | 0 | 80 |
| (F)Americorps Training and Technical Assistance (EA)..... | 0 | 80 | 0 |
| (F)Bioterrorism Preparedness Training (EA)..... | 2,329 | 2,403 | 3,000 |
| (F)Color Me Healthy (EA)..... | 150 | 0 | 0 |
| (F)Katrina Emergency Housing - FEMA..... | 0 | 10,000 | 0 |
| (A)Pennsylvania Industrial Development Authority..... | 1,947 | 1,313 | 1,351 |
| (A)Pennsylvania Economic Development Financing Authority..... | 506 | 380 | 638 |
| (A)Industrial Sites Cleanup..... | 3 | 0 | 0 |
| (A)Machinery and Equipment Loan Fund Reimbursement..... | 40 | 0 | 0 |
| (A)Environmental Training Partnership..... | 1,116 | 1,300 | 1,300 |
| (A)Small Business First..... | 4 | 0 | 0 |
| (A)Local Area Transportation..... | 312 | 300 | 0 |
| (A)Ben Franklin Technology Development Authority - Admin..... | 0 | 0 | 300 |
| (A)Community Development Bank..... | 85 | 100 | 56 |
| (A)Economic Stimulus..... | 0 | 1,703 | 1,095 |
| (R)Small Business Advocate - Utilities..... | 967 | 975 | 975 |
| Commonwealth Financing Authority Operations..... | 500 | 0 | 0 |
| Local Earned Income Tax Registry..... | 550 | 0 | 0 |
| International Trade..... | 6,021 | 5,734 | 5,734 |
| International Marketing..... | 700 | 1,700 | 0 |
| Interactive Marketing..... | 2,400 | 2,040 | 2,040 |
| Marketing to Attract Tourists..... | 13,804 | 15,100 | 13,600 |
| (A)Reimbursement for Travel Advertisements..... | 2,034 | 2,021 | 2,000 |
| Marketing to Attract Business..... | 2,423 | 3,985 | 3,985 |
| Cultural Exhibitions and Expositions..... | 5,050 | 4,930 | 0 |
| Regional Marketing Partnerships..... | 4,900 | 4,500 | 5,000 |
| Marketing to Attract Film Business..... | 600 | 600 | 600 |
| Housing Research Center..... | 388 | 250 | 0 |
| Business Retention and Expansion..... | 7,287 | 12,276 | 3,476 |
| PENNPORTRTS..... | 16,112 | 18,880 | 9,900 |
| Land Use Planning Assistance..... | 3,461 | 3,321 | 3,321 |
| Base Realignment and Closure..... | 0 | 450 | 275 |
| Base Realignment and Closure (06/06)..... | 3,300 | 0 | 0 |
| Subtotal - State Funds..... | \$ 83,965 | \$ 91,756 | \$ 65,921 |
| Subtotal - Federal Funds..... | 7,751 | 17,780 | 8,327 |
| Subtotal - Augmentations..... | 6,047 | 7,117 | 6,740 |
| Subtotal - Restricted Revenues..... | 967 | 975 | 975 |
| Total - General Government..... | \$ 98,730 | \$ 117,628 | \$ 81,963 |
| Grants and Subsidies: | | | |
| Transfer to Municipalities Financial Recovery Revolving Fund..... | \$ 2,000 | \$ 1,500 | \$ 1,500 |
| Transfer to Industrial Sites Environmental Assessment Fund..... | 500 | 500 | 500 |
| Transfer to Ben Franklin Tech. Development Authority Fund..... | 53,000 | 50,200 | 50,200 |
| Transfer to Commonwealth Financing Authority..... | 0 | 8,294 | 36,939 |
| Intergovernmental Cooperation Authority-2nd Class Cities..... | 585 | 963 | 632 |
| Opportunity Grant Program..... | 50,000 | 49,000 | 49,000 |
| Keystone Innovation Zones..... | 3,300 | 2,000 | 2,000 |
| Customized Job Training..... | 32,500 | 30,000 | 30,000 |
| Workforce Leadership Grants..... | 5,000 | 4,050 | 4,050 |

Community and Economic Development

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|--------------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| Municipal Government Resources and Training | 5,500 | 6,000 | 0 |
| Infrastructure Development | 25,000 | 22,500 | 22,500 |
| Housing & Redevelopment Assistance | 30,000 | 30,000 | 30,000 |
| (F)DOE - Weatherization..... | 18,000 | 18,000 | 18,000 |
| (F)Emergency Shelter for the Homeless..... | 75 | 75 | 75 |
| (F)LIHEABG - Weatherization Program..... | 24,000 | 24,000 | 24,000 |
| (F)TANFBG - Housing Assistance..... | 5,000 | 0 | 0 |
| (F)SCDBG - HUD Disaster Recovery..... | 2,000 | 4,529 | 2,000 |
| (F)Centralia Recovery(EA)..... | 1,400 | 1,270 | 1,000 |
| (F)TANFBG - Housing Assistance (EA)..... | 0 | 358 | 0 |
| Accessible Housing | 0 | 0 | 3,000 |
| PHFA - Homeowners Emergency Mortgage Assistance | 5,000 | 8,000^a | 8,000 |
| PHFA - Legal Expenses Reimbursement (06/06) | 50 | 0 | 0 |
| Family Savings Accounts | 826 | 1,000 | 1,000 |
| (F)Assets for Independence..... | 1,800 | 1,000 | 1,000 |
| Shared Municipal Services | 1,500 | 1,400 | 2,400 |
| Local Government Resources and Development | 33,000 | 31,000 | 0 |
| New Communities | 19,000 | 18,000 | 18,000 |
| (F)Enterprise Communities - SSBG..... | 28,000 | 28,000 | 10,000 |
| Appalachian Regional Commission | 900 | 1,000 | 1,000 |
| Industrial Development Assistance | 4,500 | 4,150 | 3,150 |
| Local Development Districts | 5,640 | 5,050 | 4,050 |
| Small Business Development Centers | 6,750 | 6,750 | 6,750 |
| Tourist Promotion Assistance | 11,000 | 11,000 | 10,450 |
| Tourism - Accredited Zoos | 2,000 | 2,000 | 0 |
| Community Revitalization | 51,800 | 48,300 | 0 |
| (A)DCNR Transfer..... | 100 | 0 | 0 |
| Urban Development | 8,500 | 7,000 | 0 |
| Community and Business Assistance | 2,500 | 2,500 | 0 |
| Economic Growth & Development Assistance | 2,500 | 1,000 | 0 |
| Community & Municipal Facilities Assistance | 2,500 | 2,500 | 0 |
| Market Development | 10,000 | 10,000 | 0 |
| Rural Leadership Training | 200 | 210 | 250 |
| Flood Plain Management | 60 | 60 | 60 |
| (F)FEMA Technical Assistance..... | 120 | 150 | 150 |
| (F)FEMA - Mapping..... | 70 | 120 | 70 |
| Community Conservation and Employment | 24,869 | 15,000 | 25,000 |
| (F)Community Services Block Grant..... | 28,000 | 28,000 | 28,000 |
| (F)TANFBG - Child Care Challenge Grants (EA)..... | 500 | 0 | 0 |
| (F)Supported Work Program (EA)..... | 6,328 | 5,264 | 5,264 |
| (A)Supported Work..... | 7,313 | 1,080 | 2,801 |
| Super Computer Center | 1,500 | 1,500 | 1,200 |
| Infrastructure Technical Assistance | 5,000 | 5,000 | 1,000 |
| Minority Business Development | 2,000 | 2,000 | 0 |
| Fay Penn | 500 | 600 | 0 |
| Tourist Product Development | 2,500 | 2,000 | 2,000 |
| Industrial Resource Center | 15,200 | 15,200 | 15,200 |
| Early Intervention for Distressed Municipalities | 1,000 | 750 | 750 |
| Manufacturing and Business Assistance | 2,500 | 2,500 | 0 |
| PENNTAP | 300 | 300 | 0 |
| Agile Manufacturing | 750 | 750 | 0 |
| Powdered Metals | 200 | 100 | 0 |
| Regional Development Initiative | 300 | 900 | 0 |
| Infrastructure & Facilities Improvement Grants (06/06) | 5,000 | 5,000 | 15,000 |
| Municipal Code Training | 250 | 250 | 0 |
| Community Development Bank Grants | 0 | 2,000 | 0 |
| Digital & Robotic Technology | 0 | 1,500 | 0 |
| World Trade PA | 0 | 0 | 15,000 |

Community and Economic Development

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|--------------------------|--------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| Subtotal - State Funds..... | \$ 437,480 | \$ 421,277 | \$ 360,581 |
| Subtotal - Federal Funds..... | 115,293 | 110,766 | 89,559 |
| Subtotal - Augmentations..... | 7,413 | 1,080 | 2,801 |
| Total - Grants and Subsidies..... | <u>\$ 560,186</u> | <u>\$ 533,123</u> | <u>\$ 452,941</u> |
| STATE FUNDS..... | \$ 521,445 | \$ 513,033 | \$ 426,502 |
| FEDERAL FUNDS..... | 123,044 | 128,546 | 97,886 |
| AUGMENTATIONS..... | 13,460 | 8,197 | 9,541 |
| RESTRICTED REVENUES..... | 967 | 975 | 975 |
| GENERAL FUND TOTAL..... | <u>\$ 658,916</u> | <u>\$ 650,751</u> | <u>\$ 534,904</u> |
| <u>TOBACCO SETTLEMENT FUND:</u> | | | |
| <i>Grants and Subsidies:</i> | | | |
| Life Sciences Greenhouse..... | \$ 0 | \$ 0 | \$ 3,000 |
| <i>General Government:</i> | | | |
| (R)Tobacco Settlement Investment Board..... | \$ 0 ^b | \$ 0 ^b | \$ 0 ^b |
| STATE FUNDS..... | \$ 0 | \$ 0 | \$ 3,000 |
| TOBACCO SETTLEMENT FUND TOTAL..... | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 3,000</u> |
| <u>OTHER FUNDS:</u> | | | |
| GENERAL FUND: | | | |
| Industrial Sites Environmental Assessment Fund..... | \$ 5,458 | \$ 4,000 | \$ 3,000 |
| BEN FRANKLIN TECHNOLOGY DEVELOPMENT AUTHORITY FUND: | | | |
| Ben Franklin Technology..... | \$ 55,485 | \$ 55,485 | \$ 52,685 |
| Assistive Technology (F)..... | 2,000 | 2,000 | 500 |
| Telecommunications Initiatives (F)..... | 6,000 | 6,000 | 6,000 |
| Technology Opportunities (F)..... | 500 | 500 | 500 |
| Telecommunications Infrastructure (F)..... | 2,000 | 2,000 | 2,000 |
| Integrated Technology (F)..... | 1,000 | 1,000 | 1,000 |
| Telecommunication Projects (F)..... | 500 | 500 | 500 |
| BEN FRANKLIN TECHNOLOGY DEVELOPMENT AUTHORITY FUND TOTAL..... | <u>\$ 67,485</u> | <u>\$ 67,485</u> | <u>\$ 63,185</u> |
| GROWING GREENER BOND FUND: | | | |
| Main Street and Downtown Redevelopment..... | \$ 0 | \$ 5,000 ^c | \$ 15,000 ^c |
| HOME INVESTMENT TRUST FUND: | | | |
| HOME Investment Partnership..... | \$ 1,294 | \$ 1,200 | \$ 1,000 |
| INDUSTRIAL DEVELOPMENT FUND: | | | |
| PA Industrial Development Authority..... | \$ 7 | \$ 0 | \$ 0 |
| INDUSTRIAL SITES CLEANUP FUND: | | | |
| Industrial Sites Cleanup - Administration (EA)..... | \$ 210 | \$ 210 | \$ 225 |
| Industrial Sites Cleanup - Projects (EA)..... | 14,000 | 6,000 | 6,000 |
| INDUSTRIAL SITES CLEANUP FUND TOTAL..... | <u>\$ 14,210</u> | <u>\$ 6,210</u> | <u>\$ 6,225</u> |
| LOCAL GOVERNMENT CAPITAL PROJECT LOAN FUND: | | | |
| Local Government Capital Project Loans (EA)..... | \$ 1,000 | \$ 1,000 | \$ 1,000 |

Community and Economic Development

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| MACHINERY AND EQUIPMENT LOAN FUND: | | | |
| General Operations (EA)..... | \$ 400 | \$ 625 | \$ 650 |
| Machinery and Equipment Loans (EA)..... | 32,500 | 70,000 | 50,000 |
| MACHINERY AND EQUIPMENT LOAN FUND TOTAL..... | \$ 32,900 | \$ 70,625 | \$ 50,650 |
| MINORITY BUSINESS DEVELOPMENT FUND: | | | |
| General Operations (EA)..... | \$ 275 | \$ 275 | \$ 275 |
| Minority Business Development Loans (EA)..... | 2,500 | 3,500 | 4,000 |
| MINORITY BUSINESS DEVELOPMENT FUND TOTAL..... | \$ 2,775 | \$ 3,775 | \$ 4,275 |
| MUNICIPALITIES FINANCIAL RECOVERY REVOLVING AID FUND: | | | |
| Distressed Community Assistance (EA)..... | \$ 3,800 | \$ 3,800 | \$ 3,800 |
| SMALL BUSINESS FIRST FUND: | | | |
| Administration (EA)..... | \$ 1,600 | \$ 1,600 | \$ 1,600 |
| Loans (EA)..... | 43,000 | 28,000 | 20,000 |
| Pollution Prevention Loans (EA)..... | 2,000 | 700 | 700 |
| EDA - Loans (EA)..... | 500 | 4,000 | 500 |
| Environmental Loans (EA)..... | 700 | 700 | 700 |
| EDA - Defense Conversion (EA)..... | 200 | 200 | 200 |
| Community Economic Development Loans (EA)..... | 5,000 | 5,000 | 5,000 |
| SMALL BUSINESS FIRST FUND TOTAL..... | \$ 53,000 | \$ 40,200 | \$ 28,700 |
| UNDERGROUND STORAGE TANK INDEMNIFICATION FUND: | | | |
| Underground Storage Tank Administration (EA)..... | \$ 45 | \$ 45 | \$ 45 |
| Upgrade Loans (EA)..... | 1,500 | 1,500 | 1,500 |
| UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL..... | \$ 1,545 | \$ 1,545 | \$ 1,545 |
| WORKMEN'S COMPENSATION ADMINISTRATION FUND: | | | |
| Small Business Advocate - Workers' Compensation (R)..... | \$ 184 | \$ 184 | \$ 184 |
| BROADBAND OUTREACH AND AGGREGATION FUND: | | | |
| Broadband Outreach Administration..... | \$ 0 | \$ 0 | \$ 90 |
| Broadband Outreach Grants..... | 0 | 0 | 2,910 |
| BROADBAND OUTREACH AND AGGREGATION FUND TOTAL..... | \$ 0 | \$ 0 | \$ 3,000 |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 521,445 | \$ 513,033 | \$ 426,502 |
| SPECIAL FUNDS..... | 0 | 0 | 3,000 |
| FEDERAL FUNDS..... | 123,044 | 128,546 | 97,886 |
| AUGMENTATIONS..... | 13,460 | 8,197 | 9,541 |
| RESTRICTED..... | 967 | 975 | 975 |
| OTHER FUNDS..... | 183,658 | 205,024 | 181,564 |
| TOTAL ALL FUNDS..... | \$ 842,574 | \$ 855,775 | \$ 719,468 |

^a Includes recommended supplemental appropriation of \$3,000,000.

^b In all years, program funded by the Health Endowment Account for Long-Term Hope.

^c Actually appropriated as \$50,000,000 continuing executive authorization in 2005-06. Amount shown is an estimate of program disbursements within the fiscal year.

Community and Economic Development

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| COMMUNITY AND ECONOMIC DEVELOPMENT | | | | | | | |
| SUPPORT SERVICES | | | | | | | |
| GENERAL FUND..... | \$ 94,095 | \$ 92,939 | \$ 85,124 | \$ 85,124 | \$ 85,124 | \$ 85,124 | \$ 85,124 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 4,737 | 4,842 | 4,792 | 4,792 | 4,792 | 4,792 | 4,792 |
| OTHER FUNDS..... | 7,198 | 13,276 | 25,899 | 25,899 | 25,899 | 10,899 | 10,899 |
| SUBCATEGORY TOTAL..... | \$ 106,030 | \$ 111,057 | \$ 115,815 | \$ 115,815 | \$ 115,815 | \$ 100,815 | \$ 100,815 |
| BUSINESS AND JOB DEVELOPMENT | | | | | | | |
| GENERAL FUND..... | \$ 160,094 | \$ 170,373 | \$ 180,807 | \$ 229,033 | \$ 258,907 | \$ 257,760 | \$ 256,609 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 190 | 270 | 220 | 220 | 220 | 220 | 220 |
| OTHER FUNDS..... | 109,895 | 126,355 | 94,395 | 94,395 | 94,395 | 94,395 | 94,395 |
| SUBCATEGORY TOTAL..... | \$ 270,179 | \$ 296,998 | \$ 275,422 | \$ 323,648 | \$ 353,522 | \$ 352,375 | \$ 351,224 |
| TECHNOLOGY DEVELOPMENT | | | | | | | |
| GENERAL FUND..... | \$ 78,450 | \$ 75,550 | \$ 67,600 | \$ 67,600 | \$ 67,600 | \$ 67,600 | \$ 67,600 |
| SPECIAL FUNDS..... | 0 | 0 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| FEDERAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 67,485 | 67,485 | 63,185 | 63,185 | 63,185 | 63,185 | 63,185 |
| SUBCATEGORY TOTAL..... | \$ 145,935 | \$ 143,035 | \$ 133,785 | \$ 133,785 | \$ 133,785 | \$ 133,785 | \$ 133,785 |
| COMMUNITY DEVELOPMENT | | | | | | | |
| GENERAL FUND..... | \$ 188,806 | \$ 174,171 | \$ 92,971 | \$ 92,971 | \$ 92,971 | \$ 92,971 | \$ 92,971 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 118,117 | 123,434 | 92,874 | 92,874 | 92,874 | 92,874 | 92,874 |
| OTHER FUNDS..... | 13,507 | 7,080 | 8,601 | 8,601 | 8,601 | 8,601 | 8,601 |
| SUBCATEGORY TOTAL..... | \$ 320,430 | \$ 304,685 | \$ 194,446 | \$ 194,446 | \$ 194,446 | \$ 194,446 | \$ 194,446 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 521,445 | \$ 513,033 | \$ 426,502 | \$ 474,728 | \$ 504,602 | \$ 503,455 | \$ 502,304 |
| SPECIAL FUNDS..... | 0 | 0 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| FEDERAL FUNDS..... | 123,044 | 128,546 | 97,886 | 97,886 | 97,886 | 97,886 | 97,886 |
| OTHER FUNDS..... | 198,085 | 214,196 | 192,080 | 192,080 | 192,080 | 177,080 | 177,080 |
| DEPARTMENT TOTAL..... | \$ 842,574 | \$ 855,775 | \$ 719,468 | \$ 767,694 | \$ 797,568 | \$ 781,421 | \$ 780,270 |

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.

The Governor's Action Team plays a key role. 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. Trade missions and trade shows provide opportunities for companies to develop their export potential and expand their export base. In collaboration with 18 contracted trade offices, small businesses are provided support in overcoming the many legal, financial and logistical problems inherent in doing

business internationally. This budget also recommends a new program, the World Trade PA initiative, which will provide \$15 million in additional assistance to businesses looking to enter and compete in global markets. Please see the Expanding Employment and Opportunity for Pennsylvanians theme in the Overview and Summaries section for additional information on this program.

Domestically the current marketing program targets the promotion of Pennsylvania's recently approved Economic Stimulus Package which includes \$2.3 billion in economic development funding, giving Pennsylvania a particular competitive advantage. A key component of the Economic Stimulus Package has been the First Industries Fund, which supports development programs in agriculture and tourism through planning grants, low interest loans and loan guarantees. To date over \$23 million dollars have been awarded for 148 First Industries projects. This will have significant impact on potential and current growth of the tourism sector.

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. Act 189 of 2002 further supports these efforts through the Pennsylvania Travel and Tourism Partnership by ensuring the Commonwealth's strategic tourism plan is continually evaluated and advanced.

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.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Traveler expenditures (in millions) | \$25,260 | \$25,770 | \$26,285 | \$26,810 | \$27,345 | \$27,895 | \$28,450 |
| Tourist Promotion Assistance: | | | | | | | |
| Public/private funds leveraged (in thousands) | \$68,500 | \$70,300 | \$72,700 | \$74,900 | \$77,000 | \$79,400 | \$81,800 |
| Export sales facilitated | 84,406 | 101,287 | 111,415 | 116,986 | 122,836 | 128,977 | 135,426 |
| Percentage increase in export sales | 30% | 20% | 10% | 5% | 5% | 5% | 5% |
| Visitors from targeted countries | 480,000 | 500,000 | 530,000 | 565,000 | 590,000 | 590,000 | 590,000 |

Percentage increase in export sales data presented for each year indicate increases over the previous year.

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. The newpa.com website links customers to general information, publications, specific program guidelines and the department's Single Application for Assistance. The proprietary single application process allows the customer to apply for funding via one application, which may be accessed and submitted online.

Program Element: Economic Development

The Business Retention and Expansion program works with the Commonwealth's ten marketing regions to promote job retention, expansion and creation by contacting Pennsylvania businesses to identify their needs in an effort to retain and improve their operations in Pennsylvania. Information gathered is entered into a database, providing an efficient means to access, analyze and acquire in-depth information on Pennsylvania's community and economic assets.

The Export Network links the ten regions to the overseas offices, which offer assistance to support the international trade activities of Pennsylvania businesses. The Entrepreneurial Support Network provides improved quality and availability of services to potential entrepreneurs.

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, created by Act 67 of 1996, 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. Act 213 of 2002 expanded the definition of a small business to include agricultural producers. The maximum loan amount is \$200,000. 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; Act 213 of 2002 increased the maximum loan from \$50,000 to \$100,000.

The Infrastructure Development Program provides grants and loans to develop and improve business sites. 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, and areas of high unemployment. A qualified business may receive up to \$2.25 million at interest rates ranging from three and one quarter percent to four and one quarter percent, depending upon the unemployment rate in the county where the project is located.

The Machinery and Equipment Loan Fund, recodified in Act 213 of 2002, provides low-interest loan financing to manufacturing and industrial companies and to production agriculture to acquire and install new or used machinery and equipment. Interest rates are similar to PIDA and 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, authorized by Act 23 of 2001, 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 are reserved for businesses with less than 100 employees and may not be utilized until the jobs are actually created. Annually, \$22.5 million is available for

Community and Economic Development

Program: Business and Job Development (continued)

these credits; credits not fully utilized or recaptured from any fiscal year may be reissued by the department.

The Industrial Sites Reuse Program provides grants and low-interest loan financing to companies, private real estate developers, and municipalities performing environmental site assessment and remediation work at former industrial sites. Funds are not available for companies that caused the environmental contamination on the property.

The Commonwealth Financing Authority, created by Act 22 of 2004, is authorized to issue debt to support a full cadre of new economic development programs and to capitalize some existing programs such as the Machinery and Equipment Loan Fund. New programs include: Business in Our Sites, which will create shovel-ready sites for expanding business; the First Industries Program, which offers grant, loan and loan guarantee financing through several different programs, both new and existing to support tourism and agricultural projects; PennWorks, a program that provides grants and loans for water and wastewater infrastructure development; the Second Stage Loan Guarantee Program that provides \$50 million in guarantees for successful PA businesses seeking working capital from banks; and the Tax Increment Financing Guarantee Program which will enable local governments to achieve more favorable borrowing terms while allowing the debt to be repaid with future revenues. Building PA, New Pennsylvania Venture Guarantee Program, and the First Industries Program were also created under the act.

The Core Industries Stimulus Program, also created by Act 22 of 2004, enhances the existing MELF loan program by adding an additional \$75 million in revolving loan funds by increasing the maximum loan amount from \$500,000 to \$5 million. Information technology companies and licensed hospitals are now also eligible to receive funding and \$25 million will be targeted to aid hospitals with the purchase and installation of FDA required pharmaceutical management technology.

The Infrastructure and Facilities Grant Program, established in Act 23 of 2004, awards multi-year grants to debt issuing authorities toward the payment of debt service and related costs for economic development projects. Grant awards are calculated based on the expected sales tax, hotel occupancy tax, or personal income tax to be generated by the identified project.

The Pennsylvania Race Horse Development and Gaming Act will provide additional funding from gaming revenues to support economic development grants under this act. Grants will not be available until proceeds from the Gaming Fund become available.

Program Element: Workforce Development

The Customized Job Training (CJT) Program supports new and existing firms in Pennsylvania by specifically

training Pennsylvanians for new jobs or upgrading existing employees' skills to accommodate new technologies. WEDnetPA, a major part of CJT, works with companies in need of workers with special skills and guarantees training to meet the standards agreed to between the company and the educational provider. Most of the training is targeted to manufacturing and technology-based companies providing jobs, which pay at least 150 percent of minimum wage. WEDnetPA has trained over 466,802 employees since its inception and is critical to ensuring that highly skilled workers are available for Pennsylvania companies. The Job Enhancement Act of 2002 recodified CJT, expanded eligible programs and included private companies and local workforce investment boards as potential applicants.

The Workforce Leadership Grants Program establishes integrated academic programs in three industry clusters: bio/life sciences, information technology/optoelectronics and advanced manufacturing and materials.

Another focus of workforce development is the retention of young people who are trained in the colleges, universities and technical schools in the Commonwealth. The Stay Incentive Future Program helps to market Pennsylvania, showcasing its opportunities, and helps bring students and Pennsylvania employers together through internships and informational sessions.

Program Element: Ports Development

The PENNPORTS office provides for the development of Pennsylvania's ports, including Erie Port, the Philadelphia Regional Port Authority and the Pittsburgh Port Commission. Funding is 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 bond financing with the ability to finance economic development projects. PEDFA can finance land, buildings, machinery and equipment, and working capital including refinancing. 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.

Community and Economic Development

Program: Business and Job Development (continued)

Program Element: Capital Access Program (PennCAP)

The Pennsylvania Capital Access Program is a small business loan guarantee program designed to help borrowers that don't quite meet a bank's normal small business lending requirements. Eligible uses include land and building

acquisition, machinery and equipment and working capital needs. Loans may be guaranteed up to \$500,000. Rates and terms are negotiated with the participating bank; PEDFA bond program provides the guarantee for bank loans, term loans or lines of credit.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Business Assistance: | | | | | | | |
| Businesses assisted | 12,709 | 12,573 | 12,511 | 12,508 | 12,443 | 12,443 | 12,443 |
| Jobs pledged to be created* | 70,416 | 61,146 | 62,980 | 64,240 | 64,240 | 64,240 | 64,240 |
| Jobs retained | 103,463 | 59,342 | 61,122 | 62,345 | 62,345 | 62,345 | 62,345 |
| Public/ private funds leveraged (in thousands) | \$3,458,810 | \$4,705,977 | \$4,541,405 | \$4,461,773 | \$4,313,273 | \$4,263,273 | \$4,263,273 |
| Persons receiving job training | 138,182 | 137,000 | 137,000 | 137,000 | 137,000 | 137,000 | 137,000 |
| Opportunity Grants: projects assisted | 169 | 140 | 140 | 140 | 140 | 140 | 140 |
| Brownfield redevelopment projects assisted | 75 | 80 | 80 | 80 | 80 | 80 | 80 |

Methodologies for the calculation of the above business assisted program measures have been refined. Variances from previous years presentations are reflective of this modification.

*New program measure.

Program Recommendations:

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

| | |
|---|--|
| <p>\$ -8,800 Business Retention and Expansion —nonrecurring projects.</p> <p>\$ -8,980 PENNPORTS —nonrecurring projects.</p> <p>\$ 28,645 Transfer to Commonwealth Financing Authority —to provide debt service for economic development bonds.</p> <p>\$ -331 Intergovernmental Cooperation Authority-2nd Class Cities —nonrecurring costs.</p> <p>\$ -6,000 Municipal Government Resources and Training —nonrecurring projects.</p> | <p>\$ -2,000 Minority Business Development —nonrecurring projects.</p> <p>\$ -600 Fay Penn —nonrecurring projects.</p> <p>\$ 10,000 Infrastructure & Facilities Improvement Grants —Initiative—Infrastructure and Facility Improvement. To provide multi-year grants for new infrastructure and facility improvement projects.</p> <p>\$ -1,500 Digital & Robotic Technology —nonrecurring projects.</p> |
|---|--|

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Business Retention and Expansion | \$ 7,287 | \$ 12,276 | \$ 3,476 | \$ 3,476 | \$ 3,476 | \$ 3,476 | \$ 3,476 |
| PENNPORTS | 16,112 | 18,880 | 9,900 | 9,900 | 9,900 | 9,900 | 9,900 |

Community and Economic Development

Program: Business and Job Development (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| Transfer to Industrial Sites Environmental Assessment Fund | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 |
| Transfer to Commonwealth Financing Authority | 0 | 8,294 | 36,939 | 85,165 | 115,039 | 113,892 | 112,741 |
| Intergovernmental Cooperation Authority-2nd Class Cities | 585 | 963 | 632 | 632 | 632 | 632 | 632 |
| Opportunity Grant Program | 50,000 | 49,000 | 49,000 | 49,000 | 49,000 | 49,000 | 49,000 |
| Keystone Innovation Zones | 3,300 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Customized Job Training | 32,500 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Workforce Leadership Grants | 5,000 | 4,050 | 4,050 | 4,050 | 4,050 | 4,050 | 4,050 |
| Municipal Government Resources and Training | 5,500 | 6,000 | 0 | 0 | 0 | 0 | 0 |
| Infrastructure Development | 25,000 | 22,500 | 22,500 | 22,500 | 22,500 | 22,500 | 22,500 |
| Small Business Development Centers | 6,750 | 6,750 | 6,750 | 6,750 | 6,750 | 6,750 | 6,750 |
| Flood Plain Management | 60 | 60 | 60 | 60 | 60 | 60 | 60 |
| Minority Business Development | 2,000 | 2,000 | 0 | 0 | 0 | 0 | 0 |
| Fay Penn | 500 | 600 | 0 | 0 | 0 | 0 | 0 |
| Infrastructure & Facilities Improvement Grants (06/06) | 5,000 | 5,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Digital & Robotic Technology | 0 | 1,500 | 0 | 0 | 0 | 0 | 0 |
| TOTAL GENERAL FUND | \$ 160,094 | \$ 170,373 | \$ 180,807 | \$ 229,033 | \$ 258,907 | \$ 257,760 | \$ 256,609 |

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

Technology based economic development drives the entrepreneurial spirit of the Commonwealth enabling businesses and individuals to develop the skills and opportunities necessary to remain competitive in the international marketplace. Technology development allows Pennsylvania communities to build the infrastructure necessary to continue to attract and grow new businesses and connect to the world.

The Ben Franklin Technology Development Authority was established by Act 38 of 2001 to continue the promotion of advanced technology in Pennsylvania's traditional and emerging manufacturing industries as well as small businesses. The 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 Pennsylvania Technology Investment Authority (PTIA), within the Ben Franklin Technology Development Authority Fund, focuses on helping companies that want to develop new technologies. Its efforts are designed to meet the financing needs of high technology, knowledge-based companies whose needs differ from more traditional asset-based financing. The authority provides a series of support and financing including a Technology Company Investment program, a Technology Development Grant program, and University Research Grants program. 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, is also included. Keystone Innovation Zone operational grants are also funded through the authority and are being used to

drive economic development partnering between universities and community-focused organizations. The Regional Biotechnology Center initiative and the Life Sciences Greenhouses, funded by Tobacco Settlement dollars in 2001-2002, support three regional technology based economic development organizations focused on increasing the creation and growth of Pennsylvania's Life Science companies.

This budget also recommends a new initiative, the Jonas Salk Legacy Fund: *Accelerating Medical Research in Pennsylvania*, which will provide accelerated funding of approximately \$500 million over the next two years to invest in Pennsylvania's biosciences future. Please see the Expanding Employment and Opportunity for Pennsylvanians theme in the Overview and Summaries section for additional information on this program.

The Industrial Resource Centers (IRCs) are focused on improving the competitive ability of Pennsylvania's traditional and emerging manufacturing firms by helping them to understand and implement modern manufacturing techniques. The IRCs work with existing small- and medium-size manufacturers to quickly adopt existing technologies and techniques. The centers are operated as nonprofit corporations and are given significant direction from the IRC Strategic Advisory Board, comprised, in the majority, of private sector representatives.

The Pennsylvania Infrastructure Technical Alliance (the PITA) integrates university-based technology research with business and economic development by partnering students at major universities in the State with businesses for research and development.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Technology Investment | | | | | | | |
| Businesses assisted | 7,072 | 7,200 | 7,416 | 7,640 | 7,870 | 8,100 | 8,343 |
| Jobs created* | 8,084 | 8,327 | 8,579 | 8,836 | 9,102 | 9,375 | 9,656 |
| Jobs retained | 5,401 | 5,563 | 5,730 | 5,902 | 6,080 | 6,262 | 6,450 |
| Public/private funds leveraged (in thousands) | \$683,997 | \$750,000 | \$975,000 | \$1,004,250 | \$1,034,378 | \$1,065,409 | \$1,097,371 |

Methodology for the calculation of the above Jobs Retained program measure has been refined. Variances from previous years presentations are reflective of this modification.

* New program measure.

Community and Economic Development

Program: Technology Development (continued)

Program Recommendations:

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

| | |
|---|--|
| <p>Super Computer Center \$ -300 —program reduction.</p> <p>Infrastructure Technical Assistance \$ -4,000 —nonrecurring projects.</p> <p>Manufacturing and Business Assistance \$ -2,500 —nonrecurring projects.</p> <p>PENNTAP \$ -300 —nonrecurring projects.</p> | <p>Agile Manufacturing \$ -750 —nonrecurring projects.</p> <p>Powdered Metals \$ -100 —nonrecurring projects.</p> <p>TOBACCO SETTLEMENT FUND: Life Sciences Greenhouse \$ 3,000 —Initiative—Life Sciences Greenhouse. To support life science technology investment activities.</p> |
|---|--|

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Transfer to Ben Franklin Tech. | | | | | | | |
| Development Authority Fund | \$ 53,000 | \$ 50,200 | \$ 50,200 | \$ 50,200 | \$ 50,200 | \$ 50,200 | \$ 50,200 |
| Super Computer Center | 1,500 | 1,500 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| Infrastructure Technical Assistance | 5,000 | 5,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Industrial Resource Center | 15,200 | 15,200 | 15,200 | 15,200 | 15,200 | 15,200 | 15,200 |
| Manufacturing and Business Assistance. | 2,500 | 2,500 | 0 | 0 | 0 | 0 | 0 |
| PENNTAP | 300 | 300 | 0 | 0 | 0 | 0 | 0 |
| Agile Manufacturing | 750 | 750 | 0 | 0 | 0 | 0 | 0 |
| Powdered Metals | 200 | 100 | 0 | 0 | 0 | 0 | 0 |
| TOTAL GENERAL FUND | \$ 78,450 | \$ 75,550 | \$ 67,600 | \$ 67,600 | \$ 67,600 | \$ 67,600 | \$ 67,600 |
| TOBACCO SETTLEMENT FUND: | | | | | | | |
| Life Sciences Greenhouse TSF | \$ 0 | \$ 0 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 |

Community and Economic Development

PROGRAM OBJECTIVE: To enhance the total environment of Pennsylvania's communities through improvements in the areas of housing, community development, job training and human services.

Program: Community Development

Program Element: Housing and Redevelopment

The department administers one State and three Federally funded programs which target affordable housing for low and moderate income Pennsylvanians.

The State Housing and Redevelopment Assistance program provides grants to communities, redevelopment authorities and nonprofit organizations to improve blighted neighborhoods through redevelopment, to revitalize central business districts in aging communities, and to provide low- and moderate-income housing through rehabilitation. The program provides funding for projects which enhance reinvestment and rebuilding of communities. Act 45 of 2005 established the Growing Greener Bond Fund, which allocates up to \$5 million dollars in funding for Brownfields remediation. The "Brownfields for Housing" component of this program provides funding for counties on a formula basis to rehabilitate and develop housing on previously developed sites.

The federal HOME Investment Partnerships program provides funding to expand the supply of affordable housing for low-income families. A variety of options are available to meet this objective: incentives to develop and support rental housing and home ownership through acquisition, construction or rehabilitation; funding to finance relocation of displaced persons; rental assistance; and rehabilitation of substandard housing. Federal funds for both SCDBG and HOME are provided to recipients through the U.S. Department of Housing and Urban Development (HUD) Integrated Disbursement and Information System. Funds are appropriated to the department to administer the program. Act 172 of 1992 established a separate special fund entitled the HOME Investment Trust Fund, as required by HUD, to administer these funds.

The Federal Weatherization Assistance Program is designed to cut heating costs and improve living conditions for low income persons by adding energy conservation measures to their homes. The U.S. Department of Energy component supports activities such as the installation of insulation, shell repairs and heating system improvements. The Low Income Housing Energy Assistance Block Grant (LIHEABG) also funds home weatherization but also supports a heating crisis program that operates during the winter in close coordination with the Department of Public Welfare's LIHEAP program.

Program Element: New Communities

The department's New Communities effort provides funding for both planning and direct project grants. Funding is targeted to projects which rebuild depressed inner city neighborhoods and rural areas, and generally stabilize communities so economic and social growth can occur.

The New Communities program includes the State

Enterprise Zone, Main Street and Elm Street programs to provide flexibility to address community needs such as downtown revitalization, residential improvements, or economic development. The State-funded Enterprise Zones receive grants for business development projects which stimulate private investment and create jobs in State designated Enterprise Zones. These efforts are supported by the use of Enterprise Zone Tax Credits through the Neighborhood Assistance Act.

The Main Street component of New Communities helps restore downtown areas through a four-point approach: enhancing the area's physical appearance; marketing to shoppers, businesses, and tourists; creating partners and local organizational structure; and strengthening and diversifying downtown businesses. The program helps restore the physical appearance of downtown through Downtown Reinvestment Grants and Anchor Buildings Grants that reuse older buildings to draw shoppers, workers and other people to downtown business districts. The Growing Greener Bond Fund as part of Act 45 of 2005 allocates up to \$50 million for Main Street and Downtown Redevelopment related to Smart Growth, including improvements to existing water and wastewater infrastructures.

The Elm Street component of New Communities, established in Act 7 of 2004, is a counterpart to Main Street that promotes revitalization of residential areas that are physically and programmatically connected to downtown improvement efforts. The program includes: creating local nonprofits to support the neighborhood; marketing real estate and special events; enhancing the physical appearance; developing and implementing a strategy for revitalization; and cleaning and maintenance of public spaces as well as addressing threats of crime.

A related Federal program under New Communities - the Empowerment Zone/Enterprise Community program - provides a combination of grants and tax incentives to rebuild poor inner cities and rural distressed areas. Pennsylvania has five communities involved in this Federal effort: Philadelphia, Harrisburg, Pittsburgh, Lock Haven and Fayette County.

Program Element: Pennsylvania Housing Finance Agency

The Pennsylvania Housing Finance Agency (PHFA) operates programs to increase and protect the supply of 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.

Community and Economic Development

Program: Community Development (continued)

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 2005, PHFA has provided mortgage financing for approximately 5,600 families totaling \$550 million. In addition, PHFA has committed nearly \$11 million to revitalize distressed communities through the Homeownership Choice Program. The PHFA operates the Homeowners Emergency Mortgage Assistance Program (HEMAP), a program to protect distressed homeowners from foreclosure. HEMAP was established by Act 91 of 1983, and amended by Act 160 of 1998 to protect citizens who, through no fault of their own, are in danger of losing their homes to foreclosure. Eligible applicants receive assistance in an amount sufficient to bring mortgage payments current and may also receive continuing assistance for up to 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 when 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 \$187 million of General Fund monies and \$199.5 million of repayments into HEMAP to save more than 35,000 homes from foreclosure.

Program Element: Community Development

The Federal Small Communities Development Block Grant (SCDBG) 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.

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. Act 119 of 2000 extended the life of a KOZ from 12 to 15 years and authorized the department to establish 12 smaller Keystone Opportunity Expansion Zones (KOEZs). The act extended the expiration date of the program until 2013 and increased the eligible tax-exempt activity. Act 217 of 2002 provided for designation of subzones within KOZs and KOEZs to enable acreage remaining undesignated within the original limitation to be designated for State and local tax exemption. In accordance with the act, the Keystone Opportunity Improvement Zones (KOIZ) were designated by Executive Order in 2002.

The Land Use Planning and Technical Assistance Program helps communities in the preparation, updating and

implementation of municipal and county comprehensive plans to address issues such as: economic revitalization and expansion; municipal infrastructure, services and transportation needs; commercial and neighborhood rehabilitation efforts; land use controls; municipal capital improvement programs and budgets; and housing solutions with particular emphasis placed on low to moderate income families. The program is coordinated by the Center for Local Government Services. The Shared Municipal Services Program assists communities in improving operational efficiencies through cooperative activities. Typical projects include combined police records administration, shared data processing operations, municipal insurance pooling, shared public works operations, regional recreation activities, shared uniform code enforcement activities, the purchase of vehicles, the purchase or construction of buildings, and other inter-municipal projects which will reduce local government costs and implement more efficient and coordinated local government services.

Communities declared financially distressed in accordance with the provisions of Act 157 of 1988 receive assistance in the form of grants and loans.

The Job Enhancement Act as amended by Act 100 of 1998, and as amended by Act 29 of 2005 established and further defined 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.

The Local Government Capital Loan Program provides low interest loans for municipal facilities. The program gives small local governments that find conventional borrowing prohibitive an opportunity to secure needed funds for equipment and buildings.

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.

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 29 of 2005 expands the use of educational savings accounts for expenses related to postsecondary studies in science and technology related fields. This act supports student internships with emerging technology companies within the Commonwealth to supplement their classroom study.

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.

Community and Economic Development

Program: Community Development (continued)

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|----------|----------|----------|----------|----------|----------|----------|
| Housing and Redevelopment: | | | | | | | |
| Housing units assisted | 4,331 | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 |
| Homes weatherized | 9,924 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 |
| Designated distressed communities assisted | 16 | 16 | 16 | 16 | 16 | 15 | 15 |
| Community Development: | | | | | | | |
| Main Street Program: | | | | | | | |
| Main Street Projects | 63 | 63 | 63 | 63 | 63 | 63 | 63 |
| Elm Street Program: | | | | | | | |
| Elm Street Projects | 31 | 35 | 35 | 35 | 35 | 35 | 35 |
| Early Intervention Program: | | | | | | | |
| Local governments assisted | 16 | 12 | 12 | 12 | 12 | 12 | 12 |
| Land Use Planning and Technical Assistance: | | | | | | | |
| Municipalities assisted | 762 | 700 | 750 | 780 | 790 | 790 | 790 |
| Shared Municipal Services: | | | | | | | |
| Local Governments assisted | 711 | 680 | 690 | 700 | 700 | 700 | 700 |
| Job Training and Human Services: | | | | | | | |
| Persons participating in Community Services Block Grant | 339,564 | 275,000 | 275,000 | 275,000 | 275,000 | 275,000 | 275,000 |
| Family Savings Accounts: | | | | | | | |
| Families Participating | 754 | 913 | 913 | 913 | 913 | 913 | 913 |
| Cumulative dollars saved by participants (in thousands)* | \$3,700 | \$5,000 | \$5,800 | \$6,600 | \$7,400 | \$8,200 | \$9,000 |
| Housing Finance Authority: | | | | | | | |
| Approved mortgage assistance loans | 2,563 | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 |
| Annual value of assistance loans recorded | \$26,450 | \$27,040 | \$27,040 | \$27,040 | \$27,040 | \$27,040 | \$27,040 |

Families Participating in Family Savings accounts is a revised estimate based on the rate of savings and available funding.

*New program measures.

Program Recommendations:

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

| | |
|---|---|
| <p>GENERAL FUND</p> <p>Accessible Housing</p> <p>\$ 3,000 —Initiative—Accessible Housing. To provide grants to persons with disabilities to make their homes more accessible.</p> <p>Shared Municipal Services</p> <p>\$ 1,000 —Initiative—Shared Municipal Services. To provide grants to municipalities for new or expanded inter-governmental projects.</p> <p>Local Government Resources and Development</p> <p>\$ -31,000 —nonrecurring projects.</p> <p>Community Revitalization</p> <p>\$ -48,300 —nonrecurring projects.</p> <p>Urban Development</p> <p>\$ -7,000 —nonrecurring projects.</p> <p>Community and Business Assistance</p> <p>\$ -2,500 —nonrecurring projects.</p> | <p>Economic Growth and Development Assistance</p> <p>\$ -1,000 —nonrecurring projects.</p> <p>Community and Municipal Facilities Assistance</p> <p>\$ -2,500 —nonrecurring projects.</p> <p>Community Conservation and Employment</p> <p>\$ 10,000 —to expand conservation and employment opportunities.</p> <p>Regional Development Initiative</p> <p>\$ -900 —nonrecurring projects.</p> <p>Community Development Bank Grants</p> <p>\$ -2,000 —nonrecurring projects.</p> |
|---|---|

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

Community and Economic Development

Program: Community Development (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Land Use Planning Assistance | \$ 3,461 | \$ 3,321 | \$ 3,321 | \$ 3,321 | \$ 3,321 | \$ 3,321 | \$ 3,321 |
| Transfer to Municipalities Financial Recovery Revolving Fund | 2,000 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| Housing & Redevelopment Assistance | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Accessible Housing | 0 | 0 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| PHFA - Homeowners Emergency Mortgage Assistance | 5,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 |
| PHFA - Legal Expenses Reimbursement (06/06) | 50 | 0 | 0 | 0 | 0 | 0 | 0 |
| Family Savings Accounts | 826 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Shared Municipal Services | 1,500 | 1,400 | 2,400 | 2,400 | 2,400 | 2,400 | 2,400 |
| Local Government Resources and Development | 33,000 | 31,000 | 0 | 0 | 0 | 0 | 0 |
| New Communities | 19,000 | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 |
| Community Revitalization | 51,800 | 48,300 | 0 | 0 | 0 | 0 | 0 |
| Urban Development | 8,500 | 7,000 | 0 | 0 | 0 | 0 | 0 |
| Community and Business Assistance | 2,500 | 2,500 | 0 | 0 | 0 | 0 | 0 |
| Economic Growth & Development Assistance | 2,500 | 1,000 | 0 | 0 | 0 | 0 | 0 |
| Community & Municipal Facilities Assistance | 2,500 | 2,500 | 0 | 0 | 0 | 0 | 0 |
| Community Conservation and Employment Early Intervention for Distressed Municipalities | 24,869 | 15,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| Regional Development Initiative | 1,000 | 750 | 750 | 750 | 750 | 750 | 750 |
| Community Development Bank Grants | 300 | 900 | 0 | 0 | 0 | 0 | 0 |
| | 0 | 2,000 | 0 | 0 | 0 | 0 | 0 |
| TOTAL GENERAL FUND | \$ 188,806 | \$ 174,171 | \$ 92,971 | \$ 92,971 | \$ 92,971 | \$ 92,971 | \$ 92,971 |



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

The mission of the Department of Conservation and Natural Resources is to promote sound stewardship of Pennsylvania's State Park and State Forest lands, provide education information and technical assistance regarding geologic and ecologic resources of the State, and provide funding to help develop and acquire recreation lands and facilities, greenways, river corridors, and to conserve the State's natural and cultural heritage. The department is the State's lead land conservation and outdoor recreation agency and advocate for the wise management of natural resources on both public and private lands. The department's programs support the revitalization of communities, sustainable economic growth, outdoor and nature tourism, and help improve the quality of life for all citizens.

Conservation and Natural Resources

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| GENERAL FUND: | | | |
| <i>General Government:</i> | | | |
| General Government Operations..... | \$ 19,662 | \$ 17,862 | \$ 17,862 |
| (F)Surface Mining Control and Reclamation..... | 180 | 180 | 0 |
| (F)Topographic and Geologic Survey Grants..... | 175 | 175 | 175 |
| (F)Bituminous Coal Resources..... | 150 | 150 | 150 |
| (F)Intermodal Surface Transportation Act..... | 5,000 | 5,000 | 5,000 |
| (F)Land and Water Conservation Fund..... | 12,000 | 12,000 | 12,000 |
| (F)Economic Action Programs..... | 100 | 100 | 100 |
| (A)Payment for Department Services..... | 335 | 1,680 | 1,210 |
| (A)Water Well Drillers..... | 39 | 65 | 65 |
| (A)Keystone Recreation, Park and Conservation Fund..... | 0 | 4,512 | 4,262 |
| (A)Internet Record Imaging System..... | 116 | 90 | 90 |
| (A)Environmental Stewardship Fund Admin..... | 450 | 547 | 547 |
| (A)Purchasing Card Rebate..... | 86 | 85 | 85 |
| Subtotal..... | \$ 38,293 | \$ 42,446 | \$ 41,546 |
| State Parks Operations..... | 54,890 | 55,170 | 57,226 |
| (F)Recreational Trails..... | 3,500 | 3,500 | 3,500 |
| (F)Presque Isle State Park Greenway..... | 1,000 | 1,000 | 0 |
| (F)Presque Isle Water Sampling (EA)..... | 46 | 60 | 0 |
| (F)PAMAP Geospatial Imaging (EA)..... | 550 | 350 | 0 |
| (F)Tropical Storm Ivan Disaster Assistance (EA)..... | 0 | 10,200 | 0 |
| (F)April 2005 Storms Disaster Assistance (EA)..... | 0 | 10,100 | 0 |
| (A)PCC Programs - Parks..... | 35 | 400 | 400 |
| (A)Reimbursement - Sewer System..... | 208 | 225 | 225 |
| (A)Reimbursement - Kings Gap Use..... | 38 | 75 | 75 |
| (A)State Parks User Fees..... | 15,000 | 14,325 | 14,325 |
| (A)Prior Year Revenue - Parks..... | 136 | 500 | 500 |
| (A)Donations..... | 2 | 20 | 20 |
| (A)Reimbursement for Services..... | 172 | 495 | 495 |
| Subtotal..... | \$ 75,577 | \$ 96,420 | \$ 76,766 |
| State Forests Operations..... | 14,650 | 14,616 | 14,616 |
| (F)Forest Fire Protection and Control..... | 1,000 | 1,000 | 1,000 |
| (F)Forestry Incentives and Agriculture Conservation..... | 50 | 50 | 50 |
| (F)Forest Management and Processing..... | 850 | 850 | 850 |
| (F)Cooperative Forest Insect and Disease Control..... | 250 | 250 | 250 |
| (F)Aid to Volunteer Fire Companies..... | 495 | 550 | 550 |
| (F)Wetland Protection Fund..... | 200 | 200 | 200 |
| (A)Reimbursement for Services..... | 480 | 450 | 450 |
| (A)Reimbursement - Forest Fires..... | 133 | 775 | 775 |
| (A)Sale of Vehicles - Forests..... | 2 | 50 | 50 |
| (A)Private Donations..... | 2 | 5 | 5 |
| (A)Timber Sales..... | 31,500 | 34,853 | 34,853 |
| (A)PCC Programs - Forests..... | 16 | 50 | 50 |
| (A)Miscellaneous Tickets and Fines..... | 5 | 5 | 5 |
| Subtotal..... | \$ 49,633 | \$ 53,704 | \$ 53,704 |
| Forest Pest Management..... | 2,161 | 2,111 | 2,111 |
| (F)Forest Insect and Disease Control..... | 2,000 | 2,000 | 3,000 |
| (A)Reimbursement from Counties..... | 0 | 200 | 200 |
| Subtotal..... | \$ 4,161 | \$ 4,311 | \$ 5,311 |
| Subtotal - State Funds..... | \$ 91,363 | \$ 89,759 | \$ 91,815 |
| Subtotal - Federal Funds..... | 27,546 | 47,715 | 26,825 |
| Subtotal - Augmentations..... | 48,755 | 59,407 | 58,687 |
| Total - General Government..... | \$ 167,664 | \$ 196,881 | \$ 177,327 |

Conservation and Natural Resources

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| Grants and Subsidies: | | | |
| Heritage and Other Parks..... | \$ 2,950 | \$ 5,350 | \$ 1,950 |
| Annual Fixed Charges - Flood Lands..... | 55 | 55 | 55 |
| Annual Fixed Charges - Project 70..... | 30 | 35 | 35 |
| Annual Fixed Charges - Forest Lands..... | 2,480 | 2,480 | 2,480 |
| Annual Fixed Charges - Park Lands..... | 300 | 300 | 300 |
| | \$ 5,815 | \$ 8,220 | \$ 4,820 |
| Total - Grants and Subsidies..... | | | |
| STATE FUNDS..... | \$ 97,178 | \$ 97,979 | \$ 96,635 |
| FEDERAL FUNDS..... | 27,546 | 47,715 | 26,825 |
| AUGMENTATIONS..... | 48,755 | 59,407 | 58,687 |
| | \$ 173,479 | \$ 205,101 | \$ 182,147 |
| GENERAL FUND TOTAL..... | | | |
| <u>ENVIRONMENTAL STEWARDSHIP FUND:</u> | | | |
| General Government: | | | |
| Parks & Forest Facility Rehabilitation (EA)..... | \$ 15,549 | \$ 9,751 | \$ 7,737 |
| Grants and Subsidies: | | | |
| Community Conservation Grants (EA) (06/08)..... | \$ 6,250 | \$ 7,018 | \$ 7,018 |
| Natural Diversity Conservation Grants (EA)..... | 750 | 735 | 750 |
| | \$ 7,000 | \$ 7,753 | \$ 7,768 |
| Total - Grants and Subsidies..... | | | |
| | \$ 22,549 | \$ 17,504 | \$ 15,505 |
| ENVIRONMENTAL STEWARDSHIP FUND TOTAL..... | | | |
| <u>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</u> | | | |
| General Government: | | | |
| Park & Forest Facility Rehab. - Realty Transfer (94-04) (EA)..... | \$ 13,664 a | \$ 22,282 | \$ 0 |
| Park & Forest Facility Rehab. - RTT (Current Year) (EA)..... | 20,805 | 25,480 | 29,997 |
| | \$ 34,469 | \$ 47,762 | \$ 29,997 |
| Total - General Government..... | | | |
| Grants and Subsidies: | | | |
| Grants for Local Recreation-Realty Transfer Tax (94-04) (EA)..... | \$ 28,589 a | \$ 42,559 | \$ 0 |
| Grants for Local Recreation - RTT (Current Year) (EA)..... | 17,338 | 21,232 | 24,997 |
| Grants to Land Trusts - Realty Transfer Tax (94-04) (EA)..... | 4,593 a | 8,905 | 0 |
| Grants to Land Trusts - RTT (Current Year) (EA)..... | 6,935 | 8,493 | 9,999 |
| | \$ 57,455 | \$ 81,189 | \$ 34,996 |
| Total - Grants and Subsidies..... | | | |
| | \$ 91,924 | \$ 128,951 | \$ 64,993 |
| KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL..... | | | |
| <u>MOTOR LICENSE FUND:</u> | | | |
| General Government: | | | |
| Dirt and Gravel Road..... | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| Grants and Subsidies: | | | |
| (R)Forestry Bridges - Excise Tax (EA)..... | \$ 4,000 | \$ 4,000 | \$ 4,000 |
| STATE FUNDS..... | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| RESTRICTED REVENUES..... | 4,000 | 4,000 | 4,000 |
| | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| MOTOR LICENSE FUND TOTAL..... | | | |

Conservation and Natural Resources

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|--------------------------|--------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| <u>OTHER FUNDS:</u> | | | |
| GENERAL FUND: | | | |
| Snowmobile & ATV Regulation..... | \$ 3,081 | \$ 5,493 | \$ 6,000 |
| Forest Regeneration..... | 3,070 | 4,479 | 4,000 |
| Ohiopyle State Park Water Treatment System..... | 0 | 613 | 0 |
| Forestry Research..... | 912 | 1,015 | 1,000 |
| GENERAL FUND TOTAL..... | <u>\$ 7,063</u> | <u>\$ 11,600</u> | <u>\$ 11,000</u> |
| ENVIRONMENTAL EDUCATION FUND: | | | |
| General Operations (EA)..... | \$ 150 | \$ 150 | \$ 370 |
| GROWING GREENER BOND FUND: | | | |
| Parks and Recreation Improvements (EA)..... | \$ 0 | \$ 0 ^b | \$ 5,000 ^b |
| State Parks and Forests Facility Projects (EA)..... | 0 | 7,000 ^b | 10,000 ^b |
| Open Space Conservation (EA)..... | 0 | 4,801 ^b | 10,000 ^b |
| GROWING GREENER BOND FUND TOTAL..... | <u>\$ 0</u> | <u>\$ 11,801</u> | <u>\$ 25,000</u> |
| OIL AND GAS LEASE FUND: | | | |
| General Operations..... | \$ 2,986 | \$ 7,200 | \$ 7,000 |
| WILD RESOURCE CONSERVATION FUND: | | | |
| General Operations (EA)..... | \$ 390 | \$ 390 | \$ 382 |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 97,178 | \$ 97,979 | \$ 96,635 |
| SPECIAL FUNDS..... | 115,473 | 147,455 | 81,498 |
| FEDERAL FUNDS..... | 27,546 | 47,715 | 26,825 |
| AUGMENTATIONS..... | 48,755 | 59,407 | 58,687 |
| RESTRICTED..... | 4,000 | 4,000 | 4,000 |
| OTHER FUNDS..... | 10,589 | 31,141 | 43,752 |
| TOTAL ALL FUNDS..... | <u>\$ 303,541</u> | <u>\$ 387,697</u> | <u>\$ 311,397</u> |

^a Actually appropriated as separate executive authorizations of the rollover balance from each prior fiscal year. Prior year balances are now combined into one executive authorization covering balances from 1994 through 2004.

^b Actually appropriated as a continuing executive authorization in 2005-06. Amount shown is an estimate of program disbursements within the fiscal year.

Conservation and Natural Resources

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|-------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| PARKS AND FORESTS MANAGEMENT | | | | | | | |
| GENERAL FUND..... | \$ 97,178 | \$ 97,979 | \$ 96,635 | \$ 96,635 | \$ 96,635 | \$ 96,635 | \$ 96,635 |
| SPECIAL FUNDS..... | 115,473 | 147,455 | 81,498 | 83,548 | 85,999 | 88,223 | 90,828 |
| FEDERAL FUNDS..... | 27,546 | 47,715 | 26,825 | 26,825 | 26,825 | 26,825 | 26,825 |
| OTHER FUNDS..... | 63,344 | 94,548 | 106,439 | 123,709 | 123,595 | 123,646 | 121,345 |
| SUBCATEGORY TOTAL..... | \$ 303,541 | \$ 387,697 | \$ 311,397 | \$ 330,717 | \$ 333,054 | \$ 335,329 | \$ 335,633 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 97,178 | \$ 97,979 | \$ 96,635 | \$ 96,635 | \$ 96,635 | \$ 96,635 | \$ 96,635 |
| SPECIAL FUNDS..... | 115,473 | 147,455 | 81,498 | 83,548 | 85,999 | 88,223 | 90,828 |
| FEDERAL FUNDS..... | 27,546 | 47,715 | 26,825 | 26,825 | 26,825 | 26,825 | 26,825 |
| OTHER FUNDS..... | 63,344 | 94,548 | 106,439 | 123,709 | 123,595 | 123,646 | 121,345 |
| DEPARTMENT TOTAL..... | \$ 303,541 | \$ 387,697 | \$ 311,397 | \$ 330,717 | \$ 333,054 | \$ 335,329 | \$ 335,633 |

Conservation and Natural Resources

PROGRAM OBJECTIVE: To maintain and improve State parks; to manage State forest lands to assure their long-term health, sustainability and economic use; to provide information on ecological and geologic resources; and to administer grant and technical assistance programs to benefit rivers conservation, trails and greenways, local recreation, regional heritage conservation and environmental education programs across the Commonwealth.

Program: Parks and Forests Management

Program Element: Stewardship and Management of State Parks and Forests

DCNR manages nearly 2.4 million acres of State park and forest lands that provide economic, recreational, ecological, geological and aesthetic values to the Commonwealth. The system of State parks consists of 116 parks and 2 conservation areas in 62 counties. Over 255,860 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 upgrades facilities where needed. Upgraded amenities are needed to provide quality visitor services, increase tourism and enhance revenue opportunities. 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 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. With the passage of Act 90 of 2002, the primary revenue source for the Environmental Stewardship Fund was restructured from a General Fund contribution to a \$4 tipping fee per ton of solid waste disposed in Pennsylvania's municipal waste landfills. The first \$50 million of revenue from the fee was deposited into the Environmental Stewardship Fund in 2002-03, with the fund receiving all revenue generated by the fee thereafter. This provides a specific, dedicated source of funding for the Growing Greener program and extends the \$4 tipping fee until 2012. The budget includes funds from the Growing Greener II bond initiative, approved by the voters May 17, 2005. Growing Greener II will provide the department with \$218 million over six years to improve the State parks and State forests, for community park and recreation grants and for open space preservation. Not less than \$100 million of funding shall be used for facility and infrastructure improvements to State parks and State forests, and \$90 million of these moneys shall be used for open space conservation.

State forests are managed for sustainable timber harvest including fire suppression, insect and disease control, watershed protection, and resource extraction and storage (natural gas). Although there are five native insects that defoliate trees, the primary insect threat to Pennsylvania's forests is the gypsy moth. Growing populations of gypsy moth and other insects increase the number of acres that need treatment. The need for targeted intervention will remain because it is difficult to predict outbreaks of insect species. 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.

State forests also offer outdoor recreation, environmental education and primitive camping options. DCNR's 2.1 million forest acres comprise the largest tract of Forest Stewardship Council (FSC) certified forest in North America. This certification determines if a forest is managed in an environmentally responsible manner. By tracking wood from forest to final product, certification enables consumers to support responsible forestry and provides forest owners with an incentive to maintain and improve forest management practices. The harvest of quality hardwood timber helps support the State's \$5 billion forest products industry that employs almost 100,000 people.

DCNR strives to incorporate sustainable building practices in its construction and renovation of facilities on State park and forest lands. This includes pursuing LEED (Leadership in Energy and Environmental Design Green Building Rating System®) certification for large new structures, and adopting LEED standards for smaller structures. The LEED assessment framework includes site development, water savings, energy efficiency, materials selection and indoor environmental quality.

DCNR's biodiversity and conservation science programs, such as the Pennsylvania Natural Heritage Program, support the management of these lands. PNHP is the Commonwealth's major program for significant natural features inventory, evaluation, ranking of species-of-special-concern, and compiling natural features data.

Stewardship of Pennsylvania's State park and forest land at certain times includes acquiring lands that: protect and enhance existing State parks and forests, forested watersheds and riparian corridors; conserve biologically

Program: Parks and Forests Management (continued)

important areas; and/or create connections with other public lands, open spaces, and outdoor recreation and educational opportunities.

Program Element: Statewide Land Conservation

The long-term sustainability of our natural resources is the responsibility of local communities, counties, State and Federal agencies, nonprofit conservation organizations, and private landowners. Land conservation is multifaceted, including developing greenway connectors between conserved lands and communities, protecting open space and ecologically and geologically significant lands, supporting Pennsylvania's private forest resource, and encouraging more environmentally sensitive growth in developing areas.

DCNR's role on private lands is to help local communities, counties, regional organizations, non profit stakeholders, private landowners and other governmental entities manage growth and reduce the loss of open space by providing technical assistance, educational information, and grant funding for research, planning, project development and land acquisition.

DCNR also provides management assistance to private forest landowners, who possess three-quarters of all forest land in the state. Conservation of these lands is important to the future health of the forests, protecting water quality and water supplies, providing recreational opportunities, and maintaining the state's \$5 billion a year timber industry.

Program Element: Sustainable and Attractive Communities

This element focuses on the natural, heritage and recreational resources within a community that contribute to the local economy and to the quality of life of its citizens. DCNR serves local communities with scientific data, technical assistance, and grant programs focused on these resources.

DCNR supports regional, county and local planning efforts with ecological and geologic information, technical assistance and funding. DCNR's conservation science programs (including PNHP) and topographic and geologic resources (digital maps, data and GIS) help communities make land use decisions that support sustainable development, such as identifying where unique plant or animal species should be protected, or where sinkhole potential might affect a development site choice.

DCNR offers grants through the Community Conservation Partnerships Program (C2P2), the Wild Resource Conservation Program (WRCP), and support of the PA Urban

and Community Forestry Grants Program (PAUCFG). C2P2 combines State and Federal funding sources and programs to provide technical assistance and matching grants for community recreation and recreational trails, snowmobile and ATV trails and parks, land conservation, river conservation, Heritage Parks, and Rails-to-Trails. WRCP directs resources and education toward endangered and threatened species, awarding grants for projects that protect or study plants, birds, mammals, fish, reptiles, amphibians and other species. PAUCFG offers grants to communities and municipalities for education about trees and natural resources, tree planting and maintenance programs, and developing long-term tree-care programs.

Program Element: Outdoor Connections for Citizens and Visitors

While the outdoors is an important part of many Pennsylvanians' lives, some citizens have no connection to the outdoors. With our park and forest lands, greenways, heritage areas, and scores of community conservation and recreation partnerships, the department works to increase enthusiasm for nature, provide life-long conservation learning, and generate stewardship activities.

DCNR is focusing on increasing awareness of outdoor opportunities and encouraging responsible park and forest usage. The department is teaming with tourism partners to promote the State's parks, forests, trails, rivers, greenways and heritage areas; working to enhancing the website; advertising through events, promotions and printed materials; improving signage, developing new overnight accommodations; continuing to offer environmental education and interpretive programming, and instituting guided recreation programming in concert with interpretive programming.

One example of this approach is the new "Get Outdoors PA" program, which DCNR piloted in western Pennsylvania in 2004 and expanded statewide in 2005. Get Outdoors PA offers visitors guided programs on various recreational activities like kayaking, canoeing, fishing, hiking and biking. Experienced trip leaders teach skills and expose visitors to State parks and forests. Get Outdoors PA will continue to add programs and partners in the coming years.

These various efforts are intended to not only improve visitor experiences and encourage repeat visitation, but also to provide economic benefit to surrounding communities. DCNR's outreach to communities also extends to urban and suburban environmental education outreach and educational and recreational programming.

Conservation and Natural Resources

Program: Parks and Forests Management (continued)

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|------------|------------|------------|------------|------------|------------|------------|
| Stewardship and Management of State Parks and Forests | | | | | | | |
| State park attendance (calendar year) * ... | 35,095,476 | 35,270,953 | 35,447,308 | 35,624,545 | 35,802,667 | 35,981,681 | 36,161,589 |
| State park family campsite nights available to rent * | 1,486,441 | 1,490,000 | 1,490,000 | 1,490,000 | 1,490,000 | 1,490,000 | 1,490,000 |
| State park family campsite nights rented * .. | 349,496 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 |
| Peak weekend % available State park family campsites rented ** | 65% | 65% | 65% | 65% | 65% | 65% | 65% |
| State park family cabin night available to rent * | 93,131 | 93,000 | 93,000 | 93,000 | 93,000 | 93,000 | 93,000 |
| State park family cabin nights rented * | 61,636 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 |
| Peak weekend % available State park family cabin nights rented ** | 85% | 92% | 89% | 89% | 89% | 89% | 89% |
| LEED registered buildings under construction (Parks and Forest) * | 1 | 6 | 9 | 12 | 14 | 16 | 18 |
| Forest fires suppressed | 750 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Forest fire acres suppressed * | 3,243 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| Sales of certified timber - millions of board feet sold * | 52,700 | 70,000 | 70,000 | 70,000 | 75,000 | 75,000 | 75,000 |
| Statewide Land Conservation | | | | | | | |
| Land conservation through acquisition and easement (acres) * | 11,000 | 15,000 | 15,000 | 15,000 | 15,000 | 10,000 | 10,000 |
| Sustainable and Attractive Communities | | | | | | | |
| Total Grant Funds Awarded (in thousands)* | \$35,200 | \$77,500 | \$77,500 | \$77,500 | \$77,500 | \$38,000 | \$38,000 |
| Community Conservation Partnership | | | | | | | |
| Grants Awarded | 359 | 440 | 440 | 440 | 440 | 350 | 350 |
| Heritage Park Grants Awarded | 82 | 85 | 90 | 90 | 90 | 90 | 90 |
| STATEMAP - Square miles mapped | 250 | 400 | 400 | 400 | 400 | 400 | 400 |
| PAMAP - Square miles flown for aerial photographs | 19,000 | 8,000 | 8,000 | 10,000 | 12,000 | 12,000 | 12,000 |
| PA Natural Heritage Program (website database searches) * | NA | NA | 24,000 | 30,000 | 35,000 | 35,000 | 35,000 |
| Outdoor Connections for Citizens and Visitors Get Outdoor PA - Recreation | | | | | | | |
| Programs Conducted * | 206 | 588 | 670 | 750 | 825 | 900 | 975 |
| Environmental Education and Interpretive | | | | | | | |
| Programming attendance * | 520,232 | 521,000 | 521,000 | 521,000 | 521,000 | 521,000 | 521,000 |

State Park information is reported by calendar year. Peak season extends from Memorial Day to Labor Day.

Timber Sales increase because of the measure being changed from a revenue measure to a board feet measure.

The STATEMAP program increase reflects additional research and Federal funds.

PAMAP received additional funding from Commonwealth agencies and counties for aerial photos in 2004-05.

*New program measures.

Program Recommendation:

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

| | | | |
|--|---|--|-------------------------------|
| <p>\$ 345</p> <p>—345</p> <hr style="width: 100px; margin-left: 0;"/> <p>\$ 0</p> <p>\$ 2,056</p> <p>\$ —3,400</p> | <p>General Government Operations</p> <p>—to continue current program.</p> <p>—Initiative—Operational Efficiency. Savings from replacing contracted information technology services with agency staff.</p> <p><i>Appropriation Unchanged</i></p> <p>State Parks Operations</p> <p>—to continue current program.</p> <p>Heritage and Other Parks</p> <p>—nonrecurring heritage and other parks projects.</p> | <p>ENVIRONMENTAL STEWARDSHIP FUND</p> <p>Parks and Forest Facility Rehabilitation (EA)</p> <p>—nonrecurring parks & forest facility rehabilitation projects.</p> <p>Natural Diversity Conservation Grants (EA)</p> <p>—to continue current program.</p> | <p>\$ —2,014</p> <p>\$ 15</p> |
|--|---|--|-------------------------------|

Projects funded by the Keystone, Park and Conservation Fund will continue until the amount allotted by law is completely committed.

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

Conservation and Natural Resources

Program: Parks and Forests Management (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| General Government Operations | \$ 19,662 | \$ 17,862 | \$ 17,862 | \$ 17,862 | \$ 17,862 | \$ 17,862 | \$ 17,862 |
| State Parks Operations | 54,890 | 55,170 | 57,226 | 57,226 | 57,226 | 57,226 | 57,226 |
| State Forests Operations | 14,650 | 14,616 | 14,616 | 14,616 | 14,616 | 14,616 | 14,616 |
| Forest Pest Management | 2,161 | 2,111 | 2,111 | 2,111 | 2,111 | 2,111 | 2,111 |
| Heritage and Other Parks | 2,950 | 5,350 | 1,950 | 1,950 | 1,950 | 1,950 | 1,950 |
| Annual Fixed Charges - Flood Lands | 55 | 55 | 55 | 55 | 55 | 55 | 55 |
| Annual Fixed Charges - Project 70 | 30 | 35 | 35 | 35 | 35 | 35 | 35 |
| Annual Fixed Charges - Forest Lands | 2,480 | 2,480 | 2,480 | 2,480 | 2,480 | 2,480 | 2,480 |
| Annual Fixed Charges - Park Lands | 300 | 300 | 300 | 300 | 300 | 300 | 300 |
| TOTAL GENERAL FUND | \$ 97,178 | \$ 97,979 | \$ 96,635 | \$ 96,635 | \$ 96,635 | \$ 96,635 | \$ 96,635 |
| ENVIRONMENTAL STEWARDSHIP FUND: | | | | | | | |
| Parks & Forest Facility Rehabilitation (EA) | 15,549 | 9,751 | 7,737 | 12,540 | 11,520 | 11,520 | 11,520 |
| Natural Diversity Conservation Grants (EA) | 750 | 735 | 750 | 1,000 | 1,000 | 1,000 | 1,000 |
| Community Conservation Grants (EA) (06/08) | 6,250 | 7,018 | 7,018 | 8,512 | 9,532 | 9,532 | 9,532 |
| TOTAL ENVIRONMENTAL STEWARDSHIP FUND | \$ 22,549 | \$ 17,504 | \$ 15,505 | \$ 22,052 | \$ 22,052 | \$ 22,052 | \$ 22,052 |
| KEYSTONE RECREATION, PARK AND CONSERVATION FUND: | | | | | | | |
| Park & Forest Facility Rehab. – Realty Transfer Tax (94-04) (EA) | \$ 13,664 | \$ 22,282 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Park & Forest Facility Rehab. – RTT (Current Year) (EA) | 20,805 | 25,480 | 29,997 | 27,921 | 29,053 | 30,078 | 31,281 |
| Grants for Local Recreation – Realty Transfer Tax (94-04) (EA) | 28,589 | 42,559 | 0 | 0 | 0 | 0 | 0 |
| Grants for Local Recreation – RTT (Current Year) (EA) | 17,338 | 21,232 | 24,997 | 23,268 | 24,210 | 25,066 | 26,068 |
| Grants to Land Trusts – Realty Transfer Tax (94-04) (EA) | 4,593 | 8,905 | 0 | 0 | 0 | 0 | 0 |
| Grants to Land Trusts – RTT (Current Year) (EA) | 6,935 | 8,493 | 9,999 | 9,307 | 9,684 | 10,027 | 10,427 |
| TOTAL KEYSTONE RECREATION, PARK AND CONSERVATION FUND | \$ 91,924 | \$ 128,951 | \$ 64,993 | \$ 60,496 | \$ 62,947 | \$ 65,171 | \$ 67,776 |
| 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 department's custody in safe, secure facilities, and to provide opportunities for inmates to acquire the skills and values necessary to become productive law-abiding citizens, while respecting the rights of crime victims.

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

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|----------------------|---------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| GENERAL FUND: | | | |
| <i>Institutional:</i> | | | |
| General Government Operations..... | \$ 31,195 | \$ 31,494 | \$ 34,086 |
| (F)Federal Inmates..... | 25 | 0 | 0 |
| (A)County Training..... | 224 | 225 | 225 |
| (A)Purchasing Card Rebates..... | 7 | 12 | 17 |
| (A)Augmentations from State Agencies..... | 23 | 25 | 25 |
| Subtotal..... | \$ 31,474 | \$ 31,756 | \$ 34,353 |
| Medical Care..... | 175,744 | 182,270 | 189,194 |
| (F)DCSI - Adult Interactive Living (EA)..... | 90 | 0 | 0 |
| (A)Medical Co-payment..... | 256 | 500 | 310 |
| (A)Purchasing Card Rebates..... | 9 | 7 | 8 |
| Subtotal..... | \$ 176,099 | \$ 182,777 | \$ 189,512 |
| Inmate Education and Training..... | 37,432 | 42,445 | 41,918 |
| (F)Library Services..... | 50 | 0 | 0 |
| (F)Youth Offenders Education..... | 545 | 765 ^a | 800 |
| (F)Correctional Education..... | 1,480 | 1,420 | 1,520 |
| (A)Correctional Industries..... | 0 | 0 | 5,500 |
| (A)Reimbursement for Services..... | 15 | 13 | 15 |
| Subtotal..... | \$ 39,522 | \$ 44,643 | \$ 49,753 |
| State Correctional Institutions..... | 1,086,505 | 1,089,381 | 1,129,017 |
| (F)SABG - Drug and Alcohol Programs..... | 2,100 | 2,100 | 2,100 |
| (F)DCSI - Therapeutic Community (EA)..... | 110 | 0 | 0 |
| (F)DCSI - Hispanic Therapeutic Community (EA)..... | 200 | 200 | 200 |
| (F)DCSI - Virtual Visitation (EA)..... | 67 | 0 | 0 |
| (F)DCSI - Employment Opportunities (EA)..... | 242 | 110 | 0 |
| (F)DCSI - Inmate Culinary Training (EA)..... | 15 | 35 | 0 |
| (F)DCSI - Sex Offender Assessment (EA)..... | 164 | 100 | 0 |
| (F)Reimbursement for Alien Inmates..... | 2,750 | 3,907 ^b | 1,157 |
| (F)Volunteer Support..... | 20 | 20 | 20 |
| (F)TANFBG - HOPE (EA)..... | 52 | 0 | 0 |
| (F)Truth In Sentencing..... | 26,000 | 60,614 ^c | 0 |
| (F)Truth in Sentencing (EA)..... | 0 | 0 | 10,000 |
| (F)RSAT - Drug Treatment..... | 1,100 | 550 | 0 |
| (F)Inmate Reentry Program..... | 2,000 | 1,250 | 300 |
| (F)Forensic Community..... | 50 | 0 | 0 |
| (F)Forensic Community (EA)..... | 0 | 85 | 0 |
| (F)Prison Rape Elimination..... | 500 | 81 | 115 |
| (F)Corrections Technology - Biometrics..... | 0 | 485 | 0 |
| (A)Correctional Industries..... | 0 | 0 | 10,000 |
| (A)Commissary Reimbursement..... | 479 | 4,500 | 3,100 |
| (A)Community Service Centers..... | 554 | 640 | 565 |
| (A)Institutional Reimbursements..... | 217 | 257 | 231 |
| (A)Purchasing Card Rebates..... | 171 | 155 | 175 |
| (A)Social Security..... | 127 | 110 | 130 |
| Subtotal..... | \$ 1,123,423 | \$ 1,164,580 | \$ 1,157,110 |
| Subtotal - State Funds..... | \$ 1,330,876 | \$ 1,345,590 | \$ 1,394,215 |
| Subtotal - Federal Funds..... | 37,560 | 71,722 | 16,212 |
| Subtotal - Augmentations..... | 2,082 | 6,444 | 20,301 |
| Total - Institutional..... | \$ 1,370,518 | \$ 1,423,756 | \$ 1,430,728 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| STATE FUNDS..... | \$ 1,330,876 | \$ 1,345,590 | \$ 1,394,215 |
| FEDERAL FUNDS..... | 37,560 | 71,722 | 16,212 |
| AUGMENTATIONS..... | 2,082 | 6,444 | 20,301 |
| GENERAL FUND TOTAL..... | <u>\$ 1,370,518</u> | <u>\$ 1,423,756</u> | <u>\$ 1,430,728</u> |
| OTHER FUNDS: | | | |
| LOCAL CRIMINAL JUSTICE FUND: | | | |
| County Grants (EA)..... | <u>\$ 3,414</u> | <u>\$ 1,300</u> | <u>\$ 2,800</u> |
| MANUFACTURING FUND: | | | |
| General Operations (EA)..... | <u>\$ 46,964</u> | <u>\$ 45,980</u> | <u>\$ 46,700</u> |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 1,330,876 | \$ 1,345,590 | \$ 1,394,215 |
| SPECIAL FUNDS..... | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 37,560 | 71,722 | 16,212 |
| AUGMENTATIONS..... | 2,082 | 6,444 | 20,301 |
| OTHER FUNDS..... | 50,378 | 47,280 | 49,500 |
| TOTAL ALL FUNDS..... | <u><u>\$ 1,420,896</u></u> | <u><u>\$ 1,471,036</u></u> | <u><u>\$ 1,480,228</u></u> |

-
- ^a Includes recommended supplemental appropriation of \$200,000.
 - ^b Includes recommended supplemental appropriation of \$2,750,000.
 - ^c Includes recommended supplemental appropriation of \$35,000,000.

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| INSTITUTIONALIZATION OF OFFENDERS | | | | | | | |
| GENERAL FUND..... | \$ 1,330,876 | \$ 1,345,590 | \$ 1,394,215 | \$ 1,395,588 | \$ 1,395,588 | \$ 1,395,588 | \$ 1,395,588 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 37,560 | 71,722 | 16,212 | 6,212 | 6,212 | 6,212 | 6,212 |
| OTHER FUNDS..... | 52,460 | 53,724 | 69,801 | 54,301 | 54,301 | 54,301 | 54,301 |
| SUBCATEGORY TOTAL..... | \$ 1,420,896 | \$ 1,471,036 | \$ 1,480,228 | \$ 1,456,101 | \$ 1,456,101 | \$ 1,456,101 | \$ 1,456,101 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 1,330,876 | \$ 1,345,590 | \$ 1,394,215 | \$ 1,395,588 | \$ 1,395,588 | \$ 1,395,588 | \$ 1,395,588 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 37,560 | 71,722 | 16,212 | 6,212 | 6,212 | 6,212 | 6,212 |
| OTHER FUNDS..... | 52,460 | 53,724 | 69,801 | 54,301 | 54,301 | 54,301 | 54,301 |
| DEPARTMENT TOTAL..... | \$ 1,420,896 | \$ 1,471,036 | \$ 1,480,228 | \$ 1,456,101 | \$ 1,456,101 | \$ 1,456,101 | \$ 1,456,101 |

PROGRAM OBJECTIVE: To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.

Program: Institutionalization of Offenders

The Department of Corrections protects the public by confining offenders in state correctional institutions for the period of time specified by the courts and the Board of Probation and Parole. The department is charged with maintaining safe and humane prisons and providing opportunities to the inmate population for growth and change. These programs are aimed at drug and alcohol treatment, education, work, and family/parenting needs. In addition, community re-entry is an integral part of the department's job.

The department seeks to provide sufficient and secure permanent housing space for the inmate population. The goal is to operate the State correctional system at operational bed capacity, which represents the optimal number of inmates that each facility can safely house based on a number of factors. In addition to cell size and security level, operational capacity takes into consideration availability of inmate employment or programming, support services, and facility infrastructure. The State-administered system for the institutionalization of offenders includes 25 correctional institutions, 14 community corrections centers and a motivational boot camp. There were 42,446 inmates housed in the State system at the end of December 2005 and an operational capacity of 38,347. SCI Forest opened in October 2004. In January 2005, SCI Pittsburgh was closed. Operational bed capacity is expected to increase in 2006 and 2007 with the opening of new housing units at four state correctional institutions.

Program Element: Institutional Operations

In addition to protecting the public by separating offenders from society, the department emphasizes the safety and security of its staff, volunteers, inmates, and visitors to the institutions. Security operations are improved through security assessments, training, structural improvements, and use of technology such as biometrics and intrusion detection systems. The department's drug interdiction program has been cited as a best practice by the American Correctional Association. The percentage of inmates testing positive for drug and alcohol use while in prison is 0.26%, which is one of the lowest rates in the country for state correctional systems. All inmates undergo a diagnostic and classification process to determine the inmate's appropriate security classification, medical needs and programs needed for re-entry into society as well as other needs and requirements.

Two of the largest support services needed to operate the institutions are food service and facility maintenance. Staff and inmates perform most of these functions; this gives the opportunity for inmates to learn a trade while constructively occupying their time. Another large support

service is health care services, which includes mental health services. A combination of staff and contractors provides health care services. The department provides special needs units in most institutions and licenses mental health units in six institutions. Also provided are two renal dialysis units, geriatric services, infectious care treatment, and other necessary services.

Program Element: Inmate Programs

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. Inmates are classified for programming during intake procedures, at which time a correctional plan is developed. This plan is a chart of behavior and program performance for the duration of the inmate's incarceration. Research has shown that inmate participation in appropriately structured interventions can reduce recidivism.

As a result of Act 112 of 2004, a state intermediate punishment program has been established. It places appropriate and less serious offenders in structured alcohol and other drug (AOD) treatment programs in prison, followed by treatment in the community. The results from evaluations of programs in other states show a significant reduction in recidivism and drug relapse for offenders who have participated in those programs. This program is expected to serve approximately 1,000 inmates when it is fully utilized.

Counseling services are designed to modify the inmate's social behavior to a more acceptable level for institutional management and reduce criminal behavior when released, thus providing a basis for better community protection. All facilities provide AOD programs. Approximately 28,500 inmates are assessed as needing AOD treatment, and approximately 17,500 offenders currently receive treatment services. Therapeutic communities provide more intensive AOD programming, which is more effective in changing behavior. Approximately 1,500 inmates receive this intensive treatment. Other counseling services and programs are available. All facilities offer sex offender treatment, some with special sex offender units. Other areas in which counseling and programming are offered include parenting, religious services, work, education, activities, and citizenship.

Educational programs offer inmates the opportunity to obtain high school diplomas or adult basic education skills. A Correctional Education Association study shows that attendance of educational courses in prison reduces the likelihood of recidivism by 23%. New inmates who do not have a high school diploma or GED are required to attend classes.

Program: Institutionalization of Offenders (continued)

Vocational training is dedicated to the development of marketable job skills so that inmates are more employable upon their release. A variety of vocational programs are offered, including plumbing, auto mechanics, barbering, electronics, and machinist training. Work is another component of inmate programming. The department is continuing its efforts to have inmates perform meaningful work. Employment in institutional jobs and in correctional industries provides inmates with the opportunity to learn responsibility, good work habits, and skills that can be used to find employment after release. Over 78% of inmates assessed as being able and eligible to work are working. Community work programs are available at most institutions in which low-risk inmates perform community service projects outside the institutions.

Program Element: Re-Entry

Most inmates committed to the Department of Corrections are later released back to the community. The

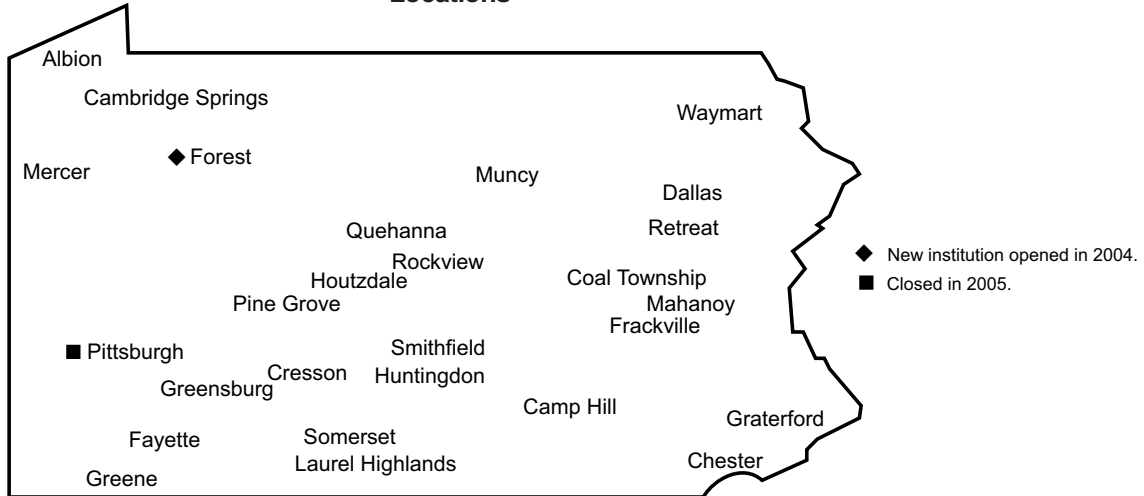
success of their release is often contingent upon the programming they received during incarceration. The last step in treatment is re-entry or community corrections. Community corrections centers (CCC's) permit highly screened inmates, who meet established criteria, to live in halfway houses in the community. At these centers, inmates receive 24-hour supervision and can utilize counseling services while working or attending school. CCC's provide programming reinforcement during the inmate's transition back to the community. They offer AOD treatment services, employment assistance, specialized counseling for hard to place offenders and other services. Community corrections placement is also available to some parolees as either an alternative to a return to prison or as a transition from prison to the community. There are approximately 3,000 offenders in the CCC's, and approximately two thirds are parolees.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Inmates (December) | 40,965 | 42,446 | 42,998 | 42,847 | 43,042 | 43,176 | 43,430 |
| Prison Operational Bed Capacity (December) | 37,570 | 38,347 | 38,597 | 39,287 | 39,517 | 39,517 | 39,517 |
| Inmates in excess of Operational Bed Capacity | 3,395 | 4,099 | 4,401 | 3,560 | 3,525 | 3,659 | 3,913 |
| Inmates in state intermediate punishment program (December) | 0 | 10 | 260 | 600 | 850 | 1,000 | 1,000 |
| Offenders in institutions and community corrections centers (including parolees) assessed as needing alcohol or other drug services as of December 31* | 27,465 | 28,391 | 28,548 | 28,169 | 28,010 | 28,002 | 28,164 |
| Offenders in institutions and community corrections centers (including parolees) receiving alcohol or other drug services as of December 31 | 18,169 | 17,163 | 17,588 | 17,913 | 17,975 | 18,013 | 18,013 |
| Inmates enrolled in academic educational programs as of December 31* | 8,543 | 10,167 | 10,167 | 10,251 | 10,418 | 10,418 | 10,418 |
| Inmates receiving high school diplomas/GED's (calendar year) | 989 | 1,072 | 1,072 | 1,091 | 1,129 | 1,167 | 1,167 |
| Inmates enrolled in vocational programs as of December 31* | 3,137 | 3,290 | 3,482 | 3,482 | 3,482 | 3,482 | 3,482 |
| Inmates able and eligible to work (December) | 33,240 | 34,463 | 34,575 | 34,083 | 33,877 | 33,866 | 34,077 |
| Inmates able and eligible to work who are involved in work programs as of December 31 | 28,387 | 26,989 | 27,077 | 26,692 | 26,530 | 26,522 | 26,687 |
| Monies collected from inmates to pay for victim restitution and other fines, fees, costs, penalties and reparations | \$3,216,848 | \$3,734,451 | \$3,809,140 | \$3,847,231 | \$3,885,704 | \$3,924,561 | \$3,963,806 |
| Dollars saved as a result of inmates participating in community work projects* | \$3,900,000 | \$5,400,000 | \$5,670,000 | \$5,953,500 | \$6,251,175 | \$6,563,734 | \$6,891,920 |
| Inmates to all Department of Corrections staff* | 2.7 | 2.8 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 |
| Inmates to custody staff* | 4.6 | 4.7 | 4.8 | 4.8 | 4.8 | 4.8 | 4.8 |
| Cost per inmate per year (state funds) | \$32,488 | \$31,736 | \$32,425 | \$32,571 | \$32,424 | \$32,323 | \$32,134 |
| Cost per inmate per year for health care (state funds) | \$4,290 | \$4,294 | \$4,400 | \$4,426 | \$4,406 | \$4,392 | \$4,367 |

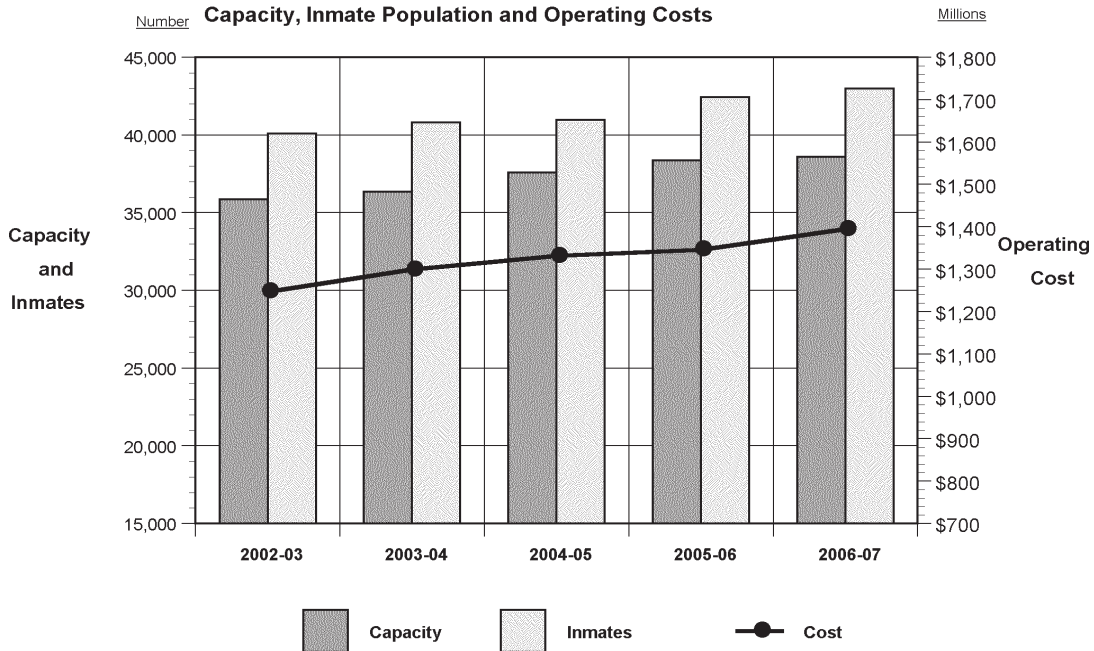
*New program measure.

Program: Institutionalization of Offenders (continued)

State Correctional Institutions Locations



State Correctional Institutions



The cost of operating the State correctional institution system has increased from over \$1.2 billion in 2002-03 to nearly \$1.4 billion in 2006-07. During this timeframe, the inmate population is projected to increase from 40,090 to 42,998 and the operational capacity from 35,857 to an estimated 38,597.

Program: Institutionalization of Offenders (continued)

| Population and Capacity Institutions | Population Dec 2005 | Estimated Population Dec 2006 | Capacity Dec 2005 | Estimated Capacity Dec 2006 |
|--|-------------------------------|---|-----------------------------|---|
| Albion..... | 2,255 | 2,265 | 1,900 | 1,900 |
| Cambridge Springs..... | 912 | 909 | 894 | 894 |
| Camp Hill..... | 3,335 | 3,432 | 2,900 | 2,900 |
| Chester..... | 1,149 | 1,150 | 1,150 | 1,150 |
| Coal Township..... | 1,855 | 1,825 | 1,600 | 1,600 |
| Cresson..... | 1,339 | 1,355 | 1,200 | 1,200 |
| Dallas..... | 1,959 | 1,960 | 1,750 | 1,750 |
| Fayette..... | 1,931 | 1,900 | 1,914 | 1,914 |
| Forest..... | 1,834 | 1,860 | 1,866 | 1,866 |
| Frackville..... | 1,085 | 1,066 | 900 | 900 |
| Graterford..... | 3,181 | 3,390 | 2,744 | 2,744 |
| Greene..... | 1,870 | 1,865 | 1,823 | 1,823 |
| Greensburg..... | 890 | 904 | 800 | 800 |
| Houtzdale..... | 2,266 | 2,265 | 1,900 | 1,900 |
| Huntingdon..... | 2,046 | 2,050 | 1,700 | 1,700 |
| Laurel Highlands..... | 895 | 905 | 889 | 889 |
| Mahanoy..... | 2,230 | 2,265 | 1,900 | 1,900 |
| Mercer..... | 1,026 | 1,098 | 900 | 1,130 |
| Muncy..... | 1,035 | 1,090 | 1,148 | 1,148 |
| Pine Grove..... | 633 | 625 | 626 | 626 |
| Pittsburgh..... | 0 | 0 | 0 | 0 |
| Quehanna..... | 251 | 330 | 414 | 414 |
| Retreat..... | 865 | 865 | 806 | 806 |
| Rockview..... | 1,973 | 1,957 | 1,700 | 1,700 |
| Smithfield..... | 1,203 | 1,225 | 1,000 | 1,000 |
| Somerset..... | 2,206 | 2,265 | 1,900 | 1,900 |
| Waymart..... | 1,356 | 1,349 | 1,339 | 1,339 |
| Waynesburg..... | 0 | 0 | 0 | 0 |
| Community Centers..... | 855 | 816 | 684 | 704 |
| Other jurisdictions..... | 11 | 12 | 0 | 0 |
| Total..... | 42,446 | 42,998 | 38,347 | 38,597 |

In 2007, net operational capacity will increase to 39,287 after opening of new housing units at Camp Hill, Cresson, Laurel Highlands, and Mercer.

Program: Institutionalization of Offenders (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | | 2004-05 Actual | 2005-06 Available | 2006-07 Budget |
|--------------------------|-------------------|----------------------|-------------------|-------------------------|-------------------|----------------------|-------------------|
| Albion | | | | Forest | | | |
| State Funds..... | \$ 48,811 | \$ 48,171 | \$ 49,725 | State Funds..... | \$ 24,241 | \$ 45,462 | \$ 48,269 |
| Federal Funds..... | 125 | 164 | 18 | Federal Funds..... | 3 | 67 | 12 |
| Augmentations..... | 17 | 210 | 549 | Augmentations..... | 3 | 169 | 509 |
| TOTAL..... | \$ 48,953 | \$ 48,545 | \$ 50,292 | TOTAL..... | \$ 24,247 | \$ 45,698 | \$ 48,790 |
| Cambridge Springs | | | | Frackville | | | |
| State Funds..... | \$ 25,780 | \$ 25,722 | \$ 26,917 | State Funds..... | \$ 34,861 | \$ 34,195 | \$ 35,266 |
| Federal Funds..... | 184 | 161 | 106 | Federal Funds..... | 25 | 90 | 15 |
| Augmentations..... | 11 | 114 | 375 | Augmentations..... | 13 | 142 | 405 |
| TOTAL..... | \$ 25,975 | \$ 25,997 | \$ 27,398 | TOTAL..... | \$ 34,899 | \$ 34,427 | \$ 35,686 |
| Camp Hill | | | | Graterford | | | |
| State Funds..... | \$ 89,073 | \$ 84,511 | \$ 86,959 | State Funds..... | \$ 97,925 | \$ 100,012 | \$ 102,790 |
| Federal Funds..... | 230 | 16,752 | 3,244 | Federal Funds..... | 3,126 | 252 | 26 |
| Augmentations..... | 45 | 392 | 1,105 | Augmentations..... | 39 | 421 | 1,690 |
| TOTAL..... | \$ 89,348 | \$ 101,655 | \$ 91,308 | TOTAL..... | \$ 101,090 | \$ 100,685 | \$ 104,506 |
| Chester | | | | Greene | | | |
| State Funds..... | \$ 36,410 | \$ 37,443 | \$ 39,202 | State Funds..... | \$ 56,434 | \$ 57,381 | \$ 60,735 |
| Federal Funds..... | 0 | 75 | 0 | Federal Funds..... | 30 | 146 | 23 |
| Augmentations..... | 15 | 147 | 670 | Augmentations..... | 16 | 245 | 785 |
| TOTAL..... | \$ 36,425 | \$ 37,665 | \$ 39,872 | TOTAL..... | \$ 56,480 | \$ 57,772 | \$ 61,543 |
| Coal Township | | | | Greensburg | | | |
| State Funds..... | \$ 44,017 | \$ 44,932 | \$ 46,196 | State Funds..... | \$ 31,979 | \$ 33,020 | \$ 34,964 |
| Federal Funds..... | 75 | 205 | 90 | Federal Funds..... | 5,215 | 169 | 129 |
| Augmentations..... | 19 | 196 | 832 | Augmentations..... | 8 | 128 | 426 |
| TOTAL..... | \$ 44,111 | \$ 45,333 | \$ 47,118 | TOTAL..... | \$ 37,202 | \$ 33,317 | \$ 35,519 |
| Cresson | | | | Houtzdale | | | |
| State Funds..... | \$ 41,753 | \$ 41,773 | \$ 43,205 | State Funds..... | \$ 49,948 | \$ 50,022 | \$ 51,374 |
| Federal Funds..... | 23 | 9,430 | 2,018 | Federal Funds..... | 113 | 244 | 103 |
| Augmentations..... | 16 | 171 | 606 | Augmentations..... | 24 | 200 | 584 |
| TOTAL..... | \$ 41,792 | \$ 51,374 | \$ 45,829 | TOTAL..... | \$ 50,085 | \$ 50,466 | \$ 52,061 |
| Dallas | | | | Huntingdon | | | |
| State Funds..... | \$ 55,416 | \$ 56,675 | \$ 58,865 | State Funds..... | \$ 52,286 | \$ 53,148 | \$ 54,879 |
| Federal Funds..... | 64 | 202 | 49 | Federal Funds..... | 25 | 1,160 | 16 |
| Augmentations..... | 26 | 254 | 658 | Augmentations..... | 28 | 245 | 844 |
| TOTAL..... | \$ 55,506 | \$ 57,131 | \$ 59,572 | TOTAL..... | \$ 52,339 | \$ 54,553 | \$ 55,739 |
| Fayette | | | | Laurel Highlands | | | |
| State Funds..... | \$ 52,082 | \$ 56,327 | \$ 60,217 | State Funds..... | \$ 39,230 | \$ 40,628 | \$ 41,767 |
| Federal Funds..... | 17 | 137 | 12 | Federal Funds..... | 5,515 | 19,775 | 3,012 |
| Augmentations..... | 17 | 251 | 1,030 | Augmentations..... | 10 | 130 | 452 |
| TOTAL..... | \$ 52,116 | \$ 56,715 | \$ 61,259 | TOTAL..... | \$ 44,755 | \$ 60,533 | \$ 45,231 |

Program: Institutionalization of Offenders (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | | 2004-05 Actual | 2005-06 Available | 2006-07 Budget |
|---------------------------|-------------------|----------------------|-------------------|----------------------------|-------------------|----------------------|-------------------|
| Mahanoy | | | | Smithfield | | | |
| State Funds..... | \$ 47,438 | \$ 47,235 | \$ 48,818 | State Funds..... | \$ 38,416 | \$ 38,725 | \$ 39,291 |
| Federal Funds..... | 18 | 162 | 48 | Federal Funds..... | 25 | 101 | 23 |
| Augmentations..... | 22 | 198 | 617 | Augmentations..... | 13 | 173 | 584 |
| TOTAL..... | <u>\$ 47,478</u> | <u>\$ 47,595</u> | <u>\$ 49,483</u> | TOTAL..... | <u>\$ 38,454</u> | <u>\$ 38,999</u> | <u>\$ 39,898</u> |
| Mercer | | | | Somerset | | | |
| State Funds..... | \$ 32,219 | \$ 32,472 | \$ 33,052 | State Funds..... | \$ 48,741 | \$ 48,862 | \$ 50,515 |
| Federal Funds..... | 5,522 | 13,867 | 24 | Federal Funds..... | 110 | 160 | 12 |
| Augmentations..... | 10 | 136 | 414 | Augmentations..... | 28 | 217 | 666 |
| TOTAL..... | <u>\$ 37,751</u> | <u>\$ 46,475</u> | <u>\$ 33,490</u> | TOTAL..... | <u>\$ 48,879</u> | <u>\$ 49,239</u> | <u>\$ 51,193</u> |
| Muncy | | | | Waymart | | | |
| State Funds..... | \$ 39,262 | \$ 40,065 | \$ 41,797 | State Funds..... | \$ 57,558 | \$ 59,532 | \$ 61,476 |
| Federal Funds..... | 5,436 | 247 | 104 | Federal Funds..... | 196 | 278 | 203 |
| Augmentations..... | 21 | 173 | 574 | Augmentations..... | 15 | 244 | 986 |
| TOTAL..... | <u>\$ 44,719</u> | <u>\$ 40,485</u> | <u>\$ 42,475</u> | TOTAL..... | <u>\$ 57,769</u> | <u>\$ 60,054</u> | <u>\$ 62,665</u> |
| Pine Grove | | | | Community Centers | | | |
| State Funds..... | \$ 28,423 | \$ 28,983 | \$ 30,625 | State Funds..... | \$ 80,185 | \$ 78,112 | \$ 80,423 |
| Federal Funds..... | 110 | 148 | 104 | Federal Funds..... | 3,126 | 2,459 | 415 |
| Augmentations..... | 7 | 121 | 308 | Augmentations..... | 554 | 712 | 1,169 |
| TOTAL..... | <u>\$ 28,540</u> | <u>\$ 29,252</u> | <u>\$ 31,037</u> | TOTAL..... | <u>\$ 83,865</u> | <u>\$ 81,283</u> | <u>\$ 82,007</u> |
| Pittsburgh | | | | Training Academy | | | |
| State Funds..... | \$ 18,199 | \$ 1,080 | \$ 1,252 | State Funds..... | \$ 5,708 | \$ 6,254 | \$ 6,082 |
| Federal Funds..... | 0 | 0 | 0 | Federal Funds..... | 15 | 35 | 0 |
| Augmentations..... | 3 | 0 | 0 | Augmentations..... | 247 | 225 | 225 |
| TOTAL..... | <u>\$ 18,202</u> | <u>\$ 1,080</u> | <u>\$ 1,252</u> | TOTAL..... | <u>\$ 5,970</u> | <u>\$ 6,514</u> | <u>\$ 6,307</u> |
| Quehanna Boot Camp | | | | Central Office | | | |
| State Funds..... | \$ 12,745 | \$ 12,549 | \$ 13,723 | State Funds..... | \$ 57,868 | \$ 54,201 | \$ 56,250 |
| Federal Funds..... | 0 | 18 | 0 | Federal Funds..... | 6,309 | 4,910 | 6,279 |
| Augmentations..... | 3 | 64 | 147 | Augmentations..... | 808 | 345 | 1,634 |
| TOTAL..... | <u>\$ 12,748</u> | <u>\$ 12,631</u> | <u>\$ 13,870</u> | TOTAL..... | <u>\$ 64,985</u> | <u>\$ 59,456</u> | <u>\$ 64,163</u> |
| Retreat | | | | Other jurisdictions | | | |
| State Funds..... | \$ 28,829 | \$ 30,268 | \$ 30,640 | State Funds..... | \$ 192 | \$ 197 | \$ 263 |
| Federal Funds..... | 21 | 76 | 19 | Federal Funds..... | 0 | 0 | 0 |
| Augmentations..... | 15 | 130 | 673 | Augmentations..... | 0 | 0 | 0 |
| TOTAL..... | <u>\$ 28,865</u> | <u>\$ 30,474</u> | <u>\$ 31,332</u> | TOTAL..... | <u>\$ 192</u> | <u>\$ 197</u> | <u>\$ 263</u> |
| Rockview | | | | | | | |
| State Funds..... | \$ 54,847 | \$ 57,633 | \$ 58,678 | | | | |
| Federal Funds..... | 1,902 | 232 | 108 | | | | |
| Augmentations..... | 29 | 291 | 784 | | | | |
| TOTAL..... | <u>\$ 56,778</u> | <u>\$ 58,156</u> | <u>\$ 59,570</u> | | | | |

Program: Institutionalization of Offenders (continued)

Program Recommendations:

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

| | | | | | |
|----|--------------------------------------|--|----|--|---|
| | General Government Operations | | | Inmate Education and Training | |
| \$ | 2,592 | —Initiative - Information Technology Enhancement. To consolidate information technology resources, streamline work processes and support functions transferred from the Board of Probation and Parole. | \$ | -2,000 | —nonrecurring equipment for inmate community re-entry program. |
| | | | | 1,473 | —to continue current program. |
| | | | \$ | -527 | <i>Appropriation Decrease</i> |
| | | | | | |
| | Medical Care | | | State Correctional Institutions | |
| \$ | 201 | —Initiative - Expanded Housing. To provide resources for medical care at State Correctional Institutions Camp Hill, Cresson, Laurel Highlands and State Regional Correctional Facility Mercer. | \$ | 1,924 | —Initiative - Expanded Housing. To increase operational capacity at State Correctional Institutions Camp Hill, Cresson, Laurel Highlands and State Regional Correctional Facility Mercer. |
| | 6,723 | —to continue current program. | \$ | 37,712 | —to continue current program. |
| | | | \$ | 39,636 | <i>Appropriation Increase</i> |
| \$ | 6,924 | <i>Appropriation Increase</i> | \$ | 39,636 | <i>Appropriation Increase</i> |

This budget proposes to augment the Inmate Education and Training and State Correctional Institutions appropriations through the transfer of funds from the Manufacturing Fund.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---------------------------------------|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| General Government Operations | \$ 31,195 | \$ 31,494 | \$ 34,086 | \$ 34,086 | \$ 34,086 | \$ 34,086 | \$ 34,086 |
| Medical Care | 175,744 | 182,270 | 189,194 | 189,647 | 189,647 | 189,647 | 189,647 |
| Inmate Education and Training | 37,432 | 42,445 | 41,918 | 41,918 | 41,918 | 41,918 | 41,918 |
| State Correctional Institutions | 1,086,505 | 1,089,381 | 1,129,017 | 1,129,937 | 1,129,937 | 1,129,937 | 1,129,937 |
| GENERAL FUND TOTAL | \$ 1,330,876 | \$ 1,345,590 | \$ 1,394,215 | \$ 1,395,588 | \$ 1,395,588 | \$ 1,395,588 | \$ 1,395,588 |



DEPARTMENT OF EDUCATION

The mission of the department is to academically prepare children and adults to succeed in their chosen profession. The department seeks to ensure that the technical support, resources and physical plant are in place for all students whether children or adults to receive a high quality education.

The department establishes standards and measures aimed at continuous improvement of school curriculum. The department manages staff development and research dissemination systems to ensure that all educational institutions can select from proven practices to boost student achievement. Local school districts, school boards and other educational institutions receive technical assistance from the department via a network of Intermediate Units. The department supports the improvement of Pennsylvania's higher education and community colleges via educational programs, funding to support students and direct resources for facility development.

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| GENERAL FUND: | | | |
| General Government: | | | |
| General Government Operations..... | \$ 25,067 | \$ 24,474 | \$ 24,474 |
| (F)Adult Basic Education - Administration..... | 1,800 | 1,800 | 1,800 |
| (F)Education of Exceptional Children..... | 10,000 | 10,000 | 10,000 |
| (F)Special Education Improvement..... | 2,100 | 2,100 | 2,100 |
| (F)ESEA - Title I - Administration..... | 6,000 | 8,500 | 8,100 |
| (F)State Approving Agency (VA)..... | 1,028 | 1,250 | 1,250 |
| (F)Food and Nutrition Service..... | 4,700 | 4,750 | 4,800 |
| (F)Migrant Education - Administration..... | 639 | 505 | 505 |
| (F)Vocational Education - Administration..... | 3,910 | 3,910 | 3,910 |
| (F)Improving Teacher Quality - Title II - Administration/State..... | 9,000 | 8,000 | 4,700 |
| (F)Byrd Scholarships..... | 1,656 | 1,656 | 1,589 |
| (F)ESEA - Title V - Administration/State..... | 3,000 | 2,820 | 930 |
| (F)Homeless Assistance..... | 2,120 | 2,120 | 2,120 |
| (F)Preschool Grant..... | 1,000 | 1,000 | 1,000 |
| (F)DFSC - Administration..... | 1,698 | 1,092 | 1,092 |
| (F)State Literacy Resource Centers..... | 150 | 125 | 125 |
| (F)School Health Education Programs..... | 600 | 400 | 500 |
| (F)Learn and Serve America - School Based..... | 1,022 | 882 | 882 |
| (F)Environmental Education Workshops..... | 500 | 500 | 450 |
| (F)Charter Schools Initiatives..... | 6,000 | 6,000 | 7,000 |
| (F)Educational Technology - Administration..... | 1,207 ^a | 1,500 | 664 |
| (F)America Reads Challenge - Administration (EA)..... | 107 | 0 | 0 |
| (F)Comprehensive School Reform - Administration..... | 800 | 800 | 352 |
| (F)Advanced Placement Testing..... | 300 | 400 | 400 |
| (F)ESEA - Title X-Education Partnerships..... | 700 | 700 | 0 |
| (F)Refugee Children Education..... | 2,054 | 2,054 | 0 |
| (F)Medical Assistance - Nurses' Aide Training..... | 300 | 300 | 300 |
| (F)State and Community Highway Safety..... | 747 | 1,100 | 1,100 |
| (F)Reading First Initiative - Administration..... | 6,465 | 10,000 | 7,000 |
| (F)Title VI - Rural and Low Income School Program - Admin..... | 60 | 0 | 0 |
| (F)Title IV - 21st Century Community Learning Centers -Admin..... | 1,052 | 1,834 | 1,834 |
| (F)National Assessment of Educational Progress (NAEP)..... | 225 | 137 | 137 |
| (F)Evaluation of Student & Parent Access..... | 650 | 630 | 800 |
| (F)Youth Offenders Grant..... | 1,000 | 1,000 | 1,000 |
| (F)Drug and Violence Prevention Data..... | 500 | 1,193 | 1,208 |
| (F)Foreign Language Assistance..... | 0 | 150 | 150 |
| (F)Gifted and Talented Student Education..... | 0 | 400 | 400 |
| (F)Striving Readers..... | 0 | 4,189 ^b | 3,505 |
| (F)Statewide Data Systems..... | 0 | 1,051 | 1,051 |
| (F)WIA Incentive Grant..... | 0 | 1,076 | 289 |
| (F)Advanced Placement Initiative..... | 0 | 1,444 | 1,444 |
| (F)Ready to Teach..... | 0 | 109 | 109 |
| (F)Statewide Longitudinal Data System..... | 0 | 2,200 | 2,200 |
| (F)School-Based Mental Health Services..... | 0 | 348 | 348 |
| (F)Refugee School Impact Development (EA)..... | 0 | 250 | 0 |
| (A)Management Services..... | 44 | 57 | 58 |
| (A)Environmental Education..... | 200 | 261 | 261 |
| (A)Approved Private Schools..... | 157 | 159 | 178 |
| (A)National Center for Educational Statistics..... | 99 | 77 | 77 |
| (A)Reimbursement from Department of Banking..... | 16 | 16 | 16 |
| (A)Teenage Parenting..... | 4,837 | 4,791 | 4,791 |
| (A)EPSDT Administration..... | 1,045 | 1,214 | 1,214 |
| (A)Services fo Nonpublic Schools-Administration..... | 0 | 0 | 637 |
| (A)Troops for Teachers..... | 87 | 98 | 97 |
| (A)Jobs for the Future..... | 85 | 0 | 0 |
| (A)School Facilities Initiatives..... | 47 | 0 | 114 |
| (A)Asia Society Program..... | 0 | 15 | 0 |
| Subtotal..... | <u>\$ 104,774</u> | <u>\$ 121,437</u> | <u>\$ 109,061</u> |

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
|---|---------------------------|----------------------|---------------------|
| Office of Safe Schools Advocate | 800 | 1,000 | 350 |
| Information and Technology Improvement | 5,144 | 5,144 | 5,024 |
| Teacher Certification System | 0 | 0 | 500 |
| PA Assessment | 20,356 | 20,356 | 20,094 |
| (F) Title VI-Part A State Assessments..... | 26,000 | 22,000 | 22,000 |
| Subtotal..... | \$ 52,300 | \$ 48,500 | \$ 47,968 |
| State Library | 4,134 | 4,336 | 4,534 |
| (F) LSTA - Library Development..... | 1,644 | 1,650 | 1,650 |
| (A) Penalties and Reimbursements..... | 2 | 5 | 5 |
| (A) Photocopy Service..... | 16 | 17 | 17 |
| (A) Keystone Fund..... | 48 | 67 | 66 |
| (A) Gates Foundation..... | 135 | 135 | 0 |
| (A) Library Restoration..... | 0 | 4 | 0 |
| (A) PA Humanities Council..... | 0 | 3 | 0 |
| Subtotal..... | \$ 5,979 | \$ 6,217 | \$ 6,272 |
| Subtotal - State Funds..... | \$ 55,501 | \$ 55,310 | \$ 54,976 |
| Subtotal - Federal Funds..... | 100,734 | 113,925 | 100,794 |
| Subtotal - Augmentations..... | 6,818 | 6,919 | 7,531 |
| Total - General Government..... | \$ 163,053 | \$ 176,154 | \$ 163,301 |
| Institutional: | | | |
| Youth Development Centers - Education | \$ 11,522 | \$ 11,900 | \$ 11,400 |
| Scranton State School for the Deaf | 6,189 | 6,565 | 6,828 |
| (F) Individuals with Disabilities Education - Scranton..... | 85 | 85 | 85 |
| (F) School Milk Lunch..... | 35 | 50 | 50 |
| (F) ESEA - Scranton..... | 213 | 452 | 452 |
| (F) Life Long Learning..... | 2 | 11 | 11 |
| (F) Adult Basic Education..... | 0 | 10 | 10 |
| (A) Cafeteria and Other Fees..... | 32 | 35 | 35 |
| (A) Tuition Recovery..... | 861 | 865 | 870 |
| Subtotal..... | \$ 7,417 | \$ 8,073 | \$ 8,341 |
| Subtotal - State Funds..... | \$ 17,711 | \$ 18,465 | \$ 18,228 |
| Subtotal - Federal Funds..... | 335 | 608 | 608 |
| Subtotal - Augmentations..... | 893 | 900 | 905 |
| Total - Institutional..... | \$ 18,939 | \$ 19,973 | \$ 19,741 |
| Grants and Subsidies: | | | |
| Support of Public Schools: | | | |
| Basic Education Funding | \$ 4,361,024 | \$ 4,492,184 | \$ 4,716,793 |
| Dual Enrollment Payments | 0 | 5,000 | 7,000 |
| Philadelphia School District | 25,000 | 25,000 | 25,000 |
| School Improvement Grants | 21,717 | 21,073 | 21,073 |
| Education Support Services | 9,000 | 4,000 | 4,000 |
| Pennsylvania Accountability Grants | 200,000 | 200,000 | 250,000 |
| Education Assistance Program | 38,000 | 66,000 | 66,000 |
| Technology Initiative | 1,290 | 1,290 | 1,290 |
| Head Start Supplemental Assistance | 15,000 | 30,000 | 45,000 |
| Science: It's Elementary | 0 | 0 | 10,000 |
| Science and Math Education Programs | 2,200 | 2,175 | 0 |
| Classrooms for the Future | 0 | 0 | 20,000 |
| Teacher Professional Development | 3,867 | 13,867 | 23,367 |
| Adult and Family Literacy | 18,534 | 18,534 | 18,534 |
| (F) Adult Basic Education - Local..... | 23,000 | 21,500 ^c | 20,000 |
| Career and Technical Education | 58,181^d | 59,636 | 61,127 |
| (F) Vocational Education Act - Local..... | 53,000 | 53,000 | 53,000 |

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
|--|---------------------------|---------------------------|---------------------|
| New Choices / New Options..... | 2,500 | 2,500 | 0 |
| Authority Rentals and Sinking Fund Requirements..... | 294,483 | 296,483 | 296,483 |
| Pupil Transportation..... | 490,413 | 495,761 | 512,761 |
| Nonpublic and Charter School Pupil Transportation..... | 76,663 | 74,037 | 69,938 |
| Special Education..... | 929,175 | 953,064 | 991,187 |
| (F)Individuals with Disabilities Education - Local..... | 405,000 | 434,800 | 436,000 |
| (F)Vocational Rehabilitation Basic Support (EA)..... | 3,148 | 3,148 | 0 |
| (A)Vocational Rehabilitation..... | 528 | 186 | 0 |
| Early Intervention..... | 117,607 | 123,487 | 131,394 |
| Homebound Instruction..... | 782 | 705 | 878 |
| Tuition for Orphans and Children Placed in Private Homes..... | 50,005 | 50,005 | 51,255 |
| Payments in Lieu of Taxes..... | 208 | 241 | 175 |
| Education of Migrant Laborers' Children..... | 784 | 839 | 847 |
| PA Charter Schools for the Deaf and Blind..... | 29,949 | 31,919 | 32,944 |
| Special Education - Approved Private Schools..... | 80,651 | 83,772^e | 86,461 |
| Approved Private Schools-Audit Resolution (06/07)..... | 6,904 | 3,000 | 5,000 |
| Intermediate Units..... | 6,311 | 6,311 | 6,311 |
| School Food Services..... | 27,244 | 27,532 | 28,665 |
| (F)Food and Nutrition - Local..... | 311,879 | 346,881 | 367,694 |
| (A)Team Nutrition Training Grant..... | 50 | 50 | 50 |
| School Employees' Social Security..... | 443,862 | 456,377 | 474,629 |
| School Employees' Retirement..... | 228,830 | 254,495 | 368,757 |
| School District Demonstration Projects..... | 8,500 | 6,000 | 0 |
| Education of Indigent Children..... | 55 | 35 | 25 |
| High School Reform..... | 0 | 4,700 | 9,000 |
| Subtotal..... | <u>\$ 8,345,344</u> | <u>\$ 8,669,587</u> | <u>\$ 9,212,638</u> |
| | | | |
| (F)ESEA - Title V - School Districts..... | 12,890 | 9,575 | 4,226 |
| (F)ESEA - Title I - Local..... | 475,000 | 495,000 | 530,000 |
| (F)DFSC - School Districts..... | 14,000 | 14,000 | 14,000 |
| (F)Improving Teacher Quality - Title II - Local..... | 115,000 | 132,500 | 132,500 |
| (F)Educational Technology - Local..... | 23,388 ^f | 23,388 | 1,599 |
| (F)Comprehensive School Reform - Local..... | 20,000 | 15,776 | 5,474 |
| (F)ESEA - Title VI - Class Size Reduction (EA)..... | 79 | 0 | 0 |
| (F)Reading First Initiative - Local..... | 25,925 | 32,044 | 32,044 |
| (F)Title V - Empowerment Schools..... | 20,000 | 25,000 | 25,000 |
| (F)Title IV 21st Century Community Learning Centers - Local..... | 19,192 | 53,660 | 56,660 |
| (F)Title III - Language Instruction for LEP & Immigrant Student..... | 11,361 | 13,000 | 13,000 |
| (F)Title VI - Rural & Low Income School - Local..... | 849 | 513 | 300 |
| (F)Title IV - Community Services for Expelled Students..... | 1,837 | 0 | 0 |
| (F)Color Me Healthy (EA)..... | 45 | 75 | 75 |
| (F)Adult Basic Education Services (EA)..... | 0 | 7,200 | 7,200 |
| Subtotal..... | <u>\$ 739,566</u> | <u>\$ 821,731</u> | <u>\$ 822,078</u> |
| | | | |
| Other Grants and Subsidies: | | | |
| Education Mentoring..... | 3,050 | 7,339 | 1,200 |
| Services to Nonpublic Schools..... | 76,697 | 79,004 | 82,954 |
| Textbooks, Materials and Equipment for Nonpublic Schools..... | 23,456 | 24,161 | 25,369 |
| Teen Pregnancy and Parenthood..... | 2,225 | 1,725 | 1,725 |
| (F)TANF - Teenage Parenting Education..... | 12,255 | 12,255 | 12,255 |
| (F)Teenage Parenting - Food Stamps..... | 944 | 863 | 863 |
| Comprehensive Reading..... | 300 | 0 | 0 |
| Public Library Subsidy..... | 57,914^g | 61,362 | 75,500 |
| Library Services for the Visually Impaired and Disabled..... | 2,965 | 2,965 | 2,965 |
| Recording for the Blind and Dyslexic..... | 70 | 70 | 0 |
| Library Access..... | 7,386 | 7,386 | 7,386 |
| Electronic Library Catalog..... | 3,842 | 3,842 | 3,842 |
| Ethnic Heritage..... | 165 | 165 | 165 |
| Governor's Schools of Excellence..... | 2,492 | 2,742 | 2,492 |

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
|--|--------------------|----------------------|-------------------|
| Job Training Programs..... | 9,100 | 5,300 | 0 |
| Charter Schools..... | 1,000 | 0 | 0 |
| Reimbursement of Charter Schools..... | 80,587 | 92,602 | 119,476 |
| Safe and Alternative Schools..... | 23,326 | 23,326 | 23,326 |
| Alternative Education Demonstration Grants..... | 26,300 | 26,300 | 0 |
| Parent Involvement Program..... | 0 | 1,700 | 0 |
| Subtotal..... | \$ 334,074 | \$ 353,107 | \$ 359,518 |
| Higher Education - Other Grants and Subsidies: | | | |
| Community Colleges..... | 226,281 | 214,217 | 222,679 |
| Transfer to Community College Capital Fund..... | 4,800 ^h | 37,864 | 42,006 |
| Regional Community Colleges Services..... | 750 | 750 | 0 |
| Subtotal..... | \$ 231,831 | \$ 252,831 | \$ 264,685 |
| (F)Teacher Quality Enhancement..... | 6,481 | 4,000 | 1,000 |
| (F)Teacher Recruitment..... | 440 | 505 | 167 |
| Subtotal..... | \$ 6,921 | \$ 4,505 | \$ 1,167 |
| Higher Education - Other Grants and Subsidies: | | | |
| Higher Education for the Disadvantaged..... | 9,320 | 9,320 | 9,320 |
| (A)Act 101 Partnership..... | 0 | 20 | 0 |
| Higher Education of Blind or Deaf Students..... | 54 | 54 | 54 |
| Higher Education Assistance..... | 2,576 ⁱ | 5,001 ^j | 0 |
| Enhanced Technology Initiative..... | 1,000 | 0 | 0 |
| Engineering Equipment Grants..... | 1,000 | 1,000 | 0 |
| Dormitory Sprinklers..... | 500 | 500 | 250 |
| Community Education Councils..... | 1,968 ^k | 1,968 | 1,343 |
| Thaddeus Stevens College of Technology..... | 10,087 | 10,108 | 8,577 |
| Subtotal..... | \$ 26,505 | \$ 27,971 | \$ 19,544 |
| State System of Higher Education: | | | |
| State Universities..... | 433,435 | 445,354 | 465,395 |
| Recruitment of the Disadvantaged..... | 430 | 430 | 430 |
| PA Center for Environmental Education (PCEE)..... | 0 | 350 | 0 |
| McKeever Center..... | 206 | 206 | 206 |
| Affirmative Action..... | 1,111 | 1,111 | 1,111 |
| Program Initiatives..... | 16,046 | 16,046 | 16,046 |
| Employee Benefits--PEBTF Transfer..... | 2,400 | 1,700 | 0 |
| Subtotal..... | \$ 453,628 | \$ 465,197 | \$ 483,188 |
| The Pennsylvania State University: | | | |
| Educational and General..... | 241,178 | 247,208 | 257,096 |
| Medical Programs..... | 4,829 | 0 | 0 |
| Children's Hospital..... | 4,829 | 0 | 0 |
| Agricultural Research..... | 23,094 | 23,094 | 23,094 |
| Agricultural Extension Services..... | 27,787 | 27,787 | 27,787 |
| Recruitment of the Disadvantaged..... | 434 | 434 | 434 |
| Central Pennsylvania Psychiatric Institute..... | 1,878 | 0 | 0 |
| Pennsylvania College of Technology..... | 11,761 | 12,114 | 12,599 |
| Pennsylvania College of Technology - Debt Service..... | 1,389 | 1,389 | 1,389 |
| Subtotal..... | \$ 317,179 | \$ 312,026 | \$ 322,399 |
| University of Pittsburgh: | | | |
| Educational and General..... | 150,393 | 154,153 | 160,319 |
| Medical Programs..... | 6,607 | 0 | 0 |
| Dental Clinics..... | 1,037 | 0 | 0 |

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
|---|----------------------|----------------------|----------------------|
| Student Life Initiatives..... | 416 | 416 | 416 |
| Recruitment of the Disadvantaged..... | 423 | 423 | 423 |
| Western Psychiatric Institute..... | 7,740 | 0 | 0 |
| Western Teen Suicide Center..... | 500 | 500 | 500 |
| Graduate School of Public Health..... | 251 | 0 | 0 |
| Rural Education Outreach..... | 1,401 | 1,742 | 1,401 |
| Subtotal..... | \$ 168,768 | \$ 157,234 | \$ 163,059 |
| Temple University: | | | |
| Educational and General..... | 157,865 | 161,811 | 168,283 |
| Medical Programs..... | 8,794 | 0 | 0 |
| Dental Clinics..... | 1,037 | 0 | 0 |
| Recruitment of the Disadvantaged..... | 423 | 423 | 423 |
| Maxillofacial Prosthodontics..... | 126 | 0 | 0 |
| Podiatric Medicine..... | 1,290 | 0 | 0 |
| Bio-Medical Center..... | 454 | 0 | 0 |
| Subtotal..... | \$ 169,989 | \$ 162,234 | \$ 168,706 |
| Lincoln University: | | | |
| Educational and General..... | 12,619 | 12,934 | 13,451 |
| Subtotal..... | \$ 12,619 | \$ 12,934 | \$ 13,451 |
| Non-State Related Universities and Colleges: | | | |
| Drexel University..... | 6,632 | 6,764 | 6,967 |
| University of Pennsylvania - Dental Clinics..... | 1,035 | 1,051 | 1,083 |
| University of Pennsylvania - Medical Programs..... | 3,861 | 3,919 | 4,037 |
| University of Pennsylvania - Veterinary Activities..... | 37,364 | 38,111 | 39,254 |
| University of Pennsylvania - Cardiovascular Studies..... | 1,531 | 1,554 | 1,601 |
| Phila Health & Educ. Corp - Medical Programs..... | 7,384 | 7,495 | 7,720 |
| Phila. Health & Educ. Corp - Operations & Maintenance..... | 1,635 | 1,668 | 1,718 |
| Phila. Health & Educ. Cor - Recruitment of the Disadvantaged..... | 292 | 296 | 305 |
| Philadelphia Health and Education Corporation..... | 1,914 | 1,943 | 2,001 |
| Thomas Jefferson University - Doctor of Medicine Instruction..... | 5,322 | 5,402 | 5,564 |
| Thomas Jefferson University - Operations & Maintenance..... | 4,035 | 4,116 | 4,239 |
| Philadelphia College of Osteopathic Medicine..... | 6,257 | 6,352 | 6,543 |
| Lake Erie College of Osteopathic Medicine..... | 1,763 | 1,798 | 1,852 |
| Pennsylvania College of Optometry..... | 1,608 ^m | 1,636 ^m | 1,685 |
| Philadelphia University of the Arts..... | 1,150 | 1,173 | 1,208 |
| Subtotal..... | \$ 81,783 | \$ 83,278 | \$ 85,777 |
| Non-State Related Institutions: | | | |
| Berean - Operations and Maintenance..... | 1,425 | 1,453 | 1,497 |
| Berean - Rental Payments..... | 86 | 87 | 0 |
| Johnson Technical Institute..... | 183 | 187 | 193 |
| Williamson Free School of Mechanical Trades..... | 67 | 69 | 71 |
| Subtotal..... | \$ 1,761 | \$ 1,796 | \$ 1,761 |
| Subtotal - State Funds..... | \$ 9,333,677 | \$ 9,625,492 | \$ 10,204,864 |
| Subtotal - Federal Funds..... | 1,555,713 | 1,698,683 | 1,713,057 |
| Subtotal - Augmentations..... | 578 | 256 | 50 |
| Total - Grants and Subsidies..... | \$ 10,889,968 | \$ 11,324,431 | \$ 11,917,971 |
| STATE FUNDS..... | \$ 9,406,889 | \$ 9,699,267 | \$ 10,278,068 |
| FEDERAL FUNDS..... | 1,656,782 | 1,813,216 | 1,814,459 |
| AUGMENTATIONS..... | 8,289 | 8,075 | 8,486 |
| GENERAL FUND TOTAL..... | \$ 11,071,960 | \$ 11,520,558 | \$ 12,101,013 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| <u>MOTOR LICENSE FUND:</u> | | | |
| <i>Grants and Subsidies:</i> | | | |
| Safe Driving Course..... | \$ 1,230 | \$ 1,230 | \$ 1,230 |
| <u>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</u> | | | |
| <i>Grants and Subsidies:</i> | | | |
| Local Libraries Rehabilitation and Development (94-04) (EA)..... | \$ 2,872 | \$ 5,198 | \$ 0 |
| Local Libraries Rehab. and Development (Current Year) (EA)..... | 2,774 | 3,397 | 4,000 |
| SSHE-Deferred Maintenance - RTT (Current Year) (EA)..... | 14,593 | 16,652 | 18,009 |
| Total - Grants and Subsidies..... | \$ 20,239 | \$ 25,247 | \$ 22,009 |
| KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL..... | \$ 20,239 | \$ 25,247 | \$ 22,009 |
| <u>OTHER FUNDS:</u> | | | |
| GENERAL FUND: | | | |
| LSTA - Library Grants..... | \$ 4,876 | \$ 4,950 | \$ 4,950 |
| Temporary Special Aid..... | 1,996 | 0 | 0 |
| Private Licensed Schools..... | 465 | 534 | 592 |
| Empowerment School Districts..... | 4,000 | 0 | 0 |
| Medical Assistance Reimbursements..... | 73,993 | 62,000 | 62,000 |
| Approved Private Schools - Audit Resolution..... | 254 | 0 | 0 |
| Telecommunications Education Fund Grant..... | 47 | 0 | 0 |
| GENERAL FUND TOTAL..... | \$ 85,631 | \$ 67,484 | \$ 67,542 |
| COMMUNITY COLLEGE CAPITAL FUND: | | | |
| Community College Capital..... | \$ 0 | \$ 0 | \$ 0 |
| EDUCATION TECHNOLOGY FUND: | | | |
| Broadband Technology Services (EA)..... | \$ 0 | \$ 6,790 | \$ 6,790 |
| Administration (EA)..... | 0 | 210 | 210 |
| EDUCATION TECHNOLOGY FUND TOTAL..... | \$ 0 | \$ 7,000 | \$ 7,000 |
| GOV. CASEY ORGAN & TISSUE DONATION AWARENESS FUND: | | | |
| Governor Casey Organ and Tissue Donation Awareness Fund (EA)..... | \$ 150 | \$ 150 | \$ 150 |
| SCHOOL EMPLOYEES' RETIREMENT FUND: | | | |
| Administration..... | \$ 41,758 | \$ 39,539 | \$ 39,455 |
| Directed Commissions..... | 1,480 | 1,480 | 1,529 |
| (A)Health Insurance - Administration Reimbursement..... | 923 | 844 | 800 |
| (A)Health Options - Administration Reimbursement..... | 312 | 358 | 316 |
| SCHOOL EMPLOYEES' RETIREMENT FUND TOTAL..... | \$ 44,473 | \$ 42,221 | \$ 42,100 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|------------------------------|-------------------------------|----------------------|----------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 9,406,889 | \$ 9,699,267 | \$ 10,278,068 |
| SPECIAL FUNDS..... | 21,469 | 26,477 | 23,239 |
| FEDERAL FUNDS..... | 1,656,782 | 1,813,216 | 1,814,459 |
| AUGMENTATIONS..... | 8,289 | 8,075 | 8,486 |
| OTHER FUNDS..... | 130,254 | 116,855 | 116,792 |
| TOTAL ALL FUNDS..... | \$ 11,223,683 | \$ 11,663,890 | \$ 12,241,044 |

^a Appropriated as Technology Literacy Challenge – Administration.

^b Includes recommended supplemental appropriation of \$684,000.

^c Includes recommended supplemental appropriation of \$1,500,000.

^d Appropriated as Vocational Education.

^e Includes recommended supplemental appropriation of \$1,330,000.

^f Appropriated as Technology Literacy Challenge - Local.

^g Appropriated as Improvement of Library Services.

^h Appropriated as Community Colleges Capital Leases and Debt Service.

ⁱ Actually appropriated as \$4,250,000. Amount shown is net of transfers to Philadelphia College of Osteopathic Medicine and Pennsylvania College of Optometry.

^j Actually appropriated as \$6,675,000. Amount shown is net of transfers to Philadelphia College of Osteopathic Medicine and Pennsylvania College of Optometry.

^k Appropriated as Rural Initiatives.

^l 2004-05 Actual and 2005-06 Available include \$1,491,000 actually appropriated as a part of Higher Education Assistance.

^m 2004-05 Actual and 2005-06 Available include \$183,000 actually appropriated as a part of Higher Education Assistance.

ⁿ Actually appropriated as separate executive authorizations of the rollover balance from each prior fiscal year. Prior year balances are now combined into one executive authorization covering balances from 1994 through 2004.

^o Not added to the total to avoid double counting: 2005-06 Available is \$37,864,000 and 2006-07 Budget is \$42,006,000.

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| EDUCATION SUPPORT SERVICES | | | | | | | |
| GENERAL FUND..... | \$ 30,211 | \$ 29,618 | \$ 29,998 | \$ 29,815 | \$ 29,815 | \$ 29,815 | \$ 29,815 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 76,238 | 93,423 | 77,144 | 77,144 | 77,144 | 77,144 | 77,144 |
| OTHER FUNDS..... | 52,083 | 49,629 | 50,135 | 50,135 | 50,135 | 50,135 | 50,135 |
| SUBCATEGORY TOTAL..... | \$ 158,532 | \$ 172,670 | \$ 157,277 | \$ 157,094 | \$ 157,094 | \$ 157,094 | \$ 157,094 |
| BASIC EDUCATION | | | | | | | |
| GENERAL FUND..... | \$ 7,836,304 | \$ 8,114,207 | \$ 8,631,273 | \$ 8,703,997 | \$ 8,729,592 | \$ 8,713,623 | \$ 8,714,631 |
| SPECIAL FUNDS..... | 1,230 | 1,230 | 1,230 | 1,230 | 1,230 | 1,230 | 1,230 |
| FEDERAL FUNDS..... | 1,571,979 | 1,713,638 | 1,734,498 | 1,734,498 | 1,734,498 | 1,734,498 | 1,734,498 |
| OTHER FUNDS..... | 81,383 | 70,100 | 70,105 | 70,105 | 70,105 | 70,105 | 70,105 |
| SUBCATEGORY TOTAL..... | \$ 9,490,896 | \$ 9,899,175 | \$ 10,437,106 | \$ 10,509,830 | \$ 10,535,425 | \$ 10,519,456 | \$ 10,520,464 |
| LIBRARY SERVICES | | | | | | | |
| GENERAL FUND..... | \$ 76,311 | \$ 79,961 | \$ 94,227 | \$ 94,227 | \$ 94,227 | \$ 94,227 | \$ 94,227 |
| SPECIAL FUNDS..... | 5,646 | 8,595 | 4,000 | 3,723 | 3,874 | 4,011 | 4,171 |
| FEDERAL FUNDS..... | 1,644 | 1,650 | 1,650 | 1,650 | 1,650 | 1,650 | 1,650 |
| OTHER FUNDS..... | 5,077 | 5,181 | 5,038 | 5,038 | 5,038 | 5,038 | 5,038 |
| SUBCATEGORY TOTAL..... | \$ 88,678 | \$ 95,387 | \$ 104,915 | \$ 104,638 | \$ 104,789 | \$ 104,926 | \$ 105,086 |
| HIGHER EDUCATION | | | | | | | |
| GENERAL FUND..... | \$ 1,464,063 | \$ 1,475,481 | \$ 1,522,570 | \$ 1,522,570 | \$ 1,522,570 | \$ 1,522,570 | \$ 1,522,570 |
| SPECIAL FUNDS..... | 14,593 | 16,652 | 18,009 | 16,753 | 17,432 | 18,048 | 18,769 |
| FEDERAL FUNDS..... | 6,921 | 4,505 | 1,167 | 1,167 | 1,167 | 1,167 | 1,167 |
| OTHER FUNDS..... | 0 | 20 | 0 | 0 | 0 | 0 | 0 |
| SUBCATEGORY TOTAL..... | \$ 1,485,577 | \$ 1,496,658 | \$ 1,541,746 | \$ 1,540,490 | \$ 1,541,169 | \$ 1,541,785 | \$ 1,542,506 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 9,406,889 | \$ 9,699,267 | \$ 10,278,068 | \$ 10,350,609 | \$ 10,376,204 | \$ 10,360,235 | \$ 10,361,243 |
| SPECIAL FUNDS..... | 21,469 | 26,477 | 23,239 | 21,706 | 22,536 | 23,289 | 24,170 |
| FEDERAL FUNDS..... | 1,656,782 | 1,813,216 | 1,814,459 | 1,814,459 | 1,814,459 | 1,814,459 | 1,814,459 |
| OTHER FUNDS..... | 138,543 | 124,930 | 125,278 | 125,278 | 125,278 | 125,278 | 125,278 |
| DEPARTMENT TOTAL..... | \$ 11,223,683 | \$ 11,663,890 | \$ 12,241,044 | \$ 12,312,052 | \$ 12,338,477 | \$ 12,323,261 | \$ 12,325,150 |

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 Commonwealth and agency objectives. The success or failure of these supportive efforts can only be indirectly reflected by the effectiveness of the activities they support. A primary concern of the Commonwealth and each agency is to minimize these administrative costs in relation to the costs of services provided. The Department continues to transfer mainframe applications to client servers which permits departmental employees to perform their responsibilities in a more efficient manner.

In addition to including the executive, budget, communications 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 157,000 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)

| | | | | |
|--|---------|--|--------|---|
| <p>Information and Technology Improvement —to continue current program.</p> | \$ -120 | | \$ 500 | <p>Teacher Certification System —Initiative—Program Redesign. To provide administrative and operational resources to establish a call center to improve efficiency and timeliness of the teacher certification approval process.</p> |
|--|---------|--|--------|---|

The General Government Operations appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| General Government Operations | \$ 25,067 | \$ 24,474 | \$ 24,474 | \$ 24,474 | \$ 24,474 | \$ 24,474 | \$ 24,474 |
| Information and Technology Improvement | 5,144 | 5,144 | 5,024 | 5,024 | 5,024 | 5,024 | 5,024 |
| Teacher Certification System | 0 | 0 | 500 | 317 | 317 | 317 | 317 |
| TOTAL GENERAL FUND | \$ 30,211 | \$ 29,618 | \$ 29,998 | \$ 29,815 | \$ 29,815 | \$ 29,815 | \$ 29,815 |

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

Program: PreK–12 Education (Basic Education)

Pennsylvania's preK-12 education system is designed to provide every child in the Commonwealth with the skills they need to be active citizens and future leaders in our global economy. In 2004-05, 69% of Pennsylvania 5th graders met the State standards in math and 64% met the standards in reading; in 11th grade, 51% of our students met the math standards and 65% met the State's reading standards.

In every subject and grade – and for students of every race and income level – achievement has increased since 2001-02.

Program Element: Basic Education Funding

The Commonwealth and local school districts share the financing of public elementary and secondary education in Pennsylvania. There are 501 local school districts.

The Basic Education Funding appropriation is the largest subsidy the Commonwealth provides to support local school districts. The subsidy has two core principles:

- **Direct the most State resources to the communities with the greatest need.** Pennsylvania's school districts have dramatically different levels of local wealth and student need. Commonwealth resources are directed to all 501 school districts but are targeted to low-wealth, high-need districts in order to ensure that students in *all* communities have the academic opportunities they deserve.
- **Help communities achieve school funding adequacy.** Despite significant local tax burdens, too many school districts still cannot achieve an adequate level of school funding to meet their students' academic needs. Pennsylvania's "foundation funding" approach sets an adequacy target and helps school districts below the target increase their educational investment.

In order to increase academic achievement, school districts are encouraged to invest in early childhood education and other proven programs. The Department of Education supports school improvement through intensive training and other initiatives.

Program Element: Accountability Block Grants

Beginning with \$200 million in the 2004-05 school year, all school districts receive an annual Accountability Block Grant to invest in educational programs that are proven to help children learn. The proposed 2006-07 budget increases the Accountability Block Grant by 25% to \$250 million.

The Accountability Block Grant legislation includes a menu of program options, providing flexibility to school districts while ensuring that taxpayer resources will be used for academic initiatives that are shown to be effective. More than \$2 out of every \$3 in block grant funding is being invested in early childhood education: high-quality pre-

kindergarten, full-day kindergarten, and class-size reduction in kindergarten through third grade. Of the nearly 12,500 school district and Head Start pre-kindergarten enrollments created since Governor Rendell took office approximately 3,000 are the result of the Accountability Block Grant program.

| 2005-06 Accountability Block Grant Program | Number of Students Enrolled | Number of Districts |
|--|-----------------------------|---------------------|
| Quality Pre-Kindergarten | 3,052 | 40 |
| Quality Full-day Kindergarten | 58,318 | 318 |
| K-3rd Grade Class Size Reduction | 18,165 | 93 |
| Tutoring | 31,431 | 74 |
| Professional Education | 292,442 | 91 |
| Literacy and Math Coaching | 223,461 | 101 |
| Performance of Student Subgroups | 96,472 | 119 |
| Science and Applied-Knowledge Skills | 150,587 | 84 |
| Social and Health Services | 106,962 | 58 |
| Other District-Specific Proven Programs | 11,141 | 22 |

Program Element: Head Start Supplemental Assistance Program

By providing first-ever State funding for Head Start in 2004-05 and launching the Accountability Block Grant, Pennsylvania removed itself from the list of nine states in the nation that failed to provide funding for pre-school. Now, the proposed 2006-07 Budget continues Pennsylvania's commitment to expanding early childhood education opportunities for the State's families.

In the first year of the Head Start Supplemental Assistance Program, 2,484 children were able to enroll in quality pre-kindergarten. In 2005-06, the program increased from \$15 to \$30 million, allowing a total of 4,710 children to benefit from Head Start. Further increasing State Head Start funding by \$15 million in 2006-07 will increase the total number of Head Start participants to 6,250.

Program Element: Transforming Pennsylvania's High Schools

All Pennsylvania students must graduate from high school prepared to enter college and the high-skills workforce. According to a national report, only 44% of the Commonwealth's high school freshmen graduate on time with a college-ready transcript.

Project 720. Project 720 – named for the number of days a student spends in high school from the beginning of 9th grade to the end of 12th grade – is helping transform Pennsylvania's high schools.

In 2005-06, Project 720 provided \$4.7 million in State grants to 75 high schools – including 72 high schools in 66 school districts, two comprehensive Career and Technical Centers, and one charter high school. Participating high schools agreed to upgrade the high school experience, including requiring a college- and career-ready curriculum for every student.

Program: PreK–12 Education (continued)

The proposed 2006-07 budget increases Project 720 funding to \$9 million, allowing approximately 23 additional school districts to benefit from this innovative program.

Dual Enrollment. 2005-06 is also the first year for State-supported Dual Enrollment in Pennsylvania. The Commonwealth invested \$5 million in this important program, which allows high school students to earn high school and college credits for courses taken through a college or university while they complete their high school graduation requirements. A total of nearly 20,000 students in 220 school districts are participating.

Career and Technical Education. Career and Technical Education, formerly known as Vocational Education, serves approximately 100,000 secondary students. Vocational education provides a rigorous high school education to students while delivering skilled training in high-demand employment fields. Wherever possible, students earn real-world industry-based certifications at the end of their programs. To upgrade Career and Technical Education, Pennsylvania launched a multi-million dollar program to enhance equipment and curriculum, as well as help boost the academic rigor and alignment to economic development needs in every Career and Technical Education program.

Program Element: Tutoring

Pennsylvania provides tutoring support as a proven way to help students who are struggling in reading and math. The State funds local tutoring programs and holds tutoring providers accountable for student progress.

The Educational Assistance Program – Pennsylvania’s \$66 million State-funded tutoring initiative – is targeted to struggling students in 175 school districts and Career and Technical Centers where a school failed to make Adequate Yearly Progress in reading or math as required by the No Child Left Behind Act. In 2005-06, an estimated 73,000 students received tutoring in math and 83,000 received tutoring in reading.

In addition, school districts may use a portion of their Accountability Block Grant to provide tutoring. In 2005-06, approximately 31,431 students in 74 school districts benefited from Accountability Block Grant tutoring.

Pennsylvania’s third tutoring program, Classroom Plus, provides small grants to parents of students who score below proficient to allow them to purchase tutoring for their children. In 2005-06, approximately 8,000 children are receiving tutoring through Classroom Plus.

Program Element: Special Education

Special education serves over 268,000 school-aged students in Pennsylvania school districts, charter schools, intermediate units, approved private schools, and private residential facilities (excluding Gifted students).

The major special education appropriation provides support for programs for students with disabilities served by the public schools of the Commonwealth. Public school special education programs are administered by all 501 school districts and charter schools, where appropriate. These programs may be directly operated by the districts or contracted with other school districts, intermediate units or other providers. When appropriate public education is not available, students may be assigned to department-approved private schools.

In 2005-06, approximately 14.8% of Pennsylvania students were classified as having a disability, but the proportion of special education students varies from one school district or charter school to the next:

| Percent Special Education Total Enrollment | Percent of School Districts | Percent of Charter Schools |
|---|-----------------------------------|----------------------------------|
| Less than 10% | 2.8 | 48.5 |
| At least 10% but less than 12% | 13.8 | 7.8 |
| At least 12% but less than 15% | 35.9 | 17.5 |
| 15% or more | 47.5 | 26.2 |

Funds are also provided under this program element for the State-operated Scranton State School for the Deaf, Early Intervention, and Approved/Private Charter Schools for the Deaf and Blind.

This budget recommends two new initiatives: *Science: It’s Elementary* which will provide resources for hands-on learning equipment and intensive teacher training to elementary schools that commit to upgrading their science curriculum; and *Classrooms for the Future* which will provide resources for high school classrooms to acquire an Internet-equipped laptop computer on each student desk and multi-media technology at the teacher’s fingertips. Please see the Investing in Our Children, Investing in Our Future theme in the Overview and Summaries section for additional information on these initiatives.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| BASIC EDUCATION TARGETED INVESTMENT | | | | | | | |
| Public school enrollment (preK-12) | 1,828,089 | 1,817,380 | 1,807,060 | 1,795,130 | 1,780,900 | 1,765,100 | 1,752,100 |
| Average spending per student | \$9,630 | \$10,105 | \$10,675 | \$11,225 | \$11,775 | \$12,325 | \$12,825 |
| State preK-12 spending per student* | \$3,845 | \$4,000 | \$4,275 | \$4,475 | \$4,775 | \$4,825 | \$5,125 |
| Percent of PA students in districts spending less than the \$8,500 per student | 22.2% | 9.8% | 7.5% | 6.5% | 5.5% | 4.5% | 3.5% |

Program: PreK–12 Education (Basic Education) (continued)

| Program Measures: (continued) | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Percent of the State Basic Education Funding increase directed to poorer-than-average districts | | | | | | | |
| | 71% | 67% | 74% | 75% | 76% | 77% | 78% |
| EARLY CHILDHOOD EDUCATION | | | | | | | |
| Number of school districts offering pre-kindergarten ⁽¹⁾ | | | | | | | |
| | 71 | 76 | 85 | 85 | 85 | 85 | 85 |
| Number of students enrolled in pre-kindergarten (excluding Head Start) ⁽¹⁾ | | | | | | | |
| | 10,271 | 10,350 | 11,565 | 11,565 | 11,565 | 11,565 | 11,565 |
| Number of students in State-funded Head Start expansion | | | | | | | |
| | 2,484 | 4,710 | 6,250 | 10,700 | 13,700 | 16,700 | 16,700 |
| Number of school districts offering full-day kindergarten ⁽²⁾ | | | | | | | |
| | 353 | 370 | 385 | 385 | 385 | 385 | 385 |
| Percent of kindergarten students in full-day programs | | | | | | | |
| | 51% | 52% | 54% | 54% | 54% | 54% | 54% |
| EARLY INTERVENTION | | | | | | | |
| Number of children participating in Early Intervention* | | | | | | | |
| | 36,790 | 38,189 | 40,536 | 41,686 | 42,937 | 44,225 | 45,552 |
| Children on their 3rd birthday who transitioned from infant/toddler Early Intervention to preschool Early Intervention* | | | | | | | |
| | 4,606 | 5,117 | 5,660 | 6,226 | 6,849 | 7,534 | 8,287 |
| Number of children who met their individual goals and no longer need Early Intervention prior to school age* | | | | | | | |
| | 525 | 546 | 568 | 591 | 615 | 640 | 666 |
| Children who met their individual goals when they turned school-age and no longer need Early Intervention or special education* | | | | | | | |
| | 6,481 | 6,805 | 7,145 | 7,502 | 7,877 | 8,271 | 8,685 |
| Percentage of early intervention children included in typical early childhood educational settings such as home, child care or Head Start* | | | | | | | |
| | 50% | 52% | 54% | 56% | 57% | 58% | 59% |
| SECONDARY EDUCATION-TRANSFORMING PENNSYLVANIA'S HIGH SCHOOLS | | | | | | | |
| Percent of students demonstrated college-level mastery on an Advanced Placement examination in high school** | | | | | | | |
| | 15.0% | 15.0% | 16.0% | 16.0% | 17.0% | 17.0% | 18.0% |
| High School graduation rate | | | | | | | |
| | 87.7% | 87.8% | 87.8% | 87.8% | 87.9% | 87.9% | 87.9% |
| Number of high schools participating in Project 720* | | | | | | | |
| | 43 | 75 | 105 | 135 | 165 | 195 | 225 |
| Percent of graduates enrolling in 4-year colleges/universities | | | | | | | |
| | 50.6% | 50.6% | 50.8% | 60.0% | 60.2% | 60.4% | 60.6% |
| Percent of graduates enrolling in community colleges | | | | | | | |
| | 14.8% | 15.3% | 15.8% | 16.3% | 16.8% | 16.8% | 16.8% |
| Percent of graduates enrolling in other post-secondary education | | | | | | | |
| | 10.5% | 10.6% | 10.7% | 10.8% | 10.9% | 10.9% | 10.9% |
| SECONDARY EDUCATION-HELPING HIGH SCHOOL STUDENTS EARN COLLEGE CREDIT | | | | | | | |
| Number of students participating in Dual Enrollment* | | | | | | | |
| | NA | 20,000 | 23,000 | 24,000 | 25,000 | 26,000 | 27,000 |
| Number of low income students participating in Dual Enrollment* | | | | | | | |
| | NA | 1,079 | 1,200 | 1,300 | 1,400 | 1,500 | 1,600 |
| Number of school districts participating in Dual Enrollment* | | | | | | | |
| | NA | 220 | 250 | 260 | 270 | 280 | 290 |
| Number of Community Colleges participating in Dual Enrollment* | | | | | | | |
| | NA | 13 | 14 | 14 | 14 | 14 | 14 |
| Number of four year colleges/universities participating in Dual Enrollment* | | | | | | | |
| | NA | 59 | 62 | 65 | 67 | 70 | 73 |
| STATE FUNDED TUTORING (EDUCATIONAL ASSISTANCE PROGRAM) | | | | | | | |
| Number of participating school districts/Career and Technical Centers* .. | | | | | | | |
| | 81 | 175 | 175 | 175 | 175 | 175 | 175 |

Program: PreK–12 Education (Basic Education) (continued)

| Program Measures: (continued) | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Number of eligible students receiving tutoring in mathematics* | 36,347 | 72,694 | 74,148 | 75,630 | 77,142 | 78,685 | 80,258 |
| Number of eligible students receiving tutoring in reading* | 41,643 | 83,286 | 84,952 | 86,651 | 88,384 | 90,151 | 91,954 |
| SCHOOL IMPROVEMENT | | | | | | | |
| Percent of students who are proficient/advanced in mathematics (PSSA) in schools that are classified as requiring School Improvement/Corrective Action* | NA | NA | 36% | 42% | 49% | 55% | 61% |
| Percent of students who are proficient/advanced in reading (PSSA) in schools that are classified as requiring School Improvement/Corrective Action* | NA | NA | 41% | 47% | 53% | 58% | 64% |
| Percent of schools classified as requiring School Improvement/Corrective Action that met their annual growth target in mathematics* | NA | NA | 40% | 50% | 60% | 70% | 80% |
| Percent of schools classified as requiring School Improvement/Corrective Action that met their annual growth target in reading* | NA | 20% | 25% | 30% | 35% | 40% | 45% |
| ACCOUNTABILITY | | | | | | | |
| Percent of students proficient/advanced in reading ⁽³⁾ | 64% | 66% | 67% | 69% | 70% | 72% | 73% |
| Percent of students proficient/advanced in mathematics ⁽³⁾ | 61% | 64% | 66% | 68% | 71% | 73% | 76% |
| Percent of schools making Adequate Yearly Progress* | 77% | 79% | 81% | 83% | 85% | 87% | 89% |
| Percent of school districts making Adequate Yearly Progress* | 62% | 66% | 70% | 74% | 78% | 82% | 86% |
| Gains in mathematics proficiency from 5th to 8th grade-same students* | 10% | 13% | 16% | 19% | 22% | 25% | 28% |
| Gains in reading proficiency from 5th to 8th grade-same students* | 7% | 10% | 13% | 16% | 19% | 22% | 25% |
| CAREER & TECHNICAL (VOCATIONAL) EDUCATION | | | | | | | |
| Enrollment | 96,388 | 97,352 | 98,324 | 99,306 | 99,406 | 100,399 | 101,402 |
| Percent of vocational education program completers | 55.7% | 57.2% | 60.0% | 60.0% | 70.0% | 75.0% | 80.0% |
| SPECIAL EDUCATION | | | | | | | |
| Pupils with disabilities enrolled in special education programs | 262,000 | 268,000 | 268,000 | 265,000 | 265,000 | 264,000 | 264,000 |
| Special education incidence rate | 14.4% | 14.8% | 14.6% | 14.5% | 14.5% | 14.4% | 14.4% |
| OTHER EDUCATION PROGRAMS | | | | | | | |
| Nonpublic school enrollment | 296,450 | 290,640 | 285,350 | 280,500 | 276,520 | 273,210 | 270,478 |

*New program measure.

**Retitled program measure.

(1) Includes pre-kindergarten and K4 (kindergarten for 4-year-olds) for 2004-05.

(2) Includes only districts where at least 10 students are enrolled in full-day kindergarten.

(3) Projections for 2005-06 through 2010-11 are based on the rate of progress over the last four years.

Program: PreK–12 Education (Basic Education) (continued)

Program Recommendations:

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

| | | | | | |
|----|---------------------|---|----|--------|---|
| | GENERAL FUND | | | | |
| \$ | -650 | Office of Safe Schools Advocate —nonrecurring costs. | \$ | -2,175 | Science and Math Education Programs —nonrecurring project. |
| \$ | -262 | PA Assessment —to continue current program. | \$ | 20,000 | Classrooms for the Future —PRR — Investing in Our Students' Success. This Program Revision provides resources for core-subject high school classrooms in 100 high schools to acquire an Internet-equipped laptop computer on each student desk and multi-media technology at the teacher's fingertips. See the Program Revision following this program for additional information. |
| \$ | -500 | Youth Development Centers — Education —reduction in program costs. | | | |
| \$ | 263 | Scranton State School for the Deaf —to continue current program. | | | |
| \$ | 224,609 | Basic Education Funding —PRR—This Program Revision provides for a five percent increase for school district basic education programs and continues a foundation funding approach to assist school districts in boosting spending toward the Statewide foundation level. See the Program Revision following this program for additional information. | \$ | 10,200 | Teacher Professional Development —PRR — Investing in Our Students' Success. This Program Revision provides resources to assist teachers to integrate technology into lessons and daily activities, improve career counseling, increase accountability, and improve teacher quality. See the Program Revision following this program for additional information. |
| \$ | 2,000 | Dual Enrollment Payments —PRR—Investing in Our Students' Success. This Program Revision provides resources to school districts to assist 3,000 additional students earn college credit as they complete their high school graduation requirements. See the Program Revision following this program for additional information. | \$ | -700 | —redirected program costs. |
| | | | \$ | 9,500 | <i>Appropriation Net Increase</i> |
| | | | \$ | 1,491 | Career and Technical Education —to continue current program. |
| | | | \$ | -2,500 | New Choices/New Options —nonrecurring project. |
| \$ | 50,000 | Pennsylvania Accountability Grants —PRR — Investing in Our Students' Success. This Program Revision provides flexible block grant resources for proven programs to help school districts attain or maintain academic performance targets. See the Program Revision following this program for additional information. | \$ | 17,000 | Pupil Transportation —to continue current program. |
| \$ | 15,000 | Head Start Supplemental Assistance —PRR — Investing in Our Students' Success. This Program Revision provides resources to Federal Head Start providers to expand programs to 1,540 additional children. See the Program Revision following this program for additional information. | \$ | -4,099 | Nonpublic and Charter School Pupil Transportation —to continue current program. |
| \$ | 10,000 | Science: It's Elementary —PRR — Investing in Our Students' Success. This Program Revision provides resources for hands-on learning equipment and intensive teacher training to elementary schools that commit to upgrading their science curriculum. See the Program Revision following this program for additional information. | \$ | 38,123 | Special Education —PRR — Investing in Our Students' Success. This Program Revision provides for a four percent increase for special education programs. See the Program Revision following this program for additional information. |
| | | | \$ | 7,907 | Early Intervention —PRR — Investing in Our Students' Success. This Program Revision provides resources to implement a new funding methodology that establishes a benchmark payment per child for program services and to expand early intervention services to 2,347 additional children from ages three through five. See the Program Revision following this program for additional information. |

Program: PreK–12 Education (Basic Education) (continued)

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

| | | | | | |
|----|---------|---|--|---------|--|
| \$ | 173 | <p>Homebound Instruction —to continue current program.</p> | | | <p>opportunities for students. See the Program Revision following this program for additional information.</p> |
| \$ | 1,250 | <p>Tuition for Orphans and Children Placed in Private Homes —to continue current program.</p> | \$ | -6,139 | <p>Education Mentoring —nonrecurring projects.</p> |
| \$ | -66 | <p>Payments in Lieu of Taxes —to continue current program.</p> | \$ | 3,950 | <p>Services to Nonpublic Schools —to continue current program.</p> |
| \$ | 8 | <p>Education of Migrant Laborer’s Children —to continue current program.</p> | \$ | 1,208 | <p>Textbooks, Materials and Equipment for Nonpublic Schools —to continue current program.</p> |
| \$ | 1,025 | <p>PA Charter School for the Deaf and Blind —to continue current program.</p> | \$ | -250 | <p>Governor’s Schools of Excellence —nonrecurring projects.</p> |
| \$ | 2,689 | <p>Special Education – Approved Private Schools —to continue current program.</p> | \$ | -5,300 | <p>Job Training Programs —nonrecurring projects.</p> |
| \$ | 2,000 | <p>Approved Private Schools – Audit Resolution (06-07) —increase in program funding.</p> | \$ | 26,874 | <p>Reimbursement of Charter Schools —to continue current program.</p> |
| \$ | 1,133 | <p>School Food Services —to continue current program.</p> | \$ | -26,300 | <p>Alternative Education Demonstration Grants —nonrecurring projects.</p> |
| \$ | 18,252 | <p>School Employees’ Social Security —to continue current program.</p> | \$ | -1,700 | <p>Parent Involvement Program —nonrecurring projects.</p> |
| \$ | 114,262 | <p>School Employees’ Retirement —to continue current program at the actuarially determined employer contribution rate.</p> | <p>All other appropriations are recommended at the current year funding level.</p> | | |
| \$ | -6,000 | <p>School District Demonstration Projects —nonrecurring projects.</p> | | | |
| \$ | -10 | <p>Education of Indigent Children —to continue current program.</p> | | | |
| \$ | 4,300 | <p>High School Reform —PRR — Investing in Our Students’ Success. This Program Revision provides grants to school districts to transform high schools by increasing the rigor of academic programs and enhancing post-secondary</p> | | | |

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Office of Safe Schools Advocate | \$ 800 | \$ 1,000 | \$ 350 | \$ 350 | \$ 350 | \$ 350 | \$ 350 |
| PA Assessment | 20,356 | 20,356 | 20,094 | 20,094 | 20,094 | 20,094 | 20,094 |
| Youth Development Centers - Education .. | 11,522 | 11,900 | 11,400 | 11,400 | 11,400 | 11,400 | 11,400 |
| Scranton State School for the Deaf | 6,189 | 6,565 | 6,828 | 6,828 | 6,828 | 6,828 | 6,828 |
| Basic Education Funding | 4,361,024 | 4,492,184 | 4,716,793 | 4,716,793 | 4,716,793 | 4,716,793 | 4,716,793 |
| Dual Enrollment Payments | 0 | 5,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 |

Program: PreK–12 Education (Basic Education) (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| Philadelphia School District | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| School Improvement Grants | 21,717 | 21,073 | 21,073 | 21,073 | 21,073 | 21,073 | 21,073 |
| Education Support Services | 9,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| Pennsylvania Accountability Grants | 200,000 | 200,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| Education Assistance Program | 38,000 | 66,000 | 66,000 | 66,000 | 66,000 | 66,000 | 66,000 |
| Technology Initiative | 1,290 | 1,290 | 1,290 | 1,290 | 1,290 | 1,290 | 1,290 |
| Head Start Supplemental Assistance | 15,000 | 30,000 | 45,000 | 45,000 | 45,000 | 45,000 | 45,000 |
| Science: It's Elementary | 0 | 0 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Science and Math Education Programs | 2,200 | 2,175 | 0 | 0 | 0 | 0 | 0 |
| Classrooms for the Future | 0 | 0 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Teacher Professional Development | 3,867 | 13,867 | 23,367 | 23,367 | 23,367 | 23,367 | 23,367 |
| Adult and Family Literacy | 18,534 | 18,534 | 18,534 | 18,534 | 18,534 | 18,534 | 18,534 |
| Career and Technical Education | 58,181 | 59,636 | 61,127 | 61,127 | 61,127 | 61,127 | 61,127 |
| New Choices / New Options | 2,500 | 2,500 | 0 | 0 | 0 | 0 | 0 |
| Authority Rentals and Sinking | | | | | | | |
| Fund Requirements | 294,483 | 296,483 | 296,483 | 296,483 | 296,483 | 296,483 | 296,483 |
| Pupil Transportation | 490,413 | 495,761 | 512,761 | 512,761 | 512,761 | 512,761 | 512,761 |
| Nonpublic and Charter School | | | | | | | |
| Pupil Transportation | 76,663 | 74,037 | 69,938 | 69,938 | 69,938 | 69,938 | 69,938 |
| Special Education | 929,175 | 953,064 | 991,187 | 991,187 | 991,187 | 991,187 | 991,187 |
| Early Intervention | 117,607 | 123,487 | 131,394 | 131,394 | 131,394 | 131,394 | 131,394 |
| Homebound Instruction | 782 | 705 | 878 | 878 | 878 | 878 | 878 |
| Tuition for Orphans and Children Placed in Private Homes | 50,005 | 50,005 | 51,255 | 51,255 | 51,255 | 51,255 | 51,255 |
| Payments in Lieu of Taxes | 208 | 241 | 175 | 175 | 175 | 175 | 175 |
| Education of Migrant Laborers' Children ... | 784 | 839 | 847 | 847 | 847 | 847 | 847 |
| PA Charter Schools for the Deaf and Blind | 29,949 | 31,919 | 32,944 | 32,944 | 32,944 | 32,944 | 32,944 |
| Special Education - Approved Private Schools | 80,651 | 83,772 | 86,461 | 86,461 | 86,461 | 86,461 | 86,461 |
| Approved Private Schools-Audit | | | | | | | |
| Resolution (06/07) | 6,904 | 3,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Intermediate Units | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 |
| School Food Services | 27,244 | 27,532 | 28,665 | 28,665 | 28,665 | 28,665 | 28,665 |
| School Employees' Social Security | 443,862 | 456,377 | 474,629 | 491,534 | 511,195 | 531,646 | 552,909 |
| School Employees' Retirement | 228,830 | 254,495 | 368,757 | 424,576 | 430,510 | 394,090 | 373,835 |
| School District Demonstration Projects | 8,500 | 6,000 | 0 | 0 | 0 | 0 | 0 |
| Education of Indigent Children | 55 | 35 | 25 | 25 | 25 | 25 | 25 |
| High School Reform | 0 | 4,700 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 |
| Education Mentoring | 3,050 | 7,339 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| Services to Nonpublic Schools | 76,697 | 79,004 | 82,954 | 82,954 | 82,954 | 82,954 | 82,954 |
| Textbooks, Materials and Equipment for Nonpublic Schools | 23,456 | 24,161 | 25,369 | 25,369 | 25,369 | 25,369 | 25,369 |
| Teen Pregnancy and Parenthood | 2,225 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 |
| Comprehensive Reading | 300 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ethnic Heritage | 165 | 165 | 165 | 165 | 165 | 165 | 165 |
| Governor's Schools of Excellence | 2,492 | 2,742 | 2,492 | 2,492 | 2,492 | 2,492 | 2,492 |
| Job Training Programs | 9,100 | 5,300 | 0 | 0 | 0 | 0 | 0 |
| Charter Schools | 1,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reimbursement of Charter Schools | 80,587 | 92,602 | 119,476 | 119,476 | 119,476 | 119,476 | 119,476 |
| Safe and Alternative Schools | 23,326 | 23,326 | 23,326 | 23,326 | 23,326 | 23,326 | 23,326 |
| Alternative Education Demonstration | | | | | | | |
| Grants | 26,300 | 26,300 | 0 | 0 | 0 | 0 | 0 |
| Parent Involvement Program | 0 | 1,700 | 0 | 0 | 0 | 0 | 0 |
| TOTAL GENERAL FUND | \$ 7,836,304 | \$ 8,114,207 | \$ 8,631,273 | \$ 8,703,997 | \$ 8,729,592 | \$ 8,713,623 | \$ 8,714,631 |
| MOTOR LICENSE FUND: | | | | | | | |
| Safe Driving Course | \$ 1,230 | \$ 1,230 | \$ 1,230 | \$ 1,230 | \$ 1,230 | \$ 1,230 | \$ 1,230 |

Program Revision: Investing in Our Students' Success

Over the past three years the Commonwealth has joined the ranks of states that are leading the nation in ensuring that every child has access to high-quality education by instituting systemic strategies that are building a foundation for early school success and academic achievement. Under Governor Rendell's leadership, student achievement is on the rise. The Commonwealth has initiated targeted investments in pre-kindergarten through grade 12 and higher education systems. Funding for early childhood, elementary and secondary education is up by nearly \$1.2 billion compared to just three years ago. Pennsylvania is no longer one of the nine states in the nation failing to fund pre-kindergarten, and, for the first time ever, more than half of our students are in full-day kindergarten. We are transforming our high schools and giving high school students the opportunity to earn college credit even before they graduate.

To ensure economic success for our future work force and for our state, the Commonwealth must prepare all of its students with solid critical thinking skills and with a strong background in reading, math and science. This Program Revision recommends a total of \$382.1 million in new education funding. New initiatives provide additional resources to enhance the elementary education science curriculum, establish high-tech high school classrooms, assist teachers with integrating new technology into their teaching methods and continue transforming Pennsylvania's high schools so that all students graduate with skills necessary to compete and succeed in the global economy. Additional initiatives provide enhanced support for the Governor's early childhood initiatives that target educational investments proven to boost student achievement and for early intervention, basic education and special education programs.

Get Ready, Get Set, Go Global

From the first day of pre-kindergarten to the time when our students receive their high school and college diplomas, it is the responsibility of the Commonwealth's education system to prepare every student for the high-skill jobs of the global economy. This Program Revision builds upon Pennsylvania's accomplishments over the last three years by recommending new initiatives that will make Pennsylvania a leader in getting our students ready for the jobs of the future – while giving our high-tech businesses the employees they need to survive and thrive.

- **Science: It's Elementary**

In 2000, the United States received bad news – again: Despite years of trying, American students still were not globally competitive in science and math. Students from South Korea, Japan and England were all out-performing U.S. students in 8th grade science. But there were a few notable exceptions. Right here in

Pennsylvania, a group of school districts in the Southwest and their university partners not only out-scored the rest of the U.S., but they did as well as or better than every nation in the world. This Program Revision brings strategies that worked so well in those school districts to the rest of the Commonwealth.

This Program Revision recommends \$10 million for the *Science: It's Elementary* initiative to provide hands-on learning equipment and intensive teacher training to elementary schools that commit to upgrading their science curriculum. This program will make every Pennsylvania student a scientist in the classroom and give school districts access to a strategy that is proven to lead not just the nation – but the world.

- **Classrooms for the Future**

The high school classrooms of the future are not bound by four walls and a ceiling; they reach across the globe and deep into the past by using technology to link students to the educational power of the Internet. It is not enough for computers to sit idly at the side of the room or in computer labs down the hall. In English, math, science and history, it is time to make technology as much a part of everyday learning as the textbook.

This Program Revision recommends \$20 million for the *Classrooms for the Future* technology initiative to make every high school classroom in the Commonwealth a high-tech center of learning. Over the next five years, every high school classroom in the core subject areas of English, math, science and history will have an Internet-equipped laptop computer on each student desk and multi-media technology at the teacher's fingertips. By investing over the short term, including \$20 million in 2006-07, Pennsylvania can ensure that its future leaders have the world at the touch of a button.

Transforming our high schools to embrace technology is not as simple as plugging in a computer. We must also help our educators master how to capture the great power of technology in their lessons and daily activities.

To achieve this goal, this Program Revision recommends \$4 million to expand and enhance technology professional development for Pennsylvania teachers and school leaders. As teacher proficiency in technology is enhanced, the courses and instruction provided to their students will improve.

Early Childhood Education: The Foundation for Student Success

Study after study proves that quality pre-kindergarten gives children the early skills they need to be successful in

Program Revision: Investing in Our Students' Success (continued)

school and throughout their lives. Providing Commonwealth resources for early childhood education is a sound financial investment, with every \$1 in pre-school funding leading to \$7 in benefits from reduced public spending on holding students back, special education, teen pregnancy and criminal justice and from increased revenue from better paying jobs later in life.

This Program Revision expands Governor Rendell's early childhood education initiatives by providing additional funding for Head Start and Early Intervention programs.

- **Head Start Supplemental Assistance**

In 2004-05, the Commonwealth made its first-ever investment in pre-kindergarten by providing supplemental funding for federal Head Start programs. Governor Rendell's 2005-06 budget doubled Head Start funding to \$30 million, allowing 4,710 children to benefit.

This Program Revision provides an additional \$15 million for the Head Start Supplemental Assistance Program – making this high-quality program available to a total of 6,250 at-risk children.

- **Early Intervention**

The Department of Education's early intervention program serves children ages three through five who have a disability or developmental delay. Program services are intended to minimize developmental delay and the need for special education and related services and to assist families in meeting the special needs of their children. This Program Revision recommends \$7.9 million to implement a new funding methodology that establishes a benchmark payment per child for program services and to provide early intervention services to 2,347 additional children.

Expanding the Education Accountability Block Grant

In 2004-05, as part of its first-ever investment in pre-kindergarten, Pennsylvania launched the \$200 million Accountability Block Grant, which school districts could use for pre-kindergarten and other proven academic programs. Pennsylvania embarked on an aggressive campaign to encourage school districts to use the Accountability Block Grant for early childhood initiatives. As a result, more than two-thirds of school districts are investing in quality pre-kindergarten, full-day kindergarten and reduced class size, together serving more than 75,000 children. Every day in every Pennsylvania school district, the Accountability Block Grant is helping educators invest in academic programs that are proven to help students learn and boost student achievement.

This Program Revision recommends an additional \$50 million in Accountability Block Grant resources for school districts to continue improving student achievement. The \$250 million total investment in 2006-07 is expected to result in 1,215 additional children receiving quality pre-kindergarten education. In addition, approximately 54% of kindergartners

will be enrolled in full-day programs, up from 34% when Governor Rendell took office and 2,500 more children than in the 2005-06 school year. Plus, hundreds of thousands of Pennsylvania students will benefit from reduced-sized classes in grades K-3, tutoring, teacher training and other effective academic programs. The Accountability Block Grants are a win-win for school districts and taxpayers - communities have maximum local control and the flexibility to implement those programs that best serve their individual needs, and the focus on proven programs ensures the efficient and effective use of taxpayer resources.

Transforming Pennsylvania's High Schools

In 2005-06, Pennsylvania took the first steps toward transforming its high schools to ensure that all students graduate with the skills they need for college and high-skill careers. Seventy-five high schools were selected to participate in Project 720, the Commonwealth's pioneering high school reform initiative and 220 school districts applied for Dual Enrollment grants so that their students could earn college credit before they graduate. As a result of state and school district efforts, Pennsylvania is becoming a national leader in high school reform and in efforts to make its high school curriculum more rigorous.

This Program Revision significantly expands the scope of high school reform in Pennsylvania – deepening our commitment to maximizing every day of high school on behalf of the Commonwealth's young adults:

- **Reinvigorating college and career counseling**

Students make hundreds of decisions over the course of their school years that dramatically impact their future options - often without even knowing it. In high schools and middle schools, guidance counselors have a new and crucial role to play in helping students explore their career interests and navigate the vital academic choices that will enable students to achieve their goals. This budget includes \$3 million in grants for school districts to upgrade their career counseling programs.

- **Expanding Project 720**

Project 720 high schools are leading the way in transforming their academic programs to ensure that all students take a rigorous high school curriculum. Last year, more than 160 schools applied to participate in Project 720 – but limited funding meant that only 75 were approved. This Program Revision provides an additional \$4.3 million, increasing Project 720 resources from \$4.7 million to \$9 million, to allow up to 30 more schools to participate.

- **Helping more high school students earn college credit**

With \$5 million in first-ever Dual Enrollment funding in 2005-06, an estimated 20,000 Pennsylvania students in 220 school districts are earning college credit even

Program Revision: Investing in Our Students' Success (continued)

as they complete their high school graduation requirements. This Program Revision increases Dual Enrollment funding by \$2 million so that an additional 3,000 students can get a head start on post-secondary success.

Accountability for Results

Pennsylvania's schools and districts have received a historic increase in resources over the last three years, and with those needed funds must come real accountability. This Program Revision provides \$2 million for annual incentive bonuses for principals and superintendents who meet set targets for increasing student learning in reading and math. Success would be measured on progress with the greatest rewards going to successful principals and superintendents who serve in the most high-need communities. Successful schools or districts also would receive an amount equal to the incentive bonus to invest in academic programs.

Improving Teacher Quality

This Program Revision provides \$1.2 million to help 500 Pennsylvania teachers earn National Board certification. The Commonwealth will pay the registration fee and provide paid leave and technical assistance as teachers go through the rigorous certification process. Teachers in low-achieving school districts, high school math and science teachers and early childhood teachers will receive first priority, and will be required to teach in Pennsylvania public schools for at least two years after receiving National Board certification. This investment will bring Pennsylvania from 45th to 31st place in this certification among the states, and - most important - ensure that our students have the excellent teachers they need.

With these additional investments educators will be better able to prepare our students to meet the new and more rigorous academic standards and to acquire the skills needed to succeed in the workplace and the community.

Enhanced Education Funding

- **Basic Education: Ensuring School Funding Promotes Educational Equity**

This Program Revision recommends an additional \$224.6 million, a five percent increase, for Basic Education Funding. Governor Rendell's *Foundation Level* funding approach targeted extra educational subsidy funding to assist districts in boosting their spending toward the statewide foundation level. This Program Revision continues that targeted funding. As a result, more than 50 percent of school districts that have historically not been able to generate sufficient funds to offer an adequately funded kindergarten through grade 12 educational experience are now above the \$8,500 level and moving closer to spending at least \$9,000 per pupil. The number of school districts

spending less than \$8,500 per pupil is shrinking, and this Program Revision helps those districts to move significantly towards the foundation level.

The proposal distributes \$80 million among all school districts based on their wealth and enrollment. An additional \$64 million is provided to 159 school districts to assist them in boosting spending toward the statewide foundation level. The proposal also provides \$55 million to assist school districts with limited local wealth and \$4.5 million to assist smaller, less affluent school districts. The proposal also includes \$10 million for those districts with a significant percent of children identified as limited English proficient. School districts are eligible for an Inflation Index Supplement totaling \$7.2 million to help 159 districts keep up with inflation. The proposal also includes \$500,000 for growing districts with a declining local tax base. Finally, the proposal provides approximately \$3.5 million to guarantee that each district will receive a minimum two percent funding increase over the previous year.

Since 2002-03, funding for Basic Education will have increased 15.4 percent or \$630.5 million with the addition of \$224.6 million recommended in this Program Revision.

- **Special Education**

This Program Revision recommends \$38.1 million, a four percent increase, for Special Education programs in Pennsylvania's schools. This proposal distributes approximately \$20.9 million based on the relative wealth of each school district, and \$487,000 to help school districts keep up with inflation. At a minimum, all school districts will receive at least a two 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 increases the contingency fund set-aside to two percent of the appropriation.

Investing in our Children, Investing in our Future

This Program Revision continues the Commonwealth's significant investment in education by strengthening and expanding successful programs and new and innovative strategies to enhance educational opportunities and provide quality education to all Pennsylvania's children. More children will benefit from proven programs like full day kindergarten, struggling school districts will have help to get back on track, teachers will have increased access to quality tools and professional development and schools will be better equipped to meet demanding academic standards and to prepare students to be successful in the emerging global economy. These additional investments will move the Commonwealth even closer to achieving educational success – and opening the doors of opportunity – for every Pennsylvanian.

Program Revision: Investing in Our Students' Success (continued)

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Elementary schools upgrading science curriculum Program Revision | 0 | 0 | 150 | 150 | 150 | 150 | 150 |
| High schools with Internet-equipped laptop computers on student desks Program Revision | 0 | 0 | 100 | 200 | 300 | 400 | 501 |
| Additional children receiving Head Start services Program Revision | 0 | 0 | 1,540 | 5,990 | 8,990 | 11,990 | 11,990 |
| Additional children receiving Early Intervention services Program Revision | 0 | 0 | 2,347 | 3,497 | 4,748 | 6,036 | 7,363 |
| School districts receiving Accountability Block Grant funds Program Revision | 0 | 0 | 501 | 501 | 501 | 501 | 501 |
| Additional schools participating in Project 720 Program Revision | 0 | 0 | 30 | 30 | 30 | 30 | 30 |
| Additional students earning college credit before high school graduation Program Revision | 0 | 0 | 3,000 | 4,000 | 5,000 | 6,000 | 7,000 |

Program Revision Recommendations:

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

| | |
|---|---|
| <p>Dual Enrollment Payments \$ 2,000 — to provide resources to school districts to assist 3,000 additional students earn college credit as they complete their high school graduation requirements.</p> <p>Basic Education Funding \$ 224,609 — to provide a five percent increase for basic education programs and to continue foundation funding to assist school districts in boosting spending toward the statewide foundation level.</p> <p>Pennsylvania Accountability Grants \$ 50,000 — to provide flexible block grant resources for proven programs to help school districts attain or maintain academic performance targets.</p> <p>Head Start Supplemental Assistance \$ 15,000 — to provide resources to federal Head Start providers to expand programs to 1,540 additional children.</p> <p>Science: It's Elementary \$ 10,000 — to provide resources for hands-on learning equipment and intensive teacher training to elementary schools that commit to upgrading their science curriculum.</p> | <p>Classrooms for the Future \$ 20,000 — to provide resources for core-subject high school classrooms in 100 high schools to acquire an Internet-equipped laptop computer on each student desk and multi-media technology at the teacher's fingertips.</p> <p>Teacher Professional Development \$ 10,200 — to provide resources to assist teachers to integrate technology into lessons and daily activities, improve career counseling, increase accountability, and improve teacher quality.</p> <p>Special Education \$ 38,123 — to provide a four percent increase for special education programs.</p> <p>Early Intervention \$ 7,907 — to provide resources to implement a new funding methodology that establishes a benchmark payment per child for program services and to expand early intervention services to 2,347 additional children from ages three through five.</p> <p>High School Reform \$ 4,300 — to provides grants to school districts to transform high schools by increasing the rigor of academic programs and enhancing post-secondary opportunities for students.</p> |
| <hr style="width: 10%; margin-left: auto; margin-right: 0;"/> <p>\$ 382,139 Program Revision Total</p> | |

Program Revision: Investing in Our Students' Success (continued)

Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Dual Enrollment Payments | \$ 0 | \$ 0 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 |
| Basic Education Funding | 0 | 0 | 224,609 | 224,609 | 224,609 | 224,609 | 224,609 |
| Pennsylvania Accountability Grants | 0 | 0 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Head Start Supplemental Assistance | 0 | 0 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Science: It's Elementary | 0 | 0 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Classrooms for the Future | 0 | 0 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Teacher Professional Development | 0 | 0 | 10,200 | 10,200 | 10,200 | 10,200 | 10,200 |
| Special Education | 0 | 0 | 38,123 | 38,123 | 38,123 | 38,123 | 38,123 |
| Early Intervention | 0 | 0 | 7,907 | 7,907 | 7,907 | 7,907 | 7,907 |
| High School Reform | 0 | 0 | 4,300 | 4,300 | 4,300 | 4,300 | 4,300 |
| GENERAL FUND TOTAL | \$ 0 | \$ 0 | \$ 382,139 | \$ 382,139 | \$ 382,139 | \$ 382,139 | \$ 382,139 |

PROGRAM OBJECTIVE: To provide and improve library services to citizens of the Commonwealth, special libraries, and government agencies and employees.

Program: Library Services

The proposed 2006-07 budget brings Pennsylvania's public libraries to their highest funding level in history. The **Public Library Subsidy** increases state funding by \$14.1 million, or 23 percent. The **Public Library Subsidy** supports basic operations in local public libraries, enabling these libraries to provide direct service to meet the demands of Pennsylvania residents for information, education and cultural enrichment. Children's librarians are encouraged, as a result of the research on the importance of brain development and early literacy, to include a focus on early childhood needs of families and children participating in local preschool programs. Pennsylvania is a national leader in its State-level investment in local libraries.

As a result of the state Public Library Subsidy and local library funding in 2005-06:

- Local libraries operated for 1,515,000 hours.
- 37,255,000 patrons visited public libraries.
- 59,810,000 books and other materials were borrowed.

The Public Library Subsidy also supports the district library center program in 29 designated public libraries, which are charged with providing resources and services to the local libraries and residents of their defined geographic areas.

According to the most recent data from the National Center for Education Statistics, Pennsylvania's State appropriation for libraries and the State share of total library expenditures are both among the highest in the nation, yet Pennsylvania is below the national average on the total level of library funding and the share that comes from local government. The State's library funding formula is designed to help address this challenge by encouraging increased local investment in community libraries, as well as high standards for service levels.

The Library Services program also includes: Library Access, the Electronic Library Catalog, Library Services for Visually Impaired and Disabled, and the State Library.

The **Library Access** appropriation supports three program components. First, the Statewide Library Card program allows people to use any participating public library no matter where they live. Second, the Interlibrary Delivery Service (IDS) provides cost-effective delivery of materials between

libraries to encourage resource sharing. Third, Library Access supports the POWER (Pennsylvania Online World of Electronic Resources) Library to provide online periodical and reference databases for use in public and school libraries and by Pennsylvania residents at home.

The **Electronic Library Catalog**, also known as the Access Pennsylvania Database program, supports the development and expansion of the largest union (joint) catalog in North America. This database is a web-based automated catalog of more than 2,797 Pennsylvania libraries and provides access to books, journals and other information held by any participating school, public, college or university library.

Library Services for Visually Impaired and Disabled provides operating funds to Pennsylvania's regional libraries for direct mail services to Pennsylvania residents who are blind or who have a physical disability that prevents them from using 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 program also supports students who require specialized general reading and educational materials.

The **State Library**, located in Harrisburg, is a major resource library serving the State Government, as well as libraries and residents of the Commonwealth. An extensive general and legal reference collection, comprehensive collections of Pennsylvania newspapers and Pennsylvania State and U.S. Government publications are available. Online access is provided to over 300 databases, many of which have full-text articles. The State Library is home to the Rare Books Collection, which is organized around the Assembly Collection that was ordered by Ben Franklin in 1745 when he was Clerk of the Assembly, and includes imprints from colonial times to 1850.

The State Library provides research assistance to State Government by several means. Patrons can request services in person, via the telephone and through the library's webpage. The computer catalog gives all users more rapid access to information about the collection. The State Library's holdings are also available to all Pennsylvania Libraries through the web-based Access Pennsylvania.

Program: Library Services (continued)

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Items accessed-State Library of Pennsylvania (in thousands)* | 291,591 | 294,507 | 297,452 | 300,426 | 303,431 | 306,465 | 309,530 |
| Visits to public libraries (in thousands) | 36,295 | 36,658 | 40,619 | 41,026 | 41,436 | 41,851 | 42,269 |
| Materials borrowed from public libraries (in thousands) | 59,218 | 59,810 | 65,168 | 65,798 | 66,455 | 67,120 | 67,791 |
| Items borrowed from public library children's collections included above (in thousands) | 22,154 | 22,376 | 24,373 | 24,616 | 24,862 | 25,111 | 25,362 |
| Total public library hours open annually (in thousands) | 1,456 | 1,471 | 1,566 | 1,566 | 1,566 | 1,566 | 1,566 |
| Materials borrowed from Libraries for Blind Handicapped (in thousands) | 1,789 | 1,825 | 1,861 | 1,899 | 1,936 | 1,975 | 2,015 |
| POWER Library use-items examined (in thousands)** | 20,571 | 21,600 | 22,680 | 23,814 | 25,004 | 29,254 | 27,567 |
| Items loaned under the Statewide Library ACCESS program | 13,605 | 14,475 | 14,620 | 14,766 | 14,914 | 15,063 | 15,213 |

*Retitled measure.

**New program measure.

Program Recommendations:

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

| | |
|---|--|
| <p>GENERAL FUND State Library \$ 198 —to continue current program.</p> <p>Public Library Subsidy \$ 14,138 —Initiative— Enhanced Public Library Services. To provide enhanced support for local public library operating budgets and to create stronger incentives for local governments to invest in their public libraries.</p> <p>Recording for the Blind and Dyslexic \$ -70 —nonrecurring project.</p> | <p>All other appropriations are recommended at current year funding levels.</p> <p>KEYSTONE RECREATION, PARK AND CONSERVATION FUND: Local Libraries Rehabilitation and Development (94-04)(EA) \$ -5,198 —nonrecurring projects from prior years.</p> <p>Local Libraries Rehabilitation and Development (Current Year) (EA) \$ 603 —to continue current program.</p> |
|---|--|

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| State Library | \$ 4,134 | \$ 4,336 | \$ 4,534 | \$ 4,534 | \$ 4,534 | \$ 4,534 | \$ 4,534 |
| Public Library Subsidy | 57,914 | 61,362 | 75,500 | 75,500 | 75,500 | 75,500 | 75,500 |
| Library Services for the Visually Impaired and Disabled | 2,965 | 2,965 | 2,965 | 2,965 | 2,965 | 2,965 | 2,965 |
| Recording for the Blind and Dyslexic | 70 | 70 | 0 | 0 | 0 | 0 | 0 |
| Library Access | 7,386 | 7,386 | 7,386 | 7,386 | 7,386 | 7,386 | 7,386 |
| Electronic Library Catalog | 3,842 | 3,842 | 3,842 | 3,842 | 3,842 | 3,842 | 3,842 |
| TOTAL GENERAL FUND | \$ 76,311 | \$ 79,961 | \$ 94,227 | \$ 94,227 | \$ 94,227 | \$ 94,227 | \$ 94,227 |
| KEYSTONE RECREATION, PARK AND CONSERVATION FUND: | | | | | | | |
| Local Libraries Rehabilitation and Development (94-04) (EA) | \$ 2,872 | \$ 5,198 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Local Libraries Rehabilitation and Development (Current Year) (EA) | 2,774 | 3,397 | 4,000 | 3,723 | 3,874 | 4,011 | 4,171 |
| KEYSTONE RECREATION, PARK AND CONSERVATION FUND | \$ 5,646 | \$ 8,595 | \$ 4,000 | \$ 3,723 | \$ 3,874 | \$ 4,011 | \$ 4,171 |

PROGRAM OBJECTIVE: To fulfill Pennsylvania's requirements for graduates of higher education programs, to respond to the demands of students for higher education and to support the public institutions providing those programs.

Program: Higher Education

Higher education in Pennsylvania is provided through 271 degree-granting institutions that include the universities of the State System of Higher Education, the state-related universities, the community colleges, the Commonwealth's private colleges and universities, the State affiliated Thaddeus Stevens College of Technology, and specialized associate

degree-granting institutions. Funding for these institutions is through direct grant appropriations and through state-funded student grant programs administered by the Pennsylvania Higher Education Assistance Agency (PHEAA).

Table 1
Full-Time Equivalent Enrollments at State-Supported Institutions of Higher Education, Actual and Projected

| Institutional Category | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| State System of Higher Education | 98,657 | 99,667 | 100,758 | 101,654 | 102,432 | 103,244 | 104,068 |
| Community Colleges | 88,494 | 91,236 | 93,097 | 94,664 | 96,545 | 98,759 | 101,184 |
| State-Related Universities | 140,697 | 140,825 | 141,081 | 141,277 | 141,430 | 141,579 | 141,739 |
| Non-State Related Universities & Colleges ... | 43,106 | 43,823 | 44,633 | 45,282 | 45,849 | 46,346 | 46,860 |
| TOTAL | 370,954 | 375,551 | 379,569 | 382,877 | 386,256 | 389,928 | 393,851 |

Program Element: State System of Higher Education

Funding for the 14 universities of the State System of Higher Education is distributed through the Office of the Chancellor to the individual universities in accordance with a formula that considers student enrollment, programs of the school and the operational cost of the individual campuses. Although each university has an individual mission, they all provide teacher education, a broad liberal arts curriculum, and most offer the master degree level of study in their programs.

Program Element: Community Colleges

The funding formula for the community colleges is stipulated in Act 46 of 2005. Funding is shared by sponsoring counties or school districts, the students through tuition payments and the Commonwealth. Commonwealth appropriations are based on a formula that ensures predictable base operating funding, provides a supplement for enrollment growth, provides a stipend for students enrolled in economic development programs that focus on high priority occupations and recognizes the capital costs of the colleges. The colleges offer two-year liberal arts curricula, two-year programs in technologies, and other programs in career areas that culminate in an associate degree or certificate and non-degree programs. They play a major role in the Commonwealth's workforce development initiative.

Program Element: State-related Universities

Funding for the four State-related universities — the

Pennsylvania State University, the University of Pittsburgh, Temple University and Lincoln University — provides basic support for their educational programs. The first three of these Commonwealth universities are major research universities; they provide programs to the doctoral level in varied academic disciplines and professional schools in podiatry, medicine, dentistry and law. The fourth, Lincoln University, provides programs in numerous disciplines at the baccalaureate and master's degree levels.

Program Element: Enrollment and Degree Programs

In 2004, of 141,053 high school graduates, 104,663, or approximately 74%, planned to attend a degree-granting postsecondary institution. This is a significant improvement over the past decade when only slightly more than half of Pennsylvania high school graduates indicated they planned to attend a postsecondary institution. Participation rates of non-traditional students and part-time students also continue to increase. Full-time equivalent enrollment in State-supported colleges and universities has been rising and will continue to increase in the immediate future at levels in excess of two percent annually with that trend differing from sector to sector. Community College growth, for example, has been much more dramatic. This overall growth is not only the result of minor growth in the population of traditional age students but is especially due to the increase in participation rates of non-traditional and part-time students.

Program: Higher Education (continued)

Table 2
Full-Time Enrollments by Subject Area at State-Supported Institutions of Higher Education, Actual and Projected

| Subject Area | Number and Percent of Total | 2004-05 Actual | 2005-06 Projected | 2006-07 Projected | 2007-08 Projected | 2008-09 Projected | 2009-10 Projected | 2010-11 Projected | Percent Change |
|---|-----------------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------|
| Agricultural and Natural Resources | # % | 3,510 0.95% | 3,485 0.93% | 3,497 0.92% | 3,506 0.92% | 3,513 0.91% | 3,526 0.90% | 3,534 0.90% | 0.68% |
| Arts and Letters | # % | 76,063 20.50% | 77,062 20.52% | 77,757 20.49% | 78,613 20.53% | 79,487 20.58% | 80,460 20.63% | 81,506 20.69% | 7.16% |
| Business, Management and Data Processing | # % | 53,488 14.42% | 54,338 14.47% | 54,991 14.49% | 55,264 14.43% | 55,758 14.44% | 56,282 14.43% | 56,760 14.41% | 6.12% |
| Communications and Related Technologies | # % | 14,144 3.81% | 14,233 3.79% | 14,361 3.78% | 14,468 3.78% | 14,547 3.77% | 14,632 3.75% | 14,731 3.74% | 4.15% |
| Computer and Information Sciences | # % | 13,038 3.51% | 13,308 3.54% | 13,470 3.55% | 13,607 3.55% | 13,753 3.56% | 13,922 3.57% | 14,118 3.58% | 8.28% |
| Education | # % | 34,129 9.20% | 34,766 9.26% | 35,122 9.25% | 35,456 9.26% | 35,753 9.26% | 36,087 9.25% | 36,477 9.26% | 6.88% |
| Engineering, Architecture and Environmental Design | # % | 17,760 4.79% | 17,896 4.77% | 18,009 4.74% | 18,087 4.72% | 18,174 4.71% | 18,262 4.68% | 18,359 4.66% | 3.37% |
| Engineering Technologies and Related Technologies | # % | 6,589 1.78% | 6,457 1.72% | 6,604 1.74% | 6,705 1.75% | 6,785 1.76% | 6,876 1.76% | 6,974 1.77% | 5.84% |
| Health Professions, Health Sciences and Biological Sciences | # % | 56,969 15.36% | 58,264 15.51% | 59,053 15.56% | 59,631 15.57% | 60,180 15.58% | 60,816 15.60% | 61,510 15.62% | 7.97% |
| Home Economics, Human Services and Public Affairs | # % | 27,494 7.41% | 27,295 7.27% | 27,643 7.28% | 27,880 7.28% | 28,143 7.29% | 28,437 7.29% | 28,739 7.30% | 4.53% |
| Industrial, Repair, Construction and Transport Technologies | # % | 3,470 0.94% | 3,680 0.98% | 3,816 1.01% | 4,003 1.05% | 4,137 1.07% | 4,196 1.08% | 4,261 1.08% | 22.80% |
| Law | # % | 5,390 1.45% | 5,296 1.41% | 5,320 1.40% | 5,345 1.40% | 5,371 1.39% | 5,410 1.39% | 5,442 1.38% | 0.96% |
| Physical Sciences, Mathematics and Related Technologies | # % | 15,893 4.28% | 15,897 4.23% | 15,966 4.21% | 16,022 4.18% | 16,086 4.16% | 16,152 4.14% | 16,220 4.12% | 2.06% |
| Social Sciences, Psychology, Area Studies and Foreign Languages | # % | 37,950 10.23% | 38,371 10.22% | 38,630 10.18% | 38,857 10.15% | 39,056 10.11% | 39,271 10.07% | 39,509 10.03% | 4.11% |
| Multi-Interdisciplinary Studies/ Military Sciences | # % | 5,067 1.37% | 5,203 1.39% | 5,330 1.40% | 5,433 1.42% | 5,513 1.43% | 5,599 1.44% | 5,711 1.45% | 12.71% |
| TOTAL | | 370,954 | 375,551 | 379,569 | 382,877 | 386,256 | 389,928 | 393,851 | 6.17% |

Percentages in some columns may not total to 100.00% due to rounding.

The Department of Education and PHEAA communicate with school districts to disseminate information to students and their parents about the importance of post secondary education, choices available to students, financial aid available and the high school preparation required.

Combined with higher education enrollment size, the diversity of enrollments by discipline will shape the future of higher education. Table 2 shows projections of enrollment in all sectors of higher education from 2004-05 through 2010-11. It reflects the increased choices of career-oriented disciplines with good employment rates such as business,

management, data processing and health professions, but also reflects slower than anticipated growth in the engineering technology and industrial technologies enrollments.

From Table 3 it can be seen that the State-supported universities and colleges graduated over 82,000 students in 2004-05 with degrees ranging from the two-year associate degree to doctoral and professional degrees. Pennsylvania degree graduates from both the public and private sectors totaled over 131,000.

Program: Higher Education (continued)

Table 3
Higher Education Degrees Awarded by State-Supported
and Private Institutions of Higher Education,
Actual and Projected

| Institutional Category | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| State-Supported: | | | | | | | |
| State System of Higher Education | 20,699 | 21,067 | 21,339 | 21,597 | 21,881 | 22,160 | 22,397 |
| Community Colleges | 12,882 | 13,115 | 13,473 | 13,807 | 13,949 | 14,237 | 14,552 |
| State-Related Universities | 35,334 | 35,447 | 35,608 | 35,670 | 35,688 | 35,743 | 35,801 |
| Non-State Related Universities & Colleges | 13,397 | 13,828 | 14,266 | 14,555 | 14,866 | 15,040 | 15,179 |
| Non-State-Supported: | | | | | | | |
| Private Universities & Colleges | 49,520 | 50,758 | 52,027 | 53,327 | 54,661 | 56,027 | 57,428 |
| TOTAL | 131,832 | 134,215 | 136,713 | 138,956 | 141,045 | 143,207 | 145,357 |

Program Element: Support for Educationally Disadvantaged and Minority Students

The Higher Education Equal Opportunity Program, under Act 101 of 1971, provides grants to colleges for tutorial and counseling services for economically and educationally disadvantaged students to aid them in succeeding in college.

In 1996, the Pennsylvania Department of Education and the United States Department of Education, Office of Civil Rights, embarked on a cooperative agreement designed to assess and address the continued challenges in providing higher education opportunities for African American students in Pennsylvania. Funding is included in this subcategory and in the capital budget to further assist with the cost of recruitment and retention of minority students, to provide for an affirmative action program at the State System of Higher Education and to continue infrastructure improvements at Cheyney and Lincoln Universities. Further funding is provided for a post-baccalaureate scholarship program directed at the achievement of a terminal professional degree for recent graduates of Cheyney University and Lincoln University. This scholarship program funding is made available through a program administered at these universities and disbursed through PHEAA.

Program Element: Research

An essential ingredient for a healthy economy and the creation of new jobs in any region is the existence of vigorous research universities. Regions with the most dynamic economies are those where research and development investments have been significant. The research university not only provides new ideas, technologies and products to industry, but also educates and motivates graduates to turn those ideas, technologies and products into industry and jobs.

While the University of Pittsburgh and Temple University are also major research universities, the Pennsylvania State University is the primary recipient of direct research funds designated by the Commonwealth to support research in agriculture, engineering, biological and physical sciences, earth and mineral sciences, health and human services, and other disciplines. Pennsylvania State University is the Commonwealth's Federally designated land-grant university, and as such has received funds designated for agricultural

research since 1901.

The continued State support for organized research is a means of promoting a responsive position on the constantly changing needs of the Commonwealth. In this regard, colleges and universities play a major role in the economic development of the Commonwealth through the creation of a climate that attracts new high technology industries to the State.

Program Element: Community Service

Public and community services are provided by all sectors of higher education and include short-term courses, workshops and programs in the arts. The bulk of Commonwealth funding in this area supports the Cooperative Extension Service of Pennsylvania State University. This service offers consultation to any State resident on agricultural or environmental issues. It operates the Agricultural Extension Computer Network with a computer in every county cooperative extension service office and offers a Statewide network of information linked to the resources of the main campus.

Program Element: Support Services

The Department 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, the State Board of Private Licensed Schools and other governing boards; policy review and development based on comprehensive planning and research; and implementation of the Higher Education Master Plan. The department also partners with other Commonwealth agencies on workforce development strategies. Additionally, the department provides teaching certificates to those seeking certification in Pennsylvania.

Pennsylvania has been a national leader in education reform by introducing concepts of quality performance and accountability in basic and secondary education. This budget will continue these efforts and introduce programmatic initiatives through a combined effort of elementary/secondary and postsecondary and higher education, jointly with the United States Department of Education, to fulfill the initiatives of "No Child Left Behind".

Program: Higher Education (continued)

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---------|---------|---------|---------|---------|---------|---------|
| ACCESS & AFFORDABILITY | | | | | | | |
| Minority enrollment at public institutions | 64,027 | 65,527 | 67,027 | 68,527 | 70,027 | 71,527 | 73,027 |
| Disadvantaged students served by specialized programs | 14,128 | 14,228 | 14,328 | 14,428 | 14,528 | 14,628 | 14,728 |
| OUTCOMES | | | | | | | |
| Six-year graduation rate for full-time, first-time students at State System institutions | 55.6% | 56.3% | 57.0% | 57.7% | 58.4% | 59.1% | 60.1% |
| Six-year graduation rate for full-time, first-time students at State-related institutions | 63.5% | 64.4% | 65.3% | 66.5% | 67.8% | 68.8% | 69.9% |
| Three-year graduation rate for full-time, first-time students at community colleges. | 14.7% | 14.9% | 15.0% | 15.1% | 15.2% | 15.3% | 15.4% |

Program Recommendations:

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

| | |
|---|---|
| <p>GENERAL FUND:</p> <p>Community Colleges —to continue current program.</p> <p>\$ 8,462</p> <p>Transfer to Community College Capital Fund —to continue current program.</p> <p>\$ 4,142</p> <p>Regional Community Colleges Services —nonrecurring project.</p> <p>\$ -750</p> <p>Higher Education Assistance —nonrecurring projects.</p> <p>\$ -5,001</p> <p>Engineering Equipment Grants —nonrecurring project.</p> <p>\$ -1,000</p> <p>Dormitory Sprinklers —program reduction.</p> <p>\$ -250</p> <p>Community Education Councils —nonrecurring projects.</p> <p>\$ -625</p> <p>Thaddeus Stevens College of Technology —nonrecurring project. 369 —to continue current program.</p> <hr/> <p>\$ -1,531 <i>Appropriation Decrease</i></p> | <p>State System of Higher Education (SSHE) —to provide an increase in State support.</p> <p>\$ 17,991</p> <p>Pennsylvania State University —to provide an increase in State support.</p> <p>\$ 10,373</p> <p>University of Pittsburgh —to provide an increase in State support.</p> <p>\$ 5,825</p> <p>Temple University —to provide an increase in State support.</p> <p>\$ 6,472</p> <p>Lincoln University —to provide an increase in State support.</p> <p>\$ 517</p> <p>Non-State-related Universities and Colleges —to provide an increase in State support.</p> <p>\$ 2,499</p> <p>Non-State-related Institutions —to provide an increase in State support and nonrecurring costs for Berean-Rental payments.</p> <p>\$ -35</p> <p>KEYSTONE RECREATION, PARK AND CONSERVATION FUND: State System of Higher Education - Deferred Maintenance (EA) —to continue current program.</p> <p>\$ 1,357</p> |
|---|---|

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

Program: Higher Education (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Community Colleges | \$ 226,281 | \$ 214,217 | \$ 222,679 | \$ 222,679 | \$ 222,679 | \$ 222,679 | \$ 222,679 |
| Transfer to Community College Capital Fund | 4,800 | 37,864 | 42,006 | 42,006 | 42,006 | 42,006 | 42,006 |
| Regional Community Colleges Services | 750 | 750 | 0 | 0 | 0 | 0 | 0 |
| Higher Education for the Disadvantaged .. | 9,320 | 9,320 | 9,320 | 9,320 | 9,320 | 9,320 | 9,320 |
| Higher Education of Blind or Deaf Students | 54 | 54 | 54 | 54 | 54 | 54 | 54 |
| Higher Education Assistance | 2,576 | 5,001 | 0 | 0 | 0 | 0 | 0 |
| Enhanced Technology Initiative | 1,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Engineering Equipment Grants | 1,000 | 1,000 | 0 | 0 | 0 | 0 | 0 |
| Dormitory Sprinklers | 500 | 500 | 250 | 250 | 250 | 250 | 250 |
| Community Education Councils | 1,968 | 1,968 | 1,343 | 1,343 | 1,343 | 1,343 | 1,343 |
| Thaddeus Stevens College of Technology | 10,087 | 10,108 | 8,577 | 8,577 | 8,577 | 8,577 | 8,577 |
| State System of Higher Education | 453,628 | 465,197 | 483,188 | 483,188 | 483,188 | 483,188 | 483,188 |
| Pennsylvania State University | 317,179 | 312,026 | 322,399 | 322,399 | 322,399 | 322,399 | 322,399 |
| University of Pittsburgh | 168,768 | 157,234 | 163,059 | 163,059 | 163,059 | 163,059 | 163,059 |
| Temple University | 169,989 | 162,234 | 168,706 | 168,706 | 168,706 | 168,706 | 168,706 |
| Lincoln University | 12,619 | 12,934 | 13,451 | 13,451 | 13,451 | 13,451 | 13,451 |
| Non-State-related Universities and Colleges | 81,783 | 83,278 | 85,777 | 85,777 | 85,777 | 85,777 | 85,777 |
| Non-State-related Institutions | 1,761 | 1,796 | 1,761 | 1,761 | 1,761 | 1,761 | 1,761 |
| TOTAL GENERAL FUND | \$ 1,464,063 | \$ 1,475,481 | \$ 1,522,570 | \$ 1,522,570 | \$ 1,522,570 | \$ 1,522,570 | \$ 1,522,570 |
| KEYSTONE RECREATION, PARK AND CONSERVATION FUND: | | | | | | | |
| State System of Higher Education — Deferred Maintenance (EA) | \$ 14,593 | \$ 16,652 | \$ 18,009 | \$ 16,753 | \$ 17,432 | \$ 18,048 | \$ 18,769 |



EMERGENCY MANAGEMENT AGENCY

The Pennsylvania Emergency Management Agency develops and maintains a comprehensive plan and program for the civil defense of the Commonwealth. Primarily the plan calls for the protection of life and property both prior to and in the event of natural and other disasters. The agency, through the Office of the State Fire Commissioner, provides loans to volunteer fire, ambulance and rescue companies, and coordinates State fire services. The Emergency Management Agency also administers post-disaster aid to affected localities and citizens.

Emergency Management Agency

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

2004-05 2005-06 2006-07
ACTUAL AVAILABLE BUDGET

GENERAL FUND:

General Government:

| | | | |
|---|-------------------|-------------------|-------------------|
| General Government Operations..... | \$ 6,980 | \$ 5,838 | \$ 5,886 |
| (F)Civil Preparedness..... | 7,424 | 9,570 | 6,847 |
| (F)Flash Flood Project - Warning System..... | 170 | 95 | 0 |
| (F)Hazardous Materials Planning and Training..... | 408 | 408 | 405 |
| (F)Domestic Preparedness - First Responders (EA)..... | 145,699 | 230,000 | 87,699 |
| (F)Homeland Security Activities (EA)..... | 10,000 | 0 | 0 |
| (F)Incident Response Reporting (EA)..... | 950 | 500 | 750 |
| (F)Bioterrorism Preparedness Training (EA)..... | 50 | 98 | 0 |
| (A)Statewide Radio Project Operations..... | 0 | 78 | 77 |
| (A)Nuclear Facility..... | 80 | 67 | 67 |
| (A)E-911 Emergency Services..... | 0 | 100 | 0 |
| (A)Purchasing Card Rebate..... | 6 | 0 | 0 |
| Avian Flu / Pandemic Preparedness..... | 0 | 0 | 500 |
| (F)Avian Flu and Pandemic Preparedness (F)..... | 0 | 0 | 12,250 |
| Information Systems Management..... | 1,151 | 1,151 | 1,103 |
| Subtotal..... | \$ 172,918 | \$ 247,905 | \$ 115,584 |
| State Fire Commissioner..... | 2,026 | 2,026 | 2,026 |
| (F)Fire Prevention..... | 30 | 66 | 66 |
| (F)Assistance to Firefighters Grant Program..... | 0 | 38 | 38 |
| (A)Fire Academy Fees..... | 97 | 298 | 298 |
| (A)Arson Fines..... | 1 | 2 | 2 |
| Subtotal..... | \$ 2,154 | \$ 2,430 | \$ 2,430 |
| Security..... | 1,557 | 1,132 | 1,132 |
| Subtotal - State Funds..... | \$ 11,714 | \$ 10,147 | \$ 10,647 |
| Subtotal - Federal Funds..... | 164,731 | 240,775 | 108,055 |
| Subtotal - Augmentations..... | 184 | 545 | 444 |
| Total - General Government..... | \$ 176,629 | \$ 251,467 | \$ 119,146 |

Grants and Subsidies:

| | | | |
|--|--------------|-----------------------|----------|
| (F)Hazard Mitigation Grants 1994 Winter Disaster (EA)..... | \$ 1,200 | \$ 0 | \$ 0 |
| (F)January 1996 Flood Disaster (EA)..... | 500 | 0 | 0 |
| (F)Hazard Mitigation Grants - January 1996 Flood (EA)..... | 1,100 | 0 | 0 |
| (F)July 1996 Storm Disaster - Public Assistance (EA)..... | 500 | 0 | 0 |
| (F)July 1996 Storm Disaster - Hazard Mitigation (EA)..... | 50 | 0 | 0 |
| (F)August 1999 Flood Disaster - Hazard Mitigation (EA)..... | 95 | 0 | 0 |
| (F)August 1999 Flood Disaster - Public Assistance (EA)..... | 20 | 0 | 0 |
| (F)September 1999 Tropical Storm Disaster-Public Assistance(EA)..... | 1,500 | 315 | 0 |
| September 1999 Tropical Storm Disaster-Hazard Mitigation..... | 1,000 | 0 | 0 |
| (F)September 1999 Tropical Storm Disaster-Hazard Mitigation(EA)..... | 7,000 | 9,400 | 0 |
| (F)June 2001 Storm Disaster - Public Assistance (EA)..... | 3,000 | 2,000 | 0 |
| (F)June 2001 Disaster - Hazard Mitigation (EA)..... | 3,000 | 0 | 0 |
| (F)February 2003 Snow Storm Disaster (EA)..... | 0 | 350 | 0 |
| July 2003 Storm Relief..... | 720 | 75^a | 0 |
| (F)July 2003 Storm Disaster - Hazard Mitigation (EA)..... | 2,000 | 2,500 | 225 |
| (F)July 2003 Storm Disaster - Public Assistance (EA)..... | 0 | 5,000 | 16,600 |
| August 2004 Storm Relief (6/08)..... | 150 | 100 | 0 |
| (F)August 2004 Storm Disaster - Hazard Mitigation (EA)..... | 1,000 | 1,000 | 0 |
| August 2004 Storm Disaster - Public Assistance (6/08)..... | 0 | 100 | 0 |
| (F)August 2004 Storm Disaster - Public Assistance (EA)..... | 1,000 | 1,000 | 0 |
| September 2004 Storm Relief (6/08)..... | 500 | 100 | 0 |
| (F)September 2004 Tropical Storm Frances-Hazard Mitigation (EA)..... | 1,000 | 1,000 | 0 |
| (F)September 2004 Tropical Storm Frances-Public Assistance (EA)..... | 1,000 | 500 | 0 |
| (F)September 2004 Tropical Storm Ivan - Hazard Mitigation (EA)..... | 1,000 | 7,000 | 4,500 |
| September 2004 Tropical Storm Ivan - Public Assistance..... | 8,960 | 0 | 0 |
| (F)September 2004 Tropical Storm Ivan - Public Assistance (EA)..... | 80,000 | 40,000 | 20,000 |

Emergency Management Agency

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| Hazard Mitigation (6/08) | 0 | 4,035 | 3,500 |
| Sept 2004 Tropical Storm Ivan-Public Asst State Match (6/08) | 5,000 | 5,000 | 0 |
| April 2005 Storm Disaster - Public Assistance (6/08) | 0 | 2,530 | 0 |
| April 2005 Storm Relief | 100 | 0 | 0 |
| (F)April 2005 Storm Disaster - Public Assistance (EA)..... | 16,000 | 40,000 | 10,000 |
| September 2005 Hurricane Katrina-EMAC | 0 | 2,000 | 0 |
| (F)September 2005 Hurricane Katrina - Disaster (EA)..... | 0 | 50,000 | 0 |
| Firefighters' Memorial Flag | 10 | 10 | 10 |
| Volunteer Company Grants | 25,000 | 25,000 | 0 |
| Red Cross Extended Care Program | 1,000 | 500 | 500 |
| Subtotal - State Funds..... | \$ 42,440 | \$ 39,450 | \$ 4,010 |
| Subtotal - Federal Funds..... | 120,965 | 160,065 | 51,325 |
| Total - Grants and Subsidies..... | \$ 163,405 | \$ 199,515 | \$ 55,335 |
| STATE FUNDS..... | \$ 54,154 | \$ 49,597 | \$ 14,657 |
| FEDERAL FUNDS..... | 285,696 | 400,840 | 159,380 |
| AUGMENTATIONS..... | 184 | 545 | 444 |
| GENERAL FUND TOTAL | \$ 340,034 | \$ 450,982 | \$ 174,481 |
| <u>MOTOR LICENSE FUND:</u> | | | |
| <i>Grants and Subsidies:</i> | | | |
| September 2004 Tropical Storm Ivan - Public Assistance..... | \$ 0 | \$ 12,500 | \$ 0 |
| <u>OTHER FUNDS:</u> | | | |
| GENERAL FUND: | | | |
| Emergency Management and Disaster Assistance..... | \$ 2,699 | \$ 0 | \$ 2,500 |
| Radiological Emergency Response Planning..... | 532 | 600 | 600 |
| Radiation Emergency Response Fund..... | 466 | 500 | 500 |
| GENERAL FUND TOTAL | \$ 3,697 | \$ 1,100 | \$ 3,600 |
| DISASTER RELIEF FUND: | | | |
| January 1996 Disaster Bond Proceeds-Mitigation (EA)..... | \$ 0 | \$ 900 | \$ 0 |
| HAZARDOUS MATERIAL RESPONSE FUND: | | | |
| General Operations..... | \$ 117 | \$ 117 | \$ 117 |
| Hazardous Materials Response Team..... | 417 | 417 | 417 |
| Grants to Counties..... | 824 | 824 | 824 |
| Public and Facilities Owners Education..... | 117 | 117 | 117 |
| HAZARDOUS MATERIAL RESPONSE FUND TOTAL | \$ 1,475 | \$ 1,475 | \$ 1,475 |
| STATE GAMING FUND: | | | |
| Volunteer Company Grants (EA)..... | \$ 0 | \$ 0 | \$ 25,000 |
| VOLUNTEER COMPANIES LOAN FUND: | | | |
| Volunteer Company Loans..... | \$ 15,840 | \$ 17,500 | \$ 17,500 |
| WIRELESS E-911 EMERGENCY SERVICES FUND: | | | |
| General Operations..... | \$ 1,100 | \$ 1,100 | \$ 1,100 |
| Wireless E-911 Emergency Services Grants..... | 25,000 | 124,000 | 94,000 |
| WIRELESS E-911 EMERGENCY SERVICES FUND TOTAL | \$ 26,100 | \$ 125,100 | \$ 95,100 |

Emergency Management Agency

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
|------------------------------|-------------------|----------------------|-------------------|
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 54,154 | \$ 49,597 | \$ 14,657 |
| SPECIAL FUNDS..... | 0 | 12,500 | 0 |
| FEDERAL FUNDS..... | 285,696 | 400,840 | 159,380 |
| AUGMENTATIONS..... | 184 | 545 | 444 |
| OTHER FUNDS..... | 47,112 | 146,075 | 142,675 |
| TOTAL ALL FUNDS..... | \$ 387,146 | \$ 609,557 | \$ 317,156 |

^a Includes recommended supplemental of \$75,000.

^b Includes recommended supplemental of \$25,000,000.

Emergency Management Agency

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|-----------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| EMERGENCY MANAGEMENT | | | | | | | |
| GENERAL FUND..... | \$ 26,118 | \$ 22,061 | \$ 12,121 | \$ 12,121 | \$ 12,121 | \$ 12,121 | \$ 12,121 |
| SPECIAL FUNDS..... | 0 | 12,500 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 285,666 | 400,736 | 159,276 | 147,026 | 147,026 | 147,026 | 147,026 |
| OTHER FUNDS..... | 5,258 | 3,720 | 30,219 | 30,219 | 30,219 | 30,219 | 30,219 |
| SUBCATEGORY TOTAL..... | \$ 317,042 | \$ 439,017 | \$ 201,616 | \$ 189,366 | \$ 189,366 | \$ 189,366 | \$ 189,366 |
| FIRE PREVENTION AND SAFETY | | | | | | | |
| GENERAL FUND..... | \$ 28,036 | \$ 27,536 | \$ 2,536 | \$ 2,536 | \$ 2,536 | \$ 2,536 | \$ 2,536 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 30 | 104 | 104 | 104 | 104 | 104 | 104 |
| OTHER FUNDS..... | 42,038 | 142,900 | 112,900 | 112,900 | 112,900 | 112,900 | 112,900 |
| SUBCATEGORY TOTAL..... | \$ 70,104 | \$ 170,540 | \$ 115,540 | \$ 115,540 | \$ 115,540 | \$ 115,540 | \$ 115,540 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 54,154 | \$ 49,597 | \$ 14,657 | \$ 14,657 | \$ 14,657 | \$ 14,657 | \$ 14,657 |
| SPECIAL FUNDS..... | 0 | 12,500 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 285,696 | 400,840 | 159,380 | 147,130 | 147,130 | 147,130 | 147,130 |
| OTHER FUNDS..... | 47,296 | 146,620 | 143,119 | 143,119 | 143,119 | 143,119 | 143,119 |
| DEPARTMENT TOTAL..... | \$ 387,146 | \$ 609,557 | \$ 317,156 | \$ 304,906 | \$ 304,906 | \$ 304,906 | \$ 304,906 |

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, 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. 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. The comprehensive exercise program is an extensive and integrated training and testing program that enhances and measures the ability of county and local forces to provide a comprehensive and coordinated first line of response to emergency conditions. The agency coordinates urban search and rescue capabilities for response to certain types of disasters. Regional rapid assessment teams are trained to provide assessment of needs in disaster areas. The agency coordinates regional counter-terrorism task forces and incident support teams. The agency is constructing a resource database and an online disaster information center so that information can be provided in a timely manner to State and county entities.

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.

Act 56 of 2003 establishes the Wireless E-911 Emergency Services Fund which provides for the collection of a monthly surcharge on wireless telephone customers to support a Statewide integrated wireless E-911 system. The surcharge will fund grants to public safety answering points to upgrade 911 technology enabling emergency responders to locate emergency calls from wireless telephones.

Emergency Management Agency

Program: Emergency Management (continued)

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|-----------|-----------|----------|-----------|-----------|-----------|-----------|
| County/Local Emergency plans developed | 1,009 | 1,100 | 1,100 | 1,100 | 1,100 | 1,150 | 1,150 |
| Emergency management training recipients | 6,500 | 7,000 | 7,000 | 7,000 | 7,000 | 7,100 | 7,100 |
| Emergency management grants | 445 | 445 | 445 | 445 | 445 | 445 | 445 |
| Emergency exercise participants | 797,000 | 800,000 | 800,000 | 800,000 | 800,000 | 800,000 | 800,000 |
| Responses to Statewide emergency incidents | 6,782 | 7,200 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 |
| Federal disaster funds disbursed (in thousands) | \$120,965 | \$160,065 | \$51,325 | \$100,000 | \$100,000 | \$100,000 | \$100,000 |

Federal disaster funds disbursed increased due to damage caused by recent hurricanes and storms, and support provided for Hurricane Katrina evacuees.

Program Recommendations:

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

| | | | |
|--|---|--|---|
| <p>\$ 48</p> <p>\$ 500</p> <p>\$ -48</p> <p>\$ -75</p> <p>\$ -100</p> <p>\$ -100</p> | <p>General Government Operations —to continue current program.</p> <p>Avian Flu / Pandemic Preparedness —Initiative—Avian Flu/Pandemic Preparedness. To continue preparation for a potential avian flu or other pandemic event.</p> <p>Information Systems Management —to continue current program.</p> <p>July 2003 Storm Relief —State match for federally funded projects.</p> <p>August 2004 Storm Relief (06/08) —nonrecurring program costs.</p> <p>August 2004 Storm Disaster - Public Assistance (06/08) —nonrecurring program costs.</p> | <p>\$ -100</p> <p>\$ -535</p> <p>\$ -5,000</p> <p>\$ -2,530</p> <p>\$ -2,000</p> | <p>September 2004 Storm Relief (06/08) —nonrecurring program costs.</p> <p>Hazard Mitigation (06/08) —nonrecurring program costs.</p> <p>September 2004 Tropical Storm Ivan-Public Assistance State Match (6/08) —nonrecurring program costs.</p> <p>April 2005 Storm Disaster - Public Assistance (6/08) —nonrecurring State match for federally funded projects.</p> <p>September 2005 Hurricane Katrina-EMAC —nonrecurring program costs.</p> |
|--|---|--|---|

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| General Government Operations | \$ 6,980 | \$ 5,838 | \$ 5,886 | \$ 5,886 | \$ 5,886 | \$ 5,886 | \$ 5,886 |
| Avian Flu / Pandemic Preparedness | 0 | 0 | 500 | 500 | 500 | 500 | 500 |
| Information Systems Management | 1,151 | 1,151 | 1,103 | 1,103 | 1,103 | 1,103 | 1,103 |
| Security | 1,557 | 1,132 | 1,132 | 1,132 | 1,132 | 1,132 | 1,132 |
| September 1999 Tropical Storm Disaster-Hazard Mitigation | 1,000 | 0 | 0 | 0 | 0 | 0 | 0 |

Emergency Management Agency

Program: Emergency Management (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| July 2003 Storm Relief | \$ 720 | \$ 75 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| August 2004 Storm Relief (6/08) | 150 | 100 | 0 | 0 | 0 | 0 | 0 |
| August 2004 Storm Disaster - Public Assistance (6/08) | 0 | 100 | 0 | 0 | 0 | 0 | 0 |
| September 2004 Storm Relief (6/08) | 500 | 100 | 0 | 0 | 0 | 0 | 0 |
| September 2004 Tropical Storm Ivan - Public Assistance | 8,960 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hazard Mitigation (6/08) | 0 | 4,035 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 |
| Sept 2004 Tropical Storm Ivan-Public Asst State Match (6/08) | 5,000 | 5,000 | 0 | 0 | 0 | 0 | 0 |
| April 2005 Storm Disaster - Public Assistance (6/08) | 0 | 2,530 | 0 | 0 | 0 | 0 | 0 |
| April 2005 Storm Relief | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| September 2005 Hurricane Katrina-EMAC | 0 | 2,000 | 0 | 0 | 0 | 0 | 0 |
| TOTAL GENERAL FUND | \$ 26,118 | \$ 22,061 | \$ 12,121 | \$ 12,121 | \$ 12,121 | \$ 12,121 | \$ 12,121 |

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 Office of the State Fire Commissioner. Act 61 of 1995 places responsibility on the State Fire Commissioner for addressing the diverse training, operational, informational needs of the Commonwealth's fire and emergency services community. The Commissioner oversees the development and operation of the State Fire Academy's Resident and Local Level Training Programs, the Volunteer Loan Assistance Program (VLAP), the Pennsylvania Fire Information Reporting System (PennFIRS), a public education/information program, and the administration of the firefighter's memorial flag program. 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.

The Volunteer Loan Assistance Program (VLAP) provides assistance to the volunteer fire fighting, ambulance and rescue community in the form of low interest loans for the purpose of establishing or modernizing facilities to house apparatus and equipment, purchasing new or rehabilitating old apparatus, and purchasing protective, communications and accessory equipment. Funding for the loan program is reflected in the financial statement for the Volunteer Companies Loan Fund included in the Special Funds Appendix.

This budget proposes the reenactment of the annual transfer of \$25 million from the State Gaming Fund to the Volunteer Company Grants program beginning in 2006-07. These funds are used for grants to volunteer fire companies and ambulance services to support these emergency services throughout the Commonwealth. It is further proposed that \$25 million from the General Fund be provided for Volunteer Company Grants in 2005-06, to be reimbursed by the State Gaming Fund in 2006-07.

Act 1990-168 provides for a flag to honor firefighters who have died in the line of duty, and assigns the Office of the Pennsylvania State Fire Commissioner the responsibility to implement the provisions of the act. As part of its involvement in this program, the Fire Commissioner's Office provides personal support and assistance to fire departments and surviving relatives immediately following such deaths, and attempts to ascertain and use lessons-learned to reduce the number of firefighter deaths in the future.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|----------|----------|----------|----------|----------|----------|----------|
| PA Fire Information Reporting System | | | | | | | |
| - number of incidents reported* | 94,789 | 140,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| State Fire Academy entry level training | | | | | | | |
| - graduates* | 3,710 | 3,800 | 4,000 | 4,100 | 4,100 | 4,100 | 4,100 |
| State Fire Academy Certification Program - | | | | | | | |
| certified at firefighter or higher* | 3,286 | 3,500 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| Volunteer company loans granted | | | | | | | |
| (in thousands) | \$13,608 | \$14,000 | \$15,000 | \$15,500 | \$16,000 | \$16,500 | \$17,000 |
| Volunteer Company grants awarded | 2,500 | 2,600 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 |

*New program measure.

Emergency Management Agency

Program: Fire Prevention and Safety (continued)

Program Recommendations:

Volunteer Company Grants

\$ -25,000 —costs transferred to State Gaming Fund.

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| State Fire Commissioner | \$ 2,026 | \$ 2,026 | \$ 2,026 | \$ 2,026 | \$ 2,026 | \$ 2,026 | \$ 2,026 |
| Firefighters' Memorial Flag | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Volunteer Company Grants | 25,000 | 25,000 | 0 | 0 | 0 | 0 | 0 |
| Red Cross Extended Care Program | 1,000 | 500 | 500 | 500 | 500 | 500 | 500 |
| TOTAL GENERAL FUND | \$ 28,036 | \$ 27,536 | \$ 2,536 | \$ 2,536 | \$ 2,536 | \$ 2,536 | \$ 2,536 |



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.

Environmental Protection

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| GENERAL FUND: | | | |
| General Government: | | | |
| General Government Operations..... | \$ 18,824 | \$ 18,262 | \$ 18,079 |
| (F)Surface Mine Conservation..... | 413 | 413 | 413 |
| (A)Reimbursement - EDP Services..... | 7,900 | 7,900 | 8,507 |
| (A)Department Services..... | 23 | 75 | 75 |
| (A)Purchasing Card Rebate..... | 45 | 15 | 10 |
| (A)Vehicle Sales..... | 0 | 10 | 15 |
| Subtotal..... | <u>\$ 27,205</u> | <u>\$ 26,675</u> | <u>\$ 27,099</u> |
| Environmental Hearing Board..... | 1,736 | 1,771 | 1,803 |
| (A)Reimbursement for Services..... | 5 | 25 | 25 |
| Subtotal..... | <u>\$ 1,741</u> | <u>\$ 1,796</u> | <u>\$ 1,828</u> |
| Cleanup of Scrap Tires..... | 6,664 | 2,750 | 0 |
| Environmental Program Management..... | 37,594 | 37,049 | 36,643 |
| (F)Coastal Zone Management..... | 4,700 | 4,700 | 4,700 |
| (F)Construction Management Assistance Grants - Administration..... | 1,400 | 1,400 | 1,400 |
| (F)Storm Water Permitting Initiative..... | 2,300 | 2,300 | 2,300 |
| (F)Safe Drinking Water Act - Management..... | 5,500 | 5,500 | 5,500 |
| (F)Water Pollution Control Grants - Management..... | 3,500 | 3,500 | 3,500 |
| (F)Air Pollution Control Grants - Management..... | 2,400 | 2,400 | 2,400 |
| (F)Surface Mine Conservation..... | 6,500 | 6,500 | 6,500 |
| (F)Wetland Protection Fund..... | 240 | 840 | 840 |
| (F)Diagnostic X-Ray Equipment Testing..... | 340 | 340 | 340 |
| (F)Water Quality Outreach Operator Training..... | 200 | 200 | 200 |
| (F)Water Quality Management Planning Grants..... | 1,150 | 1,150 | 1,150 |
| (F)Small Operators Assistance..... | 2,000 | 2,000 | 2,000 |
| (F)Wellhead Protection Fund..... | 250 | 250 | 250 |
| (F)Indoor Radon Abatement..... | 500 | 500 | 500 |
| (F)Non-Point Source Implementation..... | 12,800 | 12,800 | 12,800 |
| (F)Hydroelectric Power Conservation Fund..... | 51 | 51 | 51 |
| (F)Survey Studies..... | 3,000 | 3,000 | 3,000 |
| (F)National Dam Safety..... | 150 | 150 | 150 |
| (F)Great Lakes Restoration..... | 1,700 | 1,700 | 1,700 |
| (F)Training Reimbursement for Small Systems..... | 3,500 | 3,500 | 3,500 |
| (F)Abandoned Mine Reclamation (EA)..... | 34,000 | 34,000 | 34,000 |
| (F)Nuclear and Chemical Security (EA)..... | 3,225 | 3,225 | 3,225 |
| (F)Homeland Security Initiative (EA)..... | 500 | 500 | 524 |
| (F)State Energy Program..... | 4,951 | 4,951 | 4,951 |
| (F)Pollution Prevention..... | 600 | 600 | 600 |
| (F)Heavy Duty Vehicle Program..... | 200 | 200 | 0 |
| (F)Alternative Fuels..... | 175 | 175 | 0 |
| (F)National Industrial Competitiveness..... | 933 | 933 | 933 |
| (F)Energy & Environmental Opportunities..... | 1,200 | 1,200 | 1,200 |
| (A)Payments - Department Services..... | 108 | 100 | 100 |
| (A)Vehicle Sales..... | 19 | 20 | 20 |
| (A)Reimbursement from Water Pollution Control Revolving Fund..... | 114 | 185 | 185 |
| (A)Reimbursement - PENNVEST..... | 28 | 75 | 75 |
| (A)Safe Drinking Water Revolving Fund Administration..... | 95 | 127 | 127 |
| (R)Sewage Facilities Program Administration (EA)..... | 1,500 | 1,500 | 1,500 |
| (R)Used Tire Pile Remediation (EA)..... | 0 | 15 | 15 |
| Subtotal..... | <u>\$ 137,423</u> | <u>\$ 137,636</u> | <u>\$ 136,879</u> |
| Chesapeake Bay Agricultural Source Abatement..... | 3,035 | 3,271 | 3,271 |
| (F)Chesapeake Bay Pollution Abatement..... | 6,200 | 6,200 | 6,200 |
| Subtotal..... | <u>\$ 9,235</u> | <u>\$ 9,471</u> | <u>\$ 9,471</u> |
| Environmental Protection Operations..... | 85,898 | 87,897 | 89,354 |
| (F)EPA Planning Grant - Administration..... | 7,800 | 7,800 | 7,800 |

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
|---|-------------------|----------------------|-------------------|
| (F)Water Pollution Control Grants..... | 4,800 | 4,800 | 4,800 |
| (F)Air Pollution Control Grants..... | 2,900 | 2,900 | 3,370 |
| (F)Surface Mine Control and Reclamation..... | 7,583 | 9,444 | 9,444 |
| (F)Training & Education of Underground Coal Miners..... | 1,700 | 1,700 | 1,700 |
| (F)Construction Management Assistance Grants..... | 350 | 350 | 350 |
| (F)Safe Drinking Water..... | 2,700 | 2,700 | 2,985 |
| (F)Oil Pollution Spills Removal..... | 1,000 | 1,000 | 1,000 |
| (F)Emergency Disaster Relief (EA)..... | 120 | 120 | 800 |
| (F)September 2004 Tropical Disaster Ivan (F)..... | 1,000 | 0 | 0 |
| (F)Technical Assistance to Small Systems (EA)..... | 567 | 1,000 | 1,000 |
| (F)Assistance to State Programs (EA)..... | 2,424 | 3,000 | 3,000 |
| (F)Local Assistance and Source Water Protection (EA)..... | 3,238 | 5,500 | 5,500 |
| (A)Clean Air Fund..... | 1,700 | 1,955 | 1,700 |
| (A)Clean Water Fund..... | 1,305 | 2,005 | 1,305 |
| (A)Vehicle Sale..... | 50 | 90 | 50 |
| (A)Reimbursement from Water Pollution Control Revolving Fund..... | 222 | 703 | 222 |
| (A)Safe Drinking Water Account..... | 200 | 200 | 200 |
| (A)Solid Waste Abatement..... | 549 | 549 | 549 |
| (A)Reimbursement - PENNVEST..... | 97 | 80 | 100 |
| (A)Reimbursement - Department Services..... | 54 | 100 | 55 |
| (A)PADOT ISTEPA Program..... | 286 | 438 | 438 |
| (A)Safe Drinking Water Revolving Fund..... | 511 | 223 | 510 |
| (A)Reimbursement - Laboratory Services..... | 7,615 | 9,797 | 9,804 |
| (A)Lab Accreditation..... | 213 | 190 | 1,177 |
| Subtotal..... | \$ 134,882 | \$ 144,541 | \$ 147,213 |
| Black Fly Control and Research..... | 4,415 | 4,415 | 4,415 |
| (A)County Contributions..... | 818 | 800 | 820 |
| Subtotal..... | \$ 5,233 | \$ 5,215 | \$ 5,235 |
| Nutrient Management..... | 250 | 0 | 0 |
| West Nile Virus Control..... | 7,382 | 7,473 | 7,473 |
| Subtotal..... | \$ 7,632 | \$ 7,473 | \$ 7,473 |
| Subtotal - State Funds..... | \$ 165,798 | \$ 162,888 | \$ 161,038 |
| Subtotal - Federal Funds..... | 140,760 | 145,492 | 146,576 |
| Subtotal - Augmentations..... | 21,957 | 25,662 | 26,069 |
| Subtotal - Restricted Revenues..... | 1,500 | 1,515 | 1,515 |
| Total - General Government..... | \$ 330,015 | \$ 335,557 | \$ 335,198 |
| Grants and Subsidies: | | | |
| Safe Water..... | \$ 7,500 | \$ 8,500 | \$ 0 |
| Storm Water Management Demo Project..... | 0 | 2,000 | 0 |
| Flood Control Projects..... | 2,761 | 2,793 | 2,793 |
| Storm Water Management..... | 1,004 | 1,200 | 1,200 |
| Sewage Facilities Planning Grants..... | 1,950 | 1,950 | 1,950 |
| Sewage Facilities Enforcement Grants..... | 5,000 | 5,000 | 5,000 |
| Water Contamination Remediation Grants..... | 0 | 550 | 0 |
| Delaware River Master..... | 93 | 94 | 94 |
| Ohio River Basin Commission..... | 14 | 14 | 14 |
| Susquehanna River Basin Commission..... | 1,232 | 1,232 | 732 |
| Interstate Commission on the Potomac River..... | 46 | 48 | 48 |
| Delaware River Basin Commission..... | 1,382 | 1,382 | 1,132 |
| Ohio River Valley Water Sanitation Commission..... | 164 | 164 | 164 |
| Chesapeake Bay Commission..... | 265 | 265 | 265 |
| Chesapeake Bay Education Program..... | 0 | 300 | 0 |
| Local Soil and Water District Assistance..... | 3,550 | 3,550 | 3,100 |
| (A)Local Soil & Water Dist Assistance..... | 300 | 0 | 0 |
| (A)Soil and Water Assistance Augmentations..... | 0 | 125 | 125 |
| Interstate Mining Commission..... | 38 | 38 | 38 |
| Northeast-Midwest Institute..... | 58 | 0 | 0 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| Sea Grant Program | 250 | 200 | 200 |
| Subtotal - State Funds..... | \$ 25,307 | \$ 29,280 | \$ 16,730 |
| Subtotal - Augmentations..... | 300 | 125 | 125 |
| Total - Grants and Subsidies..... | \$ 25,607 | \$ 29,405 | \$ 16,855 |
| STATE FUNDS..... | \$ 191,105 | \$ 192,168 | \$ 177,768 |
| FEDERAL FUNDS..... | 140,760 | 145,492 | 146,576 |
| AUGMENTATIONS..... | 22,257 | 25,787 | 26,194 |
| RESTRICTED REVENUES..... | 1,500 | 1,515 | 1,515 |
| GENERAL FUND TOTAL | \$ 355,622 | \$ 364,962 | \$ 352,053 |
| <u>ENVIRONMENTAL STEWARDSHIP FUND:</u> | | | |
| <i>General Government:</i> | | | |
| Oil and Gas Well Plugging (EA)..... | \$ 831 | \$ 0 | \$ 0 |
| Abandoned Mine Reclamation and Remediation (EA)..... | 0 | 1,300 | 0 |
| Total - General Government..... | \$ 831 | \$ 1,300 | \$ 0 |
| <i>Grants and Subsidies:</i> | | | |
| Watershed Protection and Restoration (EA)..... | \$ 30,228 | \$ 23,148 | \$ 21,751 |
| Sewage and Drinking Water Grants (EA)..... | 2,963 | 2,716 | 2,310 |
| Transfer to Hazardous Sites Cleanup Fund (EA)..... | 0 | 20,000 | 30,000 |
| Total - Grants and Subsidies..... | \$ 33,191 | \$ 45,864 | \$ 54,061 |
| ENVIRONMENTAL STEWARDSHIP FUND TOTAL | \$ 34,022 | \$ 47,164 | \$ 54,061 |
| <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..... | \$ 246 | \$ 400 | \$ 778 |
| Radiation Protection Fund..... | 5,630 | 5,910 | 6,707 |
| Clean Water Fund..... | 4,572 | 3,600 | 5,079 |
| Solid Waste Abatement Fund..... | 2,905 | 4,000 | 11,550 |
| Well Plugging Account..... | 497 | 457 | 721 |
| Abandoned Well Plugging..... | 1 | 165 | 165 |
| Orphan Well Plugging..... | 673 | 600 | 1,000 |
| Alternative Fuels Incentive Grants..... | 10,785 | 6,000 | 6,000 |
| Industrial Land Recycling..... | 66 | 22 | 65 |
| GENERAL FUND TOTAL | \$ 25,375 | \$ 21,154 | \$ 32,065 |
| ACID MINE DRAINAGE ABATEMENT AND TREATMENT FUND: | | | |
| Acid Mine Drainage Abatement and Treatment (F) (EA)..... | \$ 6,179 | \$ 6,218 | \$ 6,312 |
| CLEAN AIR FUND: | | | |
| Major Emission Facilities (EA)..... | \$ 24,533 | \$ 25,901 | \$ 26,461 |
| Mobile and Area Facilities (EA)..... | 8,144 | 11,815 | 11,522 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|------------------------|------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| CLEAN AIR FUND TOTAL..... | <u>\$ 32,677</u> | <u>\$ 37,716</u> | <u>\$ 37,983</u> |
| COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND: | | | |
| General Operations (EA)..... | \$ 2,926 | \$ 3,231 | \$ 3,369 |
| Payment of Claims (EA)..... | 2,000 | 2,000 | 2,000 |
| COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND TOTAL..... | <u>\$ 4,926</u> | <u>\$ 5,231</u> | <u>\$ 5,369</u> |
| COAL LANDS IMPROVEMENT FUND: | | | |
| Coal Lands Restoration..... | \$ 200 | \$ 200 | \$ 200 |
| ENERGY CONSERVATION AND ASSISTANCE FUND: | | | |
| Energy Conservation..... | \$ 676 | \$ 500 | \$ 235 |
| ENERGY DEVELOPMENT FUND: | | | |
| Energy Development - Administration (EA)..... | \$ 75 | \$ 75 | \$ 75 |
| Energy Development Loans/Grants (EA)..... | 50 | 9,000 | 940 |
| ENERGY DEVELOPMENT FUND TOTAL..... | <u>\$ 125</u> | <u>\$ 9,075</u> | <u>\$ 1,015</u> |
| ENVIRONMENTAL EDUCATION FUND: | | | |
| General Operations (EA)..... | \$ 601 | \$ 607 | \$ 1,120 |
| GROWING GREENER BOND FUND: | | | |
| Environmental Improvement Projects (EA)..... | \$ 0 | \$ 20,847 ^a | \$ 20,000 ^a |
| Acid Mine Drainage Abatement and Mine Cleanup (EA)..... | 0 | 0 ^a | 15,000 ^a |
| County Environmental Initiative Program Grants (EA)..... | 0 | 4,697 ^a | 15,000 ^a |
| GROWING GREENER BOND FUND TOTAL..... | <u>\$ 0</u> | <u>\$ 25,544</u> | <u>\$ 50,000</u> |
| HAZARDOUS SITES CLEANUP FUND: | | | |
| General Operations (EA)..... | \$ 17,084 | \$ 20,707 | \$ 15,659 |
| Hazardous Sites Cleanup (EA)..... | 17,649 | 15,000 | 17,500 |
| Host Municipality Grants (EA)..... | 750 | 150 | 81 |
| Small Business Pollution Prevention (EA)..... | 637 | 0 | 0 |
| Transfer-Industrial Sites Environmental Assessment Fund (EA)..... | 2,000 | 2,000 | 0 |
| HAZARDOUS SITES CLEANUP FUND TOTAL..... | <u>\$ 38,120</u> | <u>\$ 37,857</u> | <u>\$ 33,240</u> |
| LOW LEVEL WASTE FUND: | | | |
| General Operations (EA)..... | \$ 247 | \$ 272 | \$ 265 |
| NON-COAL SURFACE MINING CONSERVATION & RECLAMATION FUND: | | | |
| General Operations (EA)..... | \$ 800 | \$ 800 | \$ 2,200 |
| NUTRIENT MANAGEMENT FUND: | | | |
| Education, Research and Technical Assistance (EA)..... | \$ 2,228 | \$ 2,300 | \$ 2,087 |
| RECYCLING FUND: | | | |
| Recycling Coordinator Reimbursement (EA)..... | \$ 1,300 | \$ 1,300 | \$ 1,300 |
| Reimbursement for Municipal Inspection (EA)..... | 374 | 375 | 375 |
| Reimburse-Host Municipality Permit Applications Review (EA)..... | 30 | 20 | 10 |
| Administration of Recycling Program (EA)..... | 1,497 | 395 | 395 |
| County Planning Grants (EA)..... | 742 | 1,000 | 1,000 |
| Municipal Recycling Grants (EA)..... | 34,898 | 36,000 | 27,500 |
| Municipal Recycling Performance Program (EA)..... | 21,500 | 21,000 | 22,500 |
| Public Education/Technical Assistance (EA)..... | 6,197 | 6,825 | 6,600 |
| Small Business Pollution Prevention (EA)..... | 978 | 1,267 | 500 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|--------------------------|--------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| RECYCLING FUND TOTAL..... | <u>\$ 67,516</u> | <u>\$ 68,182</u> | <u>\$ 60,180</u> |
| REMINING ENVIRONMENTAL ENHANCEMENT FUND: | | | |
| Remining and Reclamation Incentives (EA)..... | <u>\$ 1,000</u> | <u>\$ 1,000</u> | <u>\$ 1,000</u> |
| REMINING FINANCIAL ASSURANCE FUND: | | | |
| Remining Financial Assurance (EA)..... | <u>\$ 25</u> | <u>\$ 25</u> | <u>\$ 25</u> |
| STORAGE TANK FUND: | | | |
| General Operations (EA)..... | \$ 8,386 | \$ 6,836 | \$ 6,415 |
| Underground Storage Tanks (F) (EA)..... | 251 | 251 | 315 |
| Leaking Underground Storage Tanks (F) (EA)..... | 2,700 | 2,700 | 2,700 |
| Transfer to Storage Tank Loan Program..... | 0 ^b | 0 ^b | 0 ^b |
| STORAGE TANK FUND TOTAL..... | <u>\$ 11,337</u> | <u>\$ 9,787</u> | <u>\$ 9,430</u> |
| SURFACE MINING CONSERVATION & RECLAMATION FUND: | | | |
| General Operations (EA)..... | <u>\$ 2,686</u> | <u>\$ 2,724</u> | <u>\$ 2,777</u> |
| UNDERGROUND STORAGE TANK INDEMNIFICATION FUND: | | | |
| Environmental Cleanup Program (EA)..... | \$ 5,500 | \$ 5,500 | \$ 5,500 |
| Pollution Prevention Program (EA)..... | 1,000 | 1,000 | 1,000 |
| Catastrophic Release Program..... | 5,500 | 5,500 | 5,500 |
| UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL..... | <u>\$ 12,000</u> | <u>\$ 12,000</u> | <u>\$ 12,000</u> |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 191,105 | \$ 192,168 | \$ 177,768 |
| SPECIAL FUNDS..... | 38,022 | 51,164 | 58,061 |
| FEDERAL FUNDS..... | 140,760 | 145,492 | 146,576 |
| AUGMENTATIONS..... | 22,257 | 25,787 | 26,194 |
| RESTRICTED..... | 1,500 | 1,515 | 1,515 |
| OTHER FUNDS..... | 206,718 | 241,192 | 257,503 |
| TOTAL ALL FUNDS..... | <u><u>\$ 600,362</u></u> | <u><u>\$ 657,318</u></u> | <u><u>\$ 667,617</u></u> |

^a Actually appropriated as a \$213,000,000 continuing executive authorization in 2005-06. Amount shown is an estimate of program disbursements within the fiscal year.

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| ENVIRONMENTAL SUPPORT SERVICES | | | | | | | |
| GENERAL FUND..... | \$ 20,560 | \$ 20,033 | \$ 19,882 | \$ 19,882 | \$ 19,882 | \$ 19,882 | \$ 19,882 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 413 | 413 | 413 | 413 | 413 | 413 | 413 |
| OTHER FUNDS..... | 7,973 | 8,025 | 8,632 | 8,225 | 8,225 | 8,225 | 8,225 |
| SUBCATEGORY TOTAL..... | \$ 28,946 | \$ 28,471 | \$ 28,927 | \$ 28,520 | \$ 28,520 | \$ 28,520 | \$ 28,520 |
| ENVIRONMENTAL PROTECTION AND MANAGEMENT | | | | | | | |
| GENERAL FUND..... | \$ 170,545 | \$ 172,135 | \$ 157,886 | \$ 157,886 | \$ 157,886 | \$ 157,886 | \$ 157,886 |
| SPECIAL FUNDS..... | 38,022 | 51,164 | 58,061 | 38,220 | 38,220 | 38,220 | 38,220 |
| FEDERAL FUNDS..... | 140,347 | 145,079 | 146,163 | 146,163 | 146,163 | 146,163 | 146,163 |
| OTHER FUNDS..... | 222,502 | 260,469 | 276,580 | 254,940 | 248,643 | 230,506 | 205,536 |
| SUBCATEGORY TOTAL..... | \$ 571,416 | \$ 628,847 | \$ 638,690 | \$ 597,209 | \$ 590,912 | \$ 572,775 | \$ 547,805 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 191,105 | \$ 192,168 | \$ 177,768 | \$ 177,768 | \$ 177,768 | \$ 177,768 | \$ 177,768 |
| SPECIAL FUNDS..... | 38,022 | 51,164 | 58,061 | 38,220 | 38,220 | 38,220 | 38,220 |
| FEDERAL FUNDS..... | 140,760 | 145,492 | 146,576 | 146,576 | 146,576 | 146,576 | 146,576 |
| OTHER FUNDS..... | 230,475 | 268,494 | 285,212 | 263,165 | 256,868 | 238,731 | 213,761 |
| DEPARTMENT TOTAL..... | \$ 600,362 | \$ 657,318 | \$ 667,617 | \$ 625,729 | \$ 619,432 | \$ 601,295 | \$ 576,325 |

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 and the Environmental Quality Board.

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

Program Recommendations:

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

General Government Operations
 \$ -183 —reduction to administrative costs.

Environmental Hearing Board
 \$ 32 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|-------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| General Government Operations | \$ 18,824 | \$ 18,262 | \$ 18,079 | \$ 18,079 | \$ 18,079 | \$ 18,079 | \$ 18,079 |
| Environmental Hearing Board | 1,736 | 1,771 | 1,803 | 1,803 | 1,803 | 1,803 | 1,803 |
| TOTAL GENERAL FUND | \$ 20,560 | \$ 20,033 | \$ 19,882 | \$ 19,882 | \$ 19,882 | \$ 19,882 | \$ 19,882 |

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

Act 68 of 1999, the Environmental Stewardship and Watershed Protection Act, authorized the beginning of the "Growing Greener" Program. The goal of this program is to ensure citizens their rights to clean air, to pure water and to the preservation of the natural, scenic, historic and esthetic values of the environment. In the Department of Environmental Protection, a number of program elements are affected: Water Quality Protection, Water Supply Management, Regulation of Mining and Watershed Conservation. Expanded activities include the reclamation of abandoned mines, plugging of certain oil and gas wells, protection and restoration of watersheds, and improvements to drinking water and sewer systems. With the passage of Act 90 of 2002, the primary revenue source for the Environmental Stewardship Fund was restructured from a General Fund contribution to a \$4 tipping fee per ton of solid waste disposed in Pennsylvania's municipal waste landfills. The first \$50 million of revenue from the fee was deposited into the Environmental Stewardship Fund in 2002-03, with the fund receiving all revenue generated by the fee in 2003-04 and thereafter. The act provides a specific, dedicated source of funding for the Growing Greener Program and extends the \$4 tipping fee until 2012. The budget includes funds from the Growing Greener II bond initiative, approved by the voters May 17, 2005. Growing Greener II will provide the department with \$230 million over six years to clean up rivers and streams, take on serious environmental problems at abandoned mines and contaminated industrial sites, and finance the deployment of advanced energy projects.

The Bureau of Laboratories provides analytical data for the department that determines and identifies pollution levels in samples from any part of the environment. Samples from streams and lakes, solid wastes, drinking water, industrial wastes and fish are analyzed for toxic chemicals. Milk, food, water and air are examined for radiation. Water from supply systems, beaches and sewage treatment plants is examined for bacteria; and homeowners' water is examined

for potability. With the passage of the Environmental Laboratory Accreditation Act (Act 90 of 2002), an accreditation program for environmental laboratories within the department was established to assure the quality of compliance data in all program areas.

CLEAN AIR

Program Element: Protection of Air Quality

Emissions of air contaminants are closely monitored and controlled by the department to protect public health as required by the Federal Clean Air Act, the Pennsylvania Air Pollution Control Act of 1960 and regulations adopted under the acts. Pollutants of primary concern include ground-level ozone, suspended particulates, sulfur and nitrogen oxides, volatile organic compounds and toxic air pollutants. Despite progress, significant challenges remain. Only 35 percent of the population of Pennsylvania lives in counties attaining the 8-hour National Ambient Air Quality Standard for ground-level ozone. Ozone, a bluish gas, irritates the eyes and upper respiratory system. Forty-four percent of the population lives in counties attaining the federal ambient standard for fine particulate pollution. Small particles and toxic air pollutants they carry with them can aggravate or cause respiratory ailments.

Many of the volatile organic compounds and heavy metals resulting from industrial processes and combustion sources are toxic air pollutants. Emissions of these pollutants must be controlled under Federal Maximum Achievable Control Technology requirements. In 2005, an estimated 36,000 tons of toxic air pollutants were emitted Statewide.

The department's 60 ambient (outside) monitors measure overall air quality. Sites are chosen primarily for their proximity to populated areas. Source monitoring, by both operators and mobile teams from the department, is used to check individual sources of emissions. Certain large facilities are required to install instruments that continuously monitor emissions.

Permits and inspections ensure that sources of emissions are designed, constructed and operated in accordance with air quality regulations. The department regulates more than 3,000 sources of air emissions. The department approves plans for new construction or modification of existing facilities, and issues operating permits for major sources. The department is implementing an initiative to streamline the permit process. Inspections

Program: Environmental Protection and Management (continued)

and stack tests are conducted to assure that facilities conform to approved operating standards. The department uses compliance agreements and abatement orders to correct violations.

The department assists businesses with compliance with State rules for "area" sources such as auto body refinishing, and works with other State and Federal agencies, and regional entities to obtain reductions from mobile sources of pollution.

The department reviews plans for the management and removal of asbestos in schools, regulates companies doing removal work and oversees the safe disposal of the asbestos.

The department provides multimedia assistance to businesses to promote pollution prevention and environmental management systems. These activities protect the environment and general savings for affected facilities. In addition, the department provides small businesses with grants to hire consultants to assess pollution prevention opportunities, and a loan program that small businesses can use for equipment that prevents pollution.

CLEAN WATER

Program Element: Protection of Water Quality

The department protects public health and safety and preserves natural aquatic systems for public use in Pennsylvania's watersheds by: monitoring and assessing surface water quality, developing water quality standards, managing non-point sources of pollution, protecting coastal zone resources, and regulating mining and oil and gas development.

Water quality assessments have been conducted for 69,760 miles of streams and 343 lakes in the Commonwealth. A total of 56,600 assessed stream miles and 234 assessed lakes support the Federal "fishable/swimmable" goal and the fish and aquatic life use designated in Pennsylvania's water quality standards. Each year, approximately 100 new stream miles and 15 lakes attain assessed water quality standards, including 50 miles of streams affected by mine or oil and gas well drainage.

Water pollution sources are classified into two general categories: point and non-point sources. Point sources are those in which the polluting substances are conveyed into a body of water by a pipe or channel, such as sewage discharges, industrial waste discharges and storm or combined sewage drainage. Non-point sources are generally diffused discharges. Of the 8,385 miles identified as impaired by either point sources or non-point sources in the department's 2002 Water Quality Assessment, the broadest impacts were caused by non-point sources: abandoned mine drainage (3,129 miles) and agricultural runoff (3,116 miles).

Over four years, funding from the Growing Greener II bond

will help to restore or improve approximately 1,000 acres of wetlands, install or improve 1,100 miles of riparian buffers and improve 246 miles of streams affected by abandoned mine drainage. In addition, the Agriculture, Communities and Rural Environment (ACRE) initiative is expected to install roughly 160 miles of riparian buffers on farms in 2005-06, and increase that amount in future years.

Through its planning, permitting, surveillance, monitoring, enforcement and grant administration activities, the department carries out its duties and responsibilities for regulating water pollution control facilities and maintaining a Statewide surface and groundwater quality monitoring program. The National Pollutant Discharge Elimination System (NPDES), a delegated program under the Federal Clean Water Act, requires the Commonwealth to permit and monitor point source discharges.

Under the Storm Water Management Act (Act 167 of 1978), the department ensures that municipalities develop management plans to address the quantity of, and contaminants in, stormwater runoff from development activities. Inadequate management of accelerated runoff from development increases flood flows, contributes to erosion, and impairs stream water quality. Ninety-five percent of the Commonwealth's 2,568 municipalities are designated as flood prone by the National Flood Insurance Program. The department approves approximately 100 storm water management plans each year.

The department is implementing a significant effort to bring municipalities into compliance with Federal combined sewer overflow discharge requirements. Approximately 89 percent of the Commonwealth's municipalities are in compliance with the nine minimum controls specified by the department.

Under the Sewage Facilities Act (Act 537 of 1965), the department reviews plans from each municipality to meet current and future sewage treatment needs in coordination with their land use plans. These plans are the basis for permit decisions concerning local sewage systems. The department approves about 100 sewage facilities plans each year.

The department provides technical and financial support to Pennsylvania's 66 county conservation districts, which implement several of the water quality protection programs for the department, including erosion and sedimentation control, wetlands and stream encroachments, agricultural application of sewage sludge and dirt and gravel road maintenance.

The Clean Water State Revolving Fund (CWSRF) Program provides low-interest loans to communities for construction of wastewater facilities. The department assists the Pennsylvania Infrastructure Investment Authority (PENNVEST) in implementing this program by establishing priorities for funding and managing and inspecting projects during construction. To date, more than 800 wastewater

Program: Environmental Protection and Management (continued)

projects have been funded through the CWSRF.

Mining activities can degrade water quality through erosion and sediment runoff. The department requires applicants for mining permits to provide detailed information about hydrology, geology and proposed operations, in order to demonstrate that the mining activity will not adversely impact water quality.

The department also regulates oil and gas development. Through a permitting system for drilling activity, inspection of drilling and storage sites, and monitoring and enforcement actions, the department works toward protecting the environment and balancing conflicting interests among the oil, gas and coal industries.

Program Element: Water Allocation

Under the Water Rights Act of 1939, the department protects aquatic life and downstream users by providing surface water allocation permits to water suppliers. The department has processed allocation permits for 700 water suppliers using this authority, while providing in-stream flow protection for 200 streams. Each year, the Department issues about 15-25 Water Allocation Permits, including 5-10 new water sources and 10-15 renewals or increases from existing sources. These permits, which grant water rights to public water supply agencies, contain conditions designed to ensure adequate stream flows to protect other in-stream and downstream withdrawal uses and ensure implementation of effective water conservation practices. To date, nearly 200 streams have been protected.

The department coordinates interstate management of water resources with other states through agreements covered by the Delaware River Basin Commission, the Susquehanna River Basin Commission, the Interstate Commission on the Potomac River Basin, the Ohio River Valley Water Sanitation Commission, the Chesapeake Bay Commission, and the Great Lakes Commission.

The Water Resources Planning Act of 2002 requires the department to complete a State Water Plan. The plan will identify alternatives to assure adequate water supplies in watersheds where demands may exceed availability.

LAND PROTECTION

Program Element: Safe Waste Management

The department encourages waste reduction, promotes recycling and reuse of waste products, and protects the public by providing for safe transportation and disposal of the remainder of the waste stream. Its principal programs concern municipal waste, residual waste and hazardous waste.

Act 101 of 1988, the Municipal Waste Planning and Recycling Act, requires mandatory recycling in 408 communities. In 1998, Pennsylvania met the goal set by Act 101 of 1988 by recycling more than 25 percent of its municipal waste. The goal was raised to 35 percent by 2003. Pennsylvanians recycled 4.1 million tons in 2004. Act 175

of 2002 required the department to develop a plan to assist municipalities in making recycling programs under this act financially self-sufficient. This plan was completed in 2004. Among the recommendations being implemented is creation of an independent Pennsylvania Recycling Markets Center to encourage the continued growth and economic health of Pennsylvania's recycling industries.

The department regulates new and existing landfills to ensure that they are designed, constructed and operated with minimal risk to nearby residents and to the environment. Communities in which landfills or waste-to-energy facilities are located have taken an active role in permitting and inspecting these facilities to assure that they are operated properly.

Residual waste is non-hazardous material from industrial, mining, commercial and other similar operations. The department regulates more than 3,000 residual waste generators and treatment, storage and disposal facilities, 750 municipal waste facilities and more than 7,500 transporters. Approximately 2.6 million tons of this material is disposed in Pennsylvania's municipal waste landfills annually. The department performs permitting, closure and ongoing monitoring of residual waste management facilities. Act 93 of 1988 established a manifest system to track infectious (hospital) wastes from generation until disposal.

The department licenses hazardous waste transporters and provides permits to waste management facilities under the Solid Waste Management Act of 1980. In addition, the department tracks the movement of hazardous waste from generation to ultimate treatment or disposal through a manifest program run by the Department of Revenue. The department uses this information to identify discrepancies and take enforcement actions against violators. Approximately 250,000 manifests are processed each year.

Program Element: Protection of Land

The department protects land by regulating storage tanks and requiring reclamation at active mining and oil and gas operations. The Storage Tank and Spill Prevention Act, Act 32 of 1989, protects health, safety and the environment by preventing releases of dangerous materials from Pennsylvania's 43,000 regulated above ground and underground storage tanks. This is accomplished through a program of registration, permitting, compliance assistance and inspections. In addition, the department certifies storage tank installers and inspectors.

The Federal Surface Mining Control and Reclamation Act established a comprehensive set of performance standards for mining and reclamation of surface and underground coal mines, coal refuse disposal and coal preparation facilities. Pennsylvania is required to follow a mandatory enforcement and civil penalty program under this law, and to inspect each mining operation violator monthly until reclamation is achieved. Industrial mineral mines are regulated under the Noncoal Surface Mining Conservation and Reclamation Act

Program: Environmental Protection and Management (continued)

of 1984 and related statutes. The department oversees more than 1,700 coal mines and 2,000 industrial mineral mines

The department offers mine subsidence insurance to residential and small commercial property owners. This insurance program is financially self-supporting and directed by the Coal and Clay Mine Subsidence Insurance Board. The growth in the number and value of policies has steadily increased since the program's inception in 1961. Today, more than 58,000 policies are in effect. A cash flow statement for this fund is included in the Special Funds Appendix.

The department regulates more than 100,000 oil and gas wells and gas storage reservoirs under the Oil and Gas Act of 1984, protecting the environment through permits, inspections and enforcement. The department processes over 5,000 new drilling permits each year. In the last five years, there has been an average increase of over 20 percent each year in the number of new wells permitted.

Program Element: Restoration of Land

The department protects health and the environment and promotes community development by restoring sites contaminated by hazardous substances or affected by historic mining or oil and gas development. More than 11,000 sites in Pennsylvania are known to be contaminated by hazardous substances. Collectively, the department completed or certified cleanups at more than 267 contaminated sites in 2005.

The department's Land Recycling Program, which promotes voluntary cleanups, was established by three statutes passed in 1995: Act 2, the Land Recycling and Environmental Remediation Standards Act; Act 3, the Economic Development Agency, Fiduciary and Lender Environmental Liability Act; and Act 4, the Industrial Sites Environmental Assessment Act. The program identifies risk-based standards for cleanups, simplifying the approval process and limiting future liability. In 1999, the department created the Brownfields Inventory Grant Program to encourage cleanups through grants to local government and economic development agencies for brownfields inventories. In 2004, Pennsylvania became the first state in the nation to establish a "one-stop cleanup program" creating a one-stop shop for State and Federal brownfield cleanup standards. Since 1995, the department has approved more than 1,500 cleanups, creating or retaining more than 30,000 jobs.

The department's Hazardous Sites Cleanup Program, authorized by the Hazardous Sites Cleanup Act (HSCA), Act 108 of 1988, provides funding to conduct cleanups where there is no known responsible party. HSCA also provides the department with enforcement authorities to force the persons who are responsible for releases of hazardous substances to conduct cleanup actions or repay cleanup funds spent by the department. HSCA funds are also used to pay Pennsylvania's share of cleanup costs for sites in

the Federal Superfund program. The department is actively involved in 120 Superfund sites and 136 State Hazardous Sites Cleanup Program sites.

Chapter 9 of HSCA established the Hazardous Sites Cleanup Fund (HSCF), which has been utilized to finance thousands of contaminated site cleanups. A portion (one-half mill) of the Capital Stock and Franchise Tax (CSFT) was deposited annually into the HSCF as the primary funding source for the program. In 1999 this tax was reduced to one-quarter mill and in 2003 the tax was diverted from the HSCF to the General Fund. Transfers from the Environmental Stewardship Fund will help keep the fund in balance for this fiscal year.

The department's Storage Tank Cleanup Program, authorized by the Pennsylvania Storage Tank and Spill Prevention Act, Act 32 of 1989, oversees a corrective action program for regulated above and underground storage tanks. Approximately, 5,000 reported storage tank releases remain to be cleaned up. More than 300 tank releases were remediated in 2005.

The department's multi-site remediation agreements ensure the investigation and cleanup of the remaining sites contaminated by hazardous materials.

The department resolves environmental degradation and health and safety problems resulting from inactive and abandoned coal mines. The Reining Operator Assistance Program (ROAP) provides assistance and funding to coal operators who mine and reclaim abandoned mine lands by paying for the cost of data collection and permit application. The department also provides direct funding from the Federal Office of Surface Mining for the reclamation of abandoned mines, abatement and treatment of acid mine drainage, control of underground mine fires and refuse bank fires, and control of surface subsidence from abandoned deep mines. More than 800 acres were reclaimed by the department and permitted operators in 2005. There are approximately 40,000 acres in the department's inventory of high-priority abandoned mine land, posing a threat to health, safety and general welfare. Seven fatalities in 2005 were due to exposure to unsafe conditions on these lands.

The Oil and Gas Act of 1984 requires oil and gas well operators to plug non-producing wells and authorizes permit surcharges to support the department's orphaned and abandoned well plugging program. An unplugged abandoned well can be a hazard to the health and safety of people living near it, and the environment. There are approximately 8,600 oil and gas wells in the department's abandoned or orphaned well inventory. The department plugged 95 orphan and abandoned wells in 2005.

SAFE AND HEALTHY COMMUNITIES

Program Element: Safe Drinking Water

The department implements the Pennsylvania Safe Drinking Water Act of 1984 and protects public health by

Program: Environmental Protection and Management (continued)

regulating more than 2,100 community water systems serving 10.5 million residents, and 7,600 non-community public water systems generally serving restaurants, industries, schools and motels, which must comply with standards. In 2005, 95 percent of the population was served by water supply systems that met all health-based standards. The department also provides some consultative services and inspections for the 700,000 residential water supplies in Pennsylvania. There have been great strides in reducing waterborne diseases. In 2005 only one system reported an outbreak affecting 350 people.

As a result of amendments to the Federal Safe Drinking Water Act in 1996, the department is giving increased emphasis to source water protection, operator training and certification and capability enhancements for public water systems to address technical, managerial and financial issues. Community water systems have adopted source water protection strategies covering approximately 15 percent of Pennsylvania's source water areas. The department has assessed nearly 14,000 drinking water sources for susceptibility to contamination. Source water assessments support the development of local, voluntary source water protection strategies.

The amendments also placed additional emphasis on water infrastructure financing programs like the Safe Drinking Water State Revolving Fund, which is jointly administered by the department and PENNVEST. To date, more than 181 drinking water projects have been funded through this program with another 587 projects funded through State monies totaling \$939 million.

Program Element: Radiation Protection

The department protects citizens from exposure to dangerous levels of radiation through licensing and inspection of radiation source users. This includes registering radiation-producing equipment, licensing users of radioactive materials, and inspecting facilities to assure compliance. The department inspects more than 10,000 users possessing approximately 30,000 x-ray units and 138 facilities utilizing 241 accelerators, and 500 facilities using naturally occurring radioactive material. The department inspects almost 400 mammography x-ray facilities under a contract with the Federal Food and Drug Administration. This activity enhances the quality of mammograms and increases the likelihood of early detection of breast cancer.

The department also monitors the environment for radiation, primarily in the vicinity of nuclear power plants. Samples from ambient air, milk produced on local farms, surface waters, vegetation, fish, and silt are collected and tested at regular intervals.

The department works with the Federal Nuclear Regulatory Commission (NRC) to provide routine inspection and oversight for all nuclear power generating facilities in the Commonwealth. The department also inspects

decommissioning and decontamination activities as well as active sites regulated by the NRC for occupational, public, and environmental radiation exposures. Surveys and samples are taken to ensure the cleanup levels established for the site have been met.

The department conducts a program of public education and outreach to encourage voluntary measurement and remediation of naturally occurring radon gas in private dwellings, and helps to identify effective solutions. The department certifies radon testing and mitigation firms and testing laboratories to ensure accurate test results and effective construction or remedial techniques. Approximately 23,000 buildings are discovered each year in Pennsylvania with unsafe levels of radon, with department-certified firms installing more than 8,000 mitigation systems, preventing 130 potential lung cancer deaths. Up to 40 percent of the buildings in Pennsylvania may have unsafe radon levels.

The department ensures safe disposal of low-level radioactive waste (LLRW), including contaminated soils, filters, gloves and clothing from industries, hospitals and university research centers. The Appalachian Low-Level Radioactive Waste Compact Act of 1985 and the Low-Level Radioactive Waste Disposal Act of 1988 committed Pennsylvania to establish a LLRW disposal facility. The department suspended the siting process in 1998 because of the dramatic reduction in the volume of LLRW being generated in the Appalachian Compact. The department has prepared a siting re-start plan and will monitor national LLRW disposal developments to ensure adequate disposal capacity. The department will also continue to promote LLRW volume reduction during the suspension period.

Program Element: Nuisance and Vector Control

The department provides surveillance and control to reduce the threat of West Nile Virus, in cooperation with the Departments of Health and Agriculture. The department monitors mosquito populations, takes steps to control mosquitoes that may carry the virus, and examines unknown vectors and reservoirs involved in the transmission of the virus. The department also provides information, outreach and funding to build a long-term infrastructure for county government. In 2005, 7,500 mosquito-breeding areas were sprayed to control the threat of West Nile Virus.

The department reduces the black fly population and gives relief to citizens and visitors of the Commonwealth by treating 1,700 stream miles of the Susquehanna, Delaware and Allegheny rivers and their tributaries. In 2005, 31 counties participated in the black fly suppression effort, with an impact on 3 million residents.

Program Element: Emergency Preparedness and Response

The department's emergency response personnel are available whenever there is an immediate threat to public

Program: Environmental Protection and Management (continued)

health, safety, or the environment. Each year, the department responds to more than 3,500 environmental releases. While the department's major focus is response to spills to land and water, the department also has significant involvement with air pollution incidents (fires or industrial-transportation-related releases) and leaking underground storage tanks. In addition, the department responds to a smaller number of incidents involving public water supply shortages or contamination, mining-related discharges, oil and gas production-related discharges and waterborne illness outbreaks. The department is developing plans to address any contingencies associated with fuel supply disruptions. In addition, the department is prepared to protect the citizens of Pennsylvania in the event of an accident involving radioactive materials at a power plant or other facility utilizing radioactive materials.

Program Element: Flood Protection and Dam Safety

The department's flood protection and stream improvement programs, in existence for over 50 years, protect lives and property through the construction of physical structures such as dams, levees, flood walls, channels, culverts and bank stabilization works. Major flood protection projects are generally designed to protect communities from damages during the 100-year flood event.

The department regulates dams and reservoirs under the Dam Safety and Encroachments Act of 1978. The department reviews plans and specifications dam permit applications and conducts inspections of new dams under construction as well as existing dams to determine their general condition. There are approximately 3,000 dams under active regulation in the Commonwealth. Of this total, there are 780 high-hazard dams and 2,370 other dams that require inspection and monitoring. High-hazard dams are inspected annually to assure proper operation and maintenance because of the significant threat posed by their possible failure. Each year, more than 30 high-hazard dams are upgraded or repaired. In addition, the department regulates construction and maintenance of any obstructions, encroachments and changes to the course and current of streams, as well as the related flood plains. In 2005 the department built six flood protection projects and nine stream improvement projects to reduce flooding, protect structures and restore natural stream channels. The department also partnered with the Federal Natural Resource Conservation Service to design and construct projects in response to floods resulting from Hurricane Ivan in September 2004 and designed 78 projects at a total cost of \$3.9 million.

Program Element: Mine Safety

The department protects the health and safety of miners through safety programs that reduce the possibility of accidents. Mine safety inspections include technical evaluations for explosive use, subsidence, map composition,

electrical installations, cleaning plant safety, active refuse banks and safety zones. The department provides safety oversight for more than 3,800 mining operations, in addition to safety and emergency medical training and certifications for underground mine workers.

In the event of an emergency, the department responds in order to rescue the affected mine workers. Additionally, the department investigates all fatal and serious accidents that occur at Pennsylvania mines. A report is made outlining the cause of the accident and possible means of preventing a similar accident. Nearly 50,000 people were reached by the department's educational information on public mine safety and awareness.

Program Element: Explosives Safety

The department regulates the use, handling and storage of explosives in mining and non-mining situations alike. The department has drafted a new statute to modernize the existing outdated statutes of 1937 and 1957. During 2005 the department worked with the Pennsylvania State Police and the Pennsylvania Office of Homeland Security on regulations that will greatly enhance the security of about 1,000 explosives storage sites from terrorism and other threats.

The department reviews and issues approximately 2,700 licenses and permit applications for blasting activities annually. The department also conducts inspections at the sites where these activities occur. Additional training and public outreach on explosives is frequently provided. In addition, the department responds to approximately 50 incidents each year involving "orphaned" explosives that are found unsecured or improperly stored. Although blasting seldom results in damage to nearby structures, its effects, such as vibrations, often concern neighbors. The department investigates approximately 350 complaints from blasting activities annually.

SUSTAINABLE ENERGY

Program Element: Advanced Energy Development

The department promotes renewable and advanced energy development through grants, financing and technical support for projects that simultaneously protect the environment and support Pennsylvania's economy. Program goals include greater energy security through a distributed power infrastructure as well as the retention of energy dollars in the Commonwealth.

The department's Energy Harvest grant program has provided \$16 million for more than 90 advanced energy projects. In 2004, Governor Rendell reestablished the Pennsylvania Energy Development Authority, which has provided \$6.5 million in grants, loans and loan guarantees for advanced energy projects.

Funding from the Growing Greener II bond is expected to leverage an additional ten trillion BTUs of electricity

Program: Environmental Protection and Management (continued)

generation per year from renewable sources by 2009-10, and additional capacity from non-renewable advanced energy sources.

The department is also playing a lead role in initiatives to support Statewide net metering and interconnection, the acquisition of credit for energy efficiency and renewable energy in the State Implementation Plan and other outreach efforts to promote advanced energy development. The department is collaborating with the Public Utility Commission to implement the Alternative Energy Portfolio Standard Act of 2004 and has promoted and helped to implement the Commonwealth's 10% green electricity purchase.

In 2005, the department intervened in the Exelon-PSEG merger and negotiated a settlement to provide \$27 million in funding over four years to PEDA and over \$200 million in benefits to Pennsylvania's electricity consumers.

The department promotes the use of coal bed and mine methane and coal refuse, which are advanced energy resources. Coal bed methane has long been considered a mining and safety problem but until recently it was overlooked as a resource by the oil and gas industry. The department has issued approximately 63 coal bed and mine permits related to coal bed methane exploration, extraction, or production. Coal refuse is generally reclaimed for power generation in cogeneration plants. In 2005, the department issued 49 permits for coal refuse management, reclaiming land while making use of this energy resource.

Program Element: Energy Conservation and Efficiency

The department provides technical support to more than 40,000 companies and other entities each year for the design and installation of technologies to promote energy conservation and efficiency. Many of these technologies originate as Federal Department of Energy Best Practices for the industrial sector. The State Energy Program (SEP) is a Federal program that provides funding to promote energy efficiency and pollution prevention. SEP activities range from a Pollution Prevention/Energy Efficiency Conference that promotes technology transfer to the Governor's Green Government Council, which commits the Commonwealth to set an example by taking the lead in reducing operating costs through energy efficiency, cleaner fleet vehicles and recycling.

Act 166 of 1992 provided for an Alternative Fuels Incentive Grant Program, funded by a portion of the Utilities Gross Receipts Tax. The department awards grants to school districts, municipal authorities and other nonprofit entities to fund a portion of the expenses to purchase or retrofit vehicles to use fuels other than gasoline as well as the equipment needed to refuel these vehicles.

During 2004, the department became a partner in the Federal Energy Star program. This program will provide technical assistance to the Commonwealth on energy efficient buildings and appliances. The Department of General Services launched a Statewide initiative to benchmark the energy performance of State-owned buildings across the Commonwealth.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Protection of Air Quality | | | | | | | |
| Percent of population in counties attaining the ambient ozone standard | 35% | 35% | 35% | 69% | 70% | 70% | 70% |
| Percent of population in counties attaining the ambient PM-2.5 (fine particulate) standard * | 44% | 44% | 44% | 45% | 45% | 90% | 90% |
| Tons of hazardous air pollutants emitted... | 36,132 | 36,132 | 36,132 | 36,132 | 36,132 | 36,132 | 36,132 |
| Tons of emissions avoided by pollution prevention activities encouraged by the department | 51,018 | 54,701 | 53,477 | 53,477 | 53,477 | 53,477 | 53,477 |
| Protection of Water Quality | | | | | | | |
| Cumulative miles of assessed streams attaining assessed water uses | 61,000 | 66,000 | 71,000 | 71,100 | 71,200 | 71,300 | 71,400 |
| Annual miles of assessed (and reassessed) streams | 6,500 | 6,500 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| Acres of stream buffers installed * | 2,727 | 2,800 | 3,000 | 3,000 | 2,800 | 2,500 | 2,500 |
| Acres of wetlands restored or enhanced | 500 | 650 | 990 | 990 | 990 | 990 | 990 |
| Allocation of Water Resources | | | | | | | |
| Streams protected by in-stream flow protection requirements | 199 | 206 | 213 | 220 | 227 | 234 | 234 |
| Percentage of erosion and sedimentation control permit applications processed within regulatory timeframes * | 42% | 48% | 48% | 52% | 55% | 80% | 85% |
| Safe Waste Management | | | | | | | |
| Tons of municipal solid waste disposed per capita* | 1.22 | 1.22 | 1.21 | 1.21 | 1.20 | 1.20 | 1.19 |

Environmental Protection

Program: Environmental Protection and Management (continued)

| Program Measures: (continued) | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Tons of municipal solid waste imported into Pennsylvania (millions) | 10.12 | 9.70 | 9.40 | 9.20 | 9.10 | 9.00 | 8.90 |
| Tons of municipal solid waste recycled (millions) | 4.50 | 4.55 | 4.60 | 5.15 | 5.70 | 6.25 | 6.80 |
| Tons of non-wastewater residual waste generated per million dollars of Gross State Product | 59 | 45 | 44 | 41 | 40 | 37 | 37 |
| Tons of hazardous waste generated per million dollars of Gross State Product | 0.72 | 0.70 | 0.68 | 0.65 | 0.64 | 0.60 | 0.59 |
| Protection of Land | | | | | | | |
| Percent of storage tanks with new releases* | 2.26% | 2.16% | 2.15% | 2.13% | 2.11% | 2.09% | 2.08% |
| Mine subsidence insurance policies in effect | 54,528 | 58,960 | 61,910 | 65,010 | 68,260 | 71,670 | 74,700 |
| Restoration of Land | | | | | | | |
| Cleanups completed at sites contaminated with hazardous substances | 267 | 276 | 275 | 275 | 275 | 275 | 275 |
| Sites contaminated by hazardous substances known by the department | 11,454 | 11,450 | 11,450 | 11,450 | 11,450 | 11,450 | 11,450 |
| Leaking storage tank cleanups completed * | 645 | 475 | 400 | 400 | 400 | 400 | 400 |
| Leaking storage tank sites known by the department | 4,997 | 3,100 | 3,100 | 3,000 | 2,900 | 2,800 | 2,700 |
| Acres of abandoned mine land reclaimed . | 823 | 900 | 1,400 | 1,500 | 1,700 | 1,800 | 1,900 |
| Acres of high-priority abandoned mine land known by the department | 40,030 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| Abandoned or orphaned oil and gas wells plugged * | 95 | 217 | 315 | 315 | 315 | 315 | 315 |
| Abandoned or orphaned oil and gas wells known by the department | 8,600 | 8,700 | 8,500 | 8,185 | 7,870 | 7,550 | 7,500 |
| Safe Drinking Water | | | | | | | |
| Percent of population served by water supply systems that meet health-based standards | 95% | 95% | 95% | 95% | 95% | 95% | 95% |
| Percent of community water system source water areas with source water protection strategies in place | 18% | 20% | 41% | 56% | 72% | 87% | 94% |
| Radiation Protection | | | | | | | |
| Buildings with radon mitigated by certified installers (both residential and commercial) | 8,100 | 8,100 | 8,100 | 8,100 | 8,100 | 8,100 | 8,100 |
| Nuisance and Vector Control | | | | | | | |
| New human infections with West Nile Virus | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Breeding areas treated to control West Nile Virus | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 |
| Black fly complaints received* | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Stream miles treated to control black flies* | 1,700 | 1,700 | 1,700 | 1,700 | 1,700 | 1,700 | 1,700 |
| Emergency Preparedness and Response | | | | | | | |
| Gallons of liquid known to be contained or recovered in emergency responses* . | 1,038,000 | 1,038,000 | 1,038,000 | 1,038,000 | 1,038,000 | 1,038,000 | 1,038,000 |
| Emergency responses to environmental releases | 3,781 | 3,875 | 3,875 | 3,875 | 3,875 | 3,875 | 3,875 |
| Flood Protection and Dam Safety | | | | | | | |
| High-hazard dams upgraded or repaired .. | 22 | 15 | 15 | 15 | 15 | 15 | 15 |
| Mine Safety | | | | | | | |
| Lost time accidents per 200,000 employee-hours of exposure | 4.9 | 4.8 | 4.8 | 4.8 | 4.8 | 4.8 | 4.8 |

Environmental Protection

Program: Environmental Protection and Management (continued)

| Program Measures: (continued) | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---------|----------|----------|----------|----------|----------|----------|
| Persons reached for public mine safety education through the "Stay Out - Stay Alive" program | 47,857 | 50,000 | 60,000 | 70,000 | 80,000 | 90,000 | 100,000 |
| Advanced Energy Development | | | | | | | |
| BTUs generated from renewable energy resources and coal-mine methane (billions) | 8,110 | 9,360 | 12,584 | 20,912 | 24,684 | 30,794 | 37,083 |
| BTUs generated from advanced non-renewable energy resources including waste coal (billions) | 70,000 | 75,000 | 81,200 | 89,600 | 139,500 | 139,500 | 139,500 |
| Value of advanced energy development resulting from the department's activities (\$thousands) | \$5,200 | \$22,030 | \$22,751 | \$22,751 | \$22,751 | \$22,751 | \$22,751 |
| Energy Conservation and Efficiency | | | | | | | |
| BTUs of electricity consumed per dollar of Gross State Product | 1,132 | 1,120 | 1,108 | 1,096 | 1,084 | 1,073 | 1,073 |
| Entities provided assistance for energy efficiency by direct contact from department staff* | 1,975 | 1,975 | 1,975 | 1,888 | 1,888 | 1,888 | 1,888 |
| Department-wide Totals | | | | | | | |
| Percent of facilities with no health, safety or environmental violations | 90% | 91% | 92% | 92% | 92% | 92% | 92% |
| Complaints received | 6,682 | 6,388 | 6,388 | 6,388 | 6,388 | 6,378 | 6,378 |
| Permit applications or requests for authorizations processed | 30,722 | 32,445 | 36,912 | 36,788 | 36,775 | 36,762 | 36,797 |
| Inspections completed | 104,237 | 100,532 | 99,355 | 97,944 | 98,408 | 99,797 | 99,826 |
| Enforcement matters executed | 14,273 | 13,955 | 13,318 | 13,053 | 12,833 | 12,678 | 12,678 |
| Permits or authorizations required by regulated entities | 206,068 | 209,579 | 211,837 | 214,238 | 216,584 | 218,794 | 220,919 |

New human infections with West Nile Virus are lower than estimated due to treatment of additional mosquito habitats, reducing the rate of virus transmission from mosquitos to humans.

*New program measures.

Program Recommendations:

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

| | |
|---|--|
| <p>\$ -2,750 Cleanup of Scrap Tires —nonrecurring cleanup projects.</p> <p>\$ -406 Environmental Program Management —reduction in administrative costs.</p> <p>\$ 949 Environmental Protection Operations —to continue current program. 508 —Initiative—Underground Mine Safety Inspections. To enhance critical underground safety inspection operations.</p> <hr/> <p>\$ 1,457 <i>Appropriation Increase</i></p> <p>\$ -8,500 Safe Water —nonrecurring projects.</p> <p>\$ -2,000 Storm Water Management Demo Project —nonrecurring projects.</p> | <p>\$ -550 Water Contamination Remediation Grants —nonrecurring grants.</p> <p>\$ -500 Susquehanna River Basin Commission —nonrecurring costs.</p> <p>\$ -250 Delaware River Basin Commission —nonrecurring costs.</p> <p>\$ -300 Chesapeake Bay Education Program —nonrecurring project.</p> <p>\$ -450 Local Soil and Water District Assistance —nonrecurring costs.</p> <p>\$ -1,300 ENVIRONMENTAL STEWARDSHIP FUND Abandoned Mine Reclamation and Remediation (EA) —nonrecurring grants.</p> |
|---|--|

Environmental Protection

Program: Environmental Protection and Management (continued)

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

| | | |
|-----------|--|-------------------------------|
| | Watershed Protection and Restoration (EA) | |
| \$ -1,397 | | —nonrecurring grants. |
| | | |
| \$ -406 | | —nonrecurring grants. |
| | | |
| \$ 10,000 | | —to continue current program. |

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Cleanup of Scrap Tires | \$ 6,664 | \$ 2,750 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Environmental Program Management | 37,594 | 37,049 | 36,643 | 36,643 | 36,643 | 36,643 | 36,643 |
| Chesapeake Bay Agricultural Source Abatement | 3,035 | 3,271 | 3,271 | 3,271 | 3,271 | 3,271 | 3,271 |
| Environmental Protection Operations | 85,898 | 87,897 | 89,354 | 89,354 | 89,354 | 89,354 | 89,354 |
| Black Fly Control and Research | 4,415 | 4,415 | 4,415 | 4,415 | 4,415 | 4,415 | 4,415 |
| Nutrient Management | 250 | 0 | 0 | 0 | 0 | 0 | 0 |
| West Nile Virus Control | 7,382 | 7,473 | 7,473 | 7,473 | 7,473 | 7,473 | 7,473 |
| Safe Water | 7,500 | 8,500 | 0 | 0 | 0 | 0 | 0 |
| Storm Water Management Demo Project | 0 | 2,000 | 0 | 0 | 0 | 0 | 0 |
| Flood Control Projects | 2,761 | 2,793 | 2,793 | 2,793 | 2,793 | 2,793 | 2,793 |
| Storm Water Management | 1,004 | 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 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Water Contamination Remediation Grants | 0 | 550 | 0 | 0 | 0 | 0 | 0 |
| Delaware River Master | 93 | 94 | 94 | 94 | 94 | 94 | 94 |
| Ohio River Basin Commission | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Susquehanna River Basin Commission | 1,232 | 1,232 | 732 | 732 | 732 | 732 | 732 |
| Interstate Commission on the Potomac River | 46 | 48 | 48 | 48 | 48 | 48 | 48 |
| Delaware River Basin Commission | 1,382 | 1,382 | 1,132 | 1,132 | 1,132 | 1,132 | 1,132 |
| Ohio River Valley Water Sanitation Commission | 164 | 164 | 164 | 164 | 164 | 164 | 164 |
| Chesapeake Bay Commission | 265 | 265 | 265 | 265 | 265 | 265 | 265 |
| Chesapeake Bay Education Program | 0 | 300 | 0 | 0 | 0 | 0 | 0 |
| Local Soil and Water District Assistance | 3,550 | 3,550 | 3,100 | 3,100 | 3,100 | 3,100 | 3,100 |
| Interstate Mining Commission | 38 | 38 | 38 | 38 | 38 | 38 | 38 |
| Northeast-Midwest Institute | 58 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sea Grant Program | 250 | 200 | 200 | 200 | 200 | 200 | 200 |
| TOTAL GENERAL FUND | \$ 170,545 | \$ 172,135 | \$ 157,886 | \$ 157,886 | \$ 157,886 | \$ 157,886 | \$ 157,886 |

Environmental Protection

Program: Environmental Protection and Management (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| ENVIRONMENTAL STEWARDSHIP FUND: | | | | | | | |
| Oil and Gas Well Plugging (EA) | \$ 831 | \$ 0 | \$ 0 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| Abandoned Mine Reclamation and Remediation (EA) | 0 | 1,300 | 0 | 3,400 | 3,400 | 3,400 | 3,400 |
| Watershed Protection and Restoration (EA) | 30,228 | 23,148 | 21,751 | 24,800 | 25,100 | 25,100 | 25,100 |
| Sewage and Drinking Water Grants (EA) | 2,963 | 2,716 | 2,310 | 5,021 | 4,721 | 4,721 | 4,721 |
| Transfer to Hazardous Sites Cleanup Fund (EA) | 0 | 20,000 | 30,000 | 0 | 0 | 0 | 0 |
| TOTAL ENVIRONMENTAL STEWARDSHIP FUND | \$ 34,022 | \$ 47,164 | \$ 54,061 | \$ 34,221 | \$ 34,221 | \$ 34,221 | \$ 34,221 |
| 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) | | |
|--|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| GENERAL FUND: | | | |
| <i>Grants and Subsidies:</i> | | | |
| Atlantic States Marine Fisheries Commission..... | \$ 14 | \$ 14 | \$ 16 |
| BOAT FUND: | | | |
| <i>General Government:</i> | | | |
| General Operations (EA)..... | \$ 9,206 | \$ 11,441 | \$ 13,425 |
| (F)US Coast Guard Grant - Boating Safety..... | 541 | 2,100 | 1,400 |
| (F)Sport Fish Restoration..... | 678 | 1,332 | 1,100 |
| (F)Boating Infrastructure Grant (BIG) Program..... | 0 | 400 | 100 |
| (F)Land and Water Conservation Fund..... | 0 | 98 | 0 |
| (F)Clean Vessels..... | 0 | 50 | 50 |
| (F)Wildlife Conservation & Restoration - Non-Game..... | 23 | 0 | 0 |
| (F)Homeland Security Grant..... | 0 | 100 | 0 |
| (A)Sale of Vehicles..... | 4 | 25 | 25 |
| (A)BUI Enforcement- PennDOT..... | 6 | 0 | 0 |
| Subtotal - State Funds..... | \$ 9,206 | \$ 11,441 | \$ 13,425 |
| Subtotal - Federal Funds..... | 1,242 | 4,080 | 2,650 |
| Subtotal - Augmentations..... | 10 | 25 | 25 |
| Total - General Government..... | \$ 10,458 | \$ 15,546 | \$ 16,100 |
| STATE FUNDS..... | \$ 9,206 | \$ 11,441 | \$ 13,425 |
| FEDERAL FUNDS..... | 1,242 | 4,080 | 2,650 |
| AUGMENTATIONS..... | 10 | 25 | 25 |
| BOAT FUND TOTAL..... | \$ 10,458 | \$ 15,546 | \$ 16,100 |
| FISH FUND: | | | |
| <i>General Government:</i> | | | |
| General Operations (EA)..... | \$ 24,408 | \$ 25,245 | \$ 27,514 |
| (F)Sport Fish Restoration..... | 6,238 | 5,740 | 5,740 |
| (F)Wildlife Conservation and Restoration - Non-Game..... | 352 | 762 | 0 |
| (F)Coastal Zone Management..... | 10 | 0 | 0 |
| (F)Endangered Species..... | 3 | 0 | 0 |
| (F)Surface Mine Regulation..... | 54 | 50 | 50 |
| (F)NOAA..... | 315 | 42 | 124 |
| (F)Emergency and Disaster Relief - 1996 Flood..... | 46 | 150 | 0 |
| (F)USFWS - Partner for Fish & Wildlife..... | 0 | 10 | 0 |
| (F)State Wildlife Grant..... | 238 | 2,038 | 1,324 |
| (F)Homeland Security Grant..... | 0 | 0 | 150 |
| (F)Chesapeake Bay Program..... | 0 | 694 | 250 |
| (F)Landowner Incentive Program..... | 0 | 0 | 40 |
| (A)Sale of Vehicles..... | 22 | 55 | 55 |
| (A)Reimbursement - DEP/EPA Projects..... | 114 | 63 | 63 |
| (A)Reimbursement for Services - PennDOT..... | 146 | 65 | 65 |
| (A)Transportation - Endangered/Threatened Species..... | 0 | 65 | 65 |
| (A)Purchasing Card Rebate..... | 18 | 16 | 20 |
| (A)Three River Ecological Center..... | 0 | 0 | 40 |
| Subtotal - State Funds..... | \$ 24,408 | \$ 25,245 | \$ 27,514 |
| Subtotal - Federal Funds..... | 7,256 | 9,486 | 7,678 |
| Subtotal - Augmentations..... | 300 | 264 | 308 |
| Total - General Government..... | \$ 31,964 | \$ 34,995 | \$ 35,500 |

Fish and Boat Commission

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|-----------------------------------|-------------------------------|-----------------------|-----------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| STATE FUNDS..... | \$ 24,408 | \$ 25,245 | \$ 27,514 |
| FEDERAL FUNDS..... | 7,256 | 9,486 | 7,678 |
| AUGMENTATIONS..... | 300 | 264 | 308 |
| FISH FUND TOTAL..... | \$ 31,964 | \$ 34,995 | \$ 35,500 |
| | | | |
| OTHER FUNDS: | | | |
| GROWING GREENER BOND FUND: | | | |
| Capital Improvement Projects..... | \$ 0 | \$ 1,655 ^a | \$ 4,000 ^a |
| | | | |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 14 | \$ 14 | \$ 16 |
| SPECIAL FUNDS..... | 33,614 | 36,686 | 40,939 |
| FEDERAL FUNDS..... | 8,498 | 13,566 | 10,328 |
| AUGMENTATIONS..... | 310 | 289 | 333 |
| OTHER FUNDS..... | 0 | 1,655 | 4,000 |
| TOTAL ALL FUNDS..... | \$ 42,436 | \$ 52,210 | \$ 55,616 |

^a Actually appropriated as a \$27,500,000 continuing executive authorization in 2005-06. Amount shown is an estimate of program disbursements within the fiscal year.

Fish and Boat Commission

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| RECREATIONAL FISHING AND BOATING | | | | | | | |
| GENERAL FUND..... | \$ 14 | \$ 14 | \$ 16 | \$ 16 | \$ 16 | \$ 16 | \$ 16 |
| SPECIAL FUNDS..... | 33,614 | 36,686 | 40,939 | 40,939 | 40,939 | 40,939 | 40,939 |
| FEDERAL FUNDS..... | 8,498 | 13,566 | 10,328 | 10,352 | 10,352 | 10,352 | 10,352 |
| OTHER FUNDS..... | 310 | 1,944 | 4,333 | 5,833 | 5,833 | 5,833 | 5,678 |
| SUBCATEGORY TOTAL..... | \$ 42,436 | \$ 52,210 | \$ 55,616 | \$ 57,140 | \$ 57,140 | \$ 57,140 | \$ 56,985 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 14 | \$ 14 | \$ 16 | \$ 16 | \$ 16 | \$ 16 | \$ 16 |
| SPECIAL FUNDS..... | 33,614 | 36,686 | 40,939 | 40,939 | 40,939 | 40,939 | 40,939 |
| FEDERAL FUNDS..... | 8,498 | 13,566 | 10,328 | 10,352 | 10,352 | 10,352 | 10,352 |
| OTHER FUNDS..... | 310 | 1,944 | 4,333 | 5,833 | 5,833 | 5,833 | 5,678 |
| DEPARTMENT TOTAL..... | \$ 42,436 | \$ 52,210 | \$ 55,616 | \$ 57,140 | \$ 57,140 | \$ 57,140 | \$ 56,985 |

Fish and Boat Commission

PROGRAM OBJECTIVE: To conserve aquatic resources including fish and wildlife populations, to provide recreational opportunities for fishing and boating on Commonwealth waters, and to promote safe recreational use of these aquatic resources.

Program: Recreational Fishing and Boating

The Fish and Boat Commission is responsible for the enforcement of the fishing and boating laws and regulations, registration of boats, the State boating and water safety education programs, and the management and promotion of recreational boating. The Boating Advisory Board, a group of knowledgeable boaters appointed by the Governor, advises the commission on boating matters.

In addition to recreational boating, the commission is responsible for recreational fishing in the Commonwealth. This includes fish propagation, stocking, fisheries, environmental services, the cooperative nurseries program, research and fish management. The commission also provides for the development, improvement and maintenance of facilities for lake and access areas. As water quality is a

major factor in aquatic recreation, the commission's goals are to protect, conserve and enhance aquatic resources by monitoring the water quality of many streams, lakes and rivers in the Commonwealth.

The Fish and Boat Commission are currently evaluating electronic licensing/point of sale proposals received through a request for proposal process. The cost to implement an electronic point of sale system may increase the cost per transaction to issue a fishing license. However, while the cost per transaction to sell a license may increase, the agencies expect that there may be savings derived and that critical customer information will be made more readily available to the Commission.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Fishing licenses sold | 834,877 | 836,000 | 836,000 | 836,000 | 836,000 | 836,000 | 836,000 |
| Fishing licenses sold - cost per license | \$0.53 | \$0.54 | \$0.57 | \$0.58 | \$0.59 | \$0.60 | \$0.61 |
| Pounds of fish stocked in Commonwealth streams and lakes | 2,231,824 | 2,200,000 | 2,200,000 | 2,200,000 | 2,200,000 | 2,200,000 | 2,200,000 |
| Pounds of fish stocked in streams and lakes-cost per pound | \$4.01 | \$4.13 | \$4.39 | \$4.49 | \$4.57 | \$4.67 | \$4.76 |
| Boats registered | 359,749 | 360,000 | 363,000 | 366,000 | 369,000 | 372,000 | 375,000 |
| Warnings issued for violations of fishing and boating laws | 33,606 | 34,000 | 34,000 | 34,500 | 34,500 | 34,500 | 34,500 |
| Convictions for violations of fishing and boating laws | 7,435 | 8,000 | 8,000 | 8,500 | 8,500 | 8,500 | 8,500 |

The increased operating cost associated with fuel for vehicles, heating and backup generators, bulk oxygen, fish food and electricity cost is shown in the cost per pounds of fish stocked.

Program Recommendations:

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

| | | |
|---|--|--|
| <p>Atlantic States Marine Fisheries Commission</p> <p>\$ 2 —to continue current program.</p> <p>BOAT FUND</p> <p>General Operations (EA)</p> <p>\$ 1,251 —for additional access renovations projects.</p> <p>733 —to continue current program.</p> <hr/> <p>\$ 1,984 <i>Executive Authorization Increase</i></p> | <p>\$ 250</p> <p>2,019</p> <hr/> <p>\$ 2,269 <i>Executive Authorization Increase</i></p> | <p>FISH FUND</p> <p>General Operations (EA)</p> <p>—for additional building and equipment projects.</p> <p>—to continue current program.</p> |
|---|--|--|

Fish and Boat Commission

Program: Recreational Fishing and Boating (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Atlantic States Marine Fisheries Commission | \$ 14 | \$ 14 | \$ 16 | \$ 16 | \$ 16 | \$ 16 | \$ 16 |
| BOAT FUND: | | | | | | | |
| General Operations (EA) | \$ 9,206 | \$ 11,441 | \$ 13,425 | \$ 13,425 | \$ 13,425 | \$ 13,425 | \$ 13,425 |
| FISH FUND: | | | | | | | |
| General Operations (EA) | \$ 24,408 | \$ 25,245 | \$ 27,514 | \$ 27,514 | \$ 27,514 | \$ 27,514 | \$ 27,514 |



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) | | |
|--|-------------------------------|-----------------------|-----------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| GAME FUND: | | | |
| General Government: | | | |
| General Operations(EA) | \$ 49,936 | \$ 52,653 | \$ 53,232 |
| (F)Pittman-Robinson Act Reimbursements..... | 8,873 | 7,500 | 7,500 |
| (F)Endangered Species..... | 16 | 25 | 20 |
| (F)Surface Mine Regulatory Program..... | 63 | 60 | 65 |
| (F)USFWS - State Wildlife Grants..... | 0 | 1,128 | 1,000 |
| (F)NRCS Farm Bill..... | 150 | 469 | 486 |
| (F)Chronic Wasting Disease..... | 0 | 90 | 90 |
| (F)Federal Reimbursement - other Wildlife Grants..... | 598 | 3,459 | 1,000 |
| (A)Sale of Vehicles..... | 106 | 100 | 100 |
| (A)Pennsylvania Conservation Corps..... | 95 | 112 | 112 |
| (A)Donations..... | 40 | 36 | 44 |
| (A)Becoming an Outdoors Woman..... | 20 | 0 | 0 |
| (A)Wildlife Management Institute..... | 0 | 0 | 51 |
| (A)Transportation Reimbursement - Animal Removal..... | 129 | 143 | 130 |
| (A)Purchasing Card Rebate..... | 32 | 25 | 25 |
| (A)Penndot Reimbursement - Environmental Assessment..... | 74 | 65 | 65 |
| (A)Reimbursement from PFBC..... | 0 | 0 | 210 |
| (R)Resident License Fee-Natural Propagation of Wildlife..... | 6,560 | 7,500 | 7,500 |
| Subtotal..... | \$ 66,692 | \$ 73,365 | \$ 71,630 |
| Land Acquisition and Development(EA) | 0 | 175 | 200 |
| (A)Land Acquisition Donations..... | 0 | 2 | 2 |
| Subtotal..... | \$ 0 | \$ 177 | \$ 202 |
| Subtotal - State Funds..... | \$ 49,936 | \$ 52,828 | \$ 53,432 |
| Subtotal - Federal Funds..... | 9,700 | 12,731 | 10,161 |
| Subtotal - Augmentations..... | 496 | 483 | 739 |
| Subtotal - Restricted Revenues..... | 6,560 | 7,500 | 7,500 |
| Total - General Government..... | \$ 66,692 | \$ 73,542 | \$ 71,832 |
| STATE FUNDS..... | \$ 49,936 | \$ 52,828 | \$ 53,432 |
| FEDERAL FUNDS..... | 9,700 | 12,731 | 10,161 |
| AUGMENTATIONS..... | 496 | 483 | 739 |
| RESTRICTED REVENUES..... | 6,560 | 7,500 | 7,500 |
| GAME FUND TOTAL | \$ 66,692 | \$ 73,542 | \$ 71,832 |
| OTHER FUNDS: | | | |
| GROWING GREENER BOND FUND: | | | |
| Capital Improvement Projects (EA)..... | \$ 0 | \$ 6,000 ^a | \$ 8,000 ^a |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 49,936 | 52,828 | 53,432 |
| FEDERAL FUNDS..... | 9,700 | 12,731 | 10,161 |
| AUGMENTATIONS..... | 496 | 483 | 739 |
| RESTRICTED..... | 6,560 | 7,500 | 7,500 |
| OTHER FUNDS..... | 0 | 6,000 | 8,000 |
| TOTAL ALL FUNDS | \$ 66,692 | \$ 79,542 | \$ 79,832 |

^a Actually appropriated as a \$20,000,000 continuing executive authorization in 2005-06. Amount shown is an estimate of program disbursements within the fiscal year.

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|-------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| WILDLIFE MANAGEMENT | | | | | | | |
| GENERAL FUND..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 49,936 | 52,828 | 53,432 | 53,432 | 53,432 | 53,432 | 53,432 |
| FEDERAL FUNDS..... | 9,700 | 12,731 | 10,161 | 10,161 | 10,161 | 10,161 | 10,161 |
| OTHER FUNDS..... | 7,056 | 13,983 | 16,239 | 10,239 | 10,239 | 10,239 | 8,239 |
| SUBCATEGORY TOTAL..... | \$ 66,692 | \$ 79,542 | \$ 79,832 | \$ 73,832 | \$ 73,832 | \$ 73,832 | \$ 71,832 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 49,936 | 52,828 | 53,432 | 53,432 | 53,432 | 53,432 | 53,432 |
| FEDERAL FUNDS..... | 9,700 | 12,731 | 10,161 | 10,161 | 10,161 | 10,161 | 10,161 |
| OTHER FUNDS..... | 7,056 | 13,983 | 16,239 | 10,239 | 10,239 | 10,239 | 8,239 |
| DEPARTMENT TOTAL..... | \$ 66,692 | \$ 79,542 | \$ 79,832 | \$ 73,832 | \$ 73,832 | \$ 73,832 | \$ 71,832 |

PROGRAM OBJECTIVE: To establish habitats and environments which will sustain wildlife populations for recreational uses and for the perpetuation of species.

Program: Wildlife Management

The main responsibility of the Game Commission is the perpetuation of the species of wildlife found in Pennsylvania. The commission achieves its mission through wildlife research, management of game habitat, operation of programs for endangered and threatened species, and enforcement of the Game and Wildlife Code. Wildlife conservation officers enforce the provisions of the Game and Wildlife Code to protect the natural balance of the Commonwealth's wildlife population.

The primary means of ensuring the propagation and preservation of wildlife is properly managing land and game habitats. The commission currently administers over 1.4 million acres of State Game Lands and is judiciously acquiring additional lands, including critically important wetlands. The commission also administers cooperative programs to encourage good land use management and habitat improvement by private landowners. Wildlife habitat

assessment techniques are used to develop management plans. These assessments apply to all Pennsylvania State Game Lands, Farm Game Projects and other areas actively managed by the Game Commission.

All species receive mandated protection. However, those species considered game animals, such as deer, turkey and bear, receive the most attention. The number of antlerless deer licenses available for sale is based on the deer population projections. The optimal number of deer is based on acres of forested land in the Commonwealth. Hunting, while recreational in nature, is a management tool as well. Future year projection numbers indicate the number of deer that need to be harvested to sustain the population. Also protected by the commission are endangered and threatened species such as river otters, osprey, peregrine falcons, and bald and golden eagles.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|-----------|---------|---------|---------|---------|---------|---------|
| Hunting licenses sold | 1,007,613 | 987,000 | 987,000 | 987,000 | 987,000 | 987,000 | 987,000 |
| Arrests for violation of game laws | 7,600 | 7,000 | 6,500 | 6,500 | 6,500 | 6,500 | 6,500 |
| Development of wildlife management plans | 6 | 2 | 2 | 2 | 2 | 2 | 2 |

Hunting Licenses sold reflects a decrease in antlerless deer allocations.

Wildlife management plans are developed jointly by the commission and interest groups to assess specific game or endangered animal species in the Commonwealth. Only a few plans are completed annually due to the amount of time required to study a specific animal population.

Program Recommendations:

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

| | | |
|--------------------------------------|-------|--|
| GAME FUND | | Land Acquisition and Development (EA) |
| General Operations (EA) | | —land acquisition and development costs. |
| \$ 579 —to continue current program. | \$ 25 | |

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GAME FUND: | | | | | | | |
| General Operations(EA) | \$ 49,936 | \$ 52,653 | \$ 53,232 | \$ 53,232 | \$ 53,232 | \$ 53,232 | \$ 53,232 |
| Land Acquisition and Development(EA) ... | 0 | 175 | 200 | 200 | 200 | 200 | 200 |
| TOTAL GAME FUND | \$ 49,936 | \$ 52,828 | \$ 53,432 | \$ 53,432 | \$ 53,432 | \$ 53,432 | \$ 53,432 |



GAMING CONTROL BOARD

The Gaming Control Board regulates the implementation and operation of limited slot machine gaming intended to create new revenues to provide assistance to the Commonwealth's horse racing industry, provide tax relief and economic development opportunities.

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|----------------------|---------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| <u>GENERAL FUND:</u> | | | |
| <i>General Government:</i> | | | |
| Gaming Control Board (06/06)..... | \$ 7,500 | \$ 0 | \$ 0 |
| | <u>7,500</u> | <u>0</u> | <u>0</u> |
| <u>OTHER FUNDS:</u> | | | |
| STATE GAMING FUND: | | | |
| Local Law Enforcement Grants (EA)..... | \$ 0 | \$ 5,000 | \$ 5,000 |
| | <u>0</u> | <u>5,000</u> | <u>5,000</u> |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 7,500 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 0 | 0 | 0 |
| OTHER FUNDS..... | 0 | 5,000 | 5,000 |
| | <u>0</u> | <u>5,000</u> | <u>5,000</u> |
| TOTAL ALL FUNDS..... | \$ 7,500 | \$ 5,000 | \$ 5,000 |
| | <u><u>7,500</u></u> | <u><u>5,000</u></u> | <u><u>5,000</u></u> |

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|-------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GAMING REGULATION | | | | | | | |
| GENERAL FUND..... | \$ 7,500 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 0 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| SUBCATEGORY TOTAL..... | \$ 7,500 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 7,500 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 0 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| DEPARTMENT TOTAL..... | \$ 7,500 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |

PROGRAM OBJECTIVE: To provide tax relief, increase economic opportunity, and assist the Commonwealth's horse racing industry by overseeing the implementation and operation of limited slot machine gaming.

Program: Gaming Regulation

Act 71 of 2004, the Pennsylvania Race Horse Development Act, established the Gaming Control Board to regulate and oversee the implementation and operation of limited slot machine gaming intended to create new revenue to support property tax relief, wage tax reduction in Philadelphia, economic development and the Commonwealth's horse racing industry.

The Gaming Control Board consists of seven members, three gubernatorial appointees, including the chairman of the board, and four legislative appointees. The Secretary of Revenue, the Secretary of Agriculture, and the State Treasurer serve as ex officio members.

The board is charged with overseeing the licensing of up to fourteen gaming facilities and up to 61,000 slot machines. According to the act, the board may issue seven Category 1 licenses to applicants licensed by either the State Horse Racing Commission or the State Harness Racing Commission, five Category 2 licenses to applicants seeking to locate a gaming facility unrelated to a race track, and two Category 3 licenses to facilities in well established resort hotels having no fewer than 275 rooms.

The State Gaming Fund is established in the act to receive all license fees provided in the act and 34 percent of the gross terminal revenue (GTR) generated by licensed gaming facilities. These proceeds will be disbursed on an annual basis as follows: (1) \$1,500,000 or .001 percent of the GTR, whichever is greater, is allotted to the Compulsive and Problem Gambling Treatment Fund in the Department of Health and, (2) \$5,000,000 will go to the board for Local Law Enforcement Grants; and (3) the balance will be used to fund property tax relief as provided in Act 72 of 2004. In June of 2005, the Pennsylvania Supreme Court invalidated certain provisions of the Pennsylvania Race Horse Development and Gaming Act relating to the transfer of

moneys out of the State Gaming Fund. One of those was the transfer of \$25 million for the Volunteer Fire Company Grant Program. This budget proposes the reenactment of the annual \$25 million transfer beginning in 2006-07.

The act specifies three other uses of gaming revenues. The State Gaming Fund will receive four percent of the GTR to be distributed to counties and municipalities as specified by the act. Second, the Economic Development and Tourism Fund established in the act would receive five percent of the GTR for specific development projects contained in a subsequently enacted Economic Development Capital Budget. The fund will be administered by the Department of Community and Economic Development. Finally, the Race Horse Development Fund established by the act will receive a maximum of twelve percent of the GTR generated at each licensed facility.

Several state agencies provide support to the Gaming Control Board. The Department of Revenue has procured and will manage a centralized computer system, which will calculate the State's share of GTR on a daily basis and monitor the operation of all licensed gaming machines. The Pennsylvania State Police and the Attorney General will also have responsibilities under the act. All future operations of the board will be funded through assessments on licensed facilities.

This budget assumes seven Category 1 licenses and five Category 2 licenses will be issued at \$50 million per license, and two Category 3 licenses at \$5 million per license during the 2006-07 fiscal year. These assumptions are contingent upon final agreement of supplier regulations by the board by March 2006 and the selection of a seventh track by the Harness Racing Commission. The State Gaming Fund is shown in the Special Fund Appendix.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Gaming Control Board (06/06) | \$ 7,500 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |



DEPARTMENT OF GENERAL SERVICES

The mission of the Department of General Services is to provide the highest quality services, support, commodities, and facilities based on customer needs to get the best value for the taxpayers' money. The department strives to improve operational efficiency, reduce costs and burdens of doing business, and expand government contracting opportunities, while ensuring integrity and accountability in operations and activities.

The Department of General Services administers the leasing, purchasing, transportation, construction, repair and maintenance services for all agencies of the Commonwealth.

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| <u>GENERAL FUND:</u> | | | |
| <i>General Government:</i> | | | |
| General Government Operations..... | \$ 73,621 | \$ 70,948 | \$ 70,948 |
| (F)September 2004 Tropical Storm Ivan (EA)..... | 5 | 0 | 0 |
| (A)Federal Surplus Property..... | 948 | 1,317 | 1,421 |
| (A)State Buildings Use..... | 50 | 536 | 536 |
| (A)Sound Equipment..... | 39 | 38 | 38 |
| (A)Employee Liability Self Insurance Program..... | 169 | 150 | 259 |
| (A)Newsroom Services..... | 7 | 15 | 15 |
| (A)Computer Services..... | 101 | 100 | 100 |
| (A)Plans Forefeiture..... | 19 | 57 | 57 |
| (A)Media Center Reimbursements..... | 1,101 | 2,021 | 2,021 |
| (A)Recycling Program..... | 575 | 575 | 575 |
| (A)Law Enforcement Purchasing Program..... | 92 | 0 | 0 |
| (A)Metrology Services..... | 0 | 105 | 105 |
| (A)Capitol Police Services..... | 48 | 56 | 59 |
| (A)Centralized Procurement..... | 194 | 14,100 | 13,650 |
| (A)Minority and Women Business Opportunities..... | 6 | 0 | 0 |
| (A)Costar Program..... | 40 | 0 | 0 |
| Facilities Maintenance..... | 0 | 0 | 5,000 |
| Subtotal..... | \$ 77,015 | \$ 90,018 | \$ 94,784 |
| Harristown Rental Charges..... | 6,665 | 6,674 | 6,693 |
| Utility Costs..... | 15,674 | 16,984 | 18,136 |
| Harristown Utility and Municipal Charges..... | 10,469 | 11,351 | 11,805 |
| Printing the Pennsylvania Manual (06/06)..... | 159 | 0 | 159 |
| Asbestos Response..... | 150 | 150 | 150 |
| Excess Insurance Coverage..... | 3,049 | 1,296 | 1,541 |
| Subtotal - State Funds..... | \$ 109,787 | \$ 107,403 | \$ 114,432 |
| Subtotal - Federal Funds..... | 5 | 0 | 0 |
| Subtotal - Augmentations..... | 3,389 | 19,070 | 18,836 |
| Total - General Government..... | \$ 113,181 | \$ 126,473 | \$ 133,268 |
| <i>Grants and Subsidies:</i> | | | |
| Capitol Fire Protection..... | \$ 1,020 | \$ 1,020 | \$ 1,020 |
| STATE FUNDS..... | \$ 110,807 | \$ 108,423 | \$ 115,452 |
| FEDERAL FUNDS..... | 5 | 0 | 0 |
| AUGMENTATIONS..... | 3,389 | 19,070 | 18,836 |
| GENERAL FUND TOTAL..... | \$ 114,201 | \$ 127,493 | \$ 134,288 |
| <u>BANKING DEPARTMENT FUND:</u> | | | |
| <i>General Government:</i> | | | |
| Harristown Rental Charges..... | \$ 139 | \$ 141 | \$ 0 |
| Harristown Utility and Municipal Charges..... | 179 | 213 | 0 |
| Total - General Government..... | \$ 318 | \$ 354 | \$ 0 |
| BANKING DEPARTMENT FUND TOTAL..... | \$ 318 | \$ 354 | \$ 0 |
| <u>MOTOR LICENSE FUND:</u> | | | |
| <i>General Government:</i> | | | |
| Harristown Rental Charges (EA)..... | \$ 94 | \$ 83 | \$ 77 |
| Harristown Utility and Municipal Charges (EA)..... | 166 | 152 | 150 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--------------------------------------|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| Total - General Government..... | \$ 260 | \$ 235 | \$ 227 |
| Grants and Subsidies: | | | |
| Tort Claims Payments..... | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| MOTOR LICENSE FUND TOTAL..... | \$ 20,260 | \$ 20,235 | \$ 20,227 |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 110,807 | \$ 108,423 | \$ 115,452 |
| SPECIAL FUNDS..... | 20,578 | 20,589 | 20,227 |
| FEDERAL FUNDS..... | 5 | 0 | 0 |
| AUGMENTATIONS..... | 3,389 | 19,070 | 18,836 |
| TOTAL ALL FUNDS..... | \$ 134,779 | \$ 148,082 | \$ 154,515 |

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| FACILITY, PROPERTY AND COMMODITY MANAGEMENT | | | | | | | |
| GENERAL FUND..... | \$ 110,807 | \$ 108,423 | \$ 115,452 | \$ 115,293 | \$ 115,452 | \$ 115,293 | \$ 115,452 |
| SPECIAL FUNDS..... | 20,578 | 20,589 | 20,227 | 20,227 | 20,227 | 20,227 | 20,227 |
| FEDERAL FUNDS..... | 5 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 3,389 | 19,070 | 18,836 | 18,836 | 18,836 | 18,836 | 18,836 |
| SUBCATEGORY TOTAL..... | \$ 134,779 | \$ 148,082 | \$ 154,515 | \$ 154,356 | \$ 154,515 | \$ 154,356 | \$ 154,515 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 110,807 | \$ 108,423 | \$ 115,452 | \$ 115,293 | \$ 115,452 | \$ 115,293 | \$ 115,452 |
| SPECIAL FUNDS..... | 20,578 | 20,589 | 20,227 | 20,227 | 20,227 | 20,227 | 20,227 |
| FEDERAL FUNDS..... | 5 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 3,389 | 19,070 | 18,836 | 18,836 | 18,836 | 18,836 | 18,836 |
| DEPARTMENT TOTAL..... | \$ 134,779 | \$ 148,082 | \$ 154,515 | \$ 154,356 | \$ 154,515 | \$ 154,356 | \$ 154,515 |

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

Department of General Services (DGS) oversees the procurement of goods and services, manages non-highway capital projects, oversees the Commonwealth's minority and woman owned business program, and is responsible for numerous core operations of state government, including management of the vehicle fleet, Capitol Police force, state buildings and facilities. DGS also serves as the state's real estate agent and insurance broker and oversees the Commonwealth Media Service.

Public Works

DGS's Public Works coordinates and oversees the design and construction of all non-highway capital construction projects for the Commonwealth. Projects and related services include new construction, alteration, and repair of Commonwealth properties and capital improvement projects for all state agencies. Projects range from dams and sewage treatment plants to buildings such as prisons, offices, and laboratories. General Services also administers the selection of architects and engineers, advertises projects for bid, obtains construction bids, executes construction contracts, and manages budgets for construction projects.

Public Works maximizes performance through a series of measures designed to reduce change order rates, increase the number of construction projects completed on time and on budget, and reduce the number of claims filed against the Commonwealth.

Project priorities include the expanded use of competitive Request for Proposals or Best Value contracting to improve the timely delivery of quality multiple prime construction projects by qualified vendors and the development and update each year of the Commonwealth's Five Year Capital Plan. The goal of the Capital Plan and annual fall planning process is to better manage limited dollars by developing a comprehensive and strategic approach to capital needs, and to focus Commonwealth resources to deliver projects quicker, on time and on budget.

Procurement

The Bureau of Procurement with General Services is responsible for purchasing or contracting for equipment and supplies for the Commonwealth. In total, the Bureau purchases more than \$4.5 billion in goods and services for the Commonwealth each year, ranging from office supplies to computers to vehicles. For the past three years, the department has adopted a private sector procurement methodology based on strategic sourcing. Purchasing is now negotiated on the collective volume of all agencies within the Commonwealth, rather than as individual agencies.

Real Estate

The Bureau of Real Estate is responsible for the purchase, sale and lease of property to the Commonwealth, and the management of property and space owned by the Commonwealth. Serving as the Commonwealth's real estate agency, the Department's portfolio includes 1.5 billion square feet of owned space and 7.7 million square feet of leased space. The Leasing Division reviews, investigates, negotiates and leases office space for lease by the Commonwealth, the Space Management Division analyzes space requests, prepares space allocations for departments, boards, and commissions in state owned and leased facilities. The Land Management Division reviews, investigates and recommends approval/disapproval of proposals for real property considered for purchase by the Commonwealth.

A program priority for the Bureau of Real Estate includes the Downtown Location Initiative to help revitalize Pennsylvania's downtown communities. DGS has enacted an original set of guidelines pursuant to the Downtown Location Law and later modified and strengthened those guidelines based upon the authority granted in the Governor's Executive Order 2004-2, which authorizes DGS to take all steps necessary to ensure that the objectives of the Downtown Location Law are met.

Torts

The department handles approximately 8,000 tort claims each year, in conjunction with the Attorney General's Office, brought against the Commonwealth, its officials and employees. Act 151 of 1986 reaffirmed the Commonwealth's use of sovereign immunity as a defense against tort claims, but established criteria for limited amounts of liability in nine specific areas: vehicle liability, medical professional liability, personal property, Commonwealth real estate, potholes, and other dangerous conditions. These include care, custody and control of domestic animals, liquor store sales, National Guard activities, and toxoids and vaccines. The department investigates claims in the pre-litigation stage, while the Office of Attorney General defends against those claims in litigation.

Facilities and Energy Management

The department is responsible for the management and maintenance of twenty-three State-owned buildings of the Capitol complex and Harristown, five regional State office buildings in Pittsburgh, Philadelphia, Scranton and Reading, as well as two executive residences. These facilities contain nearly 8.1 million square feet of office space, with 117 acres

Program: Facility, Property and Commodity Management (continued)

of grounds, parking area and roadways.

A comprehensive energy management program for the Commonwealth to conserve and reduce energy usage in Commonwealth facilities has been implemented. In Fall 2005, the Department issued a series of measures for agencies to put in place to conserve energy, including a centralized energy savings program for Commonwealth-owned buildings. The program has prioritized critical projects and other energy conservation practices as part of new construction and renovations.

Vehicles

The Bureau of Vehicle Management maintains and oversees the Commonwealth Automotive Fleet. Among its responsibilities is the maintenance of title and registration files on all Commonwealth-owned vehicles for compliance with specifications and maintenance and repair on Commonwealth owned, leased and temporary vehicles.

The bureau is currently spearheading the Commonwealth's Alternative Fuel Pilot Program, which is designed to increase the number of hybrid electric vehicles in the fleet. In 2006, the Commonwealth fleet will include at least thirty hybrid electric vehicles and each year that number will increase.

Minority & Women Business Opportunities

The Bureau of Minority and Women Business Opportunities (BMWBO) is focused on significantly increasing the opportunities for minority and women business owners in Commonwealth contracts. Duties of the bureau include the administration of the Commonwealth's certification program, training and outreach for women and minority businesses, and enforcement. In addition, General Services administers the statewide contract compliance program that ensures that suppliers and contractors are not discriminatory.

Commonwealth Media Services

Commonwealth Media Services provides audio, video, photographic multi-media and broadcast services required

by state agencies. Services are available on a continuous basis in the event of emergencies. News conferencing facilities are maintained at the Capitol Media Center. In addition, a full range of creative audio-video services are incorporated into the production of 200 documentaries, educational, promotional, training and public service programs annually.

Federal and State Surplus

The department administers the Federal and State surplus property programs, which are first offered to public and non-profit organizations at low cost before auctioning the property to the public. The department has conducted online auctions with companies such as eBay and AssetAuctions. Federal surplus property is sold to State agencies, local municipalities, not for profit organizations and law enforcement entities for a nominal service charge. During 2004-05, Federal property originally valued at \$15 million was distributed to eligible organizations.

Capitol Police

Capitol Police are responsible for protecting and serving State employees, public officials, and visitors to the Capitol Complex and outlying areas, including Harrisburg, Pittsburgh, Philadelphia and Scranton State Office buildings. This mission is accomplished with security guards and sworn police officers. The Capitol Police force is an accredited law enforcement agency through the Pennsylvania Law Enforcement Accreditation Commission.

Publications

The Bureau of Publications provides web graphics, graphic design, desktop publishing and printing services to all state agencies and commissions. Projects include annual reports, brochures, newsletters, logos, stationery and book covers. The printing operation provides lithographic offset and digital printing services as well as booklet making, binding, cutting, folding, drilling, padding and mailing. The State Sign Shop delivers signage, engraving, and banner services. The Bureau also produces the Pennsylvania Manual and the Commonwealth Telephone Directory.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Public Works: | | | | | | | |
| Capital and Agency projects completed - annually* | 216 | 210 | 206 | 214 | 214 | 214 | 214 |
| Capital and Agency projects in design and/or construction | 500 | 520 | 590 | 550 | 525 | 500 | 500 |
| Capital and Agency projects value (in thousands)* | \$1,300,000 | \$1,352,000 | \$1,534,000 | \$1,430,000 | \$1,365,000 | \$1,300,000 | \$1,300,000 |
| Capital and Agency projects completed within 10% of schedule date | 91% | 90% | 90% | 90% | 90% | 90% | 90% |
| Public Works construction awards less than 10% above allocation* | 99% | 95% | 95% | 95% | 95% | 95% | 95% |
| Percentage of change orders approved for payment* | 7.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% |

Program: Facility, Property and Commodity Management (continued)

| Program Measures: (continued) | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Procurement: | | | | | | | |
| Total dollar value of Commonwealth spending - commodities* (in thousands) . | \$4,000,000 | \$4,000,000 | \$4,000,000 | \$4,000,000 | \$4,000,000 | \$4,000,000 | \$4,000,000 |
| Percentage contract spending processed by Bureau of Procurement* ... | N/A | 25% | 26% | 28% | 29% | 30% | 32% |
| Enterprise wide annual procurement related savings (in thousands) | \$140,000 | \$180,000 | \$240,000 | \$282,000 | \$324,000 | \$366,000 | \$408,000 |
| Percentage return on investment for procurement services* | N/A | N/A | 300% | 305% | 310% | 315% | 320% |
| Real Estate: | | | | | | | |
| Total square footage of state owned space (in thousands)* | N/A | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| Percentage of state owned space occupied* | N/A | 95% | 95% | 95% | 95% | 95% | 95% |
| Total Commonwealth spending for leases renewed or initiated (in thousands)* | N/A | \$103,000 | \$102,485 | \$101,973 | \$101,463 | \$100,451 | \$100,451 |
| Leases located in Downtown areas as percentage of new or renewed contracts* | 88% | 88% | 90% | 90% | 90% | 90% | 90% |
| Torts: | | | | | | | |
| Tort claims filed | 6,970 | 7,249 | 7,611 | 7,839 | 7,917 | 8,075 | 8,156 |
| Claims settled per year* | 2,384 | 2,447 | 2,447 | 2,447 | 2,447 | 2,447 | 2,447 |
| Average cost per settlement* | \$459 | \$459 | \$459 | \$459 | \$459 | \$459 | \$459 |
| Tort claims pending | 7,880 | 7,273 | 6,832 | 6,418 | 5,917 | 5,406 | 4,890 |
| Tort claims closed (includes settlements, judgements and denials) | 8,183 | 7,856 | 8,052 | 8,253 | 8,418 | 8,586 | 8,672 |
| Energy: | | | | | | | |
| BTU's consumed in buildings maintained by General Services (in thousands)* | 635,000,000 | 635,000,000 | 539,750,000 | 485,775,000 | 446,913,000 | 424,567,350 | 411,830,330 |
| Average BTU's consumed per sq. ft. measure (in thousands)* | 96.4 | 96.4 | 81.9 | 73.7 | 67.8 | 64.5 | 62.5 |
| Vehicles: | | | | | | | |
| Vehicles in fleet* | 16,544 | 16,307 | 16,307 | 16,307 | 16,307 | 16,307 | 16,307 |
| Total cost per active vehicle* | \$3,122 | \$3,044 | \$2,983 | \$2,923 | \$2,864 | \$2,807 | \$2,751 |
| Minority and Women Owned Businesses: | | | | | | | |
| Commonwealth spending awarded to minority/women business enterprises | 6% | 8% | 10% | 10% | 11% | 14% | 14% |
| State Surplus Property: | | | | | | | |
| Number of units sold/recycled (in thousands)* | 11,204 | 11,426 | 11,653 | 11,886 | 12,122 | 12,363 | 12,610 |
| State surplus property distributed (in thousands) | \$5,300 | \$5,400 | \$5,557 | \$5,607 | \$5,658 | \$5,712 | \$5,770 |

*New program measure.

Program Recommendation:

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

| | |
|---|--|
| <p>\$ 5,000</p> <p>Facilities Maintenance —reflects the transfer of facilities maintenance from the Department of Public Welfare.</p> <p>\$ 19</p> <p>Harristown Rental Charges —increase in debt service schedule.</p> | <p>\$ 1,152</p> <p>Utility Costs —increase in energy costs.</p> <p>\$ 454</p> <p>Harristown Utility and Municipal Charges —to provide pro rata share of charges.</p> |
|---|--|

General Services

Program: Facility, Property and Commodity Management (continued)

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

| | | | |
|---------|---|-------|---|
| | Printing the Pennsylvania Manual (06/06) | | MOTOR LICENSE FUND |
| \$ 159 | —biennial cost scheduled for budget year. | \$ -6 | Harristown Rental Charges |
| | | | —decreased pro rata share of charges. |
| \$ 245 | Excess Insurance Coverage | | Harristown Utility and Municipal Charges |
| | —to reflect increased insurance premium. | \$ -2 | —decreased pro rata share of charges. |
| | BANKING DEPARTMENT FUND | | |
| \$ -141 | Harristown Rental Charges | | |
| | —decreased pro rata share of charges. | | |
| | Harristown Utility and Municipal Charges | | |
| \$ -213 | —decreased pro rata share of charges. | | |

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| General Government Operations | \$ 73,621 | \$ 70,948 | \$ 70,948 | \$ 70,948 | \$ 70,948 | \$ 70,948 | \$ 70,948 |
| Facilities Maintenance | 0 | 0 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Harristown Rental Charges | 6,665 | 6,674 | 6,693 | 6,693 | 6,693 | 6,693 | 6,693 |
| Utility Costs | 15,674 | 16,984 | 18,136 | 18,136 | 18,136 | 18,136 | 18,136 |
| Harristown Utility and Municipal Charges . | 10,469 | 11,351 | 11,805 | 11,805 | 11,805 | 11,805 | 11,805 |
| Printing the Pennsylvania Manual (06/06) . | 159 | 0 | 159 | 0 | 159 | 0 | 159 |
| Asbestos Response | 150 | 150 | 150 | 150 | 150 | 150 | 150 |
| Excess Insurance Coverage | 3,049 | 1,296 | 1,541 | 1,541 | 1,541 | 1,541 | 1,541 |
| Capitol Fire Protection | 1,020 | 1,020 | 1,020 | 1,020 | 1,020 | 1,020 | 1,020 |
| TOTAL GENERAL FUND | \$ 110,807 | \$ 108,423 | \$ 115,452 | \$ 115,452 | \$ 115,452 | \$ 115,452 | \$ 115,452 |
| BANKING DEPARTMENT FUND: | | | | | | | |
| Harristown Rental Charges | \$ 139 | \$ 141 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Harristown Utility and Municipal Charges . | 179 | 213 | 0 | 0 | 0 | 0 | 0 |
| TOTAL BANKING DEPARTMENT FUND | \$ 318 | \$ 354 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| MOTOR LICENSE FUND: | | | | | | | |
| Harristown Rental Charges (EA) | \$ 94 | \$ 83 | \$ 77 | \$ 77 | \$ 77 | \$ 77 | \$ 77 |
| Harristown Utility and Municipal Charges (EA) | 166 | 152 | 150 | 150 | 150 | 150 | 150 |
| Tort Claims Payments | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| TOTAL MOTOR LICENSE FUND | \$ 20,260 | \$ 20,235 | \$ 20,227 | \$ 20,227 | \$ 20,227 | \$ 20,227 | \$ 20,227 |



DEPARTMENT OF HEALTH

The mission of the Department of Health is identified through its slogan, "...in pursuit of good health," and all of its activities are defined by its core functions: health needs assessment, resource development, assuring access to health care, promoting health and disease prevention, assuring quality, and providing leadership in the area of health planning and policy development.

The department works in active partnership with providers and consumers of health care services to assess, analyze, and report on health threats; promote healthy behavior; reduce illness, injury, disability, and premature death; support research; and assure the quality and availability of health care services.

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| GENERAL FUND: | | | |
| General Government: | | | |
| General Government Operations..... | \$ 26,768 | \$ 26,134 | \$ 26,134 |
| (F)WIC Administration and Operation..... | 12,143 | 13,000 | 15,000 |
| (F)Health Assessment..... | 504 | 455 | 463 |
| (F)PHHSBG - Administration and Operation..... | 3,167 | 3,167 | 3,024 |
| (F)SABG - Administration and Operation..... | 6,463 | 6,712 | 7,126 |
| (F)MCHSBG - Administration and Operation..... | 18,371 | 18,371 | 15,812 |
| (F)Adult Blood Lead Epidemiology..... | 43 | 43 | 37 |
| (F)EMS for Children..... | 193 | 166 | 153 |
| (F)TB - Administration and Operation..... | 652 | 770 | 730 |
| (F)Trauma Planning..... | 0 | 60 | 64 |
| (F)Lead - Administration and Operation..... | 592 | 1,006 ^a | 769 |
| (F)AIDS Health Education - Administration and Operation..... | 4,036 | 3,830 | 3,883 |
| (F)Primary Care Cooperative Agreements..... | 228 | 343 | 343 |
| (F)HIV / AIDS Surveillance..... | 808 | 1,419 | 1,373 |
| (F)HIV Care - Administration and Operation..... | 1,250 | 1,350 | 1,350 |
| (F)Crash Outcomes Data Evaluation..... | 58 | 54 | 54 |
| (F)Substance Abuse Special Projects- Administration & Operation..... | 275 | 2,967 | 811 |
| (F)Rural Access to Emergency Devices..... | 200 | 200 | 200 |
| (F)Cancer Prevention and Control..... | 2,919 | 5,200 | 4,867 |
| (F)Environmental Public Health Tracking..... | 561 | 712 | 933 |
| (F)Public Health Emergency Preparedness and Response (EA)..... | 74,434 | 80,750 | 80,750 |
| (A)Data Center Services..... | 18 | 23 | 15 |
| (F)Learning Management System..... | 0 | 45 | 0 |
| (A)Departmental Services..... | 6 | 0 | 0 |
| (A)Robert Wood Johnson Foundation..... | 0 | 406 | 0 |
| (A)HIPAA Compliance..... | 0 | 7,400 | 0 |
| (A)Reporting Pathology Protocols..... | 0 | 103 | 48 |
| Subtotal..... | <u>\$ 153,689</u> | <u>\$ 174,686</u> | <u>\$ 163,939</u> |
| PA Injury Reporting and Intervention System..... | 0 | 1,300 | 0 |
| Organ Donation..... | 109 | 109 | 109 |
| Diabetes Programs..... | 426 | 426 | 426 |
| (F)Diabetes Control..... | 608 | 624 | 638 |
| Subtotal..... | <u>\$ 1,034</u> | <u>\$ 1,050</u> | <u>\$ 1,064</u> |
| Quality Assurance..... | 15,859 | 16,057 | 16,057 |
| (F)Medicare - Health Service Agency Certification..... | 7,414 | 11,675 | 10,462 |
| (F)Medicaid Certification..... | 5,474 | 6,487 | 6,609 |
| (A)Publication Fees..... | 24 | 25 | 25 |
| Subtotal..... | <u>\$ 28,771</u> | <u>\$ 34,244</u> | <u>\$ 33,153</u> |
| Vital Statistics..... | 6,599 | 6,677 | 6,677 |
| (F)Cooperative Health Statistics..... | 1,183 | 1,229 | 1,264 |
| (F)Health Statistics..... | 49 | 56 | 52 |
| (A)Reimbursement for Microfilming..... | 0 | 92 | 0 |
| (A)Vital-Chek Surcharge..... | 320 | 294 | 325 |
| (A)Search and Special Fees..... | 79 | 0 | 92 |
| (A)Vital Statistics Improvement Account - Admin & Systems..... | 0 | 660 | 470 |
| Subtotal..... | <u>\$ 8,230</u> | <u>\$ 9,008</u> | <u>\$ 8,880</u> |
| State Laboratory..... | 3,988 | 4,072 | 4,072 |
| (F)Clinical Laboratory Improvement..... | 603 | 636 | 611 |
| (F)Epidemiology and Laboratory Surveillance and Response..... | 1,358 | 1,358 | 1,385 |
| (F)Environmental Biomonitoring..... | 18 | 0 | 0 |
| (A)Blood Lead Testing..... | 12 | 12 | 12 |
| (A)Blood Lead Specimen Testing..... | 29 | 27 | 29 |
| (A)Erythrocyte Protoporphyrin Testing..... | 6 | 7 | 6 |
| (A)Alcohol Proficiency Testing..... | 61 | 62 | 61 |

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
|--|-------------------|----------------------|-------------------|
| (A)Drug Abuse Proficiency..... | 138 | 138 | 137 |
| (A)Licensure for Clinical Laboratories..... | 260 | 258 | 260 |
| (A)Low Volume Proficiency Testing..... | 108 | 107 | 108 |
| (A)Training Course Fees..... | 13 | 3 | 13 |
| Subtotal..... | \$ 6,594 | \$ 6,680 | \$ 6,694 |
| State Health Care Centers..... | 21,807 | 22,383 | 22,383 |
| (F)Disease Control Immunization..... | 9,283 | 10,203 | 11,477 |
| (F)PHHSBG - Block Program Services..... | 3,679 | 3,679 | 2,990 |
| (F)Preventive Health Special Projects..... | 3,410 | 3,690 | 3,755 |
| (F)Lake Erie Beach Monitoring..... | 506 | 460 | 180 |
| (F)Steps to a Healthier US..... | 1,125 | 2,000 | 2,092 |
| Subtotal..... | \$ 39,810 | \$ 42,415 | \$ 42,877 |
| Sexually Transmitted Disease Screening and Treatment..... | 2,195 | 2,195 | 2,195 |
| (F)Survey and Follow-Up - Sexually Transmitted Diseases..... | 3,093 | 3,257 | 2,741 |
| Subtotal..... | \$ 5,288 | \$ 5,452 | \$ 4,936 |
| Subtotal - State Funds..... | \$ 77,751 | \$ 79,353 | \$ 78,053 |
| Subtotal - Federal Funds..... | 164,700 | 185,974 | 181,998 |
| Subtotal - Augmentations..... | 1,074 | 9,617 | 1,601 |
| Total - General Government..... | \$ 243,525 | \$ 274,944 | \$ 261,652 |
| Grants and Subsidies: | | | |
| Newborn Screening..... | \$ 4,806 | \$ 4,000 | \$ 4,000 |
| Primary Health Care Practitioner..... | 4,630 | 4,630 | 4,630 |
| (F)Loan Repayment Program..... | 211 | 312 | 312 |
| (F)Rural Hospital Flexibility Program..... | 357 | 558 | 558 |
| (F)Medical Assistance - Primary Health Care..... | 800 | 800 | 800 |
| Subtotal..... | \$ 5,998 | \$ 6,300 | \$ 6,300 |
| Cancer Programs..... | 2,085 | 2,085 | 2,085 |
| Subtotal..... | \$ 2,085 | \$ 2,085 | \$ 2,085 |
| Breast and Cervical Cancer Screenings..... | 0 | 0 | 1,700 |
| AIDS Programs..... | 7,801 | 7,801 | 8,001 |
| (F)AIDS Health Education..... | 1,527 | 1,793 | 1,740 |
| (F)HIV Care..... | 11,750 | 12,400 | 11,750 |
| (F)Housing Opportunities for People with AIDS..... | 1,705 | 1,771 | 1,677 |
| Subtotal..... | \$ 22,783 | \$ 23,765 | \$ 24,868 |
| Regional Cancer Institutes..... | 2,400 | 2,400 | 2,000 |
| Rural Cancer Outreach..... | 200 | 200 | 0 |
| School District Health Services..... | 39,532 | 38,842 | 38,842 |
| Local Health Departments..... | 29,532 | 27,607 | 29,736 |
| Local Health - Environmental..... | 7,978 | 7,474 | 8,005 |
| Maternal and Child Health..... | 2,990 | 2,090 | 2,090 |
| (F)MCH Lead Poisoning Prevention and Abatement..... | 1,689 | 2,000 | 1,893 |
| (F)MCHSBG - Program Services..... | 19,109 | 19,109 | 21,668 |
| (F)Women, Infants and Children (WIC)..... | 150,970 | 162,000 | 163,000 |
| (F)Abstinence Education..... | 625 | 0 | 0 |
| (F)Traumatic Brain Injury..... | 400 | 400 | 225 |
| (F)Environmental Assessment - Child Lead Poisoning..... | 234 | 234 | 234 |
| (F)Family Health Special Projects..... | 301 | 245 | 683 |
| (F)Screening Newborns..... | 219 | 219 | 219 |
| (F)Newborn Hearing Screening & Intervention..... | 350 | 422 | 379 |
| Subtotal..... | \$ 176,887 | \$ 186,719 | \$ 190,391 |
| Assistance to Drug and Alcohol Programs..... | 41,547 | 38,646 | 41,373 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|--------------------------|--------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| (F)SABG - Drug and Alcohol Services..... | 55,203 | 58,328 | 56,396 |
| (F)Substance Abuse Special Project Grants..... | 9,555 | 13,167 | 6,398 |
| (F)Access to Recovery..... | 0 | 0 ^b | 0 |
| (F)DFSC - Special Programs for Student Assistance (EA)..... | 1,125 | 1,125 | 1,125 |
| (F)DCSI - Adult Offender Treatment (EA)..... | 440 | 225 | 94 |
| (A)State Stores Fund Transfer..... | 1,986 | 1,694 | 1,938 |
| (A)Community Restitution Payments..... | 2 | 1 | 1 |
| Subtotal..... | <u>\$ 109,858</u> | <u>\$ 113,186</u> | <u>\$ 107,325</u> |
| Tuberculosis Screening and Treatment..... | 1,009 | 1,009 | 1,009 |
| (F)Tuberculosis Control Program..... | 165 | 165 | 215 |
| Subtotal..... | <u>\$ 1,174</u> | <u>\$ 1,174</u> | <u>\$ 1,224</u> |
| Renal Dialysis..... | 8,895 | 8,895 | 8,895 |
| Services for Children with Special Needs..... | 1,645 | 1,645 | 1,645 |
| Adult Cystic Fibrosis..... | 721 | 685 | 685 |
| Cooley's Anemia..... | 198 | 165 | 165 |
| Arthritis Outreach and Education..... | 412 | 412 | 325 |
| Hemophilia..... | 1,504 | 1,428 | 1,428 |
| Lupus..... | 275 | 275 | 238 |
| Sickle Cell..... | 1,903 | 2,003 | 1,808 |
| Hepatitis Screening and Prevention..... | 300 | 0 | 0 |
| Regional Poison Control Centers..... | 1,250 | 1,250 | 1,066 |
| Trauma Programs Coordination..... | 350 | 350 | 318 |
| Trauma Center Certification..... | 100 | 100 | 0 |
| Rural Trauma Preparedness and Outreach..... | 200 | 200 | 0 |
| Epilepsy Support Services..... | 600 | 600 | 500 |
| Keystone State Games..... | 220 | 220 | 150 |
| Bio-Technology Research..... | 4,200 | 5,000 | 0 |
| Tourette Syndrome..... | 100 | 100 | 58 |
| Emergency Care Research..... | 1,750 | 1,500 | 0 |
| Newborn Hearing Screening..... | 500 | 500 | 265 |
| Osteoporosis Prevention and Education..... | 100 | 95 | 95 |
| Health Research and Services..... | 16,469 | 14,131 | 0 |
| Charcot-Marie-Tooth Syndrome Awareness Program..... | 0 | 250 | 0 |
| Fox Chase Institute for Cancer Research..... | 776 | 776 | 776 |
| The Wistar Institute - Research: Operation and Maintenance..... | 214 | 214 | 214 |
| The Wistar Institute - Research: AIDS Research..... | 92 | 92 | 92 |
| Central Penn Oncology Group..... | 130 | 130 | 130 |
| Lancaster - Cleft Palate Clinic..... | 49 | 49 | 49 |
| Tay Sachs Disease - Jefferson Medical College..... | 49 | 49 | 49 |
| Burn Foundation..... | 418 | 418 | 418 |
| The Children's Institute, Pittsburgh..... | 970 | 970 | 970 |
| Children's Hospital of Philadelphia..... | 451 | 451 | 451 |
| Phila. Health & Educ Corp-Pediatric Outpatient & Inpatient..... | 712 | 712 | 712 |
| Phila. Health & Educ Corp -Med-Handicapped Children's Clinic..... | 149 | 149 | 149 |
| Subtotal - State Funds..... | <u>\$ 190,212</u> | <u>\$ 180,598</u> | <u>\$ 165,122</u> |
| Subtotal - Federal Funds..... | 256,735 | 275,273 | 269,366 |
| Subtotal - Augmentations..... | 1,988 | 1,695 | 1,939 |
| Total - Grants and Subsidies..... | <u>\$ 448,935</u> | <u>\$ 457,566</u> | <u>\$ 436,427</u> |
| STATE FUNDS..... | \$ 267,963 | \$ 259,951 | \$ 243,175 |
| FEDERAL FUNDS..... | 421,435 | 461,247 | 451,364 |
| AUGMENTATIONS..... | 3,062 | 11,312 | 3,540 |
| GENERAL FUND TOTAL..... | <u>\$ 692,460</u> | <u>\$ 732,510</u> | <u>\$ 698,079</u> |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|--------------------------|--------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| <u>TOBACCO SETTLEMENT FUND:</u> | | | |
| <i>Grants and Subsidies:</i> | | | |
| Tobacco Use Prevention and Cessation (EA)..... | \$ 46,082 | \$ 32,963 | \$ 34,108 |
| Health Research - Health Priorities (EA)..... | 69,123 | 65,926 | 68,216 |
| Health Research - National Cancer Institute (EA)..... | 3,840 | 3,662 | 3,790 |
| | <u>119,045</u> | <u>102,551</u> | <u>106,114</u> |
| Total - Grants and Subsidies..... | \$ 119,045 | \$ 102,551 | \$ 106,114 |
| TOBACCO SETTLEMENT FUND TOTAL..... | <u>\$ 119,045</u> | <u>\$ 102,551</u> | <u>\$ 106,114</u> |
| <u>OTHER FUNDS:</u> | | | |
| EMERGENCY MEDICAL SERVICES OPERATING FUND: | | | |
| Emergency Medical Services..... | \$ 13,033 | \$ 13,033 | \$ 11,600 |
| Catastrophic Medical and Rehabilitation..... | 3,000 | 3,000 | 6,000 |
| | <u>16,033</u> | <u>16,033</u> | <u>17,600</u> |
| EMERGENCY MEDICAL SERVICES OPERATING FUND TOTAL..... | <u>\$ 16,033</u> | <u>\$ 16,033</u> | <u>\$ 17,600</u> |
| GOV. CASEY ORGAN & TISSUE DONATION AWARENESS FUND: | | | |
| Implementation Costs (EA)..... | \$ 5 | \$ 5 | \$ 505 |
| Hospital and Other Medical Costs (EA)..... | 60 | 60 | 60 |
| Grants to Certified Procurement Organizations (EA)..... | 531 | 550 | 425 |
| Project Make-A-Choice (EA)..... | 90 | 90 | 90 |
| | <u>686</u> | <u>705</u> | <u>1,080</u> |
| GOV. CASEY ORGAN & TISSUE DONATION AWARENESS FUND TOTAL..... | <u>\$ 686</u> | <u>\$ 705</u> | <u>\$ 1,080</u> |
| STATE GAMING FUND: | | | |
| Transfer to the Compulsive Gambling Treatment Fund (EA)..... | \$ 0 | \$ 0 | \$ 1,500 |
| | <u>0</u> | <u>0</u> | <u>1,500</u> |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 267,963 | \$ 259,951 | \$ 243,175 |
| SPECIAL FUNDS..... | 119,045 | 102,551 | 106,114 |
| FEDERAL FUNDS..... | 421,435 | 461,247 | 451,364 |
| AUGMENTATIONS..... | 3,062 | 11,312 | 3,540 |
| OTHER FUNDS..... | 16,719 | 16,738 | 20,180 |
| | <u>828,224</u> | <u>851,799</u> | <u>824,373</u> |
| TOTAL ALL FUNDS..... | <u>\$ 828,224</u> | <u>\$ 851,799</u> | <u>\$ 824,373</u> |

^a Includes recommended supplemental appropriation of \$206,000.

^b Actually appropriated as \$15,000,000. Amount shown is the best current estimate of the amount available because Federal funding is not expected to be received in 2005-06.

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| HEALTH SUPPORT SERVICES | | | | | | | |
| GENERAL FUND..... | \$ 46,615 | \$ 46,263 | \$ 46,263 | \$ 46,263 | \$ 46,263 | \$ 46,263 | \$ 46,263 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 141,764 | 160,776 | 156,809 | 156,809 | 156,809 | 156,809 | 156,809 |
| OTHER FUNDS..... | 675 | 8,571 | 714 | 714 | 714 | 714 | 714 |
| SUBCATEGORY TOTAL..... | \$ 189,054 | \$ 215,610 | \$ 203,786 | \$ 203,786 | \$ 203,786 | \$ 203,786 | \$ 203,786 |
| HEALTH RESEARCH | | | | | | | |
| GENERAL FUND..... | \$ 33,056 | \$ 31,596 | \$ 10,315 | \$ 10,315 | \$ 10,315 | \$ 10,315 | \$ 10,315 |
| SPECIAL FUNDS..... | 72,963 | 69,588 | 72,006 | 71,949 | 73,221 | 73,167 | 73,116 |
| FEDERAL FUNDS..... | 1,840 | 1,909 | 1,954 | 1,954 | 1,954 | 1,954 | 1,954 |
| OTHER FUNDS..... | 399 | 1,046 | 887 | 887 | 887 | 887 | 887 |
| SUBCATEGORY TOTAL..... | \$ 108,258 | \$ 104,139 | \$ 85,162 | \$ 85,105 | \$ 86,377 | \$ 86,323 | \$ 86,272 |
| PREVENTIVE HEALTH | | | | | | | |
| GENERAL FUND..... | \$ 126,946 | \$ 123,692 | \$ 126,060 | \$ 126,060 | \$ 126,060 | \$ 126,060 | \$ 126,060 |
| SPECIAL FUNDS..... | 46,082 | 32,963 | 34,108 | 34,082 | 34,683 | 34,658 | 34,634 |
| FEDERAL FUNDS..... | 211,508 | 225,717 | 228,588 | 228,588 | 228,588 | 228,588 | 228,588 |
| OTHER FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUBCATEGORY TOTAL..... | \$ 384,536 | \$ 382,372 | \$ 388,756 | \$ 388,730 | \$ 389,331 | \$ 389,306 | \$ 389,282 |
| HEALTH TREATMENT SERVICES | | | | | | | |
| GENERAL FUND..... | \$ 19,799 | \$ 19,754 | \$ 19,164 | \$ 19,164 | \$ 19,164 | \$ 19,164 | \$ 19,164 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 16,719 | 16,738 | 20,180 | 20,180 | 20,180 | 20,180 | 20,180 |
| SUBCATEGORY TOTAL..... | \$ 36,518 | \$ 36,492 | \$ 39,344 | \$ 39,344 | \$ 39,344 | \$ 39,344 | \$ 39,344 |
| DRUG AND ALCOHOL ABUSE PREVENTION AND TREATMENT | | | | | | | |
| GENERAL FUND..... | \$ 41,547 | \$ 38,646 | \$ 41,373 | \$ 41,373 | \$ 41,373 | \$ 41,373 | \$ 41,373 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 66,323 | 72,845 | 64,013 | 64,013 | 64,013 | 64,013 | 64,013 |
| OTHER FUNDS..... | 1,988 | 1,695 | 1,939 | 2,000 | 2,193 | 2,380 | 2,542 |
| SUBCATEGORY TOTAL..... | \$ 109,858 | \$ 113,186 | \$ 107,325 | \$ 107,386 | \$ 107,579 | \$ 107,766 | \$ 107,928 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 267,963 | \$ 259,951 | \$ 243,175 | \$ 243,175 | \$ 243,175 | \$ 243,175 | \$ 243,175 |
| SPECIAL FUNDS..... | 119,045 | 102,551 | 106,114 | 106,031 | 107,904 | 107,825 | 107,750 |
| FEDERAL FUNDS..... | 421,435 | 461,247 | 451,364 | 451,364 | 451,364 | 451,364 | 451,364 |
| OTHER FUNDS..... | 19,781 | 28,050 | 23,720 | 23,781 | 23,974 | 24,161 | 24,323 |
| DEPARTMENT TOTAL..... | \$ 828,224 | \$ 851,799 | \$ 824,373 | \$ 824,351 | \$ 826,417 | \$ 826,525 | \$ 826,612 |

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 and Research is the focal point in Pennsylvania for coordinating the collection, analysis and dissemination of health statistics and information. The bureau collects statistical information on the health status of the population such as leading causes of death, births to teens, and infant mortality. The bureau responds to requests for services each year and conducts an annual survey of all hospitals, nursing homes and ambulatory surgery centers in Pennsylvania to obtain information on health resources and health services availability, utilization, staffing and patient characteristics. The bureau operates several Statewide data collection systems/registries, such as the Behavioral Risk Factor Surveillance System, the Statewide Immunization Registry, and the Pennsylvania Cancer Registry. All of the bureau's publications and statistics are available on the department's website which includes an interactive health statistics web tool – EpiQMS (Epidemiologic Query and Mapping System).

The Bureau of Epidemiology 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, psychiatric residential treatment facilities and intermediate care facilities to determine compliance with State and Federal standards and regulations and as a condition of receiving Federal Medicare and Medicaid financial support. The surveys determine compliance with various standards including sanitation, fire safety, health and level of care. If deficiencies are noted, a plan for correction is required and may be submitted via a web-based system. Facilities unable or unwilling to correct deficiencies according to a plan agreeable to the department are subject to various penalties. The public web component displays completed surveys for public access.

The frequency of inspections varies by type of facility as required by either State or Federal law or regulations. Initial inspections are conducted prior to issuances of licenses.

Acute care hospitals are surveyed and licensed on a two-year cycle. Nursing homes are subject to annual inspections. Home health agencies are inspected on a flexible 12 to 36 month schedule; the frequency of inspections is based on the facility's history of compliance. Hospice agencies are inspected on-site every other year. Thirty-three percent of End-Stage Renal Disease (ESRD) facilities are surveyed annually. Currently, ten percent of other outpatient facilities providing physical therapy, occupational therapy and speech therapy and rural health clinic services are inspected annually. Birth centers and pediatric extended care centers are also inspected annually. More frequent inspections are made in response to complaints or life-threatening situations. In addition to inspections of health care facilities for compliance with State licensure and Federal certification requirements, the Quality Assurance program also conducts formal plan reviews and approval for new construction and remodeling of health care facility projects, to assure that the projects will conform to State and Federal requirements. Final inspections of the completed construction projects are conducted prior to approval for use and occupancy.

The Bureau of Managed Care is responsible for oversight and regulation of managed care plans including health maintenance organizations (HMOs), gatekeeper preferred provider organizations (PPOs) and point of service (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 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.

The department operates the State Laboratory, which maintains a state of readiness to support the investigation of disease outbreaks or threats to the public health. The Bureau of Laboratories performs approximately 180,000 tests each year for diseases including HIV, rabies, meningitis, blood lead, influenza, tuberculosis and botulism. The laboratory supports disease prevention through the provision of investigatory, diagnostic and confirmatory testing for both infectious and non-infectious diseases including the isolation

Program: Health Support Services (continued)

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 designated by the Federal Bureau of Investigation as the primary laboratory for the detection and identification of bioterrorism agents. It establishes and monitors the performance standards for 8,615 clinical and physician office laboratories in the Commonwealth and recommends certification of clinical laboratories under the requirements of the Federal Clinical Laboratory Improvement Amendments.

The Federal Centers for Disease Control and Prevention (CDC) and the Health Resources and Services Administration (HRSA) provide funding to the Department of Health to strengthen public health emergency preparedness and response capabilities through increased infrastructure and program capacity, improved scientific and technical capabilities, and enhanced professional training and public education. The department created the Office of Public

Health Preparedness (OPHP) to coordinate public health preparedness activities across the Commonwealth, including hospital and workforce preparedness. The OPHP works closely with local and other State agencies, and serves as the liaison with Pennsylvania's Office of Homeland Security and the Pennsylvania Emergency Management Agency (PEMA). The OPHP supports the Pennsylvania Department of Health's efforts to prepare for, protect against, respond to, and recover from all acts of bioterrorism and other public health emergencies that affect the civilian population, and serves as the focal point within the department for these activities. Public health preparedness activities across the Commonwealth include upgrading infectious disease surveillance/investigation, expanding public health laboratory capacity, enhancing communications systems, and facilitating State and regional hospital preparedness planning and response efforts.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Surveys completed in a timely manner by facility type: | | | | | | | |
| Hospitals within 24 months | 115 | 115 | 115 | 115 | 115 | 115 | 115 |
| Nursing homes surveys completed within 15 months | 736 | 740 | 740 | 740 | 740 | 740 | 740 |
| Intermediate care facilities/MR within 12 months | 194 | 214 | 214 | 214 | 214 | 214 | 214 |
| Home health agencies within 12 months | 364 | 364 | 364 | 364 | 364 | 364 | 364 |
| Residential Drug and Alcohol programs licensed / approved | 276 | 271 | 271 | 271 | 271 | 271 | 271 |
| Nonresidential Drug and Alcohol programs licensed / approved | 530 | 535 | 541 | 546 | 552 | 557 | 563 |
| Laboratory services * | | | | | | | |
| Clinical laboratories licensed | 8,615 | 9,045 | 9,498 | 9,972 | 10,471 | 10,995 | 11,545 |
| Specimens tested by the State | | | | | | | |
| Laboratory per year | 69,660 | 69,660 | 69,660 | 69,660 | 69,660 | 69,660 | 69,660 |
| Rabies tests by the State Laboratory per year | 3,647 | 3,647 | 3,647 | 3,647 | 3,647 | 3,647 | 3,647 |
| West Nile Virus tests by the State Laboratory per year | 22,451 | 22,451 | 22,451 | 22,451 | 22,451 | 22,451 | 22,451 |
| Activities related to bioterrorism * | | | | | | | |
| Grants awarded for hospitals | 171 | 171 | 173 | 173 | 173 | 173 | 173 |
| Surge beds available | 17,079 | 17,079 | 17,079 | 17,079 | 17,079 | 17,079 | 17,079 |
| Percentage of eligible hospitals registered to use PA-NEDSS | 100% | 90% | 90% | 90% | 90% | 90% | 90% |
| Percentage of eligible laboratories registered to use PA-NEDSS | 77% | 75% | 75% | 75% | 75% | 75% | 75% |

*New program measure.

Program: Health Support Services (continued)

Program Recommendations:

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

All appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|-------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| General Government Operations | \$ 26,768 | \$ 26,134 | \$ 26,134 | \$ 26,134 | \$ 26,134 | \$ 26,134 | \$ 26,134 |
| Quality Assurance | 15,859 | 16,057 | 16,057 | 16,057 | 16,057 | 16,057 | 16,057 |
| State Laboratory | 3,988 | 4,072 | 4,072 | 4,072 | 4,072 | 4,072 | 4,072 |
| TOTAL GENERAL FUND | \$ 46,615 | \$ 46,263 | \$ 46,263 | \$ 46,263 | \$ 46,263 | \$ 46,263 | \$ 46,263 |

PROGRAM OBJECTIVE: To develop better basic scientific knowledge of the nature of disease, illness and the environment which will improve the use of existing and new health resources.

Program: Health Research

The Division of Vital Records in the Bureau of Health Statistics and Research is the central repository for over 32 million records of births, deaths, and fetal deaths, 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 the central office and all branch offices. The system processes more than 650,000 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 bureau also operates the Commonwealth Universal Research Enhancement (CURE) program which was established under the Tobacco Settlement Act, Act 77 of 2001. The program provides health research grants to Pennsylvania-based research institutions for biomedical,

clinical and health services research designed to improve the health of all Pennsylvania citizens. Health research grants address the research priorities established by the department in conjunction with the Health Research Advisory Committee. Performance reviews are conducted to evaluate the effectiveness of each research project funded by a grant. During 2004-05, the department completed interim performance reviews on the six non-formula (competitive) grants initiated in March 2003 and final performance reviews for 26 grants (58 research projects) that had been completed during the prior State fiscal year. All of the six competitive grants received "favorable" ratings. Fifty percent of these funds will be used to provide accelerated funding of approximately \$500 million over the next two years for the Jonas Salk Legacy Fund: *Accelerating Medical Research in Pennsylvania*. Please see the Expanding Employment and Opportunity for Pennsylvanians theme in the Overview and Summaries section for additional information on this initiative.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Health Disparities * | | | | | | | |
| Diabetes prevalence rate per 1,000 population for white adults aged 18+ | 68 | 68 | 68 | 68 | 68 | 68 | 68 |
| Diabetes prevalence rate per 1,000 population for black and non-hispanic adults aged 18+ | 117 | 117 | 117 | 117 | 117 | 117 | 117 |
| Diabetes prevalence rate per 1,000 population for hispanic adults aged 18+ | 105 | 105 | 105 | 105 | 105 | 105 | 105 |
| Vital events (births, deaths, fetal deaths) . | | | | | | | |
| Registered and processed | 273,432 | 273,800 | 273,800 | 273,800 | 272,800 | 272,300 | 272,300 |
| Percent registered and processed within 30 days | 92% | 92% | 92% | 95% | 95% | 95% | 95% |
| Applications for certified copies of birth and death records filled | 652,353 | 655,000 | 658,000 | 660,000 | 665,000 | 670,000 | 675,000 |
| Percent of applications for certified copies of birth and death records filled within five days | 99% | 99% | 99% | 99% | 99% | 99% | 99% |
| Percent of cancer abstracts processed within 24 months of diagnosis | 99% | 99% | 99% | 99% | 99% | 99% | 99% |
| Tobacco-funded research: | | | | | | | |
| New formula and non-formula grants awarded | 46 | 45 | 44 | 44 | 43 | 43 | 42 |
| Percent of completed State-funded research grants that have received a favorable or outstanding performance evaluation from expert peer reviewers * | 96% | 95% | 95% | 95% | 95% | 95% | 95% |
| Percent of completed CURE grants exceeding \$100,000 that have leveraged additional outside funding * ... | 86% | 65% | 65% | 60% | 60% | 60% | 60% |

* New program measure.

Program: Health Research (continued)

Program Recommendations:

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

| | | | |
|------------|---|----------|---|
| | GENERAL FUND: | | TOBACCO SETTLEMENT FUND: |
| | Regional Cancer Institutes | | Health Research – Health Priorities |
| \$ -400 | —nonrecurring project. | \$ 2,290 | —funding proposed for re-distribution as outlined in the Tobacco Settlement Fund presentation in Section C. |
| | Bio-Technology Research | | Health Research – National Cancer Institute |
| \$ -5,000 | —nonrecurring project. | \$ 128 | —funding proposed for re-distribution as outlined in the Tobacco Settlement Fund presentation in Section C. |
| | Emergency Care Research | | |
| \$ -1,500 | —nonrecurring project. | | |
| | Health Research and Services | | |
| \$ -14,131 | —nonrecurring project. | | |
| | Charcot-Marie-Tooth Syndrome Awareness Program | | |
| \$ -250 | —nonrecurring project. | | |

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Diabetes Programs | \$ 426 | \$ 426 | \$ 426 | \$ 426 | \$ 426 | \$ 426 | \$ 426 |
| Vital Statistics | 6,599 | 6,677 | 6,677 | 6,677 | 6,677 | 6,677 | 6,677 |
| Regional Cancer Institutes | 2,400 | 2,400 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Bio-Technology Research | 4,200 | 5,000 | 0 | 0 | 0 | 0 | 0 |
| Emergency Care Research | 1,750 | 1,500 | 0 | 0 | 0 | 0 | 0 |
| Health Research and Services | 16,469 | 14,131 | 0 | 0 | 0 | 0 | 0 |
| Charcot-Marie-Tooth Syndrome Awareness Program | 0 | 250 | 0 | 0 | 0 | 0 | 0 |
| Fox Chase Institute for Cancer Research | 776 | 776 | 776 | 776 | 776 | 776 | 776 |
| The Wistar Institute - Research: Operation and Maintenance | 214 | 214 | 214 | 214 | 214 | 214 | 214 |
| The Wistar Institute - Research: AIDS Research | 92 | 92 | 92 | 92 | 92 | 92 | 92 |
| Central Penn Oncology Group | 130 | 130 | 130 | 130 | 130 | 130 | 130 |
| TOTAL GENERAL FUND | \$ 33,056 | \$ 31,596 | \$ 10,315 | \$ 10,315 | \$ 10,315 | \$ 10,315 | \$ 10,315 |
| TOBACCO SETTLEMENT FUND: | | | | | | | |
| Health Research - Health Priorities (EA) ... | \$ 69,123 | \$ 65,926 | \$ 68,216 | \$ 68,162 | \$ 69,367 | \$ 69,316 | \$ 69,268 |
| Health Research - National Cancer Institute (EA) | 3,840 | 3,662 | 3,790 | 3,787 | 3,854 | 3,851 | 3,848 |
| TOTAL TOBACCO SETTLEMENT FUND | \$ 72,963 | \$ 69,588 | \$ 72,006 | \$ 71,949 | \$ 73,221 | \$ 73,167 | \$ 73,116 |

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 sound health practices and the availability of services to meet their needs.

The department, through its network of six district offices, 57 State health centers, other public health clinical providers and 10 county and municipal health departments, provides a limited range of public health services. These programs include communicable disease tracking, investigation, intervention and control services, family health and chronic disease prevention, assessment and intervention services, and special environmental health services. The six county and four city health departments also provide a range of individual and environmental public health services within their jurisdictions and are funded through grants and contracts awarded by the department.

To improve the availability of health care in underserved rural and urban areas, the department has established grant programs which enhance the recruitment and retention of primary health care physicians, dentists, and other health professionals. Programs include grant awards to establish medical and dental clinics (which require matching funds), awards to increase the supply of dentists' student intern programs to provide clinic services, educational loan repayment and visa waivers for healthcare professionals practicing in designated shortage areas, and support for the stabilization of small rural hospitals.

In addition to these general activities to promote sound health practices, the department provides a variety of programs targeted to specific populations and diseases that represent significant health risks.

Program Element: Woman and Infant Programs

The department, through a maternal and child health outreach program called "Love 'em with a Checkup", addresses 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 including the Children's Health Insurance Program (CHIP) and Adult Basic Health Insurance.

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 program, in conjunction with the Women, Infants, and Children (WIC) Program, supports outreach activities to promote the intake of folic acid by women of child bearing years.

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 risk due to medical conditions and/or inadequate diet and low income. The program supplies supplemental foods that are rich in nutrients frequently lacking in the diets of the target population. The program ensures that WIC participants receive routine health care, and that nutrition education and counseling are made available on a regular basis. Participants are also referred to other appropriate local medical, health and social services. Program benefits promote optimal pregnancy 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 Newborn Hearing Screening and Intervention Program seeks to ensure that all newborns are screened for hearing loss within the first 30 days, diagnosed within three months, and receive prescribed treatment or intervention services within six months of birth. The department performs follow-up and tracking of infants not passing their follow-up re-screening to assure that appropriate assessment and evaluation are completed.

The Sudden Infant Death Syndrome (SIDS) Program provides supportive services to families following a sudden infant death. Education regarding SIDS is provided to health professionals and others who normally interact with families following following such a death.

Program: Preventive Health: (continued)

The department facilitates a number of programs designed to help improve the health status of women. These programs include an HIV and pregnancy initiative, and a sexually transmitted disease program targeted to chlamydia and gonorrhea. Additionally, breast and cervical cancer screening services are available for low-income underinsured and uninsured women between the ages of 40 and 49 who are at high risk for breast and cervical cancer; and to all women, aged 50 to 64, who meet certain eligibility criteria through the department's Healthy Women Project.

The department supports a special smoking cessation program for pregnant women. This includes a promotional campaign advising health care and child care providers of the availability of self-help materials and training opportunities to help women quit smoking.

Program Element: Children's Programs

The department's Immunization Program provides immunizations to infants, children and adolescents to reduce the incidence of vaccine preventable diseases in the Commonwealth. While vaccinations are encouraged for all ages, special emphasis is placed on reaching children less than two years old. The program also coordinates the surveillance of vaccine preventable diseases, provides consultation during disease outbreaks, assesses immunization levels, conducts professional and public education programs, and initiates, processes, and evaluates the child care and school immunization reporting system. In addition, the program provides vaccine and guidance to school districts for the provision of hepatitis B, measles/mumps/rubella and varicella immunizations for school students. The department also promotes appropriate adult immunization services. These services range from assuring that older citizens and others with chronic illnesses are given priority in accessing annual influenza and pneumococcal immunizations to providing information to fire companies, school districts, ambulance corps, correction officials, State Police and other public organizations with regard to the purchase of hepatitis B vaccine at reduced rates.

The health hazards of environmental lead are addressed through the department's Childhood Lead Poisoning Prevention Program. The program identifies children with, or at risk for, lead poisoning. It assures timely medical follow-up, environmental investigation and reduction of lead hazards 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 ten vocational technical schools for a portion of the costs associated with providing school nursing and dental services.

Program Element: Other Health Promotion and Disease and Injury Prevention Programs

The department ensures that all residents of the Commonwealth are served through an infectious disease epidemiological surveillance, investigation and control system. Reported cases of infectious diseases are investigated by the department to determine the infection source, transmission mode and control measures to prevent additional cases. The 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 programs 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 premature mortality within the Commonwealth.

The Cardiovascular Health Program, including the Nutrition and Physical Activity (Obesity Prevention) Programs, promotes healthy active lifestyles through systems, policies and environmental changes in four target environments: communities, healthcare systems, schools, and worksites. These changes support the development of positive individual behaviors to reduce and control diabetes, hypertension, and prevent heart disease, overweight/obesity, stroke, and related chronic diseases.

The Cancer Prevention and Control Program focuses on encouraging lifestyle changes to prevent the development of cancer and to support research, routine testing, screening, and early interventions to improve the chance of survival for those who have cancer.

The Injury Prevention Program is designed to reduce the incidence of unintentional injuries, violence, and injury-related fatalities through the development of surveillance systems, education programs for at-risk populations and training of health professionals. The department provides funding to ten county and municipal health departments and other providers to raise public awareness of childhood injuries, educate parents and caregivers about safer environments for children, and provide prevention programs on fire safety, poisoning, bicycle safety, falls, firearms storage, drowning, and violence prevention.

The Asthma Program provides education and information to persons with asthma, caregivers and health professionals that support the identification of triggers and self-management of asthma.

The Arthritis Program provides outreach and education as identified in the Pennsylvania Arthritis Action Plan (PAAP) by monitoring access to arthritis care and evidence-based education programs; supporting the development of regional

Program: Preventive Health: (continued)

partnerships to implement PAAP strategies; expanding and enhancing the Children's Arthritis Network (CAN) to improve access to arthritis care and services; and coordinating the implementation of the Arthritis Foundation's evidence-based arthritis self-management programs.

The mission of the Diabetes Prevention and Control Program is to prevent diabetes, improve the lives of Pennsylvanians with Diabetes, and reduce disparities related to diabetes among minorities and the underserved. The program's objectives are to increase awareness of diabetes, prevent the onset of Type 2 diabetes through the reduction of risk factors, reduce diabetes complications, increase early diagnosis of persons with diabetes, increase the availability of programs and maintain a data and surveillance system to better understand the impact of diabetes in Pennsylvania.

The department's 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 program includes on-site training, both print and electronic public information services, community intervention projects for at-risk populations, and the provision of care, case management and supportive services for persons infected and affected by HIV/AIDS. Confidential and anonymous HIV testing and partner notification services are also provided at over 500 sites Statewide.

The goal of the Sexually Transmitted Disease (STD) Program is to reduce the incidence of syphilis, gonorrhea, chlamydia and other STDs. The STD Program supports a Statewide network of clinical service sites that offer testing, treatment and risk-reduction information, and conduct contact elicitation interviews and related investigative services. Special attention and follow-up is accorded to those age 15 and under who have an STD or who are sexual partners of persons who have an STD, and, in order to prevent medical complications among newborns, to pregnant women who have an STD or who are a sexual partner of persons who have an STD.

The Tuberculosis Control Program provides outpatient examination, diagnosis and appropriate treatment for persons with tuberculosis disease and infection. Key to preventing the spread of the disease is contact examination and treatment of latent tuberculosis infection in close contacts of infectious cases or other high-risk people.

The Oral Health Program assesses the status of the oral health of Pennsylvanians, and plans and implements strategies and programs to improve oral health. The program

provides oral and dental health educational material primarily in schools and county health offices that are designed to encourage the prevention of tooth decay, periodontal (gum) disease and other oral diseases. The program also promotes the beneficial health effects of fluoridation of public water systems.

The focus of the Pennsylvania Osteoporosis and Prevention Program is to raise public awareness and educate consumers, health care professionals, teachers, and human service providers on the causes and effects of osteoporosis, risk factors, early detection, and options for diagnosis and treatment. The program supports community-based educational outreach programs Statewide and provides information to the public on the osteoporosis link of the department's website.

The department maintains a Statewide cancer registry to provide important information to better understand and address the cancer burden within the Commonwealth. Data describing the occurrence of cancer, types of cancer, extent of disease at the time of diagnosis, treatment and demographics are included in the registry database. Information derived through the cancer registry is used for planning and evaluating cancer control programs including cancer prevention and early detection, cancer research, surveillance, and special studies.

The department seeks to control the epidemic of disease, disability, and death related to the use of tobacco products by Pennsylvania residents. The goals of the agency are to change community norms through State-advised, community-driven systems that create environments where it is uncommon to see, use, and be negatively impacted by tobacco products and tobacco smoke pollution; and to reduce the consumption of tobacco to less than 12% by the year 2010.

Act 77 of 2001 established the Tobacco Settlement Fund and programs to improve the health of Pennsylvanians through research, and tobacco prevention and cessation programs. Grants are used to establish a Statewide comprehensive tobacco use prevention and cessation program consistent with best practices as defined by the Federal Centers for Disease Control and Prevention's Best Practices for Comprehensive Tobacco Control Programs. These include community programs to reduce tobacco use, chronic disease programs to reduce the burden of tobacco related diseases, school programs, enforcement, Statewide programs, counter marketing, cessation programs, surveillance and evaluation, and administration and management. Those contractors also survey establishments to determine compliance with the Clean Indoor Air Law and encourage them to become smoke free. Seventy percent of the funds go to "primary contractors" (lead agencies) at the local level to develop, implement and monitor programs in all 67 counties.

Program: Preventive Health: (continued)

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|---------|---------|---------|---------|---------|---------|---------|
| State Health Care Centers | | | | | | | |
| Total number of encounters by State Health Care Centers * | N/A | 402,114 | 422,220 | 449,331 | 466,228 | 489,540 | 514,017 |
| Family health encounters including immunizations, injury prevention and special health care needs * | N/A | 119,091 | 125,046 | 131,298 | 137,863 | 144,756 | 151,994 |
| Communicable disease encounters including adult immunizations, HIV/AIDS, . STD, Tuberculosis, and epidemiology * ... | N/A | 204,177 | 214,386 | 225,105 | 136,360 | 248,178 | 260,587 |
| Chronic disease encounters including cancer, diabetes, and tobacco * | N/A | 66,309 | 69,624 | 73,106 | 77,492 | 81,367 | 85,435 |
| Primary care physicians receiving loan repayment forgiveness | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Percent of primary care practitioners receiving loan repayment forgiveness remaining in practice in Pennsylvania | 80.0% | 80.0% | 80.0% | 80.0% | 80.0% | 80.0% | 80.0% |
| Women and children's programs: | | | | | | | |
| Average number of persons participating in women, infants, and children (WIC) programs each month | 243,000 | 243,500 | 243,500 | 243,500 | 243,500 | 243,500 | 243,500 |
| Average actual food cost per WIC participant, per month * | \$33.44 | \$34.44 | \$35.47 | \$36.53 | \$37.63 | \$38.76 | \$39.92 |
| Average Nutrition Services and Administration (NSA) operational costs per WIC participant, per month * | \$13.37 | \$13.77 | \$14.18 | \$14.61 | \$15.05 | \$15.50 | \$15.97 |
| Percent of WIC-enrolled breastfeeding mothers who breastfed their infants for the first six months * | 12.6% | 13.0% | 13.4% | 13.8% | 14.2% | 14.6% | 15.0% |
| Newborns receiving hearing screening * | 138,636 | 138,636 | 138,636 | 138,636 | 138,636 | 138,636 | 138,636 |
| Newborns screened for state mandated genetic conditions * | 145,000 | 145,000 | 145,000 | 145,000 | 145,000 | 145,000 | 145,000 |
| High risk uninsured women aged 40 to 49 who receive breast and cervical cancer screening as determined by State funding * | N/A | N/A | 4,209 | 4,209 | 4,209 | 4,209 | 4,209 |
| Privately owned housing units in targeted geographical areas that are remediated for the presence of lead hazards * | 104 | 71 | 61 | 66 | 66 | 66 | 66 |
| School Health | | | | | | | |
| Percent of school districts, charter schools, and comprehensive vocational technical schools in compliance with certified school nurse coverage requirements * | 91.5% | 92.0% | 92.5% | 93.0% | 93.5% | 94.0% | 94.5% |
| Other communicable disease programs and incidences reported: | | | | | | | |
| HIV tests at publicly-funded sites | 60,983 | 61,000 | 62,000 | 63,000 | 64,000 | 65,000 | 65,000 |
| Percent of clients testing positive for HIV at department-supported HIV counseling & testing sites and testing sites returning for results | 86.0% | 88.0% | 89.0% | 90.0% | 91.0% | 92.0% | 92.0% |
| Incidences of gonorrhea | 5,998 | 6,300 | 6,255 | 6,245 | 6,230 | 6,210 | 6,200 |
| Incidences of infectious syphilis | 67 | 100 | 110 | 100 | 90 | 85 | 80 |
| Tuberculosis (per 100,000 in population) . | 2.6 | 2.3 | 2.0 | 1.8 | 1.6 | 1.4 | 1.0 |

Program: Preventive Health: (continued)

| Program Measures: (continued) | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Cardiovascular Program | | | | | | | |
| African American men age 35+ educated about risks for strokes by DOH cardiovascular program contractors (2) who complete the program * | N/A | 5,000 | 10,000 | 11,775 | 11,775 | 11,775 | 11,775 |
| Health Disparities | | | | | | | |
| By race, the percent of obese adults in PA | | | | | | | |
| Percent obesity among whites | 23.3% | 23.0% | 22.7% | 22.4% | 22.1% | 21.8% | 21.5% |
| Percent obesity among blacks | 37.6% | 37.3% | 37.0% | 36.7% | 36.4% | 36.1% | 35.4% |
| Percent obesity among hispanics | 28.0% | 27.5% | 27.0% | 26.0% | 25.5% | 25.0% | 25.0% |
| Injury Prevention | | | | | | | |
| Children and adults receiving injury prevention education and awareness * | 32,000 | 32,000 | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 |
| Tobacco Program | | | | | | | |
| Tobacco Prevention and Cessation | | | | | | | |
| Calls to PA Free Quitline | 8,429 | 15,500 | 17,500 | 19,500 | 20,500 | 22,000 | 22,000 |
| Percentage of adults who smoke | 23.0% | 22.5% | 22.0% | 21.5% | 21.0% | 20.5% | 20.5% |
| Percentage of high school students who smoke | 23.1% | 21.0% | 20.0% | 19.0% | 18.0% | 18.0% | 18.0% |

* New program measure.

Program Recommendations:

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

| | |
|---|--|
| <p>GENERAL FUND:</p> <p>PA Injury Reporting and Intervention System \$ -1,300 —nonrecurring project.</p> <p>Breast and Cervical Cancer Screenings \$ 1,700 —Initiative—Breast and Cervical Cancer Screening. To provide breast and cervical cancer screening for 4,209 low-income high-risk uninsured women ages 40-49.</p> <p>AIDS Programs \$ 200 —increased program activities.</p> <p>Rural Cancer Outreach \$ -200 —nonrecurring project.</p> <p>Local Health Departments \$ 2,129 —increased costs based on current population and local budget projections.</p> <p>Local Health – Environmental \$ 531 —increased costs based on current population and local budget projections.</p> | <p>Arthritis Outreach and Education —nonrecurring project.</p> <p>Rural Trauma Preparedness and Outreach —nonrecurring project.</p> <p>Epilepsy Support Services —nonrecurring project.</p> <p>Keystone State Games —program reduction.</p> <p>Newborn Hearing Screening —nonrecurring program cost.</p> <p>TOBACCO SETTLEMENT FUND:</p> <p>Tobacco Use Prevention and Cessation \$ 1,145 —funding proposed for re-distribution as outlined in the Tobacco Settlement Fund presentation in Section C.</p> |
|---|--|

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

Program: Preventive Health: (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| PA Injury Reporting and Intervention System | \$ 0 | \$ 1,300 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| State Health Care Centers | 21,807 | 22,383 | 22,383 | 22,383 | 22,383 | 22,383 | 22,383 |
| Sexually Transmitted Disease Screening and Treatment | 2,195 | 2,195 | 2,195 | 2,195 | 2,195 | 2,195 | 2,195 |
| Newborn Screening | 4,806 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| Primary Health Care Practitioner | 4,630 | 4,630 | 4,630 | 4,630 | 4,630 | 4,630 | 4,630 |
| Cancer Programs | 2,085 | 2,085 | 2,085 | 2,085 | 2,085 | 2,085 | 2,085 |
| Breast and Cervical Cancer Screenings .. | 0 | 0 | 1,700 | 1,700 | 1,700 | 1,700 | 1,700 |
| AIDS Programs | 7,801 | 7,801 | 8,001 | 8,001 | 8,001 | 8,001 | 8,001 |
| Rural Cancer Outreach | 200 | 200 | 0 | 0 | 0 | 0 | 0 |
| School District Health Services | 39,532 | 38,842 | 38,842 | 38,842 | 38,842 | 38,842 | 38,842 |
| Local Health Departments | 29,532 | 27,607 | 29,736 | 29,736 | 29,736 | 29,736 | 29,736 |
| Local Health - Environmental | 7,978 | 7,474 | 8,005 | 8,005 | 8,005 | 8,005 | 8,005 |
| Maternal and Child Health | 2,990 | 2,090 | 2,090 | 2,090 | 2,090 | 2,090 | 2,090 |
| Tuberculosis Screening and Treatment | 1,009 | 1,009 | 1,009 | 1,009 | 1,009 | 1,009 | 1,009 |
| Arthritis Outreach and Education | 412 | 412 | 325 | 325 | 325 | 325 | 325 |
| Hepatitis Screening and Prevention | 300 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rural Trauma Preparedness and Outreach | 200 | 200 | 0 | 0 | 0 | 0 | 0 |
| Epilepsy Support Services | 600 | 600 | 500 | 500 | 500 | 500 | 500 |
| Keystone State Games | 220 | 220 | 150 | 150 | 150 | 150 | 150 |
| Newborn Hearing Screening | 500 | 500 | 265 | 265 | 265 | 265 | 265 |
| Osteoporosis Prevention and Education .. | 100 | 95 | 95 | 95 | 95 | 95 | 95 |
| Tay Sachs Disease - Jefferson Medical College | 49 | 49 | 49 | 49 | 49 | 49 | 49 |
| TOTAL GENERAL FUND | \$ 126,946 | \$ 123,692 | \$ 126,060 | \$ 126,060 | \$ 126,060 | \$ 126,060 | \$ 126,060 |
| TOBACCO SETTLEMENT FUND: | | | | | | | |
| Tobacco Use Prevention and Cessation (EA) | \$ 46,082 | \$ 32,963 | \$ 34,108 | \$ 34,082 | \$ 34,683 | \$ 34,658 | \$ 34,634 |

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 and the Children's Health Insurance Program (CHIP), have been utilized.

Program Element: Inpatient Services

One of the principal concerns of patient management is to provide treatment services at the least expensive level of care while remaining consistent with standards of good medical practice. Inpatient hospital and nursing care is provided for only the most acute medical conditions that require the facilities and services available in an inpatient setting. Because inpatient care is very expensive, programs providing this type of care have imposed strict controls on admissions and, where possible, are using outpatient services in lieu of hospital admissions. Inpatient care is provided for the treatment of tuberculosis, cleft palate, cystic fibrosis, spina bifida, children's cardiac conditions, speech and hearing problems, and orthopedic conditions.

Program Element: Outpatient Services

Outpatient treatment services are more economical and cost-effective than inpatient care and are 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 participating physicians' offices. Minors may seek and receive care under the treatment of minors provisions of the Disease Prevention and Control Law.

The Bureau of Family Health facilitates connections to service for children with special needs through its Special Kids Network (SKN). SKN provides families and health care providers with information and referral to services, community systems development activities, as well as an on-line searchable database of resources. SKN is one of the information and referral helplines which constitute the department's new Health and Human Services Call Center. The information and referral specialists who respond to calls to the SKN helpline are able to provide callers with access to more than 10,000 local, regional, and Statewide resources that serve children with special healthcare needs. Community systems development services provide community/population based and family focused services for individuals with special needs and their families by

participating in and facilitating activities such as community development, coalition building, and project development and evaluation. The community systems development activities remain within local communities and are coordinated by six regional office grantees. In addition, a Department of Health family consultant is located in each of Pennsylvania's four tertiary children's hospitals to assist and advocate for families as they access services.

The Comprehensive Specialty Care programs provide children and adults with a variety of services including diagnosis, direct medical care, case management, comprehensive evaluations, rehabilitative services including, pharmaceuticals, and blood products for certain health conditions. In a joint effort to improve utilization of State funds, individuals who appear to be eligible for Medical Assistance and CHIP are referred to those programs.

Medical payment services are available for the following conditions: cardiac, child rehabilitation, cleft palate, hearing and speech impairment, orthopedic, ventilator dependency, cystic fibrosis, spina bifida and hemophilia.

The home ventilator program provides Statewide case management and support services to children with chronic respiratory failure who are ventilator dependent, allowing them to receive life-support equipment and nursing care in their homes.

The Hemophilia Program utilizes nine 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 Adult Cystic Fibrosis Program provides comprehensive treatment and care coordination to an increasing number of adults who survive this chronic childhood condition.

The Chronic Renal Disease Program provides dialysis, kidney transplant, drugs, certain physician fees, medical supplies and transportation services to persons with chronic renal failure. The department's Health Promotion Program conducts a public information and education program to encourage organ and tissue donation as one means of managing this disease and increasing the quality of life.

The department is the lead agency for the

Program: Health Treatment Services (continued)

Commonwealth emergency medical services system as defined in Act 45 of 1985 known as the Emergency Medical Services Act. This includes planning, developing, implementing and evaluating the system (including emergency preparedness and response) through sixteen regional councils and a Statewide advisory council. This program is responsible for licensure of ambulances, medical command facility accreditation, medical command physician recognition, training institute accreditation, certification of prehospital practitioners and distribution of funding. With the passage of prehospital "Do Not Resuscitate" (DNR) legislation, regulations and implementation of the DNR program are managed through this program as well.

The Head Injury Program provides case management services and post-acute head injury rehabilitation services to individuals with traumatic head injury. Services are provided through contractual agreements with head injury rehabilitation providers in the Commonwealth. Funding is made available through the Emergency Medical Services Operating Fund included in the Special Funds Appendix.

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 and the Children's Health Insurance Program (CHIP), have been utilized.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Minimum number of children and adults receiving outpatient supported programs: | | | | | | | |
| Hemophilia | 1,055 | 1,055 | 1,055 | 1,055 | 1,055 | 1,055 | 1,055 |
| Phenylketonuria, Maple Syrup Urine Disease, Galactosemia | 1,206 | 1,250 | 1,296 | 1,336 | 1,381 | 1,381 | 1,381 |
| Renal disease | 6,693 | 6,700 | 6,700 | 6,700 | 6,700 | 6,700 | 6,700 |
| Cooley's Anemia | 36 | 36 | 36 | 36 | 36 | 36 | 36 |
| Sickle Cell Disease | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 |
| Spina Bifida | 1,312 | 1,312 | 1,312 | 1,312 | 1,312 | 1,312 | 1,312 |
| Home Ventilators | 225 | 225 | 225 | 225 | 225 | 225 | 225 |
| Children's rehabilitative services | 1,818 | 1,818 | 1,818 | 1,818 | 1,818 | 1,818 | 1,818 |
| Help line activities | | | | | | | |
| Total number of calls to the health help lines * | 79,896 | 85,000 | 85,000 | 90,000 | 95,000 | 95,000 | 95,000 |
| Calls to Healthy Kids help line * | 66,993 | 73,608 | 73,608 | 77,656 | 81,927 | 81,927 | 81,927 |
| Calls to Special Kids Network help line * | 8,663 | 8,497 | 8,497 | 8,964 | 9,457 | 9,457 | 9,457 |
| Percentage of callers who express satisfaction with the services provided by Kids Network * | 92% | 92% | 92% | 93% | 94% | 95% | 96% |
| EMS Services | | | | | | | |
| Ambulances licensed on an annual basis * | N/A | 1,047 | 1,050 | 1,050 | 1,050 | 1,050 | 1,050 |
| Quick response services recognized on an annual basis * | N/A | 390 | 390 | 400 | 400 | 400 | 400 |
| Hospitals recognized to provide medical command * | 150 | 150 | 150 | 150 | 150 | 150 | 150 |

*New program measure.

Program Recommendations:

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

| | | |
|--|----------------|--|
| <p>GENERAL FUND</p> <p>Lupus</p> <p>\$ --37 —nonrecurring project.</p> | <p>\$ --32</p> | <p>Trauma Programs Coordination</p> <p>—nonrecurring project.</p> |
| <p>Sickle Cell</p> <p>\$ -195 —nonrecurring project.</p> | <p>\$ -100</p> | <p>Trauma Center Certification</p> <p>—nonrecurring project.</p> |
| <p>Regional Poison Control Centers</p> <p>\$ -184 —nonrecurring project.</p> | <p>\$ -42</p> | <p>Tourette Syndrome</p> <p>—nonrecurring project.</p> |

All appropriations are recommended at the current year funding level.

Program: Health Treatment Services (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| Organ Donation | \$ 109 | \$ 109 | \$ 109 | \$ 109 | \$ 109 | \$ 109 | \$ 109 |
| Renal Dialysis | 8,895 | 8,895 | 8,895 | 8,895 | 8,895 | 8,895 | 8,895 |
| Services for Children with Special Needs | 1,645 | 1,645 | 1,645 | 1,645 | 1,645 | 1,645 | 1,645 |
| Adult Cystic Fibrosis | 721 | 685 | 685 | 685 | 685 | 685 | 685 |
| Cooley's Anemia | 198 | 165 | 165 | 165 | 165 | 165 | 165 |
| Hemophilia | 1,504 | 1,428 | 1,428 | 1,428 | 1,428 | 1,428 | 1,428 |
| Lupus | 275 | 275 | 238 | 238 | 238 | 238 | 238 |
| Sickle Cell | 1,903 | 2,003 | 1,808 | 1,808 | 1,808 | 1,808 | 1,808 |
| Regional Poison Control Centers | 1,250 | 1,250 | 1,066 | 1,066 | 1,066 | 1,066 | 1,066 |
| Trauma Programs Coordination | 350 | 350 | 318 | 318 | 318 | 318 | 318 |
| Trauma Center Certification | 100 | 100 | 0 | 0 | 0 | 0 | 0 |
| Tourette Syndrome | 100 | 100 | 58 | 58 | 58 | 58 | 58 |
| Lancaster - Cleft Palate Clinic | 49 | 49 | 49 | 49 | 49 | 49 | 49 |
| Burn Foundation | 418 | 418 | 418 | 418 | 418 | 418 | 418 |
| The Children's Institute, Pittsburgh | 970 | 970 | 970 | 970 | 970 | 970 | 970 |
| Children's Hospital of Philadelphia | 451 | 451 | 451 | 451 | 451 | 451 | 451 |
| Phila. Health & Educ Corp-Pediatric Outpatient & Inpatient | 712 | 712 | 712 | 712 | 712 | 712 | 712 |
| Phila. Health & Educ Corp -Med-Handicapped Children's Clinic | 149 | 149 | 149 | 149 | 149 | 149 | 149 |
| TOTAL GENERAL FUND | \$ 19,799 | \$ 19,754 | \$ 19,164 | \$ 19,164 | \$ 19,164 | \$ 19,164 | \$ 19,164 |

PROGRAM OBJECTIVE: To provide education, intervention and treatment programs to reduce drug and alcohol abuse and dependency.

Program: Drug and Alcohol Abuse Prevention and Treatment

This program provides counties with funding to provide drug and alcohol services for Pennsylvanians who do not have insurance or resources to pay for treatment. Single County Authorities (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 plan based on those findings.

Statewide prevention programs provide current information on the effects of drugs and alcohol and assist individuals in developing or improving skills that will enable them to choose a lifestyle free of substance abuse. This is done through educational sessions, workshops, media presentations and an information clearinghouse operated by the department. Primary emphasis has been given to youth, and a special curriculum is now used in all school districts to address drug and alcohol problems.

Intervention services provide support to those individuals affected by drug or alcohol problems. Services include information hotlines, drop-in centers, alcohol safety programs and employe assistance 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 59 percent drug related and 41 percent alcohol related. Males represent 68 percent of all treatment admissions. After alcohol, the second most predominant drug abuse problem is heroin 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 \$64 million.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Admissions to treatment * | 92,224 | 93,146 | 94,078 | 95,018 | 95,969 | 96,928 | 97,898 |
| Outpatient days * | 125 | 125 | 125 | 125 | 125 | 125 | 125 |
| Inpatient days * | 38 | 38 | 38 | 38 | 38 | 38 | 38 |

*New program measure.

Program Recommendations:

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

Assistance to Drug and Alcohol Programs
 \$ 2,727 —to continue current program

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|---------------------------|------------------------------|---------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| GENERAL FUND: | | | | | | | |
| Assistance to Drug and Alcohol Programs | \$ 41,547 | \$ 38,646 | \$ 41,373 | \$ 41,373 | \$ 41,373 | \$ 41,373 | \$ 41,373 |



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) | | |
|---|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| GENERAL FUND: | | | |
| <i>Grants and Subsidies:</i> | | | |
| Grants to Students-transfer to Higher Ed. Assist. Fund..... | \$ 359,218 | \$ 368,198 | \$ 386,198 |
| (F)Byrd Scholarships (EA)..... | 1,656 | 1,668 | 1,589 |
| (F)TANFBG - Education Opportunities..... | 1,500 | 0 | 0 |
| Pennsylvania Internship Program Grants-transfer to PHEAA..... | 300 | 300 | 0 |
| Matching Payments-transfer to Higher Ed. Assist. Fund..... | 14,122 | 14,122 | 14,122 |
| Institutional Assistance-transfer to Higher Ed. Assist. Fund..... | 39,398 | 40,186 | 41,392 |
| Bond-Hill Scholarship-transfer to Higher Ed. Assist. Fund..... | 750 | 750 | 750 |
| Agricultural Loan Forgiveness-transfer to Higher Ed. Fund..... | 85 | 85 | 85 |
| SciTech Scholarships-transfer to Higher Ed. Assist. Fund..... | 3,100 | 3,100 | 6,800 |
| Cheyney Keystone Academy-transfer to Higher Ed. Assist. Fund..... | 2,000 | 2,000 | 2,000 |
| New Technology-transfer to Higher Ed. Assist. Fund..... | 500 | 0 | 0 |
| Subtotal - State Funds..... | \$ 419,473 | \$ 428,741 | \$ 451,347 |
| Subtotal - Federal Funds..... | 3,156 | 1,668 | 1,589 |
| Total - Grants and Subsidies..... | \$ 422,629 | \$ 430,409 | \$ 452,936 |
| STATE FUNDS..... | \$ 419,473 | \$ 428,741 | \$ 451,347 |
| FEDERAL FUNDS..... | 3,156 | 1,668 | 1,589 |
| GENERAL FUND TOTAL..... | \$ 422,629 | \$ 430,409 | \$ 452,936 |
| OTHER FUNDS: | | | |
| HIGHER EDUCATION ASSISTANCE FUND: | | | |
| State Grants to Students Supplement..... | \$ 0 | \$ 35,000 | \$ 72,500 |
| Educational Training Vouchers Program..... | 1,583 | 1,064 | 1,913 |
| Robert Byrd Scholarships..... | 1,610 | 1,589 | 1,589 |
| Leveraging Educational Assistance Partnership..... | 3,599 | 3,553 | 3,514 |
| Transfers Augmenting Appropriations..... | 3,881 | 3,727 | 3,706 |
| Primary Health Care..... | 1,012 | 1,100 | 1,100 |
| Tobacco Settlement Funds..... | 256 | 231 | 204 |
| Temporary Aid to Needy Families (TANF)..... | 1,500 | 0 | 0 |
| Gear Up..... | 1,304 | 1,383 | 1,445 |
| HIGHER EDUCATION ASSISTANCE FUND TOTAL..... | \$ 14,745 | \$ 47,647 | \$ 85,971 |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 419,473 | \$ 428,741 | \$ 451,347 |
| SPECIAL FUNDS..... | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 3,156 | 1,668 | 1,589 |
| OTHER FUNDS..... | 14,745 | 47,647 | 85,971 |
| TOTAL ALL FUNDS..... | \$ 437,374 | \$ 478,056 | \$ 538,907 |

Higher Education Assistance Agency

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| FINANCIAL ASSISTANCE TO STUDENTS | | | | | | | |
| GENERAL FUND..... | \$ 380,075 | \$ 388,555 | \$ 409,955 | \$ 409,955 | \$ 409,955 | \$ 409,955 | \$ 409,955 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 3,156 | 1,668 | 1,589 | 1,589 | 1,589 | 1,589 | 1,589 |
| OTHER FUNDS..... | 14,745 | 47,647 | 85,971 | 85,971 | 85,971 | 85,971 | 85,971 |
| SUBCATEGORY TOTAL..... | \$ 397,976 | \$ 437,870 | \$ 497,515 | \$ 497,515 | \$ 497,515 | \$ 497,515 | \$ 497,515 |
| FINANCIAL AID TO INSTITUTIONS | | | | | | | |
| GENERAL FUND..... | \$ 39,398 | \$ 40,186 | \$ 41,392 | \$ 41,392 | \$ 41,392 | \$ 41,392 | \$ 41,392 |
| 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..... | \$ 39,398 | \$ 40,186 | \$ 41,392 | \$ 41,392 | \$ 41,392 | \$ 41,392 | \$ 41,392 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 419,473 | \$ 428,741 | \$ 451,347 | \$ 451,347 | \$ 451,347 | \$ 451,347 | \$ 451,347 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 3,156 | 1,668 | 1,589 | 1,589 | 1,589 | 1,589 | 1,589 |
| OTHER FUNDS..... | 14,745 | 47,647 | 85,971 | 85,971 | 85,971 | 85,971 | 85,971 |
| DEPARTMENT TOTAL..... | \$ 437,374 | \$ 478,056 | \$ 538,907 | \$ 538,907 | \$ 538,907 | \$ 538,907 | \$ 538,907 |

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 financial assistance programs to students in the form of grants and work-study awards. Disbursements for the various financial assistance programs are made by PHEAA from its Higher Education Assistance Fund. All General Fund appropriations are transferred to PHEAA's Higher Education Assistance Fund prior to distribution to students and institutions. The Higher Education Assistance Fund is shown in the 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 Leveraging Educational Assistance Partnership (LEAP) 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 Matching Funds Program provides funds to match Federal funds and Work-Study awards which students earn through several on-campus and off-campus job opportunities 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.

The Agricultural Education Loan Forgiveness Program provides loan forgiveness for graduates with agriculture degrees who work on family-owned farms and for veterinarians whose practices include the treatment of farm animals.

The SciTech and Technology Scholarships Program, also known as the New Economy Technology Scholarship program, provides scholarships to eligible Pennsylvania students who are enrolled in an approved 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 Cheyney University Keystone Academy has as its purpose the recruitment of gifted students for enrollment at Cheyney University.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Grants to Students: | | | | | | | |
| Applications for grants | 484,080 | 494,700 | 512,010 | 529,930 | 548,480 | 567,670 | 587,550 |
| Applications complete and needs tested for eligibility | 267,456 | 275,030 | 284,660 | 294,620 | 304,930 | 315,600 | 326,650 |
| Eligible applicants—meeting qualifications . | 167,833 | 174,050 | 194,030 | 200,820 | 207,850 | 215,130 | 222,660 |
| Eligible applicants not enrolled at a college/university | 15,830 | 16,420 | 18,300 | 18,940 | 19,600 | 20,290 | 21,000 |
| Eligible applicants enrolled and accepting grants | 152,003 | 157,630 | 175,730 | 181,880 | 188,250 | 194,840 | 201,660 |
| Grant amount as percent of applicants total educational cost | 12.5% | 12.7% | 12.8% | 12.8% | 12.8% | 12.8% | 12.8% |
| Students Receiving SciTech Scholarships | 3,713 | 2,900 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Work Study: | | | | | | | |
| Students assisted by Federal, State and private funds | 53,700 | 51,570 | 52,105 | 52,610 | 53,125 | 53,640 | 54,165 |
| Student work study earnings (in millions) .. | \$77.0 | \$74.0 | \$74.8 | \$75.5 | \$76.3 | \$77.0 | \$77.8 |

Higher Education Assistance Agency

Program: Financial Assistance to Students (continued)

Program Recommendations:

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

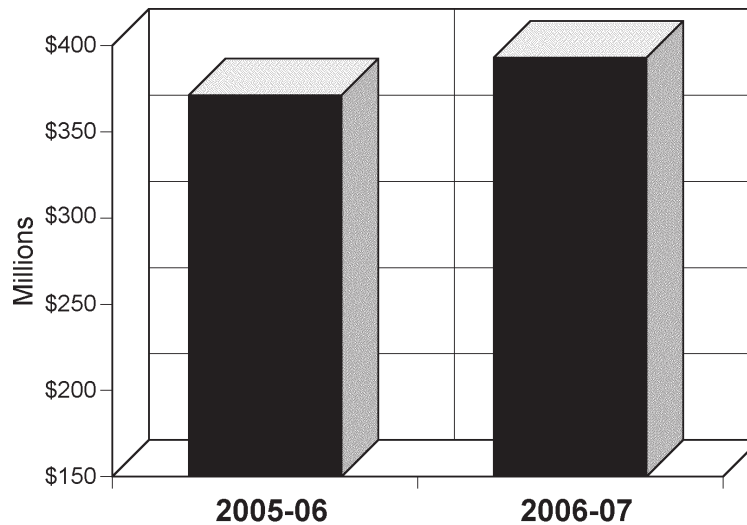
Grants to Students
 \$ 18,000 —to provide an increase in State support.

Pennsylvania Internship Program Grants
 \$ -300 —nonrecurring program.

Sci-Tech Scholarships
 \$ 3,700 —Initiative—Innovation Scholarships. To increase the number of grant recipients in the New Economy Technology Scholarship program by 500 and to increase the maximum grant award from \$3,000 per year to \$4,000 per year for students who pursue college degrees in computers, math and science and who commit to work in Pennsylvania after graduation.

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

Grants to Students



This budget recommends increasing funding for the Grants to Students and Sci-Tech Scholarship appropriations by a total of \$21.7 million, or 5.8%, to \$393 million.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Grants to Students-transfer to Higher Ed. Assist. Fund | \$ 359,218 | \$ 368,198 | \$ 386,198 | \$ 386,198 | \$ 386,198 | \$ 386,198 | \$ 386,198 |
| Pennsylvania Internship Program Grants-transfer to PHEAA | 300 | 300 | 0 | 0 | 0 | 0 | 0 |
| Matching Payments-transfer to Higher Ed. Assist. Fund | 14,122 | 14,122 | 14,122 | 14,122 | 14,122 | 14,122 | 14,122 |
| Bond-Hill Scholarship-transfer to Higher Ed. Assist. Fund | 750 | 750 | 750 | 750 | 750 | 750 | 750 |
| Agricultural Loan Forgiveness-transfer to Higher Ed. Fund | 85 | 85 | 85 | 85 | 85 | 85 | 85 |
| SciTech Scholarships-transfer to Higher Ed. Assist. Fund | 3,100 | 3,100 | 6,800 | 6,800 | 6,800 | 6,800 | 6,800 |
| Cheyney Keystone Academy-transfer to Higher Ed. Assist. Fund | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| New Technology-transfer to Higher Ed. Assist. Fund | 500 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL GENERAL FUND | \$ 380,075 | \$ 388,555 | \$ 409,955 | \$ 409,955 | \$ 409,955 | \$ 409,955 | \$ 409,955 |

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 non-recipients 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-three institutions are expected to participate in the 2006-07 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: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Eligible grant recipients enrolled at eligible independent institutions | 38,967 | 40,109 | 41,272 | 41,272 | 41,272 | 41,272 | 41,272 |
| Per capita grant | \$1,014 | \$1,005 | \$1,006 | \$1,006 | \$1,006 | \$1,006 | \$1,006 |

Program Recommendations:

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

Institutional Assistance Grants
 \$ 1,206 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Institutional Assistance-transfer to Higher Education Assistance Fund | \$ 39,398 | \$ 40,186 | \$ 41,392 | \$ 41,392 | \$ 41,392 | \$ 41,392 | \$ 41,392 |



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)

2004-05
ACTUAL

2005-06
AVAILABLE

2006-07
BUDGET

GENERAL FUND:

General Government:

| | \$ 23,363 | \$ 21,948 | \$ 21,948 |
|--|------------------|------------------|------------------|
| General Government Operations..... | \$ 23,363 | \$ 21,948 | \$ 21,948 |
| (F)Historic Preservation..... | 1,000 | 1,000 | 1,000 |
| (F)Delaware & Lehigh Canal Partnership Program (EA)..... | 0 | 258 | 0 |
| (F)Delaware & Lehigh Canal Partnership Program..... | 309 | 0 | 0 |
| (F)Save Our Treasures (EA)..... | 61 | 0 | 0 |
| (F)Save Our Treasures..... | 0 | 350 | 500 |
| (F)Surface Mining Review..... | 125 | 200 | 200 |
| (F)Environmental Review..... | 150 | 150 | 500 |
| (F)National Historic Publications and Records (EA)..... | 0 | 71 | 0 |
| (F)National Historic Publications and Records..... | 100 | 0 | 220 |
| (F)Railroad Museum Improvement (EA)..... | 1,224 | 1,112 | 915 |
| (F)Pennsylvania Archaeology (EA)..... | 170 | 169 | 160 |
| (F)Historical Records and Advisory Board Admin..... | 0 | 20 ^a | 0 |
| (F)Institute of Museum Library Services..... | 0 | 0 | 45 |
| (F)Coastal Zone Management (EA)..... | 0 | 0 | 50 |
| (F)Storm Damages - April 2005 (EA)..... | 0 | 90 | 0 |
| (A)Historic Preservation Fund..... | 250 | 250 | 250 |
| (A)PA Turnpike Commission..... | 0 | 10 | 10 |
| (A)Architectural Services..... | 3 | 5 | 5 |
| (A)Keystone Recreation, Park & Conservation Fund..... | 450 | 528 | 550 |
| Subtotal..... | <u>\$ 27,205</u> | <u>\$ 26,161</u> | <u>\$ 26,353</u> |
| Maintenance Program..... | 1,000 | 1,000 | 2,000 |
| Subtotal - State Funds..... | \$ 24,363 | \$ 22,948 | \$ 23,948 |
| Subtotal - Federal Funds..... | 3,139 | 3,420 | 3,590 |
| Subtotal - Augmentations..... | 703 | 793 | 815 |
| Total - General Government..... | <u>\$ 28,205</u> | <u>\$ 27,161</u> | <u>\$ 28,353</u> |

Grants and Subsidies:

| | | | |
|--|-------------------------|-------------------------|-------------------------|
| Museum Assistance Grants..... | \$ 6,000 | \$ 5,135 | \$ 4,135 |
| Historical Education & Museum Assistance..... | 3,748 | 2,225 | 0 |
| Regional History Centers..... | 550 | 550 | 0 |
| Preservation of PA Historic Past..... | 250 | 0 | 0 |
| University of Pennsylvania Museum..... | 231 | 231 | 231 |
| Carnegie Museum of Natural History..... | 231 | 231 | 231 |
| Carnegie Science Center..... | 231 | 231 | 231 |
| Franklin Institute Science Museum..... | 699 | 699 | 699 |
| Academy of Natural Sciences..... | 428 | 428 | 428 |
| African American Museum in Philadelphia..... | 326 | 326 | 326 |
| Everhart Museum..... | 42 | 42 | 42 |
| Mercer Museum..... | 178 | 178 | 178 |
| Whitaker Center for Science and the Arts..... | 128 | 128 | 128 |
| Total - Grants and Subsidies..... | <u>\$ 13,042</u> | <u>\$ 10,404</u> | <u>\$ 6,629</u> |
| STATE FUNDS..... | \$ 37,405 | \$ 33,352 | \$ 30,577 |
| FEDERAL FUNDS..... | 3,139 | 3,420 | 3,590 |
| AUGMENTATIONS..... | 703 | 793 | 815 |
| GENERAL FUND TOTAL..... | <u>\$ 41,247</u> | <u>\$ 37,565</u> | <u>\$ 34,982</u> |

KEYSTONE RECREATION, PARK AND CONSERVATION FUND:

Grants and Subsidies:

| | | | |
|---|-----------------------|-----------|--------|
| Historic Site Development - Realty Transfer Tax (94-04) (EA)..... | \$ 8,936 ^b | \$ 10,967 | \$ 0 |
| Historic Site Development - RTT (Current Year) (EA)..... | 9,016 | 11,041 | 12,999 |

Historical and Museum Commission

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|-----------------------|-----------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| Total - Grants and Subsidies..... | \$ 17,952 | \$ 22,008 | \$ 12,999 |
| KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL..... | \$ 17,952 | \$ 22,008 | \$ 12,999 |
| OTHER FUNDS: | | | |
| GENERAL FUND: | | | |
| Historical Preservation Act of 1966 (F)..... | \$ 67 | \$ 80 | \$ 80 |
| HISTORICAL PRESERVATION FUND: | | | |
| Historical Preservation Fund..... | \$ 2,768 ^c | \$ 3,245 ^c | \$ 4,245 ^c |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 37,405 | \$ 33,352 | \$ 30,577 |
| SPECIAL FUNDS..... | 17,952 | 22,008 | 12,999 |
| FEDERAL FUNDS..... | 3,139 | 3,420 | 3,590 |
| AUGMENTATIONS..... | 703 | 793 | 815 |
| OTHER FUNDS..... | 2,835 | 3,325 | 4,325 |
| TOTAL ALL FUNDS..... | \$ 62,034 | \$ 62,898 | \$ 52,306 |

^a Includes recommended supplemental appropriation of \$20,000.

^b Actually appropriated as separate executive authorizations of the rollover balance from each prior fiscal year. Prior year balances are now combined into one executive authorization covering balances from 1994 through 2004.

^c Not added to the total to avoid double counting: 2004-05 Actual is \$250,000, 2005-06 Available is \$250,000, and 2006-07 Budget is \$250,000.

Historical and Museum Commission

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| STATE HISTORIC PRESERVATION | | | | | | | |
| GENERAL FUND..... | \$ 24,363 | \$ 22,948 | \$ 23,948 | \$ 23,948 | \$ 23,948 | \$ 23,948 | \$ 23,948 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 3,139 | 3,420 | 3,590 | 3,590 | 3,590 | 3,590 | 3,590 |
| OTHER FUNDS..... | 3,538 | 4,118 | 5,140 | 5,140 | 5,140 | 5,140 | 5,140 |
| SUBCATEGORY TOTAL..... | \$ 31,040 | \$ 30,486 | \$ 32,678 | \$ 32,678 | \$ 32,678 | \$ 32,678 | \$ 32,678 |
| MUSEUM ASSISTANCE | | | | | | | |
| GENERAL FUND..... | \$ 13,042 | \$ 10,404 | \$ 6,629 | \$ 6,629 | \$ 6,629 | \$ 6,629 | \$ 6,629 |
| SPECIAL FUNDS..... | 17,952 | 22,008 | 12,999 | 12,099 | 12,589 | 13,035 | 13,555 |
| FEDERAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUBCATEGORY TOTAL..... | \$ 30,994 | \$ 32,412 | \$ 19,628 | \$ 18,728 | \$ 19,218 | \$ 19,664 | \$ 20,184 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 37,405 | \$ 33,352 | \$ 30,577 | \$ 30,577 | \$ 30,577 | \$ 30,577 | \$ 30,577 |
| SPECIAL FUNDS..... | 17,952 | 22,008 | 12,999 | 12,099 | 12,589 | 13,035 | 13,555 |
| FEDERAL FUNDS..... | 3,139 | 3,420 | 3,590 | 3,590 | 3,590 | 3,590 | 3,590 |
| OTHER FUNDS..... | 3,538 | 4,118 | 5,140 | 5,140 | 5,140 | 5,140 | 5,140 |
| DEPARTMENT TOTAL..... | \$ 62,034 | \$ 62,898 | \$ 52,306 | \$ 51,406 | \$ 51,896 | \$ 52,342 | \$ 52,862 |

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, marketing and press relations, human resources management, procurement, information technology and management of the Commission's website, financial grant administration, fiscal and revenue management, and other support services.

Program Element: State and Local Records

This 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 Document Image Service Center provides reformatting services on electronic media and microfiche to governmental agencies. The center's activities are funded through revenues received for provision of these services. The State Records Center is the official repository for inactive records that must be maintained by State agencies for administrative, fiscal or legal purposes. There are several electronic document records retention and management systems currently under development.

This element also administers State executive branch and local government records management programs and provides other services to State and local government offices. These services include preparation of records retention

schedules; processing of records disposal requests; promulgation of standards for retention of records in different storage media; and training and technical assistance to records custodians.

Program Element: Historic Site and Museum Operations

This element supports the operation of 25 historic sites and museums throughout the Commonwealth which are open to the public on a regular schedule, including the State Museum of Pennsylvania. This program provides educational collections and exhibition programs; provides living history and other types of tours to interpret Pennsylvania history; and utilizes cooperative initiatives with associate organizations to further provide for educational and public programs. This program element includes facility development and architectural and design activities as part of a preservation maintenance program funded through the Keystone Recreation, Park and Conservation Fund Grant Program; collections management; and conservation of historical artifacts, papers, and paintings.

In addition, this element supports a Property Management and Lease Program through cooperative agreements with management groups, for 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; provides a survey and National Register nomination program; maintains an information network providing direction and assistance to local preservation organizations; administers an archaeological program to protect resources and improve policies and procedures and provide direction to the professional and advocational community; and preserves and protects 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: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---------|---------|---------|---------|---------|---------|---------|
| State and Local Records | | | | | | | |
| Pages of archives and historical manuscripts (in thousands) | 207,814 | 210,500 | 213,500 | 216,500 | 219,500 | 222,500 | 225,500 |
| Records maintained by the State Records Center | 726,747 | 747,747 | 768,747 | 789,747 | 810,747 | 810,747 | 810,747 |
| Savings realized by storing records at the State Records Center (thousands) | \$3,866 | \$3,978 | \$4,089 | \$4,202 | \$4,313 | \$4,313 | \$4,313 |
| Expired/inactive records destroyed by the State Records Center | 70,071 | 78,000 | 81,000 | 84,000 | 87,000 | 90,000 | 93,000 |
| Savings realized through proper disposal of expired records (thousands) | \$3,837 | \$4,272 | \$4,436 | \$4,600 | \$4,764 | \$4,929 | \$5,093 |
| Historic Site and Museum Operations | | | | | | | |
| Annual visits to commission historical sites and museums (in thousands) | 1,477 | 1,516 | 1,563 | 1,565 | 1,570 | 1,575 | 1,580 |
| Visitors per salaried staff member (in thousands) | 13 | 12 | 12 | 12 | 12 | 12 | 10 |
| Historic markers | 2,223 | 2,248 | 2,268 | 2,283 | 2,297 | 2,307 | 2,317 |
| Historic Preservation | | | | | | | |
| Buildings maintained and conserved | 522 | 522 | 522 | 522 | 522 | 522 | 522 |
| Evaluations for the National Register of Historic Properties | 1,300 | 1,320 | 1,340 | 1,360 | 1,380 | 1,400 | 1,420 |
| Professional History and Museum Support Services | | | | | | | |
| Historic artifacts maintained and conserved (in thousands) | 3,697 | 3,914 | 3,939 | 4,200 | 4,300 | 4,400 | 4,400 |

Program Recommendations:

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

GENERAL FUND
Maintenance Program
 \$ 1,000 —for increased maintenance services.

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|-------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| General Government Operations | \$ 23,363 | \$ 21,948 | \$ 21,948 | \$ 21,948 | \$ 21,948 | \$ 21,948 | \$ 21,948 |
| Maintenance Program | 1,000 | 1,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| TOTAL GENERAL FUND | \$ 24,363 | \$ 22,948 | \$ 23,948 | \$ 23,948 | \$ 23,948 | \$ 23,948 | \$ 23,948 |

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 Program and the Keystone Recreation, Park and Conservation Fund Grant Program. 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 Support 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: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Museum Assistance and Keystone project grants awarded | 177 | 213 | 213 | 213 | 213 | 213 | 213 |
| Museum assistance general operating support grants | 131 | 115 | 115 | 115 | 115 | 115 | 115 |
| Non-State dollars generated through matching grants (in thousands) | \$8,450 | \$8,450 | \$8,450 | \$8,450 | \$8,450 | \$8,450 | \$8,450 |

Museum Assistance and Keystone project grants awarded and Museum assistance general operating support grants can vary from year to year based on the average award amount.

Program Recommendations:

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

| | |
|--|--|
| <p>GENERAL FUND Museum Assistance Grants \$ -1,000 —nonrecurring projects.</p> <p>Historical Education and Museum Assistance \$ -2,225 —nonrecurring project.</p> <p>Regional History Centers \$ -550 —nonrecurring project.</p> | <p>KEYSTONE RECREATION, PARK AND CONSERVATION FUND Historic Site Development - Realty Transfer Tax (94-04)(EA) \$ -10,967 —nonrecurring projects from prior years.</p> <p>Historic Site Development-Realty Transfer Tax (Current Year) (EA) \$ 1,958 —to continue current program.</p> |
|--|--|

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

Historical and Museum Commission

Program: Museum Assistance (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Museum Assistance Grants | \$ 6,000 | \$ 5,135 | \$ 4,135 | \$ 4,135 | \$ 4,135 | \$ 4,135 | \$ 4,135 |
| Historical Education & Museum Assistance | 3,748 | 2,225 | 0 | 0 | 0 | 0 | 0 |
| Regional History Centers | 550 | 550 | 0 | 0 | 0 | 0 | 0 |
| Preservation of PA Historic Past | 250 | 0 | 0 | 0 | 0 | 0 | 0 |
| University of Pennsylvania Museum | 231 | 231 | 231 | 231 | 231 | 231 | 231 |
| Carnegie Museum of Natural History | 231 | 231 | 231 | 231 | 231 | 231 | 231 |
| Carnegie Science Center | 231 | 231 | 231 | 231 | 231 | 231 | 231 |
| Franklin Institute Science Museum | 699 | 699 | 699 | 699 | 699 | 699 | 699 |
| Academy of Natural Sciences | 428 | 428 | 428 | 428 | 428 | 428 | 428 |
| African American Museum in Philadelphia | 326 | 326 | 326 | 326 | 326 | 326 | 326 |
| Everhart Museum | 42 | 42 | 42 | 42 | 42 | 42 | 42 |
| Mercer Museum | 178 | 178 | 178 | 178 | 178 | 178 | 178 |
| Whitaker Center for Science and the Arts | 128 | 128 | 128 | 128 | 128 | 128 | 128 |
| TOTAL GENERAL FUND | \$ 13,042 | \$ 10,404 | \$ 6,629 | \$ 6,629 | \$ 6,629 | \$ 6,629 | \$ 6,629 |
| KEYSTONE RECREATION, PARK AND CONSERVATION FUND: | | | | | | | |
| Historic Site Development — | | | | | | | |
| Realty Transfer Tax (94-04) (EA) | \$ 8,936 | \$ 10,967 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Historic Site Development — | | | | | | | |
| RTT (Current Year) (EA) | 9,016 | 11,041 | 12,999 | 12,099 | 12,589 | 13,035 | 13,555 |
| TOTAL GENERAL FUND | \$ 17,952 | \$ 22,008 | \$ 12,999 | \$ 12,099 | \$ 12,589 | \$ 13,035 | \$ 13,555 |



INFRASTRUCTURE INVESTMENT AUTHORITY

The mission of the Infrastructure Investment Authority (PENNVEST) is to improve Pennsylvania's water and foster job creation opportunities through the provision of low interest loans and limited grants to municipalities, municipal authorities and private entities for the construction of drinking water, wastewater, 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) | | |
|---|-------------------------------|------------------------------|------------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| <u>GENERAL FUND:</u> | | | |
| <i>Grants and Subsidies:</i> | | | |
| (F)Sewage Projects Revolving Loan Fund..... | \$ 90,250 | \$ 102,069 | \$ 90,050 |
| (F)Drinking Water Projects Revolving Loan Fund..... | 0 | 40,976 | 40,490 |
| Subtotal - Federal Funds..... | 90,250 | 143,045 | 130,540 |
| Total - Grants and Subsidies..... | <u>\$ 90,250</u> | <u>\$ 143,045</u> | <u>\$ 130,540</u> |
| GENERAL FUND TOTAL..... | <u>\$ 90,250</u> | <u>\$ 143,045</u> | <u>\$ 130,540</u> |
| <u>ENVIRONMENTAL STEWARDSHIP FUND:</u> | | | |
| <i>Grants and Subsidies:</i> | | | |
| Storm Water, Water and Sewer Grants (EA)..... | <u>\$ 22,152</u> | <u>\$ 17,214^a</u> | <u>\$ 15,247^a</u> |
| <u>OTHER FUNDS:</u> | | | |
| <u>PENNVEST FUND:</u> | | | |
| PENNVEST Operations (EA)..... | \$ 2,932 | \$ 3,141 | \$ 3,202 |
| Grants - Other Revenue Sources (EA)..... | 12,000 | 5,000 | 4,000 |
| Revenue Bond Loan Pool (EA)..... | 10 | 10 | 10 |
| Public Revolving Loans and Administration..... | 75,251 | 55,000 | 65,000 |
| Private Revolving Loans..... | (2,736) ^b | 4,500 | 4,500 |
| Growing Greener Grants..... | 22,169 | 30,000 | 12,000 |
| PENNVEST FUND TOTAL..... | <u>\$ 109,626</u> | <u>\$ 97,651</u> | <u>\$ 88,712</u> |
| <u>PENNVEST WATER POLLUTION CONTROL REVOLVING FUND:</u> | | | |
| PENNVEST Water Pollution Control Revolving Fund..... | \$ 9,421 | \$ 20,482 | \$ 18,000 |
| Additional Sewage Projects Revolving Loans (EA)..... | 80,000 | 80,000 | 65,000 |
| Transfer to Drinking Water Revolving Fund (EA)..... | 8,600 | 16,287 | 7,000 |
| Sewage Projects Revolving Loan Fund (EA)..... | 0 ^c | 0 ^c | 0 ^c |
| On-lot Sewage Disposal Systems (EA)..... | 0 ^d | 0 ^d | 0 ^d |
| PENNVEST WATER POLLUTION CONTROL REVOLVING FUND TOTAL..... | <u>\$ 98,021</u> | <u>\$ 116,769</u> | <u>\$ 90,000</u> |
| <u>PENNVEST DRINKING WATER REVOLVING FUND:</u> | | | |
| PENNVEST Drinking Water Project Revolving Fund..... | \$ (24) ^b | \$ 8,000 | \$ 4,500 |
| Additional Drinking Water Projects Revolving Loans (EA)..... | 30,000 | 30,000 | 25,000 |
| Drinking Water Projects Revolving Loan Fund (EA)..... | 0 ^e | 0 ^e | 0 ^e |
| Loan Program Administration (EA)..... | 0 ^f | 0 ^f | 0 ^f |
| Technical Assistance to Small Systems (EA)..... | 1,000 | 1,000 | 1,000 |
| Assistance to State Programs (EA)..... | 3,000 | 3,000 | 3,000 |
| Local Assistance and Source Water Pollution (EA)..... | 5,000 | 5,000 | 5,000 |
| PENNVEST DRINKING WATER REVOLVING FUND TOTAL..... | <u>\$ 38,976</u> | <u>\$ 47,000</u> | <u>\$ 38,500</u> |
| <u>PENNVEST REVOLVING FUND:</u> | | | |
| Drinking Water Supplies Revolving Fund..... | <u>\$ 4,541</u> | <u>\$ 7,536</u> | <u>\$ 0</u> |
| <u>PENNVEST NON-REVOLVING FUND:</u> | | | |
| Drinking Water Supplies Nonrevolving Fund..... | <u>\$ 0</u> | <u>\$ 17,000</u> | <u>\$ 25,000</u> |

Infrastructure Investment Authority

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
|------------------------------|-------------------|----------------------|-------------------|
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 22,152 | 17,214 | 15,247 |
| FEDERAL FUNDS..... | 90,250 | 143,045 | 130,540 |
| OTHER FUNDS..... | 251,164 | 285,956 | 242,212 |
| TOTAL ALL FUNDS..... | \$ 363,566 | \$ 446,215 | \$ 387,999 |

^a Represents maximum amount available under current law. Act 45 of 2005 authorizes the use of up to \$2.5 million of this allocation for a Green Sales Tax Holiday and up to \$10 million for Historic Preservation Grants or Tax Credits if enabling legislation is enacted for these purposes.

^b Negative amounts represent repayment of loans to other PENNVEST funds.

^c Not added to the total to avoid double counting Federal funds: 2004-05 Actual is \$90,200,000, 2005-06 Available is \$102,019,000 and 2006-07 Budget is \$90,000,000.

^d Not added to the total to avoid double counting Federal funds: 2004-05 Actual is \$50,000, 2005-06 Available is \$50,000 and 2006-07 Budget is \$50,000.

^e Not added to the total to avoid double counting Federal funds: 2004-05 Actual is \$30,000,000, 2005-06 Available is \$30,000,000 and 2006-07 Budget is \$30,000,000.

^f Not added to the total to avoid double counting Federal funds: 2004-05 Actual is \$1,489,000, 2005-06 Available is \$1,476,000 and 2006-07 Budget is \$1,490,000.

Infrastructure Investment Authority

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|-------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| PENNVEST | | | | | | | |
| GENERAL FUND..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 22,152 | 17,214 | 15,247 | 21,686 | 21,686 | 21,686 | 21,686 |
| FEDERAL FUNDS..... | 90,250 | 143,045 | 130,540 | 108,650 | 108,950 | 109,150 | 109,150 |
| OTHER FUNDS..... | 251,164 | 285,956 | 242,212 | 200,010 | 199,510 | 183,510 | 183,510 |
| SUBCATEGORY TOTAL..... | \$ 363,566 | \$ 446,215 | \$ 387,999 | \$ 330,346 | \$ 330,146 | \$ 314,346 | \$ 314,346 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 22,152 | 17,214 | 15,247 | 21,686 | 21,686 | 21,686 | 21,686 |
| FEDERAL FUNDS..... | 90,250 | 143,045 | 130,540 | 108,650 | 108,950 | 109,150 | 109,150 |
| OTHER FUNDS..... | 251,164 | 285,956 | 242,212 | 200,010 | 199,510 | 183,510 | 183,510 |
| DEPARTMENT TOTAL..... | \$ 363,566 | \$ 446,215 | \$ 387,999 | \$ 330,346 | \$ 330,146 | \$ 314,346 | \$ 314,346 |

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 provided additional grant funds for stormwater, water and sewer projects as part of the Growing Greener initiatives. Act 218 of 2004 established the Water Supply and Wastewater Treatment Fund and authorized an additional \$50 million in funding that the Authority will use as grants for combined sewer overflow, sanitary sewer overflow and nutrient reduction technology projects. 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 PENNVEST 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 Revolving Fund combines Federal seed money and the Commonwealth's required matching funds to create a revolving loan fund for drinking water projects and technical assistance. The PENNVEST Revolving Fund receives the proceeds from the sale of bonds mentioned above. The PENNVEST Revenue Bond Pool is supported by loan interest and principal repayments from loans and disburses the proceeds from the sale of PENNVEST Revenue Bonds.

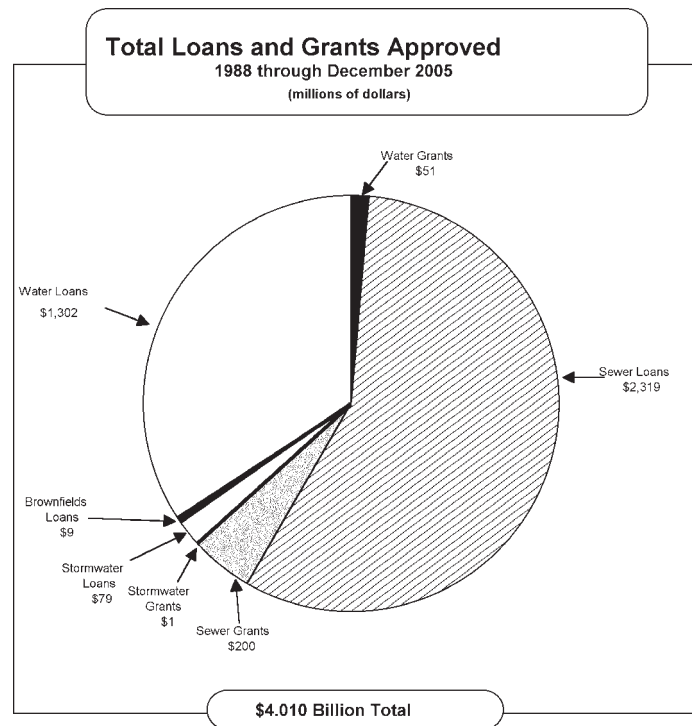
| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| PENNVEST projects implemented | 91 | 102 | 95 | 91 | 91 | 91 | 91 |
| PENNVEST awards (in millions): | | | | | | | |
| Loans | \$280 | \$280 | \$280 | \$280 | \$280 | \$280 | \$280 |
| Grants | 39 | 73 | 23 | 23 | 23 | 23 | 23 |
| Total | \$319 | \$353 | \$303 | \$303 | \$303 | \$303 | \$303 |
| Projects as a percent of total funding: | | | | | | | |
| Wastewater Projects | 78% | 76% | 75% | 75% | 75% | 75% | 75% |
| Drinking Water Projects | 21% | 23% | 23% | 23% | 23% | 23% | 23% |
| Stormwater Projects | 1% | 1% | 2% | 2% | 2% | 2% | 2% |
| Combined Sewer Overflow (CSO) projects awarded (percent of wastewater funding)* | 14% | 28% | 18% | 18% | 18% | 18% | 18% |
| Sanitary Sewer Overflow (SSO) projects awarded (percent of wastewater funding)* | 24% | 16% | 29% | 29% | 29% | 29% | 29% |

Infrastructure Investment Authority

Program: PENNVEST (continued)

| Program Measures: (continued) | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Nutrient Reduction Technology (NRT) projects awarded (percent of wastewater funding)* | 0% | 19% | 21% | 21% | 21% | 21% | 21% |
| Median time from application submittal to funding approval (days)* | 63 | 42 | 42 | 42 | 42 | 42 | 42 |
| Median time from funding approval to settlement (days)* | 328 | 276 | 260 | 240 | 200 | 180 | 180 |

* New program measure.



Program Recommendation:

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

**ENVIRONMENTAL STEWARDSHIP FUND
PENNVEST**
\$ -1,967 —nonrecurring projects.

Grant disbursements totalling \$4 million and administrative costs are to be funded from existing non-General Fund sources.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| ENVIRONMENTAL STEWARDSHIP FUND: | | | | | | | |
| Storm Water, Water and Sewer Grants (EA) | \$ 22,152 | \$ 17,214 | \$ 15,247 | \$ 21,686 | \$ 21,686 | \$ 21,686 | \$ 21,686 |



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), Adult Health Insurance program, the Medical Care Availability and Reduction of Error (Mcare) program, the Underground Storage Tank Indemnification Fund, the Catastrophic Loss Benefits Continuation Fund, and the Workers' Compensation Security Fund.

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|--------------------------|--------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| <u>GENERAL FUND:</u> | | | |
| <i>General Government:</i> | | | |
| General Government Operations..... | \$ 22,696 | \$ 23,042 | \$ 23,042 |
| (A)Companies in Liquidation..... | 1,211 | 919 | 920 |
| (A)Duplicating and Mailing Services..... | 23 | 20 | 15 |
| (A)Workers' Compensation Security Services..... | 1 | 0 | 0 |
| (A)Reimbursements - Examination Travel..... | 626 | 775 | 800 |
| (A)Reimbursement Examination Fees..... | 0 | 0 | 1,600 |
| (A)Reimbursements - Market Conduct Travel..... | 486 | 375 | 475 |
| (A)Underground Storage Tank Indemnification Fund Expense..... | 8 | 0 | 0 |
| (A)Reimbursement - Catastrophic Loss Benefits Continuation Fund..... | 2 | 0 | 0 |
| Children's Health Insurance Administration..... | 1,740 | 1,944 | 2,278 |
| (F)Children's Health Insurance Administration..... | 4,287 | 4,932 | 5,008 |
| Adult Health Insurance Administration..... | 2,654 | 2,677 | 2,677 |
| Subtotal - State Funds..... | \$ 27,090 | \$ 27,663 | \$ 27,997 |
| Subtotal - Federal Funds..... | 4,287 | 4,932 | 5,008 |
| Subtotal - Augmentations..... | 2,357 | 2,089 | 3,810 |
| Total - General Government..... | <u>\$ 33,734</u> | <u>\$ 34,684</u> | <u>\$ 36,815</u> |
| <i>Grants and Subsidies:</i> | | | |
| Children's Health Insurance..... | \$ 45,423 | \$ 45,423 | \$ 45,423 |
| (F)Children's Health Insurance Program..... | 157,752 | 153,171 | 166,683 |
| (A)CHIP Administration..... | 25 | 0 | 0 |
| Enhanced Children's Health Insurance..... | 0 | 0 | 2,134 |
| (F)Enhanced Children's Health Insurance..... | 0 | 0 | 7,117 |
| USTIF Loan Repayment..... | 10,000 | 7,500 | 1,000 |
| Subtotal - State Funds..... | \$ 55,423 | \$ 52,923 | \$ 48,557 |
| Subtotal - Federal Funds..... | 157,752 | 153,171 | 173,800 |
| Subtotal - Augmentations..... | 25 | 0 | 0 |
| Total - Grants and Subsidies..... | <u>\$ 213,200</u> | <u>\$ 206,094</u> | <u>\$ 222,357</u> |
| STATE FUNDS..... | \$ 82,513 | \$ 80,586 | \$ 76,554 |
| FEDERAL FUNDS..... | 162,039 | 158,103 | 178,808 |
| AUGMENTATIONS..... | 2,382 | 2,089 | 3,810 |
| GENERAL FUND TOTAL..... | <u>\$ 246,934</u> | <u>\$ 240,778</u> | <u>\$ 259,172</u> |
| <u>TOBACCO SETTLEMENT FUND:</u> | | | |
| <i>Grants and Subsidies:</i> | | | |
| Adult Health Insurance Program(EA)..... | \$ 103,080 | \$ 74,293 | \$ 72,819 |
| <u>OTHER FUNDS:</u> | | | |
| TOBACCO SETTLEMENT FUND: | | | |
| Community Health Reinvestment (R)..... | \$ 0 | \$ 86,301 | \$ 90,000 |
| GENERAL FUND: | | | |
| Children's Health Insurance Program..... | \$ 25,099 | \$ 26,609 | \$ 38,897 |
| CATASTROPHIC LOSS BENEFITS CONTINUATION FUND: | | | |
| CAT Administration (EA)..... | \$ 2,309 | \$ 2,300 | \$ 2,350 |
| CAT Claims (EA)..... | 13,000 | 9,250 | 7,909 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|----------------------------|--------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| CATASTROPHIC LOSS BENEFITS CONTINUATION FUND TOTAL..... | <u>\$ 15,309</u> | <u>\$ 11,550</u> | <u>\$ 10,259</u> |
| MEDICAL CARE AVAILABILITY AND REDUCTION OF ERROR FUND: | | | |
| General Operations (EA)..... | \$ 23,537 | \$ 23,623 | \$ 24,721 |
| Payment of Claims (EA)..... | 321,400 | 320,000 | 320,000 |
| Loan Repayment (EA)..... | 225,500 | 215,280 | 0 |
| MEDICAL CARE AVAILABILITY AND REDUCTION OF ERROR FUND TOTAL..... | <u>\$ 570,437</u> | <u>\$ 558,903</u> | <u>\$ 344,721</u> |
| UNDERGROUND STORAGE TANK INDEMNIFICATION FUND: | | | |
| Administration (EA)..... | \$ 8,398 | \$ 7,500 | \$ 7,986 |
| Claims (EA)..... | 80,000 | 65,000 | 76,954 |
| UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL..... | <u>\$ 88,398</u> | <u>\$ 72,500</u> | <u>\$ 84,940</u> |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 82,513 | \$ 80,586 | \$ 76,554 |
| SPECIAL FUNDS..... | 103,080 | 74,293 | 72,819 |
| FEDERAL FUNDS..... | 162,039 | 158,103 | 178,808 |
| AUGMENTATIONS..... | 2,382 | 2,089 | 3,810 |
| OTHER FUNDS..... | 699,243 | 755,863 | 568,817 |
| TOTAL ALL FUNDS..... | <u><u>\$ 1,049,257</u></u> | <u><u>\$ 1,070,934</u></u> | <u><u>\$ 900,808</u></u> |

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--------------------------------------|---------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| INSURANCE INDUSTRY REGULATION | | | | | | | |
| GENERAL FUND..... | \$ 82,513 | \$ 80,586 | \$ 76,554 | \$ 94,039 | \$ 107,011 | \$ 128,371 | \$ 143,331 |
| SPECIAL FUNDS..... | 103,080 | 74,293 | 72,819 | 67,698 | 63,960 | 57,773 | 51,022 |
| FEDERAL FUNDS..... | 162,039 | 158,103 | 178,808 | 207,910 | 240,791 | 269,141 | 295,183 |
| OTHER FUNDS..... | 701,625 | 757,952 | 572,627 | 569,060 | 572,804 | 576,698 | 580,747 |
| SUBCATEGORY TOTAL..... | \$ 1,049,257 | \$ 1,070,934 | \$ 900,808 | \$ 938,707 | \$ 984,566 | \$ 1,031,983 | \$ 1,070,283 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 82,513 | \$ 80,586 | \$ 76,554 | \$ 94,039 | \$ 107,011 | \$ 128,371 | \$ 143,331 |
| SPECIAL FUNDS..... | 103,080 | 74,293 | 72,819 | 67,698 | 63,960 | 57,773 | 51,022 |
| FEDERAL FUNDS..... | 162,039 | 158,103 | 178,808 | 207,910 | 240,791 | 269,141 | 295,183 |
| OTHER FUNDS..... | 701,625 | 757,952 | 572,627 | 569,060 | 572,804 | 576,698 | 580,747 |
| DEPARTMENT TOTAL..... | \$ 1,049,257 | \$ 1,070,934 | \$ 900,808 | \$ 938,707 | \$ 984,566 | \$ 1,031,983 | \$ 1,070,283 |

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, to provide a fair regulatory climate that will encourage insurance companies to conduct business in the Commonwealth and administer the CHIP and adultBasic insurance programs.

Program Element: Protection and Regulation

The Insurance Department regulates all aspects of the insurance industry in Pennsylvania. It supervises the operation of 1,712 insurance companies; authorizes the admission of new insurers to the State; tests and licenses insurance agents, brokers and bondsmen; and reviews and approves about 17,000 rate and policy form filings each year. It analyzes annual and quarterly financial statements and other corporate transactions filed by insurance companies and other regulated entities; conducts an average of 90 on-site financial examinations of domestic insurance companies each year; conducts adjudicatory hearings; and handles over 714,000 consumer and producer interventions and inquiries annually.

The financial condition of insurers licensed to transact business in Pennsylvania is monitored and regulated through the department's examination and financial analysis functions. Because of the concern regarding the number of financially troubled insurers and national attention focused on the quality of state regulation and insurer solvency, the department continues to commit its resources to solvency regulation. The department has implemented risk-based capital requirements for all types of insurers and increased its use of targeted or limited scope financial examinations in response to market conditions or deteriorating insurer financial results. 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 is working 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 Consumer Liaison office established in 2004 will enhance the department's role as an active advocate for insurance consumers. The Insurance Department's three

regional offices provide the public with insurance information, education and complaint resolution services. The department conducts field investigations of insurance law violations and undertakes on-site market conduct examinations of insurance company records, files and 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.

Program Element: Consumer Insurance

This budget recommends a new program, Cover All Kids, which will guarantee access to affordable, comprehensive health care coverage for all uninsured children in Pennsylvania. Through enhanced outreach efforts, increased income eligibility limits for subsidized coverage and new opportunities for higher-income families to purchase health care coverage at-cost, Cover All Kids will enroll nearly 15,000 uninsured children in 2006-07 and additional children thereafter. Please see the Caring for All Pennsylvanians theme in the Overview and Summaries section for additional information on this initiative.

The Children's Health Insurance Program (CHIP) was established by Act 113 of 1992 and significantly expanded with the passage of Act 68 of 1998. CHIP makes comprehensive free or low-cost health insurance available to the children of low-income working parents. CHIP offers a comprehensive package of benefits, including well child visits, immunizations, prescription coverage, emergency care, inpatient services, mental health services and hearing, vision and dental services. 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 adjusted to between 200 and 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 appropriation, the Federal State Children's Health Insurance Program under Title XXI of the Social Security Act, and payments by participating working families in accordance with a sliding fee scale. As of December 2005 enrollment was about 138,198 children.

Act 77 of 2001 established the Tobacco Settlement Fund and provided funding for programs that improve the health status of Pennsylvania citizens. A portion of fund revenues

Program: Insurance Industry Regulation (continued)

is provided for the Adult Health Insurance program which began coverage on July 1, 2002. The program provides health care insurance for adults between 19 and 65 years of age whose household income is less than 200 percent of poverty and who are ineligible for other insurance. The department's responsibility includes contracting with insurers for a benefit package and providing for outreach activities. Enrolled adults contribute monthly to the cost of the coverage. Additional funds for the adult health program have come from the health care industry in the form of Community Health Reinvestment funds. These funds will be used to expand the provision of health insurance to qualified adults throughout the Commonwealth of Pennsylvania. Enrollment as of December 2005 was 36,653. 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. Effective January 1, 2004, the surcharge fees are deposited to the Medical Care Availability and Reduction of Error (Mcare) Fund for a ten-year period and then revert to the General Fund. Revenue from investment income will continue to accrue to this fund.

The Underground Storage Tank Indemnification Fund, established pursuant to Act 32 of 1989, the Storage Tank and Spill Prevention Act, provides claims payments to owners and operators of underground storage tanks. The program is funded through a fee schedule based on the type of product

stored in the underground storage tank. In addition to making claim payments to eligible tank owners or operators for damages caused by releases from their tanks, programs include the Tank Installation Indemnification Program in the Insurance Department, the Upgrade Loan Program in the Department of Community and Economic Development, and the Pollution Prevention and Environmental Clean-Up Program through the Department of Environmental Protection.

Act 13 of 2002 established the Medical Care Availability and Reduction of Error (Mcare) Fund; the act established requirements for basic insurance coverage for health care providers and for their purchase of excess insurance through this program. The program is responsible for payment of claims against participating health care providers for losses or damages awarded in medical professional liability actions against them in excess of basic insurance coverage. Revenue is derived by levying an annual surcharge on health care providers and from motor vehicle violation surcharges. Act 44 of 2003 provides for the Health Care Provider Retention Account, which will receive 18.52% of the cigarette tax for a program to subsidize Mcare premiums. This program has provided surcharge abatements to health care providers for calendar years 2003 and 2004. Act 154 of 2004 extended the abatement for one more year. Act 88 of 2005 added an additional year and included nursing homes as eligible. Abatements are 100% of the Mcare billing for providers in high rate classes and 50% abatement for others.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Companies in liquidation | 18 | 13 | 7 | 3 | 3 | 1 | 0 |
| Administrative hearings held | 172 | 175 | 175 | 175 | 175 | 175 | 175 |
| Rate filings reviewed | 6,259 | 6,590 | 6,500 | 6,500 | 6,500 | 6,500 | 6,500 |
| Form filings reviewed | 8,842 | 8,711 | 8,600 | 8,600 | 8,600 | 8,600 | 8,600 |
| Enforcement investigations completed | 347 | 350 | 350 | 350 | 350 | 350 | 350 |
| Insurer Market Conduct Examinations completed | 38 | 35 | 35 | 35 | 35 | 35 | 35 |
| Company financial and corporate filings reviewed | 2,900 | 2,900 | 2,900 | 2,900 | 2,900 | 2,900 | 2,900 |
| Cost per Company licensing and financial analysis | \$ 463 | \$ 463 | \$ 463 | \$ 463 | \$ 463 | \$ 463 | \$ 463 |
| Children's Health Insurance Program enrollment | 134,371 | 139,630 | 156,748 | 166,871 | 184,286 | 204,426 | 211,153 |
| Percentage of CHIP applications filed electronically | 17.0% | 17.0% | 18.0% | 18.0% | 18.0% | 19.0% | 19.0% |
| Adult Health Insurance Coverage enrollment | 38,372 | 41,571 | 50,146 | 45,113 | 40,676 | 36,700 | 32,821 |

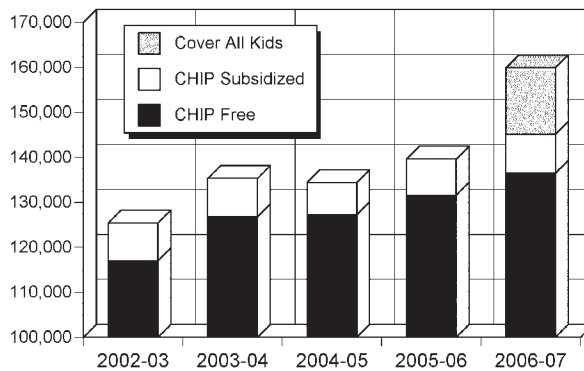
Form filings reviewed decreased from last year's budget to more closely reflect the actual trends of the 2004-2005 fiscal year.

Adult Health Insurance enrollment increases reflect funds from the Community Health Reinvestment account.

Program: Insurance Industry Regulation (continued)

Children's Health Insurance Program

Children Served



Pennsylvania's Children Health Insurance Program has been a national leader in ensuring that free or subsidized health care is available for children of low-income families. It is projected that with the Cover All Kids Program almost 160,000 uninsured children will be served in 2006-07.

Program Recommendation:

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

| | |
|--|---|
| <p>Children's Health Insurance Administration</p> <p>\$ 334 – Initiative – Cover All Kids. To provide administrative and operational resources to increase access to free and subsidized health care insurance for uninsured children in Pennsylvania.</p> <p>Enhanced Children's Health Insurance</p> <p>\$ 2,134 – Initiative – Cover All Kids. To provide access to free and subsidized health care insurance for uninsured children in Pennsylvania, of which 11,622 children are projected to enroll during the 2006-07 start-up year.</p> <p>USTIF Loan Repayment</p> <p>\$ –6,500 —for repayment of a transfer from the Underground Storage Tank Indemnification Fund.</p> | <p>All other appropriations are funded at the current year appropriation level.</p> <p>TOBACCO SETTLEMENT FUND: Adult Health Insurance</p> <p>\$ –1,474 —funding proposed for re-distribution as outlined in the Tobacco Settlement Fund presentation in Section C.</p> <p>This budget recommends the following from a restricted account:</p> <p>Community Health Reinvestment</p> <p>– Initiative – Adult Basic Expansion. To provide subsidized health care insurance for 8,757 additional uninsured adults.</p> |
|--|---|

This budget also recommends \$7,117,000 in Federal funds to provide access to free and subsidized health care insurance for uninsured children in Pennsylvania, of which 11,622 are projected to enroll during the 2006-07 start-up year, and \$711,000 to provide for the administration of the Cover All Kids Program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| General Government Operations | \$ 22,696 | \$ 23,042 | \$ 23,042 | \$ 23,042 | \$ 23,042 | \$ 23,042 | \$ 23,042 |
| Children's Health Insurance | | | | | | | |
| Administration | 1,740 | 1,944 | 2,278 | 2,274 | 2,276 | 2,278 | 2,280 |
| Adult Health Insurance Administration | 2,654 | 2,677 | 2,677 | 2,677 | 2,677 | 2,677 | 2,677 |
| Children's Health Insurance | 45,423 | 45,423 | 45,423 | 58,372 | 66,016 | 74,316 | 83,326 |
| Enhanced Children's Health Insurance | 0 | 0 | 2,134 | 5,674 | 10,000 | 22,058 | 27,006 |
| USTIF Loan Repayment | 10,000 | 7,500 | 1,000 | 2,000 | 3,000 | 4,000 | 5,000 |
| TOTAL GENERAL FUND | \$ 82,513 | \$ 80,586 | \$ 76,554 | \$ 94,039 | \$ 107,011 | \$ 128,371 | \$ 143,331 |
| TOBACCO SETTLEMENT FUND: | | | | | | | |
| Adult Health Insurance Program | \$ 103,080 | \$ 74,293 | \$ 72,819 | \$ 67,698 | \$ 63,960 | \$ 57,773 | \$ 51,022 |



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) | | |
|--|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| GENERAL FUND: | | | |
| <i>General Government:</i> | | | |
| General Government Operations..... | \$ 17,052 | \$ 14,612 | \$ 14,612 |
| (F)Workforce Investment Act - Administration..... | 8,500 | 8,500 | 11,000 |
| (F)Career Resources Network..... | 104 | 150 | 0 |
| (F)Community Service and Corps..... | 10,009 | 10,067 | 10,067 |
| (F)Disability Determination..... | 87,734 | 91,881 | 92,997 |
| (F)New Hires..... | 1,739 | 1,738 | 1,738 |
| (F)Career Resource Network (EA)..... | 0 | 150 | 150 |
| (A)Federal Indirect Cost Reimbursements..... | 1,000 | 3,500 | 3,500 |
| (A)Interpreter Registry..... | 0 | 20 | 20 |
| (A)National Governors' Association..... | 15 | 35 | 0 |
| Subtotal..... | <u>\$ 126,153</u> | <u>\$ 130,653</u> | <u>\$ 134,084</u> |
| Occupational and Industrial Safety..... | 11,626 | 11,626 | 12,334 |
| (F)Building Code..... | 200 | 0 | 0 |
| (A)Federal Indirect Cost Reimbursements..... | 1,000 | 1,107 | 1,000 |
| PENNSAFE..... | 1,258 | 1,258 | 1,341 |
| (F)Underground Utility Line Protection..... | 500 | 500 | 500 |
| (F)Environmental Information Exchange (EA)..... | 100 | 0 | 0 |
| (R)Asbestos and Lead Certification (EA)..... | 1,723 | 1,788 | 1,788 |
| Pennsylvania Conservation Corps..... | 5,515 | 5,472 | 5,962 |
| Subtotal - State Funds..... | \$ 35,451 | \$ 32,968 | \$ 34,249 |
| Subtotal - Federal Funds..... | 108,886 | 112,986 | 116,452 |
| Subtotal - Augmentations..... | 2,015 | 4,662 | 4,520 |
| Subtotal - Restricted Revenues..... | 1,723 | 1,788 | 1,788 |
| Total - General Government..... | <u>\$ 148,075</u> | <u>\$ 152,404</u> | <u>\$ 157,009</u> |
| <i>Grants and Subsidies:</i> | | | |
| Occupational Disease Payments..... | \$ 1,813 | \$ 1,529 | \$ 1,328 |
| Vocational Rehabilitation Services..... | 4,000 | 3,600 | 3,600 |
| Entrepreneurial Assistance..... | 1,061 | 955 | 955 |
| Transfer to Vocational Rehabilitation Fund..... | 38,083 | 38,083 | 38,083 |
| Supported Employment..... | 1,155 | 1,039 | 1,039 |
| Centers for Independent Living..... | 2,250 | 2,250 | 1,600 |
| Workers' Compensation Payments..... | 176 | 155 | 131 |
| Training Activities..... | 2,250 | 17,025 | 17,025 |
| Assistive Technology..... | 890 | 801 | 801 |
| Self Employment Assistance..... | 2,500 | 2,500 | 0 |
| Employment Services..... | 8,190 | 9,200 | 0 |
| (F)Reed Act - Unemployment Insurance..... | 2,400 | 12,000 | 12,000 |
| (F)Reed Act - Employment Services..... | 0 ^a | 315,935 | 300,000 |
| (F)WIA - Adult Employment and Training..... | 60,000 | 60,000 | 60,000 |
| (F)WIA - Youth Employment and Training..... | 52,000 | 52,000 | 52,000 |
| (F)WIA - Statewide Activities..... | 23,000 | 23,000 | 23,000 |
| (F)WIA - Dislocated Workers..... | 109,000 | 109,000 | 109,000 |
| (F)WIA - Veterans Employment and Training..... | 618 | 900 | 900 |
| (F)TANFBG - Youth Employment and Training..... | 15,000 | 15,000 | 15,000 |
| (F)Joint Jobs Initiative (EA)..... | 130,625 | 130,066 | 130,625 |
| (F)New Directions (EA)..... | 1,000 | 1,000 | 1,000 |
| (F)Comprehensive Workforce Development (EA)..... | 0 | 1,500 | 0 |
| (A)Joint Jobs Initiative..... | 33,312 | 40,135 | 40,135 |
| (A)Careerlink..... | 640 | 0 | 0 |
| (A)Incumbent Workers..... | 3,000 | 0 | 0 |
| (A)New Directions..... | 1,590 | 1,590 | 1,590 |
| Subtotal..... | <u>\$ 440,375</u> | <u>\$ 771,326</u> | <u>\$ 745,250</u> |
| Industry Partnerships..... | 0 | 5,000 | 5,000 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|------------------------|------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| Nursing Shortage Initiative..... | 0 | 0 | 10,000 |
| Beacon Lodge Camp..... | 117 | 105 | 105 |
| Subtotal..... | \$ 117 | \$ 105 | \$ 10,105 |
| Subtotal - State Funds..... | \$ 62,485 | \$ 82,242 | \$ 79,667 |
| Subtotal - Federal Funds..... | 393,643 | 720,401 | 703,525 |
| Subtotal - Augmentations..... | 38,542 | 41,725 | 41,725 |
| Total - Grants and Subsidies..... | \$ 494,670 | \$ 844,368 | \$ 824,917 |
| STATE FUNDS..... | \$ 97,936 | \$ 115,210 | \$ 113,916 |
| FEDERAL FUNDS..... | 502,529 | 833,387 | 819,977 |
| AUGMENTATIONS..... | 40,557 | 46,387 | 46,245 |
| RESTRICTED REVENUES..... | 1,723 | 1,788 | 1,788 |
| GENERAL FUND TOTAL..... | \$ 642,745 | \$ 996,772 | \$ 981,926 |
| OTHER FUNDS: | | | |
| GENERAL FUND: | | | |
| Vending Machine Proceeds..... | \$ 781 | \$ 827 | \$ 1,038 |
| ADMINISTRATION FUND: | | | |
| Administration of Unemployment..... | \$ 211,468 | \$ 207,500 | \$ 206,000 |
| EMPLOYMENT FUND FOR THE BLIND: | | | |
| General Operations..... | \$ 899 | \$ 1,055 | \$ 1,060 |
| JOB TRAINING FUND: | | | |
| Job Training Programs..... | \$ 0 | \$ 3,000 | \$ 3,000 |
| HAZARDOUS MATERIAL RESPONSE FUND: | | | |
| Hazardous Material Response Administration..... | \$ 138 | \$ 170 | \$ 170 |
| REHABILITATION CENTER FUND: | | | |
| General Operations..... | \$ 20,400 | \$ 23,300 | \$ 23,700 |
| VOCATIONAL REHABILITATION FUND: | | | |
| General Operations (EA)..... | \$ 39,238 ^b | \$ 39,922 ^b | \$ 38,883 ^b |
| Vocational Rehabilitation Services (F)..... | 138,765 | 142,741 | 137,302 |
| VOCATIONAL REHABILITATION FUND TOTAL..... | \$ 178,003 | \$ 182,663 | \$ 176,185 |
| WORKMEN'S COMPENSATION ADMINISTRATION FUND: | | | |
| Administration of Workers' Compensation..... | \$ 55,000 | \$ 57,525 | \$ 60,231 |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 97,936 | \$ 115,210 | \$ 113,916 |
| SPECIAL FUNDS..... | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 502,529 | 833,387 | 819,977 |
| AUGMENTATIONS..... | 40,557 | 46,387 | 46,245 |
| RESTRICTED..... | 1,723 | 1,788 | 1,788 |
| OTHER FUNDS..... | 466,689 | 476,040 | 471,384 |
| TOTAL ALL FUNDS..... | \$ 1,109,434 | \$ 1,472,812 | \$ 1,453,310 |

^a Actually appropriated as \$312,000,000. No funds were expended or received and the appropriation authority expired after June 30.

^b Transfer to Vocational Rehabilitation Fund and Supported Employment not added to the total to avoid double counting: 2004-05 Actual is \$39,238,000, 2005-06 Available is \$39,122,000, and 2006-07 Budget is \$39,122,000.

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| COMMUNITY AND OCCUPATIONAL SAFETY AND STABILITY | | | | | | | |
| GENERAL FUND..... | \$ 29,936 | \$ 27,496 | \$ 28,287 | \$ 28,287 | \$ 28,287 | \$ 28,287 | \$ 28,287 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 804 | 800 | 650 | 650 | 650 | 650 | 650 |
| OTHER FUNDS..... | 3,876 | 6,620 | 6,478 | 6,478 | 6,478 | 6,478 | 6,478 |
| SUBCATEGORY TOTAL..... | \$ 34,616 | \$ 34,916 | \$ 35,415 | \$ 35,415 | \$ 35,415 | \$ 35,415 | \$ 35,415 |
| WORKERS COMPENSATION AND ASSISTANCE | | | | | | | |
| GENERAL FUND..... | \$ 1,989 | \$ 1,684 | \$ 1,459 | \$ 1,459 | \$ 1,459 | \$ 1,459 | \$ 1,459 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 89,473 | 93,619 | 94,735 | 94,735 | 94,735 | 94,735 | 94,735 |
| OTHER FUNDS..... | 266,468 | 268,025 | 269,231 | 269,231 | 269,231 | 269,231 | 269,231 |
| SUBCATEGORY TOTAL..... | \$ 357,930 | \$ 363,328 | \$ 365,425 | \$ 365,425 | \$ 365,425 | \$ 365,425 | \$ 365,425 |
| WORKFORCE INVESTMENT | | | | | | | |
| GENERAL FUND..... | \$ 18,455 | \$ 39,197 | \$ 37,987 | \$ 37,987 | \$ 37,987 | \$ 37,987 | \$ 37,987 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 412,252 | 738,968 | 724,592 | 724,592 | 724,592 | 724,592 | 724,592 |
| OTHER FUNDS..... | 38,542 | 41,725 | 41,725 | 41,725 | 41,725 | 41,725 | 41,725 |
| SUBCATEGORY TOTAL..... | \$ 469,249 | \$ 819,890 | \$ 804,304 | \$ 804,304 | \$ 804,304 | \$ 804,304 | \$ 804,304 |
| VOCATIONAL REHABILITATION | | | | | | | |
| GENERAL FUND..... | \$ 47,556 | \$ 46,833 | \$ 46,183 | \$ 46,183 | \$ 46,183 | \$ 46,183 | \$ 46,183 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 200,083 | 207,845 | 201,983 | 201,983 | 201,983 | 201,983 | 201,983 |
| SUBCATEGORY TOTAL..... | \$ 247,639 | \$ 254,678 | \$ 248,166 | \$ 248,166 | \$ 248,166 | \$ 248,166 | \$ 248,166 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 97,936 | \$ 115,210 | \$ 113,916 | \$ 113,916 | \$ 113,916 | \$ 113,916 | \$ 113,916 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 502,529 | 833,387 | 819,977 | 819,977 | 819,977 | 819,977 | 819,977 |
| OTHER FUNDS..... | 508,969 | 524,215 | 519,417 | 519,417 | 519,417 | 519,417 | 519,417 |
| DEPARTMENT TOTAL..... | \$ 1,109,434 | \$ 1,472,812 | \$ 1,453,310 | \$ 1,453,310 | \$ 1,453,310 | \$ 1,453,310 | \$ 1,453,310 |

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 department monitors and enforces the Minimum Wage, Wage Payment and Collection, and Prevailing Wage laws to protect the income of employees. The department also protects workers' rights by ensuring compliance with the Child Labor, Seasonal Farm Labor, Industrial Homework, Equal Pay and Medical Pay laws. The department informs employees and employers about the laws, conducts investigations and resolves disputes.

Program Element: Labor Relations

Labor relations stability is promoted through the provision of mediation services to the public and private sectors. Under the Public 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 800 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 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 the support of and coordination with the area labor-management committees throughout Pennsylvania. The Pennsylvania Bureau of Mediation provides technical assistance as facilitator for cooperative programs. In addition to promoting labor-management cooperation, the office also recognizes and awards existing successful labor-management cooperation efforts in the Commonwealth.

Program Element: Public Health and Safety

The Pennsylvania Construction Code, Bedding and

Upholstery, Stuffed Toy, Employment Agency, Flammable and Combustible Liquids, LP Gas, Boiler, Lead Certification, and Asbestos Occupations Accreditation and Certification Acts are all administered by the Bureau of Occupational and Industrial Safety (BOIS). The bureau enforces these acts through the promulgation of regulations, plan reviews and field inspections, licensing and certification, and complaint investigation.

Act 45 of 1999, the Pennsylvania Construction Code Act, required the department to adopt the International Codes as Pennsylvania's Uniform Construction Code (UCC), in place of disparate community-based codes previously in existence. As authorized by the act, the department has established a program of training, including continuing education, testing and certification for all persons enforcing any aspect of the UCC. Buildings must comply in seven distinct areas with the approved code for occupancy approval. These areas are: (1) building, (2) electrical, (3) mechanical, (4) plumbing, (5) energy, (6) accessibility and (7) fire protection. Elevators and other lifting devices must also meet UCC requirements, which are administered and enforced solely by the department. Department certified inspectors will ensure compliance with approved plans prior to issuance of an occupancy permit. Of the 2,565 municipalities in the Commonwealth, 2,335 have opted for local UCC enforcement except where certified local code officials are not available to approve plans and inspect commercial construction for compliance with UCC accessibility requirements. The Department of Labor and Industry enforces the UCC in the 230 municipalities that have not chosen to provide their own enforcement. The department has sole jurisdiction for all State-owned buildings in the Commonwealth.

The Worker and Community Right-to-Know Act, administered by the Bureau of PENNSAFE, requires all employers doing business in Pennsylvania to provide certain information about hazardous chemicals found in their workplace and to make sure that information is available to emergency response organizations and the public. The department enforces worker right-to-know provisions for public employees and provides education and outreach programs. The Bureau of PENNSAFE also provides over 300 training sessions annually and technical assistance to employers to assist them in establishing and renewing department-certified workplace safety committees. The department also provides training and outreach programs related to underground utility line damage prevention.

Labor and Industry

Program: Community and Occupational Safety and Stability (continued)

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Income Security - Workers' Rights: | | | | | | | |
| Minimum wage violations cited | 588 | 540 | 540 | 540 | 540 | 540 | 540 |
| Child labor law violations | 267 | 263 | 263 | 263 | 263 | 263 | 263 |
| Nonpayment of wage violations | 5,487 | 5,410 | 5,410 | 5,410 | 5,410 | 5,410 | 5,410 |
| Prevailing Wage Law violations | 501 | 412 | 412 | 412 | 412 | 412 | 412 |
| Prevailing Wage Law violations cases closed | 797 | 400 | 400 | 400 | 400 | 400 | 400 |
| Prevailing Wage Law violations cases closed — Average number of days | 78 | 78 | 78 | 78 | 78 | 78 | 78 |
| Labor Relations: | | | | | | | |
| Mediated cases involving work stoppages: | | | | | | | |
| Public bargaining units | 1.5% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| Private bargaining units | 27.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% |
| Unfair labor practice cases opened | 615 | 550 | 550 | 550 | 550 | 550 | 550 |
| Unfair labor practice cases concluded | 495 | 550 | 550 | 550 | 550 | 550 | 550 |
| Union representation cases opened | 205 | 200 | 200 | 200 | 200 | 200 | 200 |
| Union representation cases concluded | 211 | 200 | 200 | 200 | 200 | 200 | 200 |
| Public Health and Safety Inspections: | | | | | | | |
| Building inspections performed | 62,471 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Elevator inspections performed | 12,676 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Boiler inspections performed | 35,777 | 36,000 | 36,000 | 36,000 | 36,000 | 36,000 | 36,000 |
| Other inspections performed | <u>6,132</u> | <u>6,000</u> | <u>6,000</u> | <u>6,000</u> | <u>6,000</u> | <u>6,000</u> | <u>6,000</u> |
| Total inspections performed | 117,056 | 107,000 | 107,000 | 107,000 | 107,000 | 107,000 | 107,000 |
| Building approvals issued | 5,339 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| New buildings certified | 3,259 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| Renovations of existing buildings certified | 2,080 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| Municipalities choosing to provide their own enforcement under the Uniform Construction Code Act | | | | | | | |
| Construction Code Act | 2,335 | 2,335 | 2,335 | 2,335 | 2,335 | 2,335 | 2,335 |
| Call Incident Reports | 396 | 1,600 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |

Prevailing wage law violations and cases closed for 2004-05 reflect an unusually large caseload in 2004-05 that will not continue.

Mediated cases involving work stoppages: Private bargaining units methodology for the calculation has been refined. Variances from previous years presentations are reflective of this modification.

Call incident reports regarding utility lines show increased projections due to the statewide fiber optic installation project.

Program Recommendations:

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

| | | |
|---|----|-------------------------------|
| GENERAL FUND | | PENNSAFE |
| Occupational and Industrial Safety | | —to continue current program. |
| \$ 708 —to continue current program | \$ | 83 |

The General Government Operations appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| General Government Operations | \$ 17,052 | \$ 14,612 | \$ 14,612 | \$ 14,612 | \$ 14,612 | \$ 14,612 | \$ 14,612 |
| Occupational and Industrial Safety | 11,626 | 11,626 | 12,334 | 12,334 | 12,334 | 12,334 | 12,334 |
| PENNSAFE | 1,258 | 1,258 | 1,341 | 1,341 | 1,341 | 1,341 | 1,341 |
| TOTAL GENERAL FUND | \$ 29,936 | \$ 27,496 | \$ 28,287 | \$ 28,287 | \$ 28,287 | \$ 28,287 | \$ 28,287 |

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 employees who sustain injuries or diseases during their course of employment. The Commonwealth's administrative expenses are funded from assessments through the insurance industry and self-insurers.

Act 57 of 1996 substantially amended the Workers' Compensation Act. The amendments addressed the high cost of workers' compensation in the Commonwealth with respect to premiums, wage benefits, medical treatment and review and litigation. The amendments were intended to provide expedited settlement of issues, reduce fraud, counteract disincentives to return to work, and encourage workplace safety. Their impact is a reduction of burdensomely high costs for businesses and the resultant improvement of the business climate in the Commonwealth.

Act 41 of 2001 amended the Workers' Compensation Act to transfer up to \$3.8 million from the Workmen's Compensation Administration Fund to the Self-Insurance Guaranty Fund's Prefund Account to pay workers'

compensation benefits to eligible claimants injured prior to Act 44 of 1993. Act 44 of 1993 provided for payments to eligible claimants from the Self-Insurance Guaranty Fund. Eligible claimants are those affected by defaulting self-insured employers or defaulting members of self-insurance pooling arrangements.

The department processes applications for Federal disability benefits, gathers medical evidence for each claim and makes recommendations to the Social Security Administration under the Social Security Administration's Disability Determination Program guidelines.

Occupational Disease Payments are made primarily to victims of silicosis, and related diseases, commonly referred to as "black lung." Victims of these diseases are covered based on their date of last exposure and disability.

Unemployment compensation payments are made to individuals who are unemployed through no fault of their own. The payments are funded from taxes on employers and employees paid into the Unemployment Compensation Trust Fund. Tax rates vary according to the employer's experience with unemployment and the financial condition of the fund. The maximum weekly benefit rate is calculated as 66 2/3% of the average weekly wage for the preceding fiscal year. The maximum weekly payment during calendar year 2005 was \$478 for an unemployed individual with no dependents and \$486 for an individual with 2 dependents.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Reportable injuries arising in the course of employment under the Workers' Compensation Act | 92,719 | 90,100 | 90,100 | 90,100 | 90,100 | 90,100 | 90,100 |
| Total petitions assigned resulting from reportable injuries under the Workers' Compensation Act | 52,190 | 52,000 | 52,000 | 52,000 | 52,000 | 52,000 | 52,000 |
| Final decisions in litigated Workers' Compensation claims | 52,150 | 53,000 | 53,000 | 53,000 | 53,000 | 53,000 | 53,000 |
| Claimants qualifying for occupational disease payments from Commonwealth funds | 891 | 810 | 741 | 718 | 695 | 644 | 611 |
| Average time in days—Cases filed/ concluded (Workers' Compensation and Occupational Disease in which PA contests the liability for benefits) | 260 | 260 | 257 | 254 | 251 | 248 | 248 |
| New claims for unemployment compensation | 626,954 | 633,000 | 637,000 | 637,000 | 637,000 | 637,000 | 637,000 |

Program: Workers' Compensation and Assistance (continued)

Program Recommendations:

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

\$ -201 **Occupational Disease Payments**
—nonrecurring payments.

\$ -24 **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 change to the Workers' Compensation Program through the Workmen's Compensation Administration Fund.

\$ 2,706 **Administration of Workers' Compensation**
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Occupational Disease Payments | \$ 1,813 | \$ 1,529 | \$ 1,328 | \$ 1,328 | \$ 1,328 | \$ 1,328 | \$ 1,328 |
| Workers' Compensation Payments | 176 | 155 | 131 | 131 | 131 | 131 | 131 |
| TOTAL GENERAL FUND | \$ 1,989 | \$ 1,684 | \$ 1,459 | \$ 1,459 | \$ 1,459 | \$ 1,459 | \$ 1,459 |

PROGRAM OBJECTIVE: To provide meaningful job training and placement services in a coordinated role with other Commonwealth agencies, the private sector and the Federal Government in order to secure unsubsidized employment for unemployed Pennsylvanians.

Program: Workforce Investment

The Workforce Investment program provides a range of employment and training services administered by the bureaus of Workforce Development Partnership, Unemployment Compensation, the Pennsylvania Conservation Corps and the Center for Workforce Information and Analysis. The Department of Labor and Industry is the lead agency in administering interagency employment and training programs for Pennsylvania's adult labor force and youth. Programs assist people who are looking for work, including Temporary Assistance to Needy Families (TANF) clients and unemployed individuals, in skill development and in finding suitable employment, as well as assisting working Pennsylvanians with career advancements into family sustaining jobs. In addition, youth programs provide at risk youth with skill development, career education, and job placement.

In 2004-05, the Department of Labor and Industry, working with the Departments of Community and Economic Development and Education, published "Pennsylvania's Targeted Industry Clusters" in order to ensure that training and education programs are driven by employer demand. Through additional occupational analysis and the creation of Industry Partnerships (a consortium of similar businesses), existing training in all programs is being better aligned to meet the demands of employers – providing a skilled workforce for the Commonwealth's most competitive business sectors and opportunities for Pennsylvania citizens.

Act 5 of 2005 created the Job Training Fund to facilitate advances in workforce development in the Commonwealth. This fund will award annual grants to entities in specified rural counties which run workforce education programs and services for job training assistance to incumbent workers, dislocated workers, adult and youth workers and other workforce development programs.

Program Element – Workforce Investment Act

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, identify providers of training services, monitor system performance and help develop the regional labor market information system. The Federal Workforce Investment Act (WIA) of 1998 was enacted to improve the delivery of job training services.

Funding for numerous programs has been consolidated under the WIA into three basic grants under Title I-B:

- adult employment and training,
- dislocated worker employment and training, and
- youth employment and training.

Eighty-five percent of the Federal funds appropriated for adult and youth services are allotted to local workforce investment areas; the remainder is reserved for Statewide activities.

In addition, the law gives states and local areas more authority and responsibility for job training needs and decisions, and individuals more customer choice.

Program Element – PA CareerLink

The former Job Centers have evolved into Pennsylvania CareerLinks, a one-stop services system. The transition has improved service for employers, job seekers and other customers by integrating systems and coordinating services. Services available at the PA CareerLink offices 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.

The PA CareerLink internet-based system of service 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.

Program Element: Dislocated Workers

The department provides funds to assist dislocated workers through training programs, rapid response efforts, support services, and needs-based payments.

Twenty percent of Federal funds appropriated for dislocated workers are retained at the Federal level to provide national emergency grants, dislocated worker demonstration projects and technical assistance.

Eighty percent of the funds Congress authorizes for dislocated workers are allotted to states. Of this allotment, sixty percent is allocated to local areas and forty percent is retained at the state level (fifteen percent for statewide activities and twenty-five percent for rapid response efforts). Local areas offer job search assistance and training services to dislocated workers.

Rapid Response is an early intervention service that assists workers, employers and communities affected by layoffs, plant closures, or natural disasters. The primary

Program: Workforce Investment (continued)

objective of the Rapid Response program is to provide workers with information on the services they need to allow them to find new jobs or get the training and education needed for new careers so that they can get back to work quickly. Through Rapid Response, workers are provided information about the following services: Unemployment Insurance, training opportunities, job search assistance, Trade Act programs, health insurance and pension benefits, social services and emergency assistance. Rapid Response also offers referrals to state and local economic development services designed to help businesses that are at risk of closing to keep their doors open.

Rapid Response activities are triggered when the Department of Labor and Industry learns of a planned closure or layoff either by receiving a notice under the Federal Worker Adjustment and Retraining Notification (WARN) Act, through the media, or by information provided by community and business leaders. Services may also be offered when Pennsylvania experiences mass job dislocation as the result of a disaster. There is no charge to the employer or employee for these services and they are provided regardless of the reason for the layoff.

Program Element: Pennsylvania Conservation Corps

The Pennsylvania Conservation Corps (PCC or Corps) incorporates a twofold mission: raising the skill level, self-confidence and employability of unemployed young adults, along with improving the Commonwealth's natural, historical and recreational resources. Corpsmembers are enrolled for a one-year term of service and may be extended for up to two additional six-month terms. In the course of their PCC service, members receive on-the-job training in a variety of trade skills, and are offered a range of academic, technical and life-skills training geared toward their individual needs and goals. Corpsmembers who do not have a high school diploma are required to enroll in GED-preparation classes. Those who graduate from high school or earn a GED are offered other training opportunities. A member whose assessment scores in any area are not at or above the eighth-grade level (regardless of whether or not the individual has a diploma or GED) must take adult basic education classes until his or her scores improve, at which point he or she becomes eligible for other training opportunities.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Work Investment Act Title I: | | | | | | | |
| Percent employed after program exit | 86.6% | 85.0% | 85.0% | 85.0% | 85.0% | 85.0% | 85.0% |
| Entered employment by targeted industry cluster | 59.5% | 62.0% | 62.0% | 62.0% | 62.0% | 62.0% | 62.0% |
| Employed for three quarters after program exit | 85.3% | 86.0% | 86.0% | 86.0% | 86.0% | 86.0% | 86.0% |
| Training cost per participant | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 |
| Average cost per participant placed in industry | \$2,900 | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 |
| Placement in continued education | 83.6% | 85.0% | 86.0% | 87.0% | 87.0% | 87.0% | 87.0% |
| Achievement of credential | 79.3% | 75.0% | 75.0% | 75.0% | 75.0% | 75.0% | 75.0% |
| Percent of participants who increase educational functional levels | 71.4% | 73.0% | 73.0% | 73.0% | 73.0% | 73.0% | 73.0% |
| CareerLink participation levels | 9.9% | 11.0% | 11.0% | 11.0% | 11.0% | 11.0% | 11.0% |
| CareerLink participation outcomes | 83.6% | 82.0% | 82.0% | 82.0% | 82.0% | 82.0% | 82.0% |
| Job orders filled by CareerLinks | 81.6% | 80.0% | 80.0% | 80.0% | 80.0% | 80.0% | 80.0% |
| Job openings unfilled after three months .. | 5.6% | 7.0% | 7.0% | 7.0% | 7.0% | 7.0% | 7.0% |
| Wagner Peyser: | | | | | | | |
| Percent employed after program exit * | NA | NA | 65% | 65% | 65% | 65% | 65% |
| Entered employment by targeted industry cluster* | NA | NA | 45% | 45% | 45% | 45% | 45% |
| Employed for three quarters after program exit * | NA | NA | 77% | 77% | 77% | 77% | 77% |
| Training cost per participant * | NA | NA | \$200 | \$200 | \$200 | \$200 | \$200 |
| Average cost per participant placed in industry* | NA | NA | \$300 | \$300 | \$300 | \$300 | \$300 |
| Pennsylvania Conservation Corps (PCC): | | | | | | | |
| Percent employed after program exit * | NA | NA | 50% | 55% | 60% | 65% | 70% |
| Entered employment by targeted industry cluster* | NA | NA | 34% | 40% | 45% | 45% | 45% |
| Employed for three quarters after program exit * | NA | NA | 75% | 80% | 80% | 80% | 80% |
| Placement in continued education * | NA | NA | 57% | 60% | 65% | 65% | 65% |
| Achievement of credential * | NA | NA | 99% | 99% | 99% | 99% | 99% |
| Percent of participants who increase educational functional levels * | NA | NA | 25% | 25% | 25% | 25% | 25% |

Labor and Industry

Program: Workforce Investment (continued)

| Program Measures: (continued) | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Incumbent Workers: | | | | | | | |
| Employed for three quarters after program exit * | NA | NA | 95% | 95% | 95% | 95% | 95% |
| Training cost per participant * | NA | NA | \$2,300 | \$2,300 | \$2,300 | \$2,300 | \$2,300 |
| Earnings increase* | NA | NA | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 |
| Industry Partnerships: | | | | | | | |
| Number of partnerships * | NA | NA | 25 | 25 | 25 | 25 | 25 |
| Number of employers * | NA | NA | 800 | 800 | 800 | 800 | 800 |

*New program measures.

Program Recommendations:

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

| | | | |
|-----------|---|-----------|--|
| \$ 490 | Pennsylvania Conservation Corps —to continue current program. | \$ -9,200 | Employment Services —nonrecurring projects. |
| \$ -2,500 | Self Employment Assistance —nonrecurring projects. | \$ 10,000 | Nursing Shortage Initiative —Initiative — Addressing the Nursing Shortage. To increase the number of nurses through expanded educational opportunities and student retention activities. |

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Pennsylvania Conservation Corps | \$ 5,515 | \$ 5,472 | \$ 5,962 | \$ 5,962 | \$ 5,962 | \$ 5,962 | \$ 5,962 |
| Training Activities | 2,250 | 17,025 | 17,025 | 17,025 | 17,025 | 17,025 | 17,025 |
| Self Employment Assistance | 2,500 | 2,500 | 0 | 0 | 0 | 0 | 0 |
| Employment Services | 8,190 | 9,200 | 0 | 0 | 0 | 0 | 0 |
| Industry Partnerships | 0 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Nursing Shortage Initiative | 0 | 0 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| TOTAL GENERAL FUND | \$ 18,455 | \$ 39,197 | \$ 37,987 | \$ 37,987 | \$ 37,987 | \$ 37,987 | \$ 37,987 |

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 540,000 citizens (Census 2000) of the Commonwealth who have physical or mental impairments that present a substantial impediment to employment. During 2004, approximately 85,731 customers with disabilities were referred to and/or served by the Office of Vocational Rehabilitation.

The Federal Rehabilitation Act of 1973, as amended through 1992, established eligibility criteria for vocational rehabilitation services. Services are provided to individuals 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.

Grants are provided through the Independence Capital Access Network (ICAN) to businesses for the purchase of specialized or adaptive equipment to employ Pennsylvanians with disabilities.

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.

The Office for the Deaf and Hard of Hearing responds to requests for information and referral, promotes access for people who are deaf, and provides public education about hearing loss and deafness.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Caseload: | | | | | | | |
| Carry-over | 59,059 | 57,532 | 56,960 | 56,086 | 55,161 | 54,207 | 53,258 |
| New referrals | <u>27,755</u> | <u>28,149</u> | <u>27,823</u> | <u>27,753</u> | <u>27,675</u> | <u>27,583</u> | <u>27,491</u> |
| Total caseload | 86,814 | 85,681 | 84,783 | 83,839 | 82,836 | 81,790 | 80,749 |
| Cases closed: | | | | | | | |
| Ineligible or plan not initiated | 9,813 | 9,654 | 9,623 | 9,582 | 9,570 | 9,540 | 9,510 |
| Placed in competitive employment | 11,428 | 11,465 | 11,511 | 11,534 | 11,556 | 11,580 | 11,604 |
| Nonrehabilitated | <u>8,041</u> | <u>7,602</u> | <u>7,563</u> | <u>7,562</u> | <u>7,503</u> | <u>7,412</u> | <u>7,322</u> |
| Total cases closed | 29,282 | 28,721 | 28,697 | 28,678 | 28,629 | 28,532 | 28,436 |
| Cases Carried Over | 57,532 | 56,960 | 56,086 | 55,161 | 54,207 | 53,258 | 52,313 |
| Most Severely Disabled Rehabilitated | 11,831 | 11,543 | 11,589 | 11,612 | 11,635 | 11,658 | 11,681 |
| Services for the Visually Impaired: | | | | | | | |
| Persons who are blind or visually impaired | 74,818 | 74,918 | 75,018 | 75,118 | 75,218 | 75,318 | 75,418 |
| Persons who are blind or visually impaired placed in employment | 395 | 400 | 410 | 415 | 420 | 425 | 430 |

Labor and Industry

Program: Vocational Rehabilitation (continued)

| Program Measures: (continued) | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|----------|----------|----------|----------|----------|----------|----------|
| Economic/client earnings information: | | | | | | | |
| Average weekly earnings for clients closed as competitively employed | \$342 | \$347 | \$354 | \$357 | \$361 | \$365 | \$368 |
| Total weekly earnings for clients closed as competitively employed (in thousands) | \$3,908 | \$3,904 | \$3,926 | \$3,910 | \$3,929 | \$3,948 | \$3,967 |
| Average taxes paid by a competitively employed clients | \$4,621 | \$4,667 | \$4,761 | \$4,808 | \$4,857 | \$4,906 | \$4,955 |
| Total taxes paid by competitively employed clients (in thousands) | \$52,806 | \$53,022 | \$53,563 | \$54,099 | \$54,640 | \$55,186 | \$55,737 |

Program Recommendations:

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

Centers for Independent Living
 \$ -650 —nonrecurring project.

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Vocational Rehabilitation Services | \$ 4,000 | \$ 3,600 | \$ 3,600 | \$ 3,600 | \$ 3,600 | \$ 3,600 | \$ 3,600 |
| Entrepreneurial Assistance | 1,061 | 955 | 955 | 955 | 955 | 955 | 955 |
| Transfer to Vocational Rehabilitation Fund | 38,083 | 38,083 | 38,083 | 38,083 | 38,083 | 38,083 | 38,083 |
| Supported Employment | 1,155 | 1,039 | 1,039 | 1,039 | 1,039 | 1,039 | 1,039 |
| Centers for Independent Living | 2,250 | 2,250 | 1,600 | 1,600 | 1,600 | 1,600 | 1,600 |
| Assistive Technology | 890 | 801 | 801 | 801 | 801 | 801 | 801 |
| Beacon Lodge Camp | 117 | 105 | 105 | 105 | 105 | 105 | 105 |
| TOTAL GENERAL FUND | \$ 47,556 | \$ 46,833 | \$ 46,183 | \$ 46,183 | \$ 46,183 | \$ 46,183 | \$ 46,183 |



LIQUOR CONTROL BOARD

The mission of the Liquor Control Board is to regulate the alcohol beverage industry in a fair and consistent manner; provide the best service to its customers through modern, convenient outlets, superior product selection and competitive prices in a controlled environment; and to provide factual information on alcohol and its effects through a comprehensive alcohol education program.

The Liquor Control Board controls the manufacture, possession, sale, consumption, importation, use, storage, transportation and delivery of liquor, alcohol and malt or brewed beverages in the Commonwealth.

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|--------------------------|--------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| <u>GENERAL FUND:</u> | | | |
| <i>General Government:</i> | | | |
| (F)Combat Underage Drinking College/Community Grants (EA)..... | \$ 30 | \$ 0 | \$ 0 |
| (F)Pennsylvanians Against Underage Drinking Grant (EA)..... | 25 | 0 | 0 |
| (F)Enforcing Underage Drinking Laws (EA)..... | 358 | 356 | 360 |
| (F)Malt or Brewed Beverage Sales Data (EA)..... | 23 | 0 | 0 |
| (F)Rural Communities Initiative (EA)..... | 339 | 350 | 359 |
| Subtotal - Federal Funds..... | 775 | 706 | 719 |
| Total - General Government..... | <u>\$ 775</u> | <u>\$ 706</u> | <u>\$ 719</u> |
| GENERAL FUND TOTAL..... | <u>\$ 775</u> | <u>\$ 706</u> | <u>\$ 719</u> |
| <u>OTHER FUNDS:</u> | | | |
| STATE STORES FUND: | | | |
| General Operations (EA)..... | \$ 297,495 | \$ 322,377 | \$ 336,079 |
| Comptroller Operations (EA)..... | 7,531 | 8,070 | 8,070 |
| Transfer of Profits to General Fund (EA)..... | 54,900 | 80,000 | 130,000 |
| STATE STORES FUND TOTAL..... | <u>\$ 359,926</u> | <u>\$ 410,447</u> | <u>\$ 474,149</u> |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 775 | 706 | 719 |
| OTHER FUNDS..... | 359,926 | 410,447 | 474,149 |
| TOTAL ALL FUNDS..... | <u>\$ 360,701</u> | <u>\$ 411,153</u> | <u>\$ 474,868</u> |

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|-------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| LIQUOR CONTROL | | | | | | | |
| GENERAL FUND..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 775 | 706 | 719 | 719 | 719 | 719 | 719 |
| OTHER FUNDS..... | 359,926 | 410,447 | 474,149 | 414,149 | 419,149 | 424,149 | 424,149 |
| SUBCATEGORY TOTAL..... | \$ 360,701 | \$ 411,153 | \$ 474,868 | \$ 414,868 | \$ 419,868 | \$ 424,868 | \$ 424,868 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 775 | 706 | 719 | 719 | 719 | 719 | 719 |
| OTHER FUNDS..... | 359,926 | 410,447 | 474,149 | 414,149 | 419,149 | 424,149 | 424,149 |
| DEPARTMENT TOTAL..... | \$ 360,701 | \$ 411,153 | \$ 474,868 | \$ 414,868 | \$ 419,868 | \$ 424,868 | \$ 424,868 |

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 645 State Liquor Stores operated by the Liquor Control Board. This includes both retail sales to individual consumers and wholesale sales to those private establishments that make retail sales of alcoholic beverages by the drink. The State Liquor Stores include seven outlet border stores, 16 one-stop shops located in grocery stores and 66 Premium Collection stores.

Revenues from the sale of wines and spirits cover the cost of merchandise sold in the stores, all costs of operating the Liquor Control Board and the cost of operating the Office of the Comptroller for the Board. Additionally, these revenues fund the costs of the Pennsylvania State Police Bureau of Liquor Control Enforcement and provide funding to the Pennsylvania Department of Health to support drug and alcohol programs.

The Liquor Control Board's marketing strategy is geared to offering increased service to customers of legal age while maintaining the necessary controls at the point of purchase of alcoholic beverages. Recent agency initiatives to increase service include an expanded premium product selection, the opening of Premium Collection stores, an E-Commerce site for purchase of products and the opening of Liquor Control Board operated stores within existing grocery store outlets. Expanded customer service has resulted from amendments to the Liquor Code which have allowed implementation of consumer-oriented changes within the store environment including trade publication and accessory item sales, in-store sampling of products, Sunday sales in up to 25% of the State stores, gift card sales and instantly redeemable coupons.

The Board licenses private establishments that make retail sales of alcoholic beverages by the drink and regulates the sale of malt and brewed beverages by licensing the distributors, restaurants, hotels and clubs that sell these items. In 2001, Act 141 revised the existing license quota system from municipal-based to county-based to allow for flexibility of licenses in developing areas most needed within the counties.

The Liquor Control Board has established an important Nuisance Bar Program to ensure the safety and security of

our citizens. This program supports a task force that 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 it is determined that a licensed business has abused its license privilege and, through its conduct or record of violations, demonstrates a pattern of activities that threatens the health and safety of the local community, the Liquor Control Board will refuse to renew its license. Through December of 2004, the Board has objected to the renewal of over 892 licenses.

In 1994, the Liquor Control Board formalized its commitment to providing information about alcohol consumption by establishing the Bureau of Alcohol Education. The bureau's annual budget supports its three-fold mission of delivering a no-alcohol use or "zero tolerance" message to all citizens under the age of 21, encouraging responsibility and moderation for any adult age 21 and over who chooses to drink alcoholic beverages and promoting responsible alcohol beverage service and practices among licensees and persons that serve beverage alcohol in Pennsylvania. The Bureau of Alcohol Education offers three grant programs related to preventing consumption by those under 21; (1) Campus-Community Grants, which enable colleges and universities to work on environmental strategies to limit access to alcohol to minors and to change social and cultural norms, (2) Community Grants, which provide funding for community that target the under-21 population, and (3) Source Investigation Project (SIP) grants, which provides funds to law enforcement departments for investigations to identify sources from which minors obtain alcoholic beverages.

Act 141 of 2001 expanded the role of the Liquor Control Board through establishing a comprehensive Responsible Alcohol Management Program (RAMP) that offers responsible service training to licensees in Pennsylvania. The Bureau of Alcohol Education is responsible for overseeing this program, including offering owner/manager training to licensees and certifying, monitoring and tracking all server/seller training in Pennsylvania.

Liquor Control Board

Program: Liquor Control (continued)

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Pennsylvania State Liquor Stores | 640 | 649 | 654 | 660 | 660 | 660 | 660 |
| Gross Sales (includes taxes) (in thousands) | \$1,466,300 | \$1,565,331 | \$1,653,929 | \$1,749,691 | \$1,850,998 | \$1,958,171 | \$2,071,549 |
| Net sales per dollar spent - all stores | \$6.00 | \$6.10 | \$6.00 | \$6.00 | \$5.90 | \$5.90 | \$5.90 |
| Net sales per dollar spent - Premium Collection stores | \$7.00 | \$7.00 | \$6.90 | \$6.90 | \$6.80 | \$6.80 | \$6.80 |
| Alcohol education materials distributed | 2,796,712 | 2,800,000 | 2,800,000 | 2,800,000 | 2,800,000 | 2,800,000 | 2,800,000 |
| Licensees Receiving RAMP (Responsible Alcohol Management Program) Training .. | 12,732 | 13,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |

Licensees receiving RAMP training reflect an increased participation rate by licensees.

Program Recommendations:

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

| | |
|---|--|
| <p>STATE STORES FUND General Operations \$ 13,702 —to continue current program.</p> | <p>Transfer of Profits to General Fund \$ 50,000 —increase in the amount available for transfer to General Fund.</p> |
|---|--|

Comptroller operations is funded at the current year level.



DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

The Department of Military and Veterans Affairs has two roles in State government. One role of the department is to provide world-class service to Pennsylvania veterans, their spouses, and their dependents by operating a network of veterans' assistance programs, a school for veterans' children, and six veterans homes.

The other role of the department is to provide combat-ready units of the Pennsylvania Army and Air National Guard to protect the lives and property of the people of the Commonwealth and preserve peace, order and public safety. The Pennsylvania National Guard has dual missions. Their Federal mission is to be trained and equipped to join the active military forces in time of war or national emergency; and their State mission is to respond to the orders of the Governor in the event of natural and man-made disasters.

The Department of Military and Veterans Affairs consists of the Adjutant General, the State Armory Board, the State Veterans' Commission, the Soldiers and Sailors Home in Erie, the Veterans Home in Hollidaysburg, the Southeastern Veterans Home in Spring City, the Gino J. Merli Veterans Home in Scranton, the Southwestern Veterans Home in Pittsburgh, the Delaware Valley Veterans Home in Philadelphia and the Scotland School for Veterans Children near Chambersburg.

Military and Veterans Affairs

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
|--|-------------------|----------------------|-------------------|
|--|-------------------|----------------------|-------------------|

GENERAL FUND:

General Government:

| | | | |
|--|------------------|------------------|------------------|
| General Government Operations..... | \$ 17,798 | \$ 18,333 | \$ 18,333 |
| (F)Facilities Maintenance..... | 36,486 | 46,537 | 45,000 |
| (F)Federal Construction Grants..... | 27,000 | 50,000 | 80,000 |
| (F)DCSI - Drug Enforcement Training (EA)..... | 630 | 418 | 200 |
| (F)Domestic Preparedness (EA)..... | 35 | 1,100 | 825 |
| (F)September 2004 Tropical Storm Ivan (EA)..... | 199 | 0 | 0 |
| (A)Rental of Armories and Other Facilities..... | 122 | 122 | 122 |
| (A)Housing Fees..... | 73 | 90 | 90 |
| (A)Utility Reimbursements..... | 176 | 185 | 185 |
| (A)Publication Reimbursements..... | 1 | 1 | 1 |
| (A)Purchasing Card Rebates..... | 17 | 25 | 25 |
| (A)Miscellaneous Reimbursements..... | 6 | 11 | 11 |
| Veterans and Military Personnel Services..... | 0 | 0 | 300 |
| Burial Detail Honor Guard..... | 36 | 36 | 36 |
| American Battle Monuments..... | 7 | 10 | 30 |
| Armory Maintenance and Repair..... | 1,379 | 1,379 | 1,379 |
| Drug Interdiction..... | 18 | 0 | 0 |
| Special State Duty..... | 66 | 36 | 36 |
| Subtotal..... | \$ 84,049 | \$ 118,283 | \$ 146,573 |
| Subtotal - State Funds..... | \$ 19,304 | \$ 19,794 | \$ 20,114 |
| Subtotal - Federal Funds..... | 64,350 | 98,055 | 126,025 |
| Subtotal - Augmentations..... | 395 | 434 | 434 |
| Total - General Government..... | \$ 84,049 | \$ 118,283 | \$ 146,573 |

Institutional:

| | | | |
|--|------------------------------|------------------|------------------|
| Veterans Homes..... | \$ 74,593^a | \$ 79,584 | \$ 82,884 |
| (F)Operations and Maintenance..... | 23,903 | 26,810 | 27,126 |
| (F)Medical Reimbursements..... | 483 | 636 | 461 |
| (A)Aid and Attendance Payments..... | 7,077 | 8,137 | 15,828 |
| (A)Residential Fees..... | 17,833 | 12,407 | 6,991 |
| (A)Purchasing Card Rebates..... | 27 | 25 | 20 |
| (A)Miscellaneous Reimbursements..... | 104 | 12 | 27 |
| (A)Estate Collections..... | 0 | 2,150 | 1,935 |
| Subtotal..... | \$ 124,020 | \$ 129,761 | \$ 135,272 |
| Scotland School for Veterans' Children..... | 8,593 | 9,223 | 9,592 |
| (F)ESEA Education Program..... | 204 | 210 | 205 |
| (F)School Milk Program..... | 275 | 280 | 290 |
| (F)Drug Free Schools..... | 1 | 1 | 1 |
| (F)Education Enhancement..... | 20 | 20 | 19 |
| (A)Institutional Reimbursements..... | 116 | 122 | 119 |
| (A)Tuition Recovery..... | 2,194 | 2,000 | 2,100 |
| (A)Purchasing Card Rebates..... | 3 | 0 | 5 |
| Subtotal..... | \$ 11,406 | \$ 11,856 | \$ 12,331 |
| Subtotal - State Funds..... | \$ 83,186 | \$ 88,807 | \$ 92,476 |
| Subtotal - Federal Funds..... | 24,886 | 27,957 | 28,102 |
| Subtotal - Augmentations..... | 27,354 | 24,853 | 27,025 |
| Total - Institutional..... | \$ 135,426 | \$ 141,617 | \$ 147,603 |

Grants and Subsidies:

| | | | |
|--|--------|--------|--------|
| Education of Veterans Children..... | \$ 190 | \$ 190 | \$ 190 |
| Education - National Guard (06/06)..... | 11,086 | 0 | 0 |
| Transfer to Educational Assistance Program Fund..... | 0 | 10,000 | 10,000 |
| Veterans Assistance..... | 1,230 | 1,230 | 1,230 |

Military and Veterans Affairs

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| Blind Veterans Pension | 235 | 306 | 306 |
| Paralyzed Veterans Pension | 460 | 527 | 527 |
| National Guard Pension | 5 | 5 | 5 |
| Civil Air Patrol | 450 | 450 | 0 |
| Disabled American Veterans Transportation | 250 | 250 | 0 |
| Subtotal..... | \$ 13,906 | \$ 12,958 | \$ 12,258 |
| Total - Grants and Subsidies..... | \$ 13,906 | \$ 12,958 | \$ 12,258 |
| STATE FUNDS..... | \$ 116,396 | \$ 121,559 | \$ 124,848 |
| FEDERAL FUNDS..... | 89,236 | 126,012 | 154,127 |
| AUGMENTATIONS..... | 27,749 | 25,287 | 27,459 |
| GENERAL FUND TOTAL | \$ 233,381 | \$ 272,858 | \$ 306,434 |
| <u>OTHER FUNDS:</u> | | | |
| GENERAL FUND: | | | |
| Military Family Relief Assistance..... | \$ 0 | \$ 0 | \$ 100 |
| EDUCATIONAL ASSISTANCE PROGRAM FUND: | | | |
| National Guard Education (EA)..... | \$ 0 | \$ 14,000 | \$ 12,800 |
| PENNSYLVANIA VETERANS MEMORIAL TRUST FUND: | | | |
| Veterans Memorial(EA)..... | \$ 190 | \$ 90 | \$ 90 |
| STATE TREASURY ARMORY FUND: | | | |
| Armory Improvements..... | \$ 0 | \$ 475 | \$ 610 |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 116,396 | \$ 121,559 | \$ 124,848 |
| SPECIAL FUNDS..... | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 89,236 | 126,012 | 154,127 |
| AUGMENTATIONS..... | 27,749 | 25,287 | 27,459 |
| OTHER FUNDS..... | 190 | 14,565 | 13,600 |
| TOTAL ALL FUNDS | \$ 233,571 | \$ 287,423 | \$ 320,034 |

^a Originally appropriated as \$6,938,000 for Erie Soldiers and Sailors Home, \$23,583,000 for Hollidaysburg Veterans Home, \$13,497,000 for Southeastern Veterans Center, \$9,245,000 for Gino J. Merli Veterans Center, \$9,628,000 for Southwestern Veterans Center, and \$12,262,000 for Delaware Valley Veterans Home.

Military and Veterans Affairs

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| STATE MILITARY READINESS | | | | | | | |
| GENERAL FUND..... | \$ 19,304 | \$ 19,794 | \$ 20,114 | \$ 20,094 | \$ 20,094 | \$ 20,094 | \$ 20,094 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 64,350 | 98,055 | 126,025 | 128,800 | 132,688 | 136,887 | 141,422 |
| OTHER FUNDS..... | 585 | 14,999 | 14,034 | 14,074 | 14,074 | 14,124 | 14,074 |
| SUBCATEGORY TOTAL..... | \$ 84,239 | \$ 132,848 | \$ 160,173 | \$ 162,968 | \$ 166,856 | \$ 171,105 | \$ 175,590 |
| VETERANS HOMES AND SCHOOL | | | | | | | |
| GENERAL FUND..... | \$ 83,186 | \$ 88,807 | \$ 92,476 | \$ 92,476 | \$ 92,476 | \$ 92,476 | \$ 92,476 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 24,886 | 27,957 | 28,102 | 28,102 | 28,102 | 28,102 | 28,102 |
| OTHER FUNDS..... | 27,354 | 24,853 | 27,025 | 27,025 | 27,025 | 27,025 | 27,025 |
| SUBCATEGORY TOTAL..... | \$ 135,426 | \$ 141,617 | \$ 147,603 | \$ 147,603 | \$ 147,603 | \$ 147,603 | \$ 147,603 |
| COMPENSATION AND ASSISTANCE | | | | | | | |
| GENERAL FUND..... | \$ 13,906 | \$ 12,958 | \$ 12,258 | \$ 12,258 | \$ 12,258 | \$ 12,258 | \$ 12,258 |
| 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..... | \$ 13,906 | \$ 12,958 | \$ 12,258 | \$ 12,258 | \$ 12,258 | \$ 12,258 | \$ 12,258 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 116,396 | \$ 121,559 | \$ 124,848 | \$ 124,828 | \$ 124,828 | \$ 124,828 | \$ 124,828 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 89,236 | 126,012 | 154,127 | 156,902 | 160,790 | 164,989 | 169,524 |
| OTHER FUNDS..... | 27,939 | 39,852 | 41,059 | 41,099 | 41,099 | 41,149 | 41,099 |
| DEPARTMENT TOTAL..... | \$ 233,571 | \$ 287,423 | \$ 320,034 | \$ 322,829 | \$ 326,717 | \$ 330,966 | \$ 335,451 |

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, including the Statewide Public Safety Radio System, is in operation providing a quicker and more effective response to State or Federal mobilization.

Included within this program are those activities essential to operate a network of 117 community armories and field maintenance shops, 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: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Pennsylvania National Guard personnel | 18,651 | 18,651 | 20,650 | 20,650 | 20,650 | 20,650 | 20,650 |
| Percentage of authorized strength level ... | 87% | 87% | 95% | 95% | 95% | 95% | 95% |
| Armories and field sites under repair | 117 | 117 | 110 | 110 | 106 | 106 | 100 |
| Maintenance requests from armories or field sites | 880 | 760 | 700 | 700 | 700 | 700 | 700 |
| Department of Defense personnel receiving training at Fort Indiantown Gap | 124,031 | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 |
| Non-Department of Defense personnel (local law enforcement, State Police) receiving training at Fort Indiantown Gap | 20,494 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |

Program Recommendations:

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

| | | | |
|--------|--|-------|---|
| \$ 300 | Veterans and Military Personnel Services -to provide assistance to veterans and military personnel and their families. | \$ 20 | American Battle Monuments -to repair the Pennsylvania Monument in Varennes, France. |
|--------|--|-------|---|

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

Military and Veterans Affairs

Program: State Military Readiness (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| General Government Operations | \$ 17,798 | \$ 18,333 | \$ 18,333 | \$ 18,333 | \$ 18,333 | \$ 18,333 | \$ 18,333 |
| Veterans and Military Personnel Services | 0 | 0 | 300 | 300 | 300 | 300 | 300 |
| Burial Detail Honor Guard | 36 | 36 | 36 | 36 | 36 | 36 | 36 |
| American Battle Monuments | 7 | 10 | 30 | 10 | 10 | 10 | 10 |
| Armory Maintenance and Repair | 1,379 | 1,379 | 1,379 | 1,379 | 1,379 | 1,379 | 1,379 |
| Drug Interdiction | 18 | 0 | 0 | 0 | 0 | 0 | 0 |
| Special State Duty | 66 | 36 | 36 | 36 | 36 | 36 | 36 |
| TOTAL GENERAL FUND | \$ 19,304 | \$ 19,794 | \$ 20,114 | \$ 20,094 | \$ 20,094 | \$ 20,094 | \$ 20,094 |

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 six 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 Gino J. Merli (Northeastern) Veterans Center in Scranton, the Southwestern Veterans Center in Pittsburgh and the Delaware Valley Veterans Home in Philadelphia.

The program receives assistance from the Federal Department of Veterans Affairs at levels of \$29.31 per patient

day for domiciliary care and \$63.40 per patient day for nursing home care.

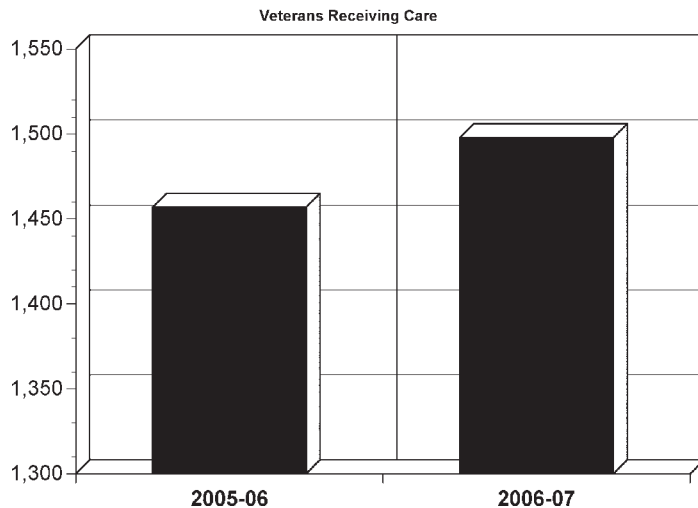
Residents of State veterans homes receive a daily allowance from the Federal Department of Veterans Affairs. Residents use these funds plus their own funds to help offset the cost of their care.

The Scotland School for Veterans Children, located near Chambersburg, provides a student-centered elementary and secondary curriculum for individual needs including college preparatory classes and vocational offerings.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 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 |
| Gino J Merli | 200 | 200 | 200 | 200 | 200 | 200 | 200 |
| Southwestern | 236 | 236 | 236 | 236 | 236 | 236 | 236 |
| Delaware Valley | 171 | 171 | 171 | 171 | 171 | 171 | 171 |
| Population (December): | | | | | | | |
| Erie | 151 | 150 | 158 | 170 | 170 | 170 | 170 |
| Hollidaysburg | 471 | 465 | 475 | 484 | 484 | 484 | 484 |
| Southeastern | 269 | 258 | 270 | 297 | 297 | 297 | 297 |
| Gino J. Merli | 193 | 189 | 195 | 197 | 197 | 197 | 197 |
| Southwestern | 231 | 231 | 231 | 234 | 234 | 234 | 234 |
| Delaware Valley | 152 | 164 | 169 | 169 | 169 | 169 | 169 |
| Total population percent of veterans | 94.5% | 93.6% | 92.8% | 92.8% | 92.8% | 92.8% | 92.8% |
| Total population percent of spouses | 5.5% | 6.4% | 7.2% | 7.2% | 7.2% | 7.2% | 7.2% |
| Scotland School: | | | | | | | |
| Capacity | 360 | 360 | 360 | 360 | 360 | 360 | 360 |
| Population | 336 | 350 | 350 | 350 | 350 | 350 | 350 |
| Percent that plan to attend college | 90% | 90% | 90% | 90% | 90% | 90% | 90% |
| Percent that plan to enroll in the military .. | 10% | 10% | 10% | 10% | 10% | 10% | 10% |

The Gino J. Merli Veterans Center was formerly known as the Northeastern Veterans Center.

State Veterans Homes



Veterans receiving care at State Veterans Homes is projected to increase to 1,498 in 2006-07

Military and Veterans Affairs

Program: Veterans Homes and School (continued)

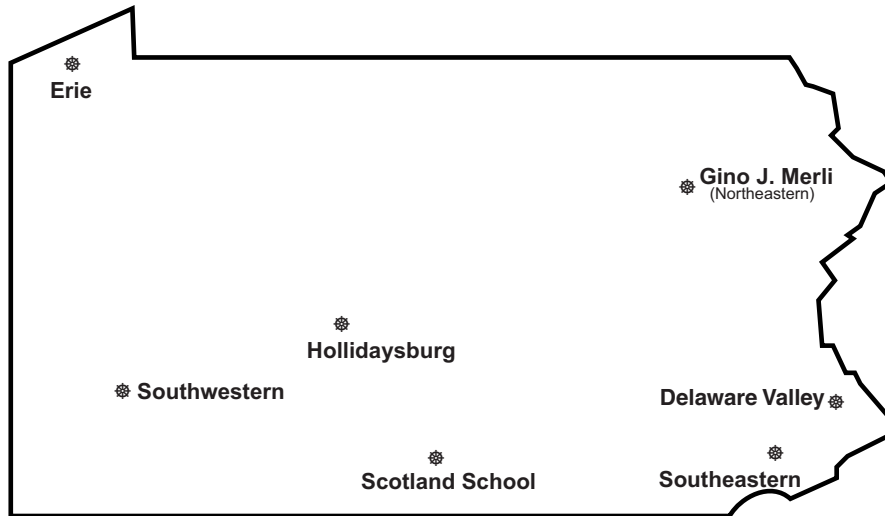
Expenditures by Institution: (Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | | 2004-05 Actual | 2005-06 Available | 2006-07 Budget |
|--|-------------------------|-------------------------|-------------------------|--------------------------------------|-------------------------|-------------------------|-------------------------|
| Erie Soldiers and Sailors Home | | | | Gino J. Merli Veterans Center | | | |
| State Funds..... | \$ 7,618 | \$ 7,418 | \$ 7,819 | State Funds..... | \$ 9,199 | \$ 10,267 | \$ 10,555 |
| Federal Funds..... | 2,394 | 2,520 | 2,442 | Federal Funds..... | 3,958 | 3,982 | 3,984 |
| Augmentations..... | 2,568 | 2,511 | 2,514 | Augmentations..... | 3,854 | 3,743 | 3,764 |
| TOTAL..... | <u>\$ 12,580</u> | <u>\$ 12,449</u> | <u>\$ 12,775</u> | TOTAL..... | <u>\$ 17,011</u> | <u>\$ 17,992</u> | <u>\$ 18,303</u> |
| Hollidaysburg Veterans Home | | | | Southwestern Veterans Home | | | |
| State Funds..... | \$ 23,583 | \$ 25,806 | \$ 26,831 | State Funds..... | \$ 9,580 | \$ 10,664 | \$ 10,693 |
| Federal Funds..... | 7,603 | 7,911 | 8,463 | Federal Funds..... | 4,289 | 4,435 | 4,620 |
| Augmentations..... | 7,724 | 7,847 | 7,827 | Augmentations..... | 4,585 | 4,139 | 4,632 |
| TOTAL..... | <u>\$ 38,910</u> | <u>\$ 41,564</u> | <u>\$ 43,121</u> | TOTAL..... | <u>\$ 18,454</u> | <u>\$ 19,238</u> | <u>\$ 19,945</u> |
| Southeastern Veterans Home | | | | Delaware Valley Veterans Home | | | |
| State Funds..... | \$ 13,497 | \$ 14,206 | \$ 15,277 | State Funds..... | \$ 11,831 | \$ 11,023 | \$ 11,709 |
| Federal Funds..... | 4,553 | 4,910 | 5,110 | Federal Funds..... | 1,589 | 3,688 | 2,968 |
| Augmentations..... | 3,799 | 3,043 | 3,739 | Augmentations..... | 2,511 | 1,448 | 2,325 |
| TOTAL..... | <u>\$ 21,849</u> | <u>\$ 22,159</u> | <u>\$ 24,126</u> | TOTAL..... | <u>\$ 15,931</u> | <u>\$ 16,159</u> | <u>\$ 17,002</u> |
| Scotland School for Veterans Children | | | | | | | |
| State Funds..... | \$ 8,593 | \$ 9,223 | \$ 9,592 | | | | |
| Federal Funds..... | 500 | 511 | 515 | | | | |
| Augmentations..... | 2,313 | 2,122 | 2,224 | | | | |
| TOTAL..... | <u>\$ 11,406</u> | <u>\$ 11,856</u> | <u>\$ 12,331</u> | | | | |

| Population and Capacity | | | | |
|--|--------------------------------|--|--|--|
| Institution | Population Dec 2005 | Projected Population Dec 2006 | Projected Capacity Dec 2006 | Projected Percent of Capacity |
| Erie Soldiers and Sailors Home..... | 150 | 158 | 175 | 90% |
| Hollidaysburg Veterans Home..... | 465 | 475 | 514 | 92% |
| Southeastern Veterans Home..... | 258 | 270 | 304 | 89% |
| Gino J. Merli Veterans Home..... | 189 | 195 | 200 | 98% |
| Southwestern Veterans Home..... | 231 | 231 | 236 | 98% |
| Delaware Valley Veterans Home..... | 164 | 169 | 171 | 99% |
| Scotland School for Veterans Children..... | 350 | 350 | 360 | 97% |
| Total..... | <u>1,807</u> | <u>1,848</u> | <u>1,960</u> | <u>94%</u> |

Program: Veterans Homes and School (continued)

Veterans Homes and School



Program Recommendations:

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

- \$ 3,300 **Veterans Homes** —to continue current program.
- \$ 369 **Scotland School for Veterans' Children** —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Veterans Homes | \$ 74,593 | \$ 79,584 | \$ 82,884 | \$ 82,884 | \$ 82,884 | \$ 82,884 | \$ 82,884 |
| Scotland School for Veterans' Children | 8,593 | 9,223 | 9,592 | 9,592 | 9,592 | 9,592 | 9,592 |
| TOTAL GENERAL FUND | \$ 83,186 | \$ 88,807 | \$ 92,476 | \$ 92,476 | \$ 92,476 | \$ 92,476 | \$ 92,476 |

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. Basic program requirements include: honorable discharge; service during an established war or conflict period; Pennsylvania residency; not on Public Assistance; and an unexpected loss of income.

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

Payment of a pension is provided to guardsmen, and widowed and dependent family members. A National Guardsman who is injured, otherwise disabled or dies as a result of injuries or other disability received or contracted while performing duty in active service 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 wartime service-connected disabilities. Children must be between the ages of 16 and 23 years of age and living within Pennsylvania 5 years prior to application and must attend a school within Pennsylvania. Grants are provided up to a maximum of \$500 per semester.

Program Element: Education — National Guard

Tuition grants are provided for certain members of the Pennsylvania National Guard who enroll in a Pennsylvania institution of higher learning with degree-granting status, as approved by the Department of Education. Act 11 of 2000 enhanced this educational assistance program. Act 212 of 2004 created the Education Assistance Program Fund to dispense the grants. Grants are available for full-time students for up to 100 percent of the tuition charged (up to \$4,598 annually) to a Pennsylvania resident at a member institution of the State System of Higher Education. Act 82 of 2005 extended the eligibility time in cases of deployment. 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

Pensions of \$150 per month are provided 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. Act 109 of 2001 expanded this program by eliminating the residency and wartime service requirement. Thus, former residents of Pennsylvania and those who served in the military during peacetime are now eligible for the pension if all other requirements are met.

Program Element: Military Family Relief Assistance Program

Act 65 of 2005 created the program to provide for short-term financial relief to families in need due to deployment of a family member. This program will be funded through contributions from State income tax return checkoffs and donations. It will last for 5 years.

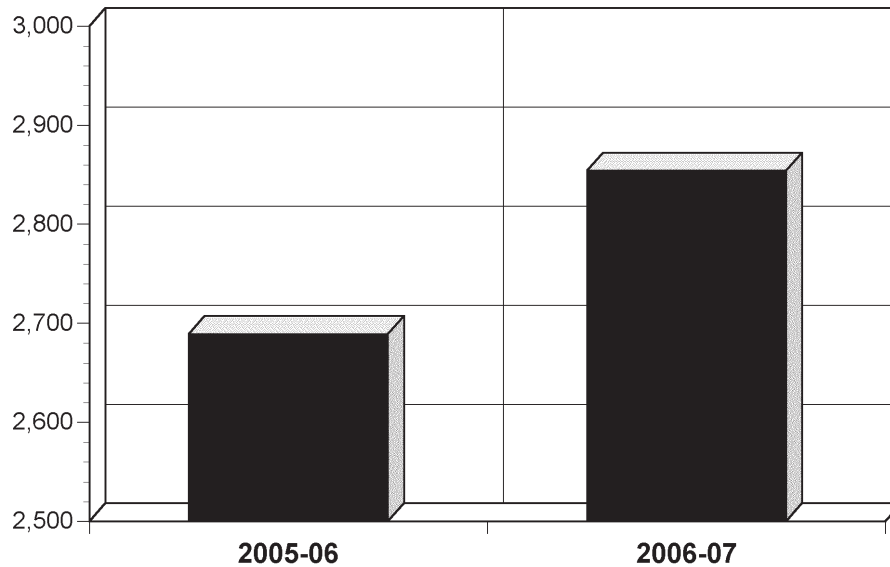
Also, for National Guard and reservists Act 60 of 2005 provided for deferment of automobile insurance while deployed and Act 83 of 2005 allowed students to remain on parental insurance while deployed and allow others to continue their insurance voluntarily when deployed.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Veterans in Pennsylvania | 1,117,004 | 1,088,220 | 1,058,615 | 1,028,911 | 999,450 | 970,726 | 942,726 |
| Recipients of veterans emergency assistance | 1,654 | 1,820 | 2,002 | 2,202 | 2,422 | 2,400 | 2,400 |
| Recipients of blind veterans pensions | 119 | 125 | 125 | 125 | 125 | 125 | 125 |
| Education of children of deceased and disabled veterans | 132 | 140 | 145 | 150 | 145 | 140 | 140 |
| National Guard personnel receiving educational financial aid | 2,854 | 2,689 | 2,854 | 3,032 | 4,004 | 4,004 | 4,004 |
| Participants in paralyzed veterans programs | 213 | 215 | 220 | 225 | 220 | 215 | 215 |

Military and Veterans Affairs

Program: Compensation and Assistance (continued)

National Guard Personnel Receiving Educational Financial Aid



National Guard personnel receiving educational financial aid is projected to increase in 2006-07 reflecting returns from deployment and enrollment in educational programs. Act 82 of 2005 extended the eligibility period so that deployed personnel can finish their education.

Program Recommendations:

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

\$ -450 Civil Air Patrol
—nonrecurring grant

\$ -250 Disabled American Veterans
Transportation
—nonrecurring grant.

The budget recommends continuation of all other appropriations at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Education of Veterans Children | \$ 190 | \$ 190 | \$ 190 | \$ 190 | \$ 190 | \$ 190 | \$ 190 |
| Education - National Guard (06/06) | 11,086 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer to Educational Assistance | | | | | | | |
| Program Fund | 0 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Veterans Assistance | 1,230 | 1,230 | 1,230 | 1,230 | 1,230 | 1,230 | 1,230 |
| Blind Veterans Pension | 235 | 306 | 306 | 306 | 306 | 306 | 306 |
| Paralyzed Veterans Pension | 460 | 527 | 527 | 527 | 527 | 527 | 527 |
| National Guard Pension | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Civil Air Patrol | 450 | 450 | 0 | 0 | 0 | 0 | 0 |
| Disabled American Veterans Transportation | 250 | 250 | 0 | 0 | 0 | 0 | 0 |
| TOTAL GENERAL FUND | \$ 13,906 | \$ 12,958 | \$ 12,258 | \$ 12,258 | \$ 12,258 | \$ 12,258 | \$ 12,258 |



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)

2004-05 2005-06 2006-07
ACTUAL AVAILABLE BUDGET

OTHER FUNDS:

MILK MARKETING FUND:

| | | | |
|-------------------------|-----------------|-----------------|-----------------|
| General Operations..... | \$ 2,794 | \$ 2,737 | \$ 2,737 |
|-------------------------|-----------------|-----------------|-----------------|

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| MILK INDUSTRY REGULATION | | | | | | | |
| GENERAL FUND..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 2,794 | 2,737 | 2,737 | 2,737 | 2,737 | 2,737 | 2,737 |
| SUBCATEGORY TOTAL..... | \$ 2,794 | \$ 2,737 | \$ 2,737 | \$ 2,737 | \$ 2,737 | \$ 2,737 | \$ 2,737 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 2,794 | 2,737 | 2,737 | 2,737 | 2,737 | 2,737 | 2,737 |
| DEPARTMENT TOTAL..... | \$ 2,794 | \$ 2,737 | \$ 2,737 | \$ 2,737 | \$ 2,737 | \$ 2,737 | \$ 2,737 |

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.

The board has implemented an automated Milk Accounting and Regulatory System (MARS). The system values milk based on component pricing, allowing adaptation to changes in the state and federal regulatory environment. Pricing information collected through the system and from public hearings is used by the board to establish minimum milk prices.

The board had previously considered the ratio of the supply of milk fluid to demand in the regulation process, but other indicators are more relevant to the process and that ratio is no longer calculated. Factors such as the price of milk in neighboring states and the ratio of the cost of production to current or expected prices are more important to price establishment and are widely discussed at the public meetings.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Licenses and permits issued | 2,382 | 2,300 | 2,300 | 2,300 | 2,300 | 2,300 | 2,300 |
| Audits of milk dealers for compliance with milk sales' rules and regulations | 720 | 700 | 700 | 700 | 700 | 700 | 700 |

Program Recommendation:

This budget recommends the following changes from the Milk Marketing Fund:
(Dollar Amounts in Thousands)

MILK MARKETING FUND
General Operations

This appropriation is recommended at the current year funding level.



BOARD OF PROBATION AND PAROLE

The mission of the Board of Probation and Parole is to protect the safety of the public, address the needs of crime victims, improve county adult probation and parole services, and assist in the fair administration of justice by ensuring the custody, control and treatment of offenders under the jurisdiction of the Board.

The Board of Probation and Parole rehabilitates and supervises persons on probation or parole, helping them to reintegrate within society. The board provides for the reintegration of persons who have served their minimum sentence in a correctional institution as well as identifies those who cannot adjust to the community. State probation services and investigations are also provided upon request from the courts. The Office of Victim Advocate within the Board of Probation and Parole administers the victim service programs of both the board and the Department of Corrections. The Sexual Offenders Assessment Board is responsible for the review of registration of sexual offenders.

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| GENERAL FUND: | | | |
| <i>General Government:</i> | | | |
| General Government Operations..... | \$ 72,726 | \$ 77,251 | \$ 74,622 |
| (F)Evaluating Parole Violations..... | 0 | 128 | 0 |
| (F)Residential Substance Abuse Treatment..... | 129 | 0 | 0 |
| (F)DCSI - Sexual Offenders Treatment (EA)..... | 500 | 260 | 0 |
| (F)DCSI - Re-Entry Court Planning (EA)..... | 12 | 0 | 0 |
| (F)DCSI - Client Identification (EA)..... | 0 | 653 | 0 |
| (A)Purchasing Card Rebate..... | 9 | 8 | 8 |
| (A)State Parole Supervision Fees..... | 3,799 | 1,340 | 3,190 |
| Subtotal..... | \$ 77,175 | \$ 79,640 | \$ 77,820 |
| Sexual Offenders Assessment Board..... | 3,138 | 3,202 | 3,202 |
| (F)Sex Offender Management..... | 251 | 241 | 0 |
| Subtotal..... | \$ 3,389 | \$ 3,443 | \$ 3,202 |
| Drug Offenders Work Program..... | 195 | 222 | 222 |
| Subtotal - State Funds..... | \$ 76,059 | \$ 80,675 | \$ 78,046 |
| Subtotal - Federal Funds..... | 892 | 1,282 | 0 |
| Subtotal - Augmentations..... | 3,808 | 1,348 | 3,198 |
| Total - General Government..... | \$ 80,759 | \$ 83,305 | \$ 81,244 |
| <i>Grants and Subsidies:</i> | | | |
| Improvement of Adult Probation Services..... | \$ 21,244 | \$ 19,279 | \$ 19,279 |
| (A)County Parole Supervision Fees..... | 15,132 | 11,867 | 14,110 |
| Subtotal..... | \$ 36,376 | \$ 31,146 | \$ 33,389 |
| Subtotal - State Funds..... | \$ 21,244 | \$ 19,279 | \$ 19,279 |
| Subtotal - Augmentations..... | 15,132 | 11,867 | 14,110 |
| Total - Grants and Subsidies..... | \$ 36,376 | \$ 31,146 | \$ 33,389 |
| STATE FUNDS..... | \$ 97,303 | \$ 99,954 | \$ 97,325 |
| FEDERAL FUNDS..... | 892 | 1,282 | 0 |
| AUGMENTATIONS..... | 18,940 | 13,215 | 17,308 |
| GENERAL FUND TOTAL..... | \$ 117,135 | \$ 114,451 | \$ 114,633 |
| OTHER FUNDS: | | | |
| GENERAL FUND: | | | |
| Firearms Education and Training Commission..... | \$ 446 | \$ 500 | \$ 362 |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 97,303 | \$ 99,954 | \$ 97,325 |
| SPECIAL FUNDS..... | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 892 | 1,282 | 0 |
| AUGMENTATIONS..... | 18,940 | 13,215 | 17,308 |
| OTHER FUNDS..... | 446 | 500 | 362 |
| TOTAL ALL FUNDS..... | \$ 117,581 | \$ 114,951 | \$ 114,995 |

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| REINTEGRATION OF THE ADULT OFFENDER | | | | | | | |
| GENERAL FUND..... | \$ 97,303 | \$ 99,954 | \$ 97,325 | \$ 97,325 | \$ 97,325 | \$ 97,325 | \$ 97,325 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 892 | 1,282 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 19,386 | 13,715 | 17,670 | 16,680 | 16,812 | 16,952 | 17,026 |
| SUBCATEGORY TOTAL..... | \$ 117,581 | \$ 114,951 | \$ 114,995 | \$ 114,005 | \$ 114,137 | \$ 114,277 | \$ 114,351 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 97,303 | \$ 99,954 | \$ 97,325 | \$ 97,325 | \$ 97,325 | \$ 97,325 | \$ 97,325 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 892 | 1,282 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 19,386 | 13,715 | 17,670 | 16,680 | 16,812 | 16,952 | 17,026 |
| DEPARTMENT TOTAL..... | \$ 117,581 | \$ 114,951 | \$ 114,995 | \$ 114,005 | \$ 114,137 | \$ 114,277 | \$ 114,351 |

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 make parole decisions and supervise adult parolees 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. Offenders with maximum sentences under two years are supervised at the county level unless the county court certifies the case to the State for special probation supervision. The State parole population is projected to be 30,355 by June 2007, up from 28,372 in 2004-05. The population includes offenders paroled from state prisons, offenders sentenced to special probation from counties under the board's jurisdiction, and offenders transferred pursuant to the Interstate Compact from other states into Pennsylvania. In order to effectuate parole decisions, the board has quasi-judicial decision-making powers. Explicit parole guidelines and supervision procedures are used to maintain consistency throughout the system and ensure that justice is administered fairly.

To better prepare and manage the expanding population and fulfill both the board and the Commonwealth's shared mission, the board has established a bureau of re-entry, which will focus on preparing inmates for parole release and then providing continued support during the critical period of readjustment following an inmate's return to the community. Employment, housing and other issues that create obstacles or challenges to successful re-entry will be identified and addressed. In addition, community-based partnerships will be developed to enhance returning offenders' ability to successfully establish re-entry plans.

Institutional parole staff disseminates parole information materials and works with individual inmates while they are incarcerated. During incarceration, offenders are introduced to the Commonwealth's CareerLink services and given assistance with the basics of job search preparation. Once paroled, an offender's individual needs are reassessed every six months, or more frequently if deemed appropriate. Drug and alcohol programming is made available, and parolees access these services via referrals to individual county programs or while under supervision at State Department of Corrections (DOC) community corrections centers or other facilities. The board plays a role in the Community Orientation and Reintegration (COR) program, which involves

preparing the offender for reentry into the community by providing help with vocational education, employment preparation, family and other life skill areas. Other programs and facilities used in parole supervision are administered with and funded by the DOC. Day Reporting Centers began operation in 2004 as an alternative to re-incarceration and provide assistance to parolees in various areas, including assistance in securing employment, treatment referrals, life skills, self-help and family support. The five centers currently in operation aid parolees with technical parole violations with assistance in community reintegration. The PennCAP (Pennsylvania Community Alternative to Prison) program is also used as an alternative to re-incarceration for technical parole violators, particularly those with drug and alcohol violations in need of treatment. Services are administered in secure portions of existing DOC contract facilities throughout the state. The board has developed and initiated these actions to aid in reducing offender recidivism.

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. Under Act 21 of 2003, certain sexually violent adolescent sex offenders will be subject to an assessment by the board upon reaching age 20. The assessment will be used by the courts to determine the need for involuntary commitment and treatment of these offenders.

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

Probation and Parole

Program: Reintegration of the Adult Offender (continued)

county that 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.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| BOARD PAROLE PROCESS | | | | | | | |
| Average monthly number of offenders scheduled for parole interviews | 2,039 | 2,059 | 2,080 | 2,122 | 2,164 | 2,207 | 2,252 |
| Average monthly percentage of scheduled interviews held* | 79% | 80% | 81% | 81% | 82% | 83% | 85% |
| Average monthly number of offenders granted parole or reparole | 940 | 1,005 | 1,045 | 1,083 | 1,118 | 1,154 | 1,206 |
| Average monthly number of offenders released to parole from the state correctional system | 755 | 804 | 836 | 866 | 894 | 923 | 965 |
| STATE SUPERVISION PROCESS | | | | | | | |
| State parolees and probationers supervised at fiscal year end | 28,372 | 29,573 | 30,355 | 30,899 | 31,447 | 31,915 | 32,415 |
| Annual state sentenced new releases to supervised populations* | 10,073 | 10,499 | 10,777 | 10,970 | 11,165 | 11,331 | 11,508 |
| Supervised offenders employed at fiscal year end | 12,244 | 13,012 | 13,660 | 13,905 | 14,151 | 14,362 | 14,587 |
| Average monthly number of supervised offenders returned to prison for technical parole violations | 289 | 301 | 309 | 315 | 320 | 325 | 330 |
| Average monthly number of supervised offenders returned to prison for new criminal convictions | 123 | 128 | 132 | 134 | 136 | 138 | 141 |
| Recidivism among state sentenced new releases after one year of supervision... | 3,022 | 3,150 | 3,233 | 3,291 | 3,349 | 3,399 | 3,453 |
| Recidivism among state sentenced new releases after three years of supervision | 5,037 | 5,250 | 5,389 | 5,485 | 5,582 | 5,665 | 5,754 |
| STATE SUPERVISION FEE COLLECTION | | | | | | | |
| Total state supervision fee dollars collected annually | \$1,339,571 | \$1,506,017 | \$2,308,913 | \$2,398,257 | \$2,440,790 | \$2,477,115 | \$2,515,923 |
| RELATED PROGRAM AREAS | | | | | | | |
| Notifications to registered crime victims | 18,972 | 19,676 | 20,660 | 21,693 | 22,777 | 23,916 | 25,112 |
| Aggregate number of sex offender assessments completed | 1,446 | 1,764 | 1,938 | 1,896 | 1,920 | 1,944 | 1,944 |
| Court-ordered sex offender assessments completed | 1,014 | 1,140 | 1,248 | 1,200 | 1,212 | 1,224 | 1,224 |
| Court-ordered SOAB board member expert witness testimony* | 281 | 516 | 384 | 396 | 396 | 408 | 408 |
| Probationers and parolees supervised by county probation departments | 194,417 | 195,389 | 196,366 | 197,348 | 198,335 | 199,327 | 200,324 |

*New program measure.

State supervision fees collected increase beginning in 2005-06 due to fee increases.

Probation and Parole

Program: Reintegration of the Adult Offender (continued)

Program Recommendations:

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

| | |
|---------------|---|
| | General Government Operations |
| \$ -2,592 | —transfer information technology resources to the Department of Corrections to streamline work processes. |
| -37 | —to continue current program. |
| <u>-2,629</u> | |
| \$ -2,629 | <i>Appropriation Decrease</i> |

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| General Government Operations | \$ 72,726 | \$ 77,251 | \$ 74,622 | \$ 74,622 | \$ 74,622 | \$ 74,622 | \$ 74,622 |
| Sexual Offenders Assessment Board | 3,138 | 3,202 | 3,202 | 3,202 | 3,202 | 3,202 | 3,202 |
| Drug Offenders Work Program | 195 | 222 | 222 | 222 | 222 | 222 | 222 |
| Improvement of Adult Probation Services | 21,244 | 19,279 | 19,279 | 19,279 | 19,279 | 19,279 | 19,279 |
| TOTAL GENERAL FUND | <u>\$ 97,303</u> | <u>\$ 99,954</u> | <u>\$ 97,325</u> | <u>\$ 97,325</u> | <u>\$ 97,325</u> | <u>\$ 97,325</u> | <u>\$ 97,325</u> |



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) | | |
|--|-------------------------------|-------------------------|-------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| <u>GENERAL FUND:</u> | | | |
| <i>General Government:</i> | | | |
| General Government Operations..... | \$ 3,610 | \$ 3,429 | \$ 3,429 |
| Broadcast Standards and Datacasting Upgrade..... | 0 | 0 | 1,590 |
| Total - General Government..... | <u>\$ 3,610</u> | <u>\$ 3,429</u> | <u>\$ 5,019</u> |
| <i>Grants and Subsidies:</i> | | | |
| Public Television Station Grants..... | \$ 8,721 | \$ 8,721 | \$ 6,994 |
| GENERAL FUND TOTAL..... | <u>\$ 12,331</u> | <u>\$ 12,150</u> | <u>\$ 12,013</u> |

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|-----------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| PUBLIC TELEVISION SERVICES | | | | | | | |
| GENERAL FUND..... | \$ 12,331 | \$ 12,150 | \$ 12,013 | \$ 11,397 | \$ 10,608 | \$ 10,608 | \$ 10,608 |
| 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..... | \$ 12,331 | \$ 12,150 | \$ 12,013 | \$ 11,397 | \$ 10,608 | \$ 10,608 | \$ 10,608 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 12,331 | \$ 12,150 | \$ 12,013 | \$ 11,397 | \$ 10,608 | \$ 10,608 | \$ 10,608 |
| 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..... | \$ 12,331 | \$ 12,150 | \$ 12,013 | \$ 11,397 | \$ 10,608 | \$ 10,608 | \$ 10,608 |

Public Television Network

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, as amended by Act 87 of 1998 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, Harrisburg, Pittsburgh, Pittston, University Park and two in Philadelphia.

Funding for the operations of the noncommercial television stations in Pennsylvania comes from several sources. Private donations from business, industry and foundations; grants from the Commonwealth and Federal Government; and contributions from individuals including memberships provide over 60 percent of the revenue needed for operation.

Operation of the Statewide network located in Hershey is directed by a 24-member commission that includes representatives from the education community, the General Assembly, the Council on the Arts, the Office for Information Technology and the public. The commission provides governance of the network and Statewide coordinating functions through a state-of-the-art digital network operation center linked to the eight stations by a fiber optic network.

Digital service offers high definition television, data casting and the simultaneous broadcast of multiple television channels.

Through the network each station has access to programs produced by other Pennsylvania stations and programs acquired from outside sources. The stations also receive production, engineering, education and outreach services through the commission.

Education content is an integral part of the services offered by public television, and the commission works closely with the Department of Education, intermediate units, local public television stations and school districts to deliver services.

It is estimated more than 3,147,008 households are served by Pennsylvania public television, including more than 32,000 pre-kindergarten children prepared for school with Ready to Learn activities. A number of stations broadcast 24 hours a day with telecourses, General Education Degree courses, and a variety of other education and general audience programming. Last year Pennsylvania public television stations produced more than 1,330 hours of local television programming.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Households watching public television at least once a week | 2,112,000 | 2,120,000 | 2,120,000 | 2,120,000 | 2,120,000 | 2,120,000 | 2,120,000 |
| Contributing memberships | 219,241 | 215,000 | 215,000 | 220,000 | 220,000 | 225,000 | 225,000 |
| Students served by instructional programs | 282,470 | 225,000 | 225,000 | 230,000 | 230,000 | 230,000 | 230,000 |
| Teachers served by instructional programs | 33,344 | 27,000 | 27,000 | 30,000 | 30,000 | 30,000 | 30,000 |

| Program Recommendations: | This budget recommends the following changes: (Dollar Amounts in Thousands) | |
|--|---|---|
| Broadcast Standards and Datacasting Upgrade | | |
| \$ 1,590 —broadcast hardware and software. | \$ -1,727 | Public Television Station Grants —nonrecurring project. |

The General Government Operations appropriation is recommended at the current year funding level.

Appropriations within this Program:

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| General Government Operations | 3,610 | 3,429 | 3,429 | 3,429 | 3,429 | 3,429 | 3,429 |
| Broadcast Standards and Datacasting Upgrade | 0 | 0 | 1,590 | 974 | 185 | 185 | 185 |
| Public Television Station Grants | 8,721 | 8,721 | 6,994 | 6,994 | 6,994 | 6,994 | 6,994 |
| TOTAL GENERAL FUND | \$ 12,331 | \$ 12,150 | \$ 12,013 | \$ 11,397 | \$ 10,608 | \$ 10,608 | \$ 10,608 |



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.

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| <u>GENERAL FUND:</u> | | | |
| <i>General Government:</i> | | | |
| (R)General Government Operations..... | \$ 44,916 | \$ 52,000 | \$ 51,631 |
| (F)Natural Gas Pipeline Safety..... | 425 | 375 | 384 |
| (F)Motor Carrier Safety..... | 1,575 | 1,350 | 1,237 |
| (R)First Class City Taxicab Regulation (EA)..... | 1,300 | 0 | 0 |
| | <hr/> | <hr/> | <hr/> |
| Subtotal - Federal Funds..... | 2,000 | 1,725 | 1,621 |
| Subtotal - Restricted Revenues..... | 46,216 | 52,000 | 51,631 |
| | <hr/> | <hr/> | <hr/> |
| Total - General Government..... | \$ 48,216 | \$ 53,725 | \$ 53,252 |
| | <hr/> | <hr/> | <hr/> |
| FEDERAL FUNDS..... | 2,000 | 1,725 | 1,621 |
| RESTRICTED REVENUES..... | 46,216 | 52,000 | 51,631 |
| | <hr/> | <hr/> | <hr/> |
| GENERAL FUND TOTAL..... | \$ 48,216 | \$ 53,725 | \$ 53,252 |
| | <hr/> | <hr/> | <hr/> |

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| REGULATION OF PUBLIC UTILITIES | | | | | | | |
| GENERAL FUND..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 2,000 | 1,725 | 1,621 | 1,621 | 1,621 | 1,621 | 1,621 |
| OTHER FUNDS..... | 46,216 | 52,000 | 51,631 | 51,631 | 51,631 | 51,631 | 51,631 |
| SUBCATEGORY TOTAL..... | \$ 48,216 | \$ 53,725 | \$ 53,252 | \$ 53,252 | \$ 53,252 | \$ 53,252 | \$ 53,252 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 2,000 | 1,725 | 1,621 | 1,621 | 1,621 | 1,621 | 1,621 |
| OTHER FUNDS..... | 46,216 | 52,000 | 51,631 | 51,631 | 51,631 | 51,631 | 51,631 |
| DEPARTMENT TOTAL..... | \$ 48,216 | \$ 53,725 | \$ 53,252 | \$ 53,252 | \$ 53,252 | \$ 53,252 | \$ 53,252 |

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 8,000 utilities which include electric, gas, steam heat, water, telephone, 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.

The commission is funded by assessment of public utilities. Subject to budgetary approval, the commission may assess up to three-tenths of one percent of gross intrastate revenues to cover the cost of regulation. Public utility assessments and fees are deposited into a restricted account within the General Fund.

In 2004-05, the Public Utility Commission completed 20 fixed utility rate cases. Rate increases of nearly \$156.3 million were allowed. Rate increases of \$2.3 million requested by transportation utilities were also allowed.

Act 201 of 2004 protects responsible customers of public utilities by setting forth procedures for electric, water and larger natural gas utilities to deal with customers who could pay their bills but choose not to pay. The act's rules and established procedures in regard to payment arrangements, service terminations, deposits and reconnections maximize collection activities while providing some protection to lower income customers. The commission has issued implementation orders and anticipates the initiation of a rulemaking in the future.

Act 213 of 2004 requires electric distribution companies and generation suppliers to include electricity generated from alternative energy resources in their sales to retail customers. The commission will be embarking on a series of rulemaking and retaining the services of an alternative energy credit program administrator as part of the implementation.

Act 183 of 2004 revised the telecommunications network modernization and regulatory obligations. The commission has completed implementing certain provisions concerning the Incumbent Local Exchange Carriers' (ILECs) amended

network modernization filings (NMPs). In October 2005, the commission issued an order to develop appropriate monitoring and enforcement procedures for verifying each ILEC's network deployment as reported in its NMP.

The Federal Energy Policy Act of 2005 establishes a number of new federal mandates that State regulators are required to consider and potentially implement. This includes standardizations for connecting electric generation facilities with the utility, compensation of retail customers for generated electricity sold back to the utility and policies concerning reduction or shifting of consumption from peak periods.

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;— 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: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Utilities regulated: | | | | | | | |
| Fixed utilities: | | | | | | | |
| Electric distribution | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Electric Generation | 43 | 43 | 43 | 43 | 43 | 43 | 43 |
| Other | 1,219 | 1,219 | 1,219 | 1,219 | 1,239 | 1,259 | 1,279 |
| Transportation | 6,732 | 6,080 | 6,130 | 6,180 | 6,230 | 6,280 | 6,330 |

Public Utility Commission

Program: Regulation of Public Utilities (continued)

| Program Measures: (continued) | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Rate requests received: | | | | | | | |
| Fixed utilities | 20 | 28 | 35 | 33 | 28 | 28 | 30 |
| Transportation | 45 | 50 | 50 | 50 | 50 | 50 | 50 |
| Rate cases completed: | | | | | | | |
| Fixed utilities | 20 | 28 | 35 | 33 | 28 | 28 | 30 |
| Transportation | 45 | 50 | 50 | 50 | 50 | 50 | 50 |
| Audits conducted: | | | | | | | |
| Fixed utilities: | | | | | | | |
| Special | 28 | 25 | 21 | 21 | 21 | 21 | 21 |
| Energy / fuel | 56 | 57 | 54 | 54 | 54 | 54 | 54 |
| Management | 12 | 9 | 7 | 8 | 7 | 7 | 7 |
| Enforcement/investigations: | | | | | | | |
| Gas safety | 872 | 875 | 875 | 875 | 875 | 875 | 875 |
| Transportation: | | | | | | | |
| Rail safety | 1,841 | 1,840 | 2,190 | 2,190 | 2,190 | 2,190 | 2,190 |
| Motor safety | 17,068 | 18,050 | 18,050 | 18,050 | 18,050 | 18,050 | 18,050 |
| Consumer services: | | | | | | | |
| Fixed utilities: | | | | | | | |
| Complaints received, investigated and resolved | 121,500 | 121,500 | 121,500 | 121,500 | 121,500 | 121,500 | 121,500 |
| Electric Deregulation: | | | | | | | |
| Homes eligible to participate (thousands) | 4,862 | 4,885 | 4,890 | 4,905 | 4,915 | 4,925 | 4,945 |
| Businesses eligible to participate (thousands) | 643 | 665 | 680 | 690 | 700 | 710 | 720 |
| Estimated Savings: | | | | | | | |
| Homes (millions) | \$367 | \$343 | \$302 | \$206 | \$121 | \$147 | \$76 |
| Businesses (millions) | \$721 | \$673 | \$592 | \$404 | \$238 | \$289 | \$149 |

Enforcement/investigations: Rail safety methodology for the calculation has been refined. Variances from previous years presentations are reflective of this modification. The increase in 2006-07 is due to additional hazmat safety inspections.

Program Recommendations:

This budget recommends the following changes in appropriations from restricted accounts: (Dollar Amounts in Thousands)

General Government Operations
 \$ -369 —operational efficiencies.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| General Government Operations | \$ 44,916 | \$ 52,000 | \$ 51,631 | \$ 51,631 | \$ 51,631 | \$ 51,631 | \$ 51,631 |
| First Class City Taxicab Regulation (EA) .. | 1,300 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL GENERAL FUND | \$ 46,216 | \$ 52,000 | \$ 51,631 | \$ 51,631 | \$ 51,631 | \$ 51,631 | \$ 51,631 |



DEPARTMENT OF PUBLIC WELFARE

The mission of the Department of Public Welfare is to promote, improve and sustain the quality of family life, break the cycle of dependency, and protect and serve Pennsylvania's most vulnerable citizens.

This mission is accomplished by promoting the financial independence of clients through a range of services including employment and training, work support, child care, medical assistance and transportation. The mission is also accomplished by providing community living arrangements for those in need of assistance with activities of daily living and, when necessary, through institutional care and treatment in settings that are responsive to human needs.

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| GENERAL FUND: | | | |
| General Government: | | | |
| General Government Operations..... | \$ 57,637 | \$ 58,629 | \$ 58,629 |
| (F)Child Welfare Services - Administration..... | 2,054 | 2,054 | 2,026 |
| (F)Child Welfare - Title IV-E - Administration..... | 3,576 | 5,353 | 3,900 |
| (F)CCDFBG - Administration..... | 13,127 | 13,480 | 13,480 |
| (F)Medical Assistance - Administration..... | 29,449 | 23,694 | 25,152 |
| (F)TANFBG - Administration..... | 4,313 | 5,180 | 4,980 |
| (F)Food Stamps - Administration..... | 5,283 | 4,560 | 5,420 |
| (F)Developmental Disabilities - Basic Support..... | 4,090 | 4,090 | 4,090 |
| (F)Refugees and Persons Seeking Asylum - Administration..... | 1,568 | 1,588 | 1,526 |
| (F)Disabled Education - Administration..... | 1,462 | 1,522 | 1,517 |
| (F)MHSBG - Administration..... | 160 | 169 | 173 |
| (F)SSBG - Administration..... | 3,691 | 3,691 | 3,641 |
| (F)Training - Lead-Based Paint Abatement..... | 86 | 137 | 118 |
| (F)Community Based Family Resource and Support - Administration..... | 689 | 689 | 689 |
| (F)Real Choice Systems Change..... | 462 | 1,000 | 0 |
| (F)Medical Assistance Infrastructure..... | 825 | 825 | 825 |
| (F)Locally Organized Systems of Child Care..... | 500 | 500 | 500 |
| (A)Training Reimbursement..... | 447 | 456 | 457 |
| (A)Child Abuse Reviews..... | 4,156 | 3,825 | 5,989 |
| (A)Miscellaneous Reimbursements..... | 56 | 50 | 50 |
| Subtotal..... | <u>\$ 133,631</u> | <u>\$ 131,492</u> | <u>\$ 133,162</u> |
| Information Systems..... | 52,731 | 49,895 | 53,905 |
| (F)Medical Assistance - Information Systems..... | 51,700 | 36,442 ^a | 39,562 |
| (F)Child Welfare - Title IV-E - Information Systems..... | 426 | 878 | 1,010 |
| (F)TANFBG - Information Systems..... | 9,921 | 9,556 | 9,035 |
| (F)Food Stamps - Information Systems..... | 10,943 | 10,283 | 12,083 |
| (F)Child Support Enforcement - Information Systems..... | 7,591 | 7,740 | 7,738 |
| (A)Intergovernmental Transfer - Technology..... | 1,454 | 1,057 | 1,057 |
| (A)Medical Data Exchange..... | 36 | 36 | 36 |
| Subtotal..... | <u>\$ 134,802</u> | <u>\$ 115,887</u> | <u>\$ 124,426</u> |
| County Administration - Statewide..... | 34,257 | 41,588 | 33,477 |
| (F)TANFBG - Statewide..... | 3,457 | 3,518 | 2,150 |
| (F)Medical Assistance - Statewide..... | 41,187 | 44,219 | 37,119 |
| (F)Food Stamps - Statewide..... | 23,207 | 25,206 | 23,824 |
| (F)Ryan White - Statewide..... | 136 | 141 | 143 |
| (F)Storm Disasters 2004 - Administration (EA)..... | 1,472 | 0 | 0 |
| (F)Storm Disaster 2005 - Administration (EA)..... | 0 | 151 | 0 |
| (A)Fee for Material from Outside Vendors..... | 6 | 5 | 5 |
| (A)Food Stamps - Retained Collections..... | 2,485 | 3,300 | 2,800 |
| (A)Intergovernmental Transfer..... | 807 | 1,370 | 943 |
| (A)Electronic Benefit Transfer Rebate..... | 7,075 | 0 | 0 |
| (A)Food Stamp Bonus..... | 0 | 594 | 574 |
| Subtotal..... | <u>\$ 114,089</u> | <u>\$ 120,092</u> | <u>\$ 101,035</u> |
| County Assistance Offices..... | 244,871 | 254,304 | 249,218 |
| (F)TANFBG - County Assistance..... | 41,807 | 44,190 | 44,190 |
| (F)Medical Assistance - County Assistance..... | 79,751 | 82,070 ^b | 86,746 |
| (F)Food Stamps - County Assistance..... | 76,443 | 79,504 ^c | 79,512 |
| (F)SSBG - County Assistance..... | 6,262 | 6,262 | 6,262 |
| (F)LIHEABG - Administration..... | 12,164 | 12,164 | 12,164 |
| (A)Food Stamp Bonus..... | 0 | 3,289 | 553 |
| Subtotal..... | <u>\$ 461,298</u> | <u>\$ 481,783</u> | <u>\$ 478,645</u> |
| Child Support Enforcement..... | 10,043 | 9,594 | 6,803 |
| (F)TANFBG - Child Support Enforcement..... | 1,850 | 0 | 0 |
| (F)Child Support Enforcement - Title IV - D..... | 129,277 | 127,386 | 124,355 |
| (A)Title IV - D Incentive Collections..... | 11,147 | 15,826 | 17,397 |

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
|---|-------------------|----------------------------|-------------------|
| Subtotal..... | \$ 152,317 | \$ 152,806 | \$ 148,555 |
| New Directions..... | 62,221 | 60,943 | 60,266 |
| (F)TANFBG - New Directions..... | 154,401 | 163,286 | 138,286 |
| (F)Medical Assistance - New Directions..... | 4,537 | 4,325 | 5,299 |
| (F)Food Stamps - New Directions..... | 10,788 | 9,508 | 9,130 |
| Subtotal..... | \$ 231,947 | \$ 238,062 | \$ 212,981 |
| Subtotal - State Funds..... | \$ 461,760 | \$ 474,953 | \$ 462,298 |
| Subtotal - Federal Funds..... | 738,655 | 735,361 | 706,645 |
| Subtotal - Augmentations..... | 27,669 | 29,808 | 29,861 |
| Total - General Government..... | \$ 1,228,084 | \$ 1,240,122 | \$ 1,198,804 |
| Institutional: | | | |
| Youth Development Institutions and Forestry Camps..... | \$ 68,265 | \$ 64,896 | \$ 64,319 |
| (F)SSBG - Basic Institutional Program..... | 1,056 | 10,000 | 10,000 |
| (F)Food Nutrition Services..... | 760 | 1,015 | 800 |
| (F)TANFBG - Youth Development Centers..... | 3,544 | 0 | 0 |
| (F)DFSC - Special Program - Juvenile Aftercare..... | 1,225 | 1,225 | 1,225 |
| (F)DFSC - Aftercare Support (EA)..... | 0 | 100 | 100 |
| (F)DCSI - Gender Specific Training (EA)..... | 0 | 200 | 0 |
| (A)Cafeteria Reimbursements..... | 1 | 5 | 5 |
| (A)Institutional Reimbursements..... | 4 | 5 | 5 |
| (A)MacArthur Foundation..... | 0 | 50 | 50 |
| Subtotal..... | \$ 74,855 | \$ 77,496 | \$ 76,504 |
| Mental Health Services..... | 664,502 | 674,713^d | 676,817 |
| (F)Medical Assistance - Mental Health..... | 212,992 | 227,962 ^e | 210,759 |
| (F)Medicare Services - State Mental Hospitals..... | 8,000 | 8,000 | 11,158 |
| (F)Homeless Mentally Ill..... | 1,848 | 2,059 | 2,059 |
| (F)MHSBG - Community Mental Health Services..... | 17,430 | 15,590 | 15,418 |
| (F)SSBG - Community Mental Health Services..... | 14,808 | 14,808 | 14,808 |
| (F)Emergency Response Capacity..... | 100 | 102 | 0 |
| (F)Co-occurring Behavioral Disorder Treatment..... | 1,100 | 1,100 | 550 |
| (F)RTF Restraint Elimination..... | 237 | 237 | 0 |
| (F)Mental Health Systems Transformation..... | 100 | 100 | 100 |
| (F)Mental Health Housing Support..... | 334 | 334 | 0 |
| (F)Targeted Capacity Expansion for Jail Diversion..... | 0 | 400 | 0 |
| (F)Suicide Prevention..... | 0 | 400 | 0 |
| (F)Mental Health Transformation Incentive..... | 0 | 3,000 | 0 |
| (F)Mental Health Data Infrastructure..... | 177 | 169 | 160 |
| (F)September 2004 Storm Disaster Ivan - Crisis Counseling (EA)..... | 1,177 | 0 | 0 |
| (F)April 2005 Storm Disaster - Crisis Counseling (EA)..... | 30 | 0 | 0 |
| (F)Bioterrorism Hospital Preparedness (EA)..... | 751 | 580 | 580 |
| (F)Storm Disaster 2005-Crisis Counseling Immediate Svcs (EA)..... | 0 | 286 | 0 |
| (A)Institutional Collections..... | 9,836 | 9,370 | 8,884 |
| (A)Miscellaneous Institutional Reimbursements..... | 1,833 | 1,698 | 1,565 |
| (A)Intergovernmental Transfer..... | 19,077 | 8,000 | 0 |
| Subtotal..... | \$ 954,332 | \$ 968,908 | \$ 942,858 |
| State Centers for the Mentally Retarded..... | 102,225 | 104,407 | 103,143 |
| (F)Medical Assistance - State Centers..... | 140,061 | 150,925 | 148,466 |
| (F)Medicare Services - State Centers..... | 727 | 704 | 735 |
| (A)Institutional Collections - State Centers..... | 10,285 | 10,068 | 9,880 |
| (A)Institutional Reimbursements..... | 29 | 0 | 0 |
| (A)Embreeville Rents..... | 1,218 | 1,230 | 1,230 |
| (A)MR Assessment - State Centers..... | 16,039 | 16,038 | 15,491 |
| Subtotal..... | \$ 270,584 | \$ 283,372 | \$ 278,945 |

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
|--|-------------------|-------------------------------|-------------------|
| Subtotal - State Funds..... | \$ 834,992 | \$ 844,016 | \$ 844,279 |
| Subtotal - Federal Funds..... | 406,457 | 439,296 | 416,918 |
| Subtotal - Augmentations..... | 58,322 | 46,464 | 37,110 |
| Total - Institutional..... | \$ 1,299,771 | \$ 1,329,776 | \$ 1,298,307 |
| Grants and Subsidies: | | | |
| Cash Grants..... | \$ 384,182 | \$ 421,717^f | \$ 460,062 |
| (F)TANFBG - Cash Grants..... | 254,773 | 253,110 | 242,692 |
| (F)CCDFBG - Cash Grants..... | 145,008 | 146,303 | 146,303 |
| (F)Other Federal Support - Cash Grants..... | 30,595 | 33,238 | 40,578 |
| (F)LIHEABG - Low-Income Families and Individuals..... | 117,224 | 152,684 | 152,684 |
| (F)August 2004 Storm Disaster - Individual & Family Assist (EA)..... | 2,046 | 0 | 0 |
| (F)September 2004 Storm Disaster (Frances)-Ind & Fam Assist(EA)..... | 2,100 | 0 | 0 |
| (F)September 2004 Storm Disaster (Ivan) - Ind & Fam Assist (EA)..... | 22,500 | 0 | 0 |
| (F)April 2005 Storm Disaster-Individual & Family Assistance(EA)..... | 2,754 | 0 | 0 |
| Subtotal..... | \$ 961,182 | \$ 1,007,052 | \$ 1,042,319 |
| Transfer to Emergency Energy Assistance Fund (EA)..... | 0 | 19,300 ^g | 0 |
| Supplemental Grants - Aged, Blind and Disabled..... | 140,194 | 124,145 ^h | 128,980 |
| (A)Intergovernmental Transfer..... | 23,007 | 27,388 | 27,425 |
| Subtotal..... | \$ 163,201 | \$ 151,533 | \$ 156,405 |
| Payment to Federal Government - Medicare Drug Program..... | 0 | 164,746 ⁱ | 348,263 |
| Medical Assistance - Outpatient..... | 842,991 | 756,334 ^j | 649,335 |
| (F)Medical Assistance - Outpatient..... | 1,186,014 | 1,065,342 ^k | 897,488 |
| (A)Intergovernmental Transfer..... | 15,580 | 39,580 | 2,580 |
| (A)HealthStart Grow Smart..... | 491 | 141 | 141 |
| Subtotal..... | \$ 2,045,076 | \$ 1,861,397 | \$ 1,549,544 |
| (R)Health Care Provider Retention..... | 0 | 209,467 | 211,774 |
| (R)Medical Assistance - Provider Retention (F)..... | 0 ^l | 256,533 | 254,226 |
| (R)Transfer to MCAre Availability and Error Reduction Fund (EA)..... | 100,000 | 230,000 | 150,000 |
| Subtotal..... | \$ 100,000 | \$ 696,000 | \$ 616,000 |
| Medical Assistance - Inpatient..... | 531,785 | 432,693 | 388,974 |
| (F)Medical Assistance - Inpatient..... | 571,555 | 599,401 | 476,015 |
| (A)Intergovernmental Transfer..... | 2,000 | 48,000 | 0 |
| Subtotal..... | \$ 1,105,340 | \$ 1,080,094 | \$ 864,989 |
| Medical Assistance - Capitation..... | 2,312,457 | 2,519,978 ^m | 2,600,644 |
| (F)Medical Assistance - Capitation..... | 3,212,003 | 3,346,874 ⁿ | 3,256,115 |
| (A)Intergovernmental Transfer..... | 24,176 | 100,000 | 0 |
| (A)Managed Care Assessment..... | 335,528 | 375,156 | 375,396 |
| Subtotal..... | \$ 5,884,164 | \$ 6,342,008 | \$ 6,232,155 |
| Long-Term Care..... | 476,116 | 755,890 ^o | 753,146 |
| (F)Medical Assistance - Long-Term Care..... | 2,463,201 | 2,236,514 ^p | 2,277,700 |
| (A)Intergovernmental Transfer..... | 973,231 | 687,756 | 489,314 |
| (A)Nursing Home Assessment..... | 409,000 | 309,665 | 278,553 |
| Subtotal..... | \$ 4,321,548 | \$ 3,989,825 | \$ 3,798,713 |
| Trauma Centers..... | 12,500 | 12,500 | 12,500 |
| (F)Medical Assistance - Trauma Centers..... | 14,715 | 15,309 | 15,006 |
| Subtotal..... | \$ 27,215 | \$ 27,809 | \$ 27,506 |
| Medical Assistance - Academic Medical Centers..... | 0 | 20,591 | 21,209 |
| (F)Medical Assistance - Academic Medical Centers..... | 0 | 24,911 | 25,461 |
| Subtotal..... | \$ 0 | \$ 45,502 | \$ 46,670 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|----------------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| Medical Assistance - Transportation..... | 44,675 | 50,904 | 56,287 |
| (F)Medical Assistance - Transportation..... | 39,512 | 43,362 | 47,973 |
| Subtotal..... | \$ 84,187 | \$ 94,266 | \$ 104,260 |
| Expanded Medical Services for Women..... | 8,860 | 8,860 | 9,038 |
| (F)TANFBG - Alternatives to Abortion..... | 1,000 | 1,000 | 1,000 |
| Subtotal..... | \$ 9,860 | \$ 9,860 | \$ 10,038 |
| AIDS Special Pharmaceutical Services..... | 13,398 | 13,448 | 16,267 |
| (F)AIDS - Ryan White..... | 25,000 | 26,654 | 32,228 |
| Subtotal..... | \$ 38,398 | \$ 40,102 | \$ 48,495 |
| Special Pharmaceutical Services..... | 5,482 | 5,886 | 6,852 |
| Behavioral Health Services..... | 43,981 | 43,981 | 43,981 |
| (A)Intergovernmental Transfer..... | 21,897 | 12,107 | 12,107 |
| Subtotal..... | \$ 65,878 | \$ 56,088 | \$ 56,088 |
| Psychiatric Services in Eastern PA..... | 3,500 | 3,500 | 3,500 |
| Intermediate Care Facilities - Mentally Retarded..... | 114,432 | 115,568^q | 124,514 |
| (F)Medical Assistance - ICF/MR..... | 162,958 | 167,078 | 170,448 |
| (A)MR Assessment - ICF/MR..... | 27,215 | 15,548 | 17,500 |
| Subtotal..... | \$ 304,605 | \$ 298,194 | \$ 312,462 |
| Community Mental Retardation Services..... | 706,593 | 729,633 | 789,395 |
| (F)Medical Assistance - Community MR Services..... | 630,920 | 701,193 | 738,766 |
| (F)SSBG - Community MR Services..... | 13,984 | 13,984 | 7,500 |
| Subtotal..... | \$ 1,351,497 | \$ 1,444,810 | \$ 1,535,661 |
| Early Intervention..... | 80,689 | 89,535 | 105,175 |
| (F)SSBG - Early Intervention..... | 2,195 | 2,195 | 2,195 |
| (F)Medical Assistance - Early Intervention..... | 17,362 | 18,838 | 20,450 |
| (F)Education for Children with Disabilities..... | 12,758 | 12,988 | 13,223 |
| Subtotal..... | \$ 113,004 | \$ 123,556 | \$ 141,043 |
| Autism Intervention and Services..... | 0 | 3,000 | 3,000 |
| Pennhurst Dispersal..... | 3,009 | 3,058 | 3,119 |
| MR Residential Services - Lansdowne..... | 1,065 | 1,223 | 406 |
| County Child Welfare..... | 632,547 | 838,526 | 880,831 |
| (F)Child Welfare Services..... | 20,370 | 21,957 | 17,504 |
| (F)Child Welfare - Title IV-E..... | 614,502 | 462,419 | 427,041 |
| (F)Medical Assistance - Child Welfare..... | 9,359 | 5,492 ^r | 4,077 |
| (F)TANFBG - Child Welfare..... | 294,940 | 67,884 | 67,883 |
| (F)SSBG - Child Welfare..... | 12,021 | 12,021 | 12,021 |
| (F)Child Welfare Training and Certification..... | 19,845 | 14,598 | 10,384 |
| (F)Community Based Family Resource and Support..... | 134 | 134 | 134 |
| Subtotal..... | \$ 1,603,718 | \$ 1,423,031 | \$ 1,419,875 |
| Child Welfare - TANF Transition..... | 0 | 45,000 | 30,000 |
| Behavioral Health Services Transition..... | 0 | 0 | 14,859 |
| (F)Medical Assistance - Behavioral Health Services..... | 0 | 0 | 17,838 |
| Subtotal..... | \$ 0 | \$ 0 | \$ 32,697 |
| Community Based Family Centers..... | 3,148 | 3,148 | 3,148 |
| (F)Family Preservation - Family Centers..... | 6,463 | 6,463 | 7,463 |
| (F)Family Resource & Support - Family Centers..... | 480 | 480 | 480 |
| (F)CCDFBG - Family Centers..... | 3,066 | 461 | 461 |
| (F)Title IV-B - Family Centers..... | 0 | 2,605 | 2,605 |
| Subtotal..... | \$ 13,157 | \$ 13,157 | \$ 14,157 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| Child Care Services..... | 60,877 | 80,209 | 107,671 |
| (F)CCDFBG - Child Care..... | 189,114 | 189,114 | 189,114 |
| (F)CCDFBG - School Age..... | 1,260 | 1,260 | 1,260 |
| (F)SSBG - Child Care..... | 30,977 | 30,977 | 30,977 |
| (F)Head Start Collaboration Project..... | 450 | 450 | 450 |
| (F)TANFBG - Child Care Services..... | 2,000 | 2,000 | 2,000 |
| (F)TANFBG - Nurse Family Partnership..... | 0 | 1,222 | 0 |
| (F)CCDFBG - Nurse Family Partnership..... | 0 | 2,605 | 0 |
| (F)Bioterrorism Child Care Preparedness (EA)..... | 167 | 33 | 0 |
| Subtotal..... | <u>\$ 284,845</u> | <u>\$ 307,870</u> | <u>\$ 331,472</u> |
| Nurse Family Partnership..... | 0 | 0 | 1,951 |
| (F)Medical Assistance - Nurse Family Partnership..... | 0 | 0 | 1,451 |
| (F)TANFBG - Nurse Family Partnership..... | 0 | 0 | 1,222 |
| (F)CCDFBG - Nurse Family Partnership..... | 0 | 0 | 2,605 |
| Subtotal..... | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 7,229</u> |
| Domestic Violence..... | 11,542 | 11,542 | 11,772 |
| (F)Family Violence Prevention Services..... | 3,000 | 3,000 | 3,000 |
| (F)SSBG - Domestic Violence..... | 5,705 | 5,705 | 5,705 |
| (F)PHHSBG - Domestic Violence..... | 150 | 150 | 150 |
| (F)DFSC - Domestic Violence..... | 424 | 425 | 425 |
| (A)Marriage Law Fees..... | 733 | 733 | 733 |
| Subtotal..... | <u>\$ 21,554</u> | <u>\$ 21,555</u> | <u>\$ 21,785</u> |
| Rape Crisis..... | 5,879 | 5,879 | 5,997 |
| (F)PHHSBG - Rape Crisis..... | 301 | 301 | 301 |
| (F)SSBG - Rape Crisis..... | 2,721 | 2,721 | 2,721 |
| (F)Rape Prevention and Education..... | 1,784 | 1,900 | 1,800 |
| (F)DFSC - Special Programs for Rape Crisis..... | 142 | 142 | 142 |
| Subtotal..... | <u>\$ 10,827</u> | <u>\$ 10,943</u> | <u>\$ 10,961</u> |
| Breast Cancer Screening..... | 1,526 | 1,526 | 1,556 |
| (F)SSBG - Family Planning..... | 3,845 | 3,845 | 3,845 |
| Subtotal..... | <u>\$ 5,371</u> | <u>\$ 5,371</u> | <u>\$ 5,401</u> |
| Human Services Development Fund..... | 33,785 | 33,785 | 33,785 |
| (F)Refugees and Persons Seeking Asylum - Social Services..... | 6,785 | 6,785 | 6,785 |
| (A)Intergovernmental Transfer..... | 7,498 | 5,000 | 0 |
| Subtotal..... | <u>\$ 48,068</u> | <u>\$ 45,570</u> | <u>\$ 40,570</u> |
| Legal Services..... | 2,519 | 2,519 | 2,569 |
| (F)SSBG - Legal Services..... | 5,049 | 5,049 | 5,049 |
| Subtotal..... | <u>\$ 7,568</u> | <u>\$ 7,568</u> | <u>\$ 7,618</u> |
| Homeless Assistance..... | 24,461 | 25,536 | 24,951 |
| (F)SSBG - Homeless Services..... | 4,183 | 4,183 | 4,183 |
| (F)SABG - Homeless Services..... | 1,983 | 1,983 | 1,983 |
| Subtotal..... | <u>\$ 30,627</u> | <u>\$ 31,702</u> | <u>\$ 31,117</u> |
| Services to Persons with Disabilities..... | 28,223 | 45,874 | 61,025 |
| (F)SSBG - Services to Persons with Disabilities..... | 120 | 120 | 120 |
| (F)Medical Assistance - Services to Persons with Disabilities..... | 49,347 | 60,207 | 79,148 |
| (A)Intergovernmental Transfer..... | 9,256 | 9,256 | 9,256 |
| (A)MR Assessment - ICF/ORC..... | 10 | 100 | 100 |
| Subtotal..... | <u>\$ 86,956</u> | <u>\$ 115,557</u> | <u>\$ 149,649</u> |
| Attendant Care..... | 47,031 | 60,751 | 75,974 |
| (F)SSBG - Attendant Care..... | 6,971 | 1,866 | 0 |
| (F)Medical Assistance - Attendant Care..... | 38,035 | 45,978 | 56,185 |
| (A)Attendant Care Parking Fines..... | 103 | 103 | 103 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|----------------------|----------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| (A)Intergovernmental Transfer..... | 15,282 | 15,282 | 15,282 |
| Subtotal..... | \$ 107,422 | \$ 123,980 | \$ 147,544 |
| Acute Care Hospitals..... | 12,200 | 11,800 | 0 |
| Family and Children's Center..... | 0 | 143 | 0 |
| Subtotal - State Funds..... | \$ 6,589,647 | \$ 7,462,728 | \$ 7,780,736 |
| Subtotal - Federal Funds..... | 10,265,870 | 9,827,513 | 9,532,337 |
| Subtotal - Augmentations..... | 1,865,007 | 1,645,815 | 1,228,490 |
| Subtotal - Restricted Revenues..... | 100,000 | 696,000 | 616,000 |
| Total - Grants and Subsidies..... | \$ 18,820,524 | \$ 19,632,056 | \$ 19,157,563 |
| STATE FUNDS..... | \$ 7,886,399 | \$ 8,781,697 | \$ 9,087,313 |
| FEDERAL FUNDS..... | 11,410,982 | 11,002,170 | 10,655,900 |
| AUGMENTATIONS..... | 1,950,998 | 1,722,087 | 1,295,461 |
| RESTRICTED REVENUES..... | 100,000 | 696,000 | 616,000 |
| GENERAL FUND TOTAL..... | \$ 21,348,379 | \$ 22,201,954 | \$ 21,654,674 |
| <u>LOTTERY FUND:</u> | | | |
| <i>Grants and Subsidies:</i> | | | |
| Medical Assistance - Long-Term Care..... | \$ 0 | \$ 0 | \$ 210,000 |
| <u>TOBACCO SETTLEMENT FUND:</u> | | | |
| <i>Grants and Subsidies:</i> | | | |
| Medical Care for Workers with Disabilities (EA)..... | \$ 12,124 | \$ 21,850 | \$ 26,663 |
| (F)Medical Assistance - Workers with Disabilities (EA)..... | 14,257 | 26,435 | 31,999 |
| Subtotal..... | \$ 26,381 | \$ 48,285 | \$ 58,662 |
| Uncompensated Care (EA)..... | 38,401 | 36,626 | 37,898 |
| (F)Medical Assistance - Uncompensated Care (EA)..... | 49,749 | 48,806 | 45,495 |
| Subtotal..... | \$ 88,150 | \$ 85,432 | \$ 83,393 |
| Home and Community-Based Services (EA)..... | 26,072 | 27,078 | 31,079 |
| (F)Medical Assistance - Community Services (EA)..... | 30,692 | 32,760 | 37,309 |
| Subtotal..... | \$ 56,764 | \$ 59,838 | \$ 68,388 |
| Medical Assistance-Long-Term Care..... | 0 | 72,230 | 99,116 |
| Subtotal - State Funds..... | \$ 76,597 | \$ 157,784 | \$ 194,756 |
| Subtotal - Federal Funds..... | 94,698 | 108,001 | 114,803 |
| Total - Grants and Subsidies..... | \$ 171,295 | \$ 265,785 | \$ 309,559 |
| STATE FUNDS..... | \$ 76,597 | \$ 157,784 | \$ 194,756 |
| FEDERAL FUNDS..... | 94,698 | 108,001 | 114,803 |
| TOBACCO SETTLEMENT FUND TOTAL..... | \$ 171,295 | \$ 265,785 | \$ 309,559 |
| <u>OTHER FUNDS:</u> | | | |
| CHILDREN'S TRUST FUND: | | | |
| Children's Trust Fund (EA)..... | \$ 1,850 | \$ 1,850 | \$ 1,850 |
| ENERGY CONSERVATION AND ASSISTANCE FUND: | | | |
| Low Income Energy Assistance..... | \$ 0 | \$ 1,600 | \$ 707 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|----------------------|----------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| EMERGENCY MEDICAL SERVICES OPERATING FUND: | | | |
| Head Injury Support..... | \$ 277 | \$ 0 | \$ 0 |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 7,886,399 | \$ 8,781,697 | \$ 9,087,313 |
| SPECIAL FUNDS..... | 76,597 | 157,784 | 404,756 |
| FEDERAL FUNDS..... | 11,505,680 | 11,110,171 | 10,770,703 |
| AUGMENTATIONS..... | 1,950,998 | 1,722,087 | 1,295,461 |
| RESTRICTED..... | 100,000 | 696,000 | 616,000 |
| OTHER FUNDS..... | 2,127 | 3,450 | 2,557 |
| TOTAL ALL FUNDS..... | \$ 21,521,801 | \$ 22,471,189 | \$ 22,176,790 |

^a Includes recommended supplemental appropriation of \$1,319,000.

^b Includes recommended supplemental appropriation of \$838,000.

^c Includes recommended supplemental appropriation of \$819,000.

^d Reflects recommended appropriation reduction of \$3,568,000.

^e Includes recommended supplemental appropriation of \$4,480,000.

^f Includes recommended supplemental appropriation of \$44,386,000.

^g Includes pending supplemental executive authorization of \$19,300,000.

^h Reflects recommended appropriation reduction of \$3,457,000.

ⁱ Actually appropriated as part of the \$921,080,000 Medical Assistance – Outpatient appropriation.

^j Actually appropriated as \$921,080,000. Amount shown is net of transfer to Payment to Federal Government – Medicare Drug Program.

^k Actually appropriated as \$1,288,555,000. Amount shown is best estimate of the amount of Federal funds expected to be available for 2005-06.

^l Actually appropriated as \$250,900,000. No funds were expended or received and the appropriation authority expired after June 30.

^m Includes recommended supplemental appropriation of \$10,215,000.

ⁿ Actually appropriated as \$3,447,788,000. Amount shown is best estimate of the amount of Federal funds expected to be available for 2005-06.

^o Includes recommended supplemental appropriation of \$127,928,000.

^p Includes recommended supplemental appropriation of \$101,193,000.

^q Reflects recommended appropriation reduction of \$7,490,000.

^r Includes recommended supplemental appropriation of \$580,000.

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| HUMAN SERVICES SUPPORT | | | | | | | |
| GENERAL FUND..... | \$ 110,368 | \$ 108,524 | \$ 112,534 | \$ 112,534 | \$ 112,534 | \$ 112,534 | \$ 112,534 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 151,916 | 133,431 | 137,465 | 137,465 | 137,465 | 137,465 | 137,465 |
| OTHER FUNDS..... | 6,149 | 5,424 | 7,589 | 7,589 | 7,589 | 7,589 | 7,589 |
| SUBCATEGORY TOTAL..... | \$ 268,433 | \$ 247,379 | \$ 257,588 | \$ 257,588 | \$ 257,588 | \$ 257,588 | \$ 257,588 |
| MEDICAL ASSISTANCE | | | | | | | |
| GENERAL FUND..... | \$ 4,260,464 | \$ 4,753,630 | \$ 4,862,515 | \$ 5,027,548 | \$ 5,585,149 | \$ 6,159,180 | \$ 6,771,472 |
| SPECIAL FUNDS..... | 76,597 | 157,784 | 404,756 | 381,450 | 389,303 | 395,317 | 401,904 |
| FEDERAL FUNDS..... | 7,607,698 | 7,467,368 | 7,143,789 | 7,445,990 | 8,540,968 | 9,619,647 | 10,736,646 |
| OTHER FUNDS..... | 1,860,006 | 2,256,298 | 1,761,984 | 1,632,534 | 896,796 | 904,191 | 959,663 |
| SUBCATEGORY TOTAL..... | \$ 13,804,765 | \$ 14,635,080 | \$ 14,173,044 | \$ 14,487,522 | \$ 15,412,216 | \$ 17,078,335 | \$ 18,869,685 |
| INCOME MAINTENANCE | | | | | | | |
| GENERAL FUND..... | \$ 1,017,334 | \$ 1,101,335 | \$ 1,153,603 | \$ 1,155,042 | \$ 1,155,812 | \$ 1,156,582 | \$ 1,157,352 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 1,420,022 | 1,448,947 | 1,416,384 | 1,417,686 | 1,417,686 | 1,417,686 | 1,417,686 |
| OTHER FUNDS..... | 44,804 | 53,372 | 50,404 | 48,570 | 48,570 | 48,570 | 48,570 |
| SUBCATEGORY TOTAL..... | \$ 2,482,160 | \$ 2,603,654 | \$ 2,620,391 | \$ 2,621,298 | \$ 2,622,068 | \$ 2,622,838 | \$ 2,623,608 |
| MENTAL HEALTH | | | | | | | |
| GENERAL FUND..... | \$ 711,983 | \$ 722,194 | \$ 724,298 | \$ 721,158 | \$ 721,158 | \$ 721,158 | \$ 721,158 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 259,084 | 275,127 | 255,592 | 254,982 | 254,782 | 254,782 | 254,782 |
| OTHER FUNDS..... | 52,643 | 31,175 | 22,556 | 22,556 | 22,556 | 22,556 | 22,556 |
| SUBCATEGORY TOTAL..... | \$ 1,023,710 | \$ 1,028,496 | \$ 1,002,446 | \$ 998,696 | \$ 998,496 | \$ 998,496 | \$ 998,496 |
| MENTAL RETARDATION | | | | | | | |
| GENERAL FUND..... | \$ 927,324 | \$ 956,889 | \$ 1,023,577 | \$ 1,036,010 | \$ 1,036,010 | \$ 1,036,010 | \$ 1,036,010 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 948,650 | 1,033,884 | 1,065,915 | 1,077,373 | 1,077,373 | 1,077,373 | 1,077,373 |
| OTHER FUNDS..... | 54,786 | 42,884 | 44,101 | 44,101 | 44,101 | 44,101 | 44,101 |
| SUBCATEGORY TOTAL..... | \$ 1,930,760 | \$ 2,033,657 | \$ 2,133,593 | \$ 2,157,484 | \$ 2,157,484 | \$ 2,157,484 | \$ 2,157,484 |
| HUMAN SERVICES | | | | | | | |
| GENERAL FUND..... | \$ 858,926 | \$ 1,139,125 | \$ 1,210,786 | \$ 1,272,038 | \$ 1,323,705 | \$ 1,403,549 | \$ 1,489,621 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 1,118,310 | 751,414 | 751,558 | 756,517 | 747,592 | 747,592 | 747,592 |
| OTHER FUNDS..... | 34,737 | 32,384 | 27,384 | 27,359 | 27,334 | 27,334 | 27,334 |
| SUBCATEGORY TOTAL..... | \$ 2,011,973 | \$ 1,922,923 | \$ 1,989,728 | \$ 2,055,914 | \$ 2,098,631 | \$ 2,178,475 | \$ 2,264,547 |

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 7,886,399 | \$ 8,781,697 | \$ 9,087,313 | \$ 9,324,330 | \$ 9,934,368 | \$ 10,589,013 | \$ 11,288,147 |
| SPECIAL FUNDS..... | 76,597 | 157,784 | 404,756 | 381,450 | 389,303 | 395,317 | 401,904 |
| FEDERAL FUNDS..... | 11,505,680 | 11,110,171 | 10,770,703 | 11,090,013 | 12,175,866 | 13,254,545 | 14,371,544 |
| OTHER FUNDS..... | 2,053,125 | 2,421,537 | 1,914,018 | 1,782,709 | 1,046,946 | 1,054,341 | 1,109,813 |
| DEPARTMENT TOTAL..... | \$ 21,521,801 | \$ 22,471,189 | \$ 22,176,790 | \$ 22,578,502 | \$ 23,546,483 | \$ 25,293,216 | \$ 27,171,408 |

PROGRAM OBJECTIVE: To provide effective administrative and support systems through which the substantive programs of the department can be operated.

Program: Human Services Support

The Human Services Support program provides the policy direction, management and administrative systems required to implement, maintain and monitor the substantive programs of the department.

Information systems play a central role in the management of human services. The technology challenge is to provide timely and accurate information that enables the integration of numerous client services, and tracks individual progress towards self-sufficiency. Additionally, the Managed Care environment requires the department to view and monitor client profiles relative to quality of care, encounter data, and eligibility data, in order to manage the client and costs effectively. The continued creation and expansion of web-based applications will allow more on-line services and will maintain common client and provider databases and case management systems for use across program lines.

Also provided is the management and oversight of the

coordination of benefits and recovery of Medical Assistance overpayments when a third party liability is identified. Recoveries consist of casualty cases, the Estate Recovery Program, Federally mandated “pay and chase” situations, and the identification and recovery of insurance payments after claims are paid.

This program also seeks reimbursement from third party sources for services provided to patients and consumers at the State-operated Mental Health and Mental Retardation facilities.

Finally, this program ensures the quality of services for Pennsylvania residents by licensing and regulating child care and selected medical facilities, and provides direction for health programs for Pennsylvania residents who are unable to purchase adequate health care services.

The department continues to strive towards system enhancements that will minimize administrative costs in relation to service costs.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Third-party liability cases referred for recovery | 13,424 | 13,500 | 13,600 | 13,700 | 13,800 | 13,900 | 14,000 |
| Total dollars recovered (in thousands) | \$86,225 | \$100,000 | \$111,500 | \$114,500 | \$117,500 | \$120,500 | \$123,000 |
| Recipient appeals cases receiving final disposition | 34,101 | 35,119 | 34,000 | 34,000 | 34,000 | 34,000 | 34,000 |
| Provider appeals cases receiving final disposition | 1,600 | 1,630 | 1,670 | 1,670 | 1,670 | 1,670 | 1,670 |
| On-line applications submitted thru COMPASS | 105,460 | 150,000 | 180,000 | 180,000 | 180,000 | 180,000 | 180,000 |

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

| | |
|--|--|
| <p>\$ 443 —to continue current program.</p> <p>2,104 —Initiative—Client Information System Redesign. To migrate the existing mainframe client information system to a web-enabled client information system.</p> <p>1,400 — Initiative—Certification Information System. To automate the child care inspection, certification and compliance monitoring processes.</p> | <p>63 — Initiative— National Provider Identifier. To implement the standard unique identification number for all health care providers as mandated by the Federal Health Insurance Portability and Accountability Act of 1996.</p> |
| <p>\$ 4,010 <i>Appropriation Increase</i></p> | |

This budget recommends continuation of the General Government Operations appropriation at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Available | Budget | Estimated | Estimated | Estimated | Estimated |
| GENERAL FUND: | | | | | | | |
| General Government Operations | \$ 57,637 | \$ 58,629 | \$ 58,629 | \$ 58,629 | \$ 58,629 | \$ 58,629 | \$ 58,629 |
| Information Systems | 52,731 | 49,895 | 53,905 | 53,905 | 53,905 | 53,905 | 53,905 |
| TOTAL GENERAL FUND | \$ 110,368 | \$ 108,524 | \$ 112,534 | \$ 112,534 | \$ 112,534 | \$ 112,534 | \$ 112,534 |

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 for 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. Eligibility also includes women diagnosed with breast or cervical cancer who qualify for treatment within enhanced Federal guidelines.

This budget recommends a new program, Cover All Kids, which will guarantee access to affordable, comprehensive health care coverage for all uninsured children in Pennsylvania. Through enhanced outreach efforts, increased income eligibility limits for subsidized coverage and new opportunities for higher-income families to purchase health care coverage at-cost, Cover All Kids will enroll nearly 15,000 uninsured children in 2006-07 and additional children thereafter. Please see the Caring for All Pennsylvanians theme in the Overview and Summaries section for additional information on this initiative.

Disabled workers are able to participate in the Medical Assistance program through a purchase program authorized by Act 77 of 2001, the Tobacco Settlement Act. Workers with incomes under 250 percent of the Federal poverty guidelines pay a premium equal to five percent of their monthly income to participate in the complete package of benefits.

Program Element: Outpatient Services

Outpatient services include the majority of preventive services available to a person who does not need extended acute care in a health care facility. 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 devices. Additional service restrictions, comparable to private insurance, apply to adult general assistance recipients. An exception process is available for unusual circumstances.

As a result of the Medicaid Modernization Act of 2003 (MMA), dual eligibles (persons who are eligible for both Medicare and Medicaid) will receive most pharmaceutical services from Medicare, but will continue to receive barbiturates, benzodiazepines, and over-the-counter drugs through Medical Assistance. This change was effective January 1, 2006. As a result of Federal implementation issues, the department has continued to provide pharmacy reimbursement for those persons whose prescriptions were denied by Medicare Part D plans or were charged excessive co-pays. The department anticipates recoupment from the Federal Centers for Medicare and Medicaid Services for these costs.

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.

ACCESS Plus enables enrollees to choose their own primary care providers and as a result, benefit from active care coordination, case management and, if eligible, disease management services. ACCESS Plus is available to most MA fee-for-service enrollees.

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. Medical Assistance does not cover hospital care solely for cosmetic procedures, or for as diagnostic or therapeutic procedures solely for experimental, research or educational purposes. 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

Program: Medical Assistance (continued)

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 pays for cost outliers for specific DRGs wherein the cost of treating the case exceeds a certain threshold. These “outlier” costs are reimbursed on an exceptional cost basis in the prospective payment to the hospital. 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.

Freestanding psychiatric and rehabilitation hospitals and distinct part psychiatric and rehabilitation units of acute care hospitals are reimbursed on a prospective basis through per diem payments.

Act 77 of 2001, the Tobacco Settlement Act, authorized an additional payment to hospitals to partially offset the cost of uncompensated care or extraordinary medical services provided by hospitals to individuals with no, or inadequate, health care insurance.

Program Element: Capitation

Alternative health care delivery systems for Medical Assistance recipients are available through Managed Care Organizations (MCOs). 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.

Mandatory managed care is provided to most eligible clients in five counties in Southeastern Pennsylvania, ten counties in Southwestern Pennsylvania and ten counties in the Lehigh/Capital region of Pennsylvania. Physical health care is provided through contracts with six HMOs while behavioral health is provided through contracts with the participating counties who utilize an independent MCO. The behavioral health care counties either manage the program directly, contract with a licensed, behavioral health managed care organization, or are assigned a licensed, behavioral health managed care organization that the department selects through a competitive bidding process. 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 in 27 counties.

HMOs have an incentive to effectively manage the primary care provided to enrolled recipients. If the recipient utilizes more health care than anticipated in the predetermined rate, expenditures increase and the HMO loses money. If service costs are controlled, the provider can make a profit.

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 that recognizes net operating and capital costs and is based on the resources required to meet individual care requirements. Residents at each facility are classified based on Resource Utilization Groups, Version III (RUG-III), which reflect both clinical variables and rehabilitation needs. The classifications are then ranked according to the resources utilized to provide care and a case mix factor is developed for each facility that reflects average resource requirements. Nursing facilities are placed into peer groups reflecting facility bed size and Metropolitan Statistical Areas. In each peer group, a median price is developed for the individual cost components. The net operating portion of the per diem rates is broken into resident care, other resident services 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 and the Long Term Care Capitated Assistance Program (LTCCAP). These programs provide assistance with activities of daily living as well as nursing services while incorporating the informal supports available through family and friends. Additionally, the LTCCAP integrates Medicare funding with Medicaid funding to provide a fully coordinated and comprehensive service package to their enrollees.

This budget proposes to increase the availability of home and community-based care as an alternative to nursing facility care. Home and community-based services promote independence and self-reliance, and maximize opportunities for family and community involvement.

Program: Medical Assistance (continued)

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. Services include urgent care/same day coverage, parent/escort payments, select return trip reimbursement and door-to-door assistance under certain circumstances.

County governments can provide this service directly, contract with an independent transportation agency or pay agencies that 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 programs (SPBP) pays for specific drugs for low and moderate-income persons with HIV/AIDS disease and for limited mental

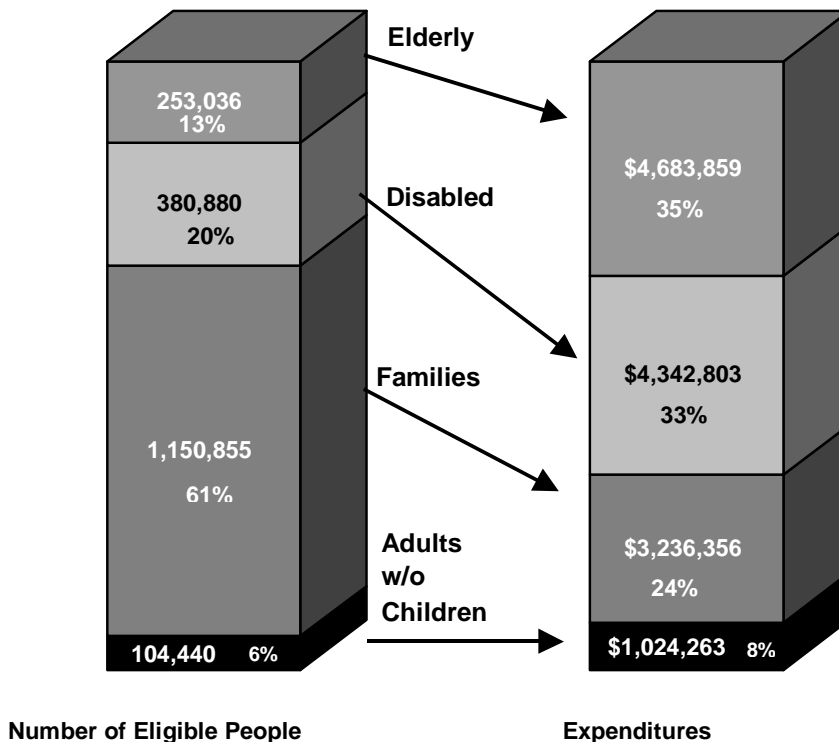
health drug therapy for persons residing in the community who suffer from schizophrenia and who are not eligible for drug coverage through some other entity. People with a gross annual income of less than \$30,000 for an individual or \$30,000 plus \$2,480 for each additional family member benefit from 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.

Medicaid Expenditures and Enrollees by Category of Assistance

Fiscal Year 2006-07
(Dollar Amounts in Thousands)



Although the Elderly and Disabled are only 33% of the total Medical Assistance (MA) population, they account for 68% of the MA expenditures.

Program: Medical Assistance (continued)

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Persons participating in Medical Assistance (monthly average) | 1,747,615 | 1,839,540 | 1,889,211 | 1,949,160 | 1,949,160 | 1,949,160 | 1,949,160 |
| Medical Assistance enrollees served (monthly average): | | | | | | | |
| Fee-for-service delivery | 561,090 | 641,634 | 702,103 | 679,420 | 679,420 | 679,420 | 679,420 |
| Capitation programs | 1,186,525 | 1,197,906 | 1,187,108 | 1,269,740 | 1,269,740 | 1,269,740 | 1,269,740 |
| Outpatient | | | | | | | |
| Services/visits per 1,000 enrollees: | | | | | | | |
| Physicians visits | 3,206 | 3,375 | 3,544 | 3,650 | 3,650 | 3,650 | 3,650 |
| Clinic visits | 1,625 | 1,675 | 1,725 | 1,780 | 1,780 | 1,780 | 1,780 |
| Emergency room visits | 724 | 702 | 681 | 660 | 660 | 660 | 660 |
| Average prescriptions filled per enrollee per month | 4.0 | 4.1 | 4.2 | 4.3 | 4.3 | 4.3 | 4.3 |
| Percent of generic and over the counter prescriptions | 61.0% | 61.7% | 62.4% | 63.0% | 63.0% | 63.0% | 63.0% |
| Percent of brand-name prescriptions filled | 36.3% | 37.4% | 38.5% | 38.5% | 38.5% | 38.5% | 38.5% |
| Average cost - generic and over the counter prescriptions | \$20.48 | \$21.76 | \$22.63 | \$23.53 | \$24.47 | \$25.45 | \$26.47 |
| Average cost - brand-name prescriptions | \$104.29 | \$107.16 | \$111.45 | \$115.90 | \$120.54 | \$125.36 | \$130.38 |
| Inpatient | | | | | | | |
| Admissions per 1,000 enrollees: | | | | | | | |
| General hospital | 275 | 270 | 265 | 260 | 260 | 260 | 260 |
| Rehabilitation hospital | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Private psychiatric hospital | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| Capitation | | | | | | | |
| Average voluntary enrollment | 100,191 | 100,514 | 99,271 | 103,630 | 103,630 | 103,630 | 103,630 |
| Average HealthChoices enrollment | 1,086,333 | 1,097,392 | 1,087,837 | 1,166,110 | 1,166,110 | 1,166,110 | 1,166,110 |
| Percent of total eligibles enrolled | 67.9% | 65.1% | 62.8% | 65.1% | 65.1% | 65.1% | 65.1% |
| Percent of children from birth to 15 months visiting a physician 3 or more times in the past year | 93.2% | 94.0% | 94.4% | 94.8% | 94.8% | 95.2% | 96.0% |
| Percent of children age 12 to 24 months visiting a doctor or nurse in the past year | 95.6% | 95.1% | 95.4% | 95.7% | 96.0% | 96.3% | 96.6% |
| Percent of children 25 months to 6 years visiting a doctor or nurse in the past year | 83.8% | 82.9% | 83.4% | 83.9% | 84.4% | 84.9% | 85.4% |
| Percent of pregnant women who received over 60% of the recommended prenatal visits | 76.9% | 76.7% | 77.2% | 77.7% | 78.2% | 78.7% | 79.2% |
| Transportation Program | | | | | | | |
| One-way trips (in thousands) | 6,684 | 7,183 | 7,720 | 8,295 | 8,295 | 8,295 | 8,295 |
| Cost per trip | \$12.04 | \$12.75 | \$13.51 | \$14.30 | \$15.15 | \$16.05 | \$17.00 |
| Long-Term Care | | | | | | | |
| Recipients under age 60 receiving institutional care (annual unduplicated users) | 6,799 | 6,841 | 6,871 | 6,955 | 6,955 | 6,955 | 6,955 |
| Recipients over age 60 receiving institutional care (monthly average) | 74,252 | 74,600 | 74,935 | 75,865 | 75,865 | 75,865 | 75,865 |
| Percent of long-term care recipients receiving institutional care | 73.9% | 72.5% | 69.9% | 69.4% | 68.0% | 66.6% | 66.4% |
| Average annual cost of nursing home care | \$33,354 | \$34,288 | \$35,660 | \$37,090 | \$38,570 | \$40,110 | \$41,715 |
| Recipients over age 60 receiving home and community based waiver services .. | 19,468 | 20,989 | 23,845 | 25,215 | 27,690 | 30,180 | 30,585 |
| Average annual cost of home and community based waiver services per user | \$14,514 | \$16,546 | \$17,870 | \$19,300 | \$20,845 | \$22,515 | \$24,315 |
| Percent of long-term care recipients receiving services in the community | 26.3% | 28.5% | 31.4% | 32.1% | 33.7% | 35.1% | 35.5% |
| Recipients receiving services through the Long-Term Care Capitated Assistance Program | 1,029 | 1,230 | 1,550 | 1,830 | 2,025 | 2,170 | 2,320 |
| Medical Care for Workers with Disabilities | | | | | | | |
| Recipients enrolled in program | 4,658 | 7,000 | 8,500 | 10,000 | 11,000 | 12,000 | 12,000 |

The combined percentages of generic plus over-the-counter medications and brand-name medications will not equal 100% because some pharmacy claims include non-drug items that are not classified as either brands or generics.

*New program measure.

Program: Medical Assistance (continued)

Program Recommendations:

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

| GENERAL FUND | | |
|--|--|--|
| Payment to Federal Government—Medicare Drug Program | | |
| \$ 183,517 | —reflects increase in mandated payback for pharmacy services. | —1,500 —nonrecurring projects. |
| | | —11,161 —Initiative—Behavioral Health HealthChoices Expansion. Savings as a result of providing behavioral health services through the HealthChoices Program. |
| Medical Assistance—Outpatient | | |
| \$ 110,887 | —change in caseload and utilization. | |
| 44,319 | —annualization of transfer of dual eligibles from managed care to fee-for-service. | 191 —Initiative—Cover All Kids. To provide access to health care insurance for uninsured children in Pennsylvania, of which 3,190 additional children are projected to enroll in Medical Assistance. |
| 37,000 | —replacement of Intergovernmental Transfer funds. | |
| 19,383 | —increase in cost and clients eligible for Medicare Part B premiums. | 1 —Initiative—National Provider Identifier. To implement the standard unique identification number for all health care providers as mandated by the Federal Health Insurance Portability and Accountability Act of 1996. |
| 16,639 | —nonrecurring carryover funds. | |
| —8,585 | —to provide for administrative and other cash flow changes. | |
| —226,996 | —reduction in pharmacy costs for dual eligibles due to the implementation of Medicare Part D Pharmacy benefit. | —82,778 —PRR—Increasing the Efficiency and Integrity of the Medical Assistance Program. This Program Revision increases fraud and abuse prevention, enhances management of hospital services and revises outdated supplemental hospital payments, which utilizes State funds more efficiently and allows the program to serve additional people in need. See the Program Revision following this program for additional information. |
| —37,639 | —impact of increase in pharmacy rebates. | |
| —14,433 | —annualization of prior year cost containment initiatives. | |
| 4,504 | —revision of Federal financial participation from 55.05% to 54.39%. | |
| —29,509 | —Initiative—Behavioral Health HealthChoices Expansion. Savings as a result of providing behavioral health services through the HealthChoices Program. | |
| 370 | —Initiative—Cover All Kids. To provide access to health care insurance for uninsured children in Pennsylvania, of which 3,190 additional children are projected to enroll in Medical Assistance. | |
| | | \$ —43,719 <i>Appropriation Decrease</i> |
| 85 | —Initiative—National Provider Identifier. To implement the standard unique identification number for all health care providers as mandated by the Federal Health Insurance Portability and Accountability Act of 1996. | \$ 24,783 |
| | | 103,133 |
| | | 100,000 |
| | | 55,424 |
| —23,024 | —PRR—Increasing the Efficiency and Integrity of the Medical Assistance Program. This Program Revision implements selective contracting, increases third party liability collections, and increases fraud and abuse prevention, which reduces State fund obligations and allows the program to serve additional people in need. See the Program Revision following this program for additional information. | —489 |
| | | —258,543 |
| | | 11,143 |
| | | 43,810 |
| | | 1,383 |
| \$ —106,999 | <i>Appropriation Decrease</i> | |
| Medical Assistance—Inpatient | | |
| \$ 9,525 | —change in caseload and utilization. | |
| 10,653 | —impact of hospital rate increases. | |
| —5,999 | —to provide for administrative and other cash flow changes. | 22 |
| 3,013 | —increase in costs and clients eligible for Medicare Part A premiums. | |
| 1,621 | —revision of Federal financial participation from 55.05% to 54.39%. | |
| 48,000 | —replacement of Intergovernmental Transfer funds. | |
| —15,285 | —annualization of prior year cost containment initiatives. | |
| | | \$ 80,666 <i>Appropriation Increase</i> |

Program: Medical Assistance (continued)

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

| | | | |
|---|--|--|---|
| <p>\$ 53,384 198,441 15,630 -1,204 4,949 -210,000 -26,886 -15,838 -7,060 5,688 2 -19,850</p> <hr/> <p>\$ -2,744</p> <p>\$ 618</p> <p>\$ 3,792 1,591</p> <hr/> <p>\$ 5,383</p> | <p>Long-Term Care —for projected per diem rate increases. —replacement of Intergovernmental Transfer funds. —to provide for increased home and community-based services, including nursing home transition activities. —to continue current program. —increase in long-term care capitated program. —reflects utilization of Lottery Funds for services provided to older Pennsylvanians. —impact of additional Tobacco Settlement Funds. —nonrecurring payments. —decrease in operating costs. —revision of Federal financial participation from 55.05% to 54.39%. —Initiative—National Provider Identifier. To implement the standard unique identification number for all health care providers as mandated by the Federal Health Insurance Portability and Accountability Act of 1996. —PRR—Increasing the Efficiency and Integrity of the Medical Assistance Program. This Program Revision implements selective contracting, increases Federal drawdown for county nursing facilities and enhances Federal reimbursement for veterans in nursing facilities, reducing State fund obligations. See the Program Revision following this program for additional information.</p> <p>Medical Assistance - Academic Medical Centers —to continue current program.</p> <p>Medical Assistance Transportation —increased utilization. —increased cost per trip.</p> <p><i>Appropriation Decrease</i></p> <p><i>Appropriation Increase</i></p> | <p>\$ 178</p> <p>\$ 2,819</p> <p>\$ 966</p> <p>\$ -11,800</p> <p>\$ 210,000</p> <p>\$ 4,813</p> <p>\$ 1,272</p> <p>\$ 4,001</p> <p>\$ 26,886</p> | <p>Expanded Medical Services for Women —to provide a two percent cost-of-living adjustment.</p> <p>AIDS Special Pharmaceutical Services —to continue current program.</p> <p>Special Pharmaceutical Services —to continue current program.</p> <p>Acute Care —nonrecurring project.</p> <p>LOTTERY FUND Medical Assistance – Long-Term Care —reflects utilization of Lottery Funds for long-term care services provided to older Pennsylvanians.</p> <p>TOBACCO SETTLEMENT FUND Medical Care for Workers with Disabilities —to provide services to additional recipients.</p> <p>Hospital Uncompensated Care —increase in Tobacco Settlement Funds available for transfer.</p> <p>Home and Community-Based Services —to provide for increased home and community-based services as an alternative to nursing facility care, including nursing home transition activities.</p> <p>Medical Assistance – Long-Term Care —increase in Tobacco Settlement Funds available for transfer.</p> |
|---|--|--|---|

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

Program: Medical Assistance (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Payment to Federal Government - | | | | | | | |
| Medicare Drug Program | \$ 0 | \$ 164,746 | \$ 348,263 | \$ 386,263 | \$ 429,787 | \$ 485,673 | \$ 549,753 |
| Medical Assistance - Outpatient | 842,991 | 756,334 | 649,335 | 607,761 | 631,145 | 679,905 | 740,773 |
| Medical Assistance - Inpatient | 531,785 | 432,693 | 388,974 | 346,628 | 366,524 | 407,202 | 458,870 |
| Medical Assistance - Capitation | 2,312,457 | 2,519,978 | 2,600,644 | 2,731,622 | 2,953,678 | 3,146,810 | 3,347,627 |
| Long-Term Care | 476,116 | 755,890 | 753,146 | 833,121 | 1,081,862 | 1,317,437 | 1,552,296 |
| Trauma Centers | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 |
| Medical Assistance - Academic Medical Centers | 0 | 20,591 | 21,209 | 21,209 | 21,209 | 21,209 | 21,209 |
| Medical Assistance - Transportation | 44,675 | 50,904 | 56,287 | 56,287 | 56,287 | 56,287 | 56,287 |
| Expanded Medical Services for Women ... | 8,860 | 8,860 | 9,038 | 9,038 | 9,038 | 9,038 | 9,038 |
| AIDS Special Pharmaceutical Services | 13,398 | 13,448 | 16,267 | 16,267 | 16,267 | 16,267 | 16,267 |
| Special Pharmaceutical Services | 5,482 | 5,886 | 6,852 | 6,852 | 6,852 | 6,852 | 6,852 |
| Acute Care Hospitals | 12,200 | 11,800 | 0 | 0 | 0 | 0 | 0 |
| TOTAL GENERAL FUND | <u>\$ 4,260,464</u> | <u>\$ 4,753,630</u> | <u>\$ 4,862,515</u> | <u>\$ 5,027,548</u> | <u>\$ 5,585,149</u> | <u>\$ 6,159,180</u> | <u>\$ 6,771,472</u> |
| LOTTERY FUND: | | | | | | | |
| Medical Assistance - Long-Term Care | \$ 0 | \$ 0 | \$ 210,000 | \$ 180,000 | \$ 180,000 | \$ 180,000 | \$ 180,000 |
| TOTAL LOTTERY FUND | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 210,000</u> | <u>\$ 180,000</u> | <u>\$ 180,000</u> | <u>\$ 180,000</u> | <u>\$ 180,000</u> |
| TOBACCO SETTLEMENT FUND: | | | | | | | |
| Medical Care for Workers with Disabilities (EA) | \$ 12,124 | \$ 21,850 | \$ 26,663 | \$ 31,706 | \$ 37,200 | \$ 43,313 | \$ 49,995 |
| Uncompensated Care (EA) | 38,401 | 36,626 | 37,898 | 37,868 | 38,537 | 38,509 | 38,482 |
| Home and Community-Based Services (EA) | 26,072 | 27,078 | 31,079 | 31,053 | 31,602 | 31,579 | 31,557 |
| Medical Assistance-Long-Term Care | 0 | 72,230 | 99,116 | 100,823 | 101,964 | 101,916 | 101,870 |
| TOTAL TOBACCO SETTLEMENT FUND | <u>\$ 76,597</u> | <u>\$ 157,784</u> | <u>\$ 194,756</u> | <u>\$ 201,450</u> | <u>\$ 209,303</u> | <u>\$ 215,317</u> | <u>\$ 221,904</u> |

Program Revision: Increasing the Efficiency and Integrity of the Medical Assistance Program

The Medical Assistance Program provides a comprehensive array of health care services for Pennsylvania's most vulnerable citizens – children, persons with disabilities and older citizens. Currently nearly 1.9 million people are in need of these services. The cost of the services provided by the Commonwealth is also increasing significantly. In order to continue providing the necessary services, the Commonwealth must manage better, reform its payment system to target resources more efficiently and ensure that the Federal government and other insurers meet their obligations.

The 2005-06 budget revised the Medical Assistance Program to make it more efficient and effective while maintaining coverage for everyone who was currently receiving benefits. This Program Revision continues the Commonwealth's commitment to preserve benefits for those currently receiving them. It also builds upon last year's successful cost containment measures to further improve the efficiency of the Medical Assistance Program, creating savings to serve the growing number of people in need. This Program Revision proposes several initiatives to improve efficiency and management, increase the Commonwealth's already-aggressive efforts to eradicate fraud and abuse, increase recoveries from third-party payers, maximize the availability of Federal funds and reform the inpatient payment system. The changes proposed in this Program Revision will save approximately \$126 million in 2006-07.

Improving Management and Efficiency

This Program Revision proposes several initiatives to improve program management to obtain savings through selective contracting, improved oversight of hospital utilization and enhanced program management.

The Medical Assistance Program already has in place comprehensive management and administrative controls aimed at ensuring that the scarce funds available are used effectively and efficiently, but more can be done. Currently, Medical Assistance recipients can choose any health care provider who agrees to meet the Medical Assistance standards and accept the fee schedule. To improve efficiency, the Medical Assistance Program will implement a selective contracting program for the provision of certain Medical Assistance services. Selective contracting - choosing a smaller number of providers and using competitive bidding to establish pricing - will allow the Commonwealth to improve services and reduce costs for services, including but not limited to durable medical equipment, home health services and radiology. This will result in total savings of \$16.8 million.

In addition to selective contracting, this Program Revision provides sufficient funding to purchase additional medical management software that will enable the Medical

Assistance Program to monitor and ensure appropriate utilization of hospital services. This initiative will save \$13 million through improving the use of hospital resources by assessing patients to determine the appropriate level of care and the most appropriate treatment setting.

This Program Revision enhances efforts to ensure program integrity by enhancing the Commonwealth's ability to efficiently manage the Medical Assistance Program through improved fraud and abuse prevention and third-party liability activities.

In 2003, the Commonwealth implemented a new Fraud and Abuse Detection System that provides comprehensive utilization review and quality assurance capabilities, enhancing the program's ability to identify and investigate suspicious claims. In addition, the program works with the Office of the Inspector General to expand ongoing audits of service providers, including but not limited to pharmacies and durable medical suppliers to identify and recover excessive payments.

Expanding on these successful efforts, this Program Revision provides for several new initiatives to further improve the integrity of the program. One such activity will include upgrading computer systems to improve identification of inappropriate or fraudulent billings to the Medical Assistance Program for medications covered by Medicare Part B. Staff will also be reallocated to increase the identification of Medical Assistance recipients who are receiving excessive or unnecessary services and to restrict their medical services to a designated provider for a five-year period. In addition, the Medical Assistance Program will begin requiring private mental health and mental retardation facilities to participate in the Medicare Program so that Medicare can provide payment on behalf of these residents. This Program Revision also provides funding to improve credentialing of Medical Assistance providers to assist in the protection of Medical Assistance recipients and the prevention of fraud and abuse. These and other proposed activities will save \$6.5 million.

The enhanced program management initiative also includes initiatives that allow the Commonwealth to avoid costs in the Medical Assistance Program by increasing the identification of and recoveries from third-party payers for benefits available to Medical Assistance recipients, saving \$5.5 million. The Commonwealth already employs data exchanges and in-house recovery activities that produce savings in excess of \$500 million annually, \$100 million from third-party recoveries and \$400 million from identifying other payers so that Medical Assistance is never billed. This Program Revision recommends new activities and initiatives to further improve the efficiency of the program.

Program Revision: Increasing the Efficiency and Integrity of the Medical Assistance Program (continued)

One initiative will improve the identification of private health insurance resources, usually through an absent parent, for children receiving services under the Commonwealth’s Child Support Enforcement Program. Another initiative will recover Medical Assistance payments made to home health providers for Medical Assistance recipients who are also eligible for Medicare coverage, since Medicaid is the payer of last resort when another payer is available. The third-party liability initiatives are part of the Commonwealth’s efforts to ensure that other payers meet their obligations to Pennsylvania’s citizens.

Maximizing Federal Funding

In addition to seeking payments from other third-party payers, this Program Revision proposes two initiatives to maximize federal funding for long-term care services. The first initiative will save approximately \$5.1 million in state funds by identifying veterans in nursing facilities who are eligible to receive veterans benefits and assisting them with applications for federal Veterans Administration benefits. This Program Revision includes state savings of approximately \$10 million through additional federal funding generated through certified public expenditures the counties make on behalf of Medical Assistance residents.

Reforming the Payment System for Hospitals

Given the finite amount of resources available to serve those with the greatest needs, this Program Revision

proposes an initiative designed to optimize the impact of state funds used for Medical Assistance inpatient services. Certain hospitals are eligible to receive supplemental state payments that are currently being distributed through methods that are outdated. As part of the Commonwealth’s plan to update its hospital payment system to more accurately reflect the resources needed to provide care for Medical Assistance recipients, this Program Revision proposes to revise the supplemental hospital payments, eliminating two of the optional payments and reducing the inpatient disproportionate share payment by 50 percent. This initiative will save approximately \$68.8 million in 2006-07. This budget will continue to provide \$37.9 million in uncompensated care payments through the Tobacco Settlement Fund.

Over the past few years, aggressive efforts have been made to combat waste, fraud and abuse; to employ more rigorous Medical Assistance case-management review and to ensure thorough review before approving expensive medical procedures. This Program Revision expands that effort by reforming and updating the Medical Assistance Program to make it even more efficient, to improve its integrity and to ensure savings that will allow the Commonwealth to continue its commitment to assisting those in need despite the various pressures of increasing costs and more people being served in the program.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Persons participating in Medical Assistance (monthly average) | | | | | | | |
| Program Revision..... | 1,747,615 | 1,839,540 | 1,889,211 | 1,949,157 | 1,980,987 | 2,009,015 | 2,037,677 |
| Persons currently receiving benefits who will no longer be eligible as a result of redesigning the Medical Assistance Program | | | | | | | |
| Program Revision..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Program Revision: Increasing the Efficiency and Integrity of the Medical Assistance Program (continued)

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

| | | | |
|------------|--|-------------|--|
| | GENERAL FUND | | |
| | Medical Assistance - Outpatient | \$ -19,850 | Long-Term Care |
| \$ -23,024 | — savings generated through the following initiatives to improve program efficiency and integrity: selective contracting to improve services and reduce program costs (\$12 million); increasing identification of and recoveries from third-party payers (\$5.5 million); and implementing more aggressive measures to address fraud, abuse and waste (\$5.5 million). | | — savings generated through the following initiatives to improve program efficiency and integrity: selective contracting to improve services and reduce program costs (\$4.8 million); increasing Federal drawdown through redesign of county nursing facility payment system (\$10 million); and enhancing Federal reimbursement through assisting veterans in nursing facilities to apply for Federal veterans benefits (\$5.1 million). |
| | Medical Assistance – Inpatient | \$ -125,652 | <i>Program Revision Total</i> |
| \$ -82,778 | — savings generated through the following initiatives to improve program efficiency and integrity: implementing more aggressive measures to address fraud, abuse and waste (\$1 million); eliminating optional inpatient supplemental pass-through payments (\$55.7 million); reducing inpatient disproportionate share payments (\$13 million); and using medical management software to improve and maintain appropriate utilization of services (\$13 million). | | |

Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---------------------------------------|-------------------|----------------------|--------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Medical Assistance - Outpatient | \$ 0 | \$ 0 | \$ -23,024 | \$ -27,035 | \$ -27,035 | \$ -27,035 | \$ -27,035 |
| Medical Assistance - Inpatient | 0 | 0 | -82,778 | -98,463 | -98,463 | -98,463 | -98,463 |
| Long-Term Care | 0 | 0 | -19,850 | -21,433 | -21,433 | -21,433 | -21,433 |
| GENERAL FUND TOTAL | \$ 0 | \$ 0 | \$ -125,652 | \$ -146,931 | \$ -146,931 | \$ -146,931 | \$ -146,931 |

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.

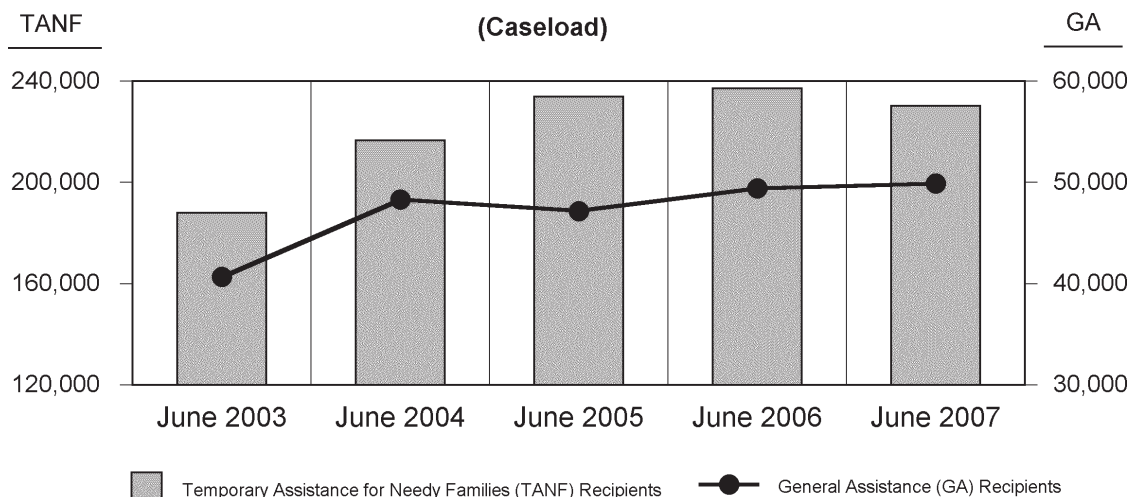
The cornerstone of the program is an Agreement of Mutual Responsibility (AMR) established between the client and the Commonwealth. Caseworkers in the County Assistance Offices (CAO) meet with applicants for cash assistance, medical assistance and food stamps to review financial and nonfinancial criteria to determine eligibility for benefits. As a condition of eligibility for cash assistance, recipients are required to sign and comply with the economic self-sufficiency plans in their AMR. The AMR outlines the steps that the individual will take and the services that the caseworkers in the CAOs will provide to enable the family to reach its goals. After assessing potential barriers to employment, most adult welfare recipients are required to immediately take realistic, concrete steps that will lead to increased success in the workplace upon applying for benefits. Adults are required to either work or participate in a work related activity.

Upon application or re-determination 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 program provides State and Federal funds for temporary cash support for families in transition to self-sufficiency. GA and SBP, on the other hand, are entirely State-funded programs. Most GA recipients are individuals or married couples with no dependent children but with disabilities that prevent employment. State Blind Pension recipients are persons who meet age, vision and personal resource requirements specified in the Public Welfare Code.

Federal regulations that place a five-year lifetime limit on cash assistance benefits for most adult recipients allow a hardship exemption for up to twenty percent of the caseload. The five-year limit was reached in March 2002. The department has implemented regulations that define the hardship exemption and make provisions for extending the time period for a family with multiple barriers to employment to reach self-sufficiency.

Cash Grants



Program: Income Maintenance (continued)

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 households where home heating is included in the rent. Crisis payments are made to energy suppliers and may cover heating costs as well as emergency repairs to heating systems. In Fiscal Year 2005-06, in order to meet the needs of eligible households caused by unprecedented increases in the cost of home heating fuels, up to \$19.3 million in utility gross receipts tax funds were made available to augment Federal LIHEAP funds.

The Supplemental Security Income (SSI) Program provides aged, blind and disabled persons with a monthly payment based on nationally uniform eligibility standards. Presently, the monthly Federal benefit rate for individuals is \$603.00 and \$904.00 for couples. Pennsylvania will contribute a supplemental grant of \$27.40 for an individual and \$43.70 for couples to SSI recipients. The department is responsible for directly issuing the State supplemental grants to most SSI recipients. A special monthly State supplement is paid to SSI eligible persons in domiciliary care facilities and personal care homes. For SSI residents in personal care homes, the minimum personal care allowance is \$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 includes an assessment of potential barriers to employment and an initial job search. Training and education programs are designed to prepare individuals unable to secure employment to get and keep available jobs. Job retention, advancement, rapid reemployment and case management services are also offered to help individuals retain employment. Initiatives were implemented to expand access to a broad range of educational activities making it more likely that individuals who are placed in jobs will keep them and be able to advance. Programs offering adult literacy services, including GED preparation, job-specific literacy and English as a second language. 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 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.

Federal funding of the State's Child Support Enforcement Program is based on its performance in establishing paternity and court orders for support, as well as collecting child support amounts ordered. Pennsylvania's program exceeds Federal standards for establishing paternity and court orders for support; collection of current and arrears support averages 75 percent of amounts due — the highest percentage of any state.

Program Element: Early Childhood Services

The department promotes opportunities for all Pennsylvania children and families by helping to ensure access to high-quality child and family services. The focus on effective prevention strategies and high-quality early childhood programs will help Pennsylvania mitigate the social and education disparities of young children that influence their ability to attain economic independence and self-sufficiency as adult citizens.

Recognizing that child care is a consumer driven system, the department developed standards by which families can select high quality child care. This standard, Keystone

Program: Income Maintenance (continued)

| Child Care Funding (\$ in Thousands) | |
|---|--------------------------|
| | <u>2006-07</u> |
| Low-Income Working Families | |
| State Funds* | \$ 107,671 |
| Federal Funds | 223,801 |
| Total | <u>\$ 331,472</u> |
| TANF Recipients / Former TANF Recipients | |
| State Funds** | \$ 155,530 |
| Federal Funds | 176,445 |
| Total | <u>\$ 331,975</u> |
| Grand Total | <u><u>\$ 663,447</u></u> |

* Child Care Services appropriation.
** Cash Grants appropriation.

STARS, is the largest, most comprehensive, voluntary, quality rating program in the nation. The department wants every child care setting to meet and exceed the STARS standards and offers technical assistance, financial incentives for staff development and additional staff compensation to boost salaries for teachers who have achieved credentials in early childhood instruction. All child

care facilities serving four or more children must meet health and safety standards and participate in the department's certification program.

The subsidized child care program allows children of TANF, former TANF and low income families to access child care while their parents are training or working. The subsidy program utilizes both State and Federal funds to supplement parental copayments and encourages families to be self-supporting and self-sufficient. Families can select subsidized child care from various facilities including licensed centers, group child care homes, registered family child care homes and relatives or neighbors. Local Child Care Information Service (CCIS) Agencies offer families a choice of child care services and provide information/counseling on how to select quality early childhood services.

The Early Intervention program for children from birth to three provides services and supports, including health care, skill development and social services. These services and supports are intended to minimize developmental delay, decrease the need for special education, and enhance the growth and development of children, in the context of the child and families, in natural environments so that children are well prepared for school and life success.

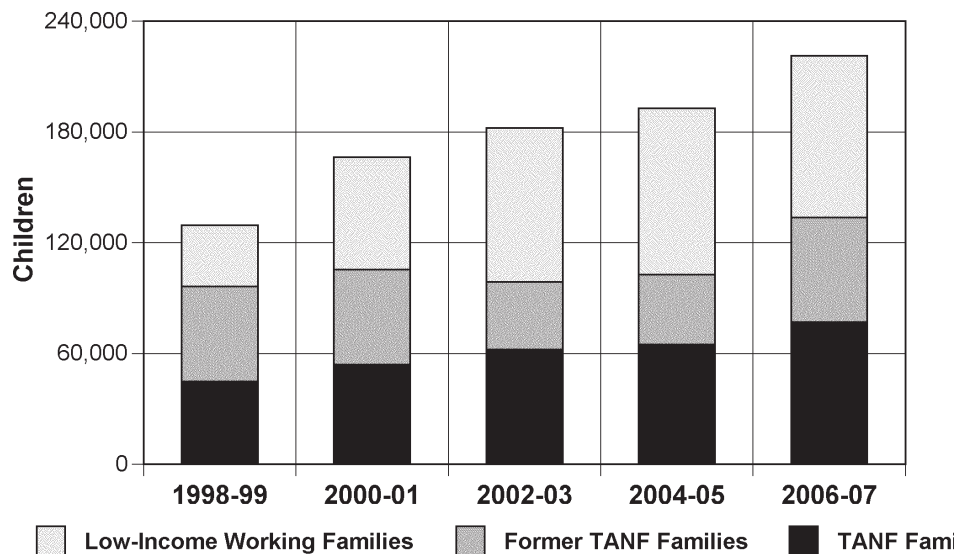
| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Persons receiving cash assistance (monthly average) | 278,474 | 284,378 | 279,878 | 281,440 | 281,440 | 281,440 | 281,440 |
| Persons receiving State Supplemental Grants (monthly average) | 321,700 | 324,600 | 327,700 | 330,800 | 330,800 | 330,800 | 330,800 |
| Households receiving energy cash payments | 340,447 | 417,000 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 |
| Households receiving energy crisis payments * | NA | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 |
| TANF recipients enrolled in RESET employment and training program | 45,462 | 46,715 | 46,715 | 46,715 | 46,715 | 46,715 | 46,715 |
| TANF recipients obtaining employment | 20,628 | 22,000 | 23,700 | 23,700 | 23,700 | 23,700 | 23,700 |
| Child support orders established | 473,506 | 475,102 | 477,900 | 480,690 | 483,500 | 483,500 | 483,500 |
| Child support collected (in millions) | \$1,145 | \$1,157 | \$1,168 | \$1,180 | \$1,190 | \$1,200 | \$1,215 |
| Child Development | | | | | | | |
| Children enrolled in Keystone STARS facilities * | NA | 144,888 | 156,890 | 159,990 | 159,990 | 159,990 | 159,990 |
| Number of Keystone STARS facilities * ... | NA | 4,550 | 4,714 | 5,175 | 5,175 | 5,175 | 5,175 |
| Percent of child care centers participating in Keystone STARS * | NA | 68% | 70% | 72% | 72% | 72% | 72% |

Program: Income Maintenance (continued)

| Program Measures: (continued) | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Children participating in subsidized child care (unduplicated) | 195,211 | 204,217 | 221,186 | 222,820 | 222,820 | 222,820 | 222,820 |
| Children participating in subsidized child care (monthly average): | | | | | | | |
| Welfare/TANF families | 36,638 | 39,679 | 42,760 | 42,760 | 42,760 | 42,760 | 42,760 |
| Former TANF families | 21,232 | 26,529 | 31,900 | 31,900 | 31,900 | 31,900 | 31,900 |
| Low-income working families | 50,840 | 52,410 | 53,550 | 54,550 | 54,550 | 54,550 | 54,550 |
| Percent of children participating in subsidized child care enrolled in DPW regulated setting: | | | | | | | |
| TANF families * | NA | 29% | 32% | 35% | 35% | 35% | 35% |
| Former TANF families * | NA | 53% | 56% | 59% | 59% | 59% | 59% |
| Low income working families * | NA | 70% | 73% | 76% | 76% | 76% | 76% |
| Early Intervention | | | | | | | |
| Children participating in Early Intervention (EI) services | 26,458 | 28,472 | 31,300 | 32,800 | 32,800 | 32,800 | 32,800 |
| Children who met their individual goals and no longer needed EI services prior to their third birthday* | NA | 1,942 | 2,135 | 2,235 | 2,235 | 2,235 | 2,235 |
| Children who met their individual goals at their third birthday and no longer needed EI services* | NA | 672 | 740 | 775 | 775 | 775 | 775 |
| Percent of EI children served in typical early childhood educational settings (e.g. home, child care, Head Start)* | NA | 97% | 98% | 98% | 98% | 98% | 98% |

*New program measure.

Child Care



In 2006-07, the child care system will serve an estimated 54,405 more children of low-income working families than in 1998-99, an increase of 165%.

Program: Income Maintenance (continued)

Program Recommendation:

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

| | |
|--|--|
| <p>\$ 1,706 —to continue current program.</p> <p>–6,146 —to reflect transferring Electronic Benefits Transfer contract to Cash Grants appropriation.</p> <p>–3,143 —to reflect transferring Issuance of SSI payments to Supplemental Grants appropriation.</p> <p>–1,887 —to reflect transferring contracts to MA Outpatient appropriation.</p> <p>1,259 —to reflect change in Federal earnings.</p> <p>100 —Initiative — National Provider Identifier. To implement the standard unique identification number for all health care providers as mandated by the Federal Health Insurance Portability and Accountability Act of 1996.</p> <hr/> <p>\$ –8,111 <i>Appropriation Decrease</i></p> <p>County Assistance Offices</p> <p>\$ –854 —reduction in administrative expenses.</p> <p>–148 —nonrecurring projects.</p> <p>–4,084 —to reflect change in Federal earnings.</p> <hr/> <p>\$ –5,086 <i>Appropriation Decrease</i></p> <p>Child Support Enforcement</p> <p>\$ –656 —reduction in administrative expenses.</p> <p>–1,571 —utilization of Title IV-D Incentive Collections.</p> <p>127 —to reflect change in Federal earnings.</p> <p>–691 —Initiative — Enhanced Child Support Enforcement. Savings from the implementation of new initiatives designed to increase child support collections and Federal incentive earnings, and to improve the electronic collection and disbursement of child support obligations.</p> <hr/> <p>\$ –2,791 <i>Appropriation Decrease</i></p> <p>New Directions</p> <p>\$ –228 —reduction in administrative expenses.</p> <p>–449 —to reflect change in Federal earnings.</p> <hr/> <p>\$ –677 <i>Appropriation Decrease</i></p> <p>Cash Grants</p> <p>\$ 763 —to continue current program.</p> <p>5,918 —to provide a two percent cost-of-living adjustment for child care services.</p> <p>7,496 —to reflect the transfer of Electronic Benefits Transfer contract from County Administration - Statewide appropriation.</p> <p>–4,159 —nonrecurring carryover of prior year expenses.</p> <p>28,327 —Initiative—Early Education and Care. To provide child care services to 15,000 additional children in TANF families receiving public assistance and former TANF families working to gain economic independence.</p> <hr/> <p>\$ 38,345 <i>Appropriation Increase</i></p> | <p>Transfer to Emergency Energy Assistance Fund (EA)</p> <p>\$ –19,300 —nonrecurring program.</p> <p>Supplemental Grants - Aged, Blind, Disabled</p> <p>\$ 1,454 —for increased caseload and average benefits.</p> <p>3,298 —to reflect moving Issuance of SSI payments from County Administration - Statewide.</p> <p>83 —to reflect administrative changes.</p> <hr/> <p>\$ 4,835 <i>Appropriation Increase</i></p> <p>Early Intervention</p> <p>\$ 1,934 —to provide a two percent cost-of-living adjustment.</p> <p>4,047 —to annualize children added in 2005-06.</p> <p>1,486 —to continue current program.</p> <p>70 —revision of Federal financial participation from 55.05% to 54.39%.</p> <p>8,103 – Initiative—Early Intervention Expansion. To provide early intervention services to 2,827 additional children from birth to age three.</p> <hr/> <p>\$ 15,640 <i>Appropriation Increase</i></p> <p>Child Care Services</p> <p>\$ 8,543 —to provide for an increase in service costs.</p> <p>4,896 —to provide a two percent cost-of-living adjustment.</p> <p>2,702 —to continue current program.</p> <p>11,321 —Initiative—Early Education and Care. To provide subsidized child care services to 1,861 additional low-income children and to improve the quality and accountability of early learning experiences for children by increasing the investment in Keystone STARS.</p> <hr/> <p>\$ 27,462 <i>Appropriation Increase</i></p> <p>Nurse Family Partnership</p> <p>\$ 776 —reflects partial program transfer from County Child Welfare.</p> <p>1,175 —reflects program transfer from Research-Based Violence Prevention appropriation in Executive Offices.</p> <hr/> <p>\$ 1,951 <i>Appropriation Increase</i></p> |
|--|--|

Public Welfare

Program: Income Maintenance (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| County Administration - Statewide | \$ 34,257 | \$ 41,588 | \$ 33,477 | \$ 33,477 | \$ 33,477 | \$ 33,477 | \$ 33,477 |
| County Assistance Offices | 244,871 | 254,304 | 249,218 | 249,218 | 249,218 | 249,218 | 249,218 |
| Child Support Enforcement | 10,043 | 9,594 | 6,803 | 6,803 | 6,803 | 6,803 | 6,803 |
| New Directions | 62,221 | 60,943 | 60,266 | 60,266 | 60,266 | 60,266 | 60,266 |
| Cash Grants | 384,182 | 421,717 | 460,062 | 462,038 | 462,808 | 463,578 | 464,348 |
| Transfer to Emergency Energy Assistance Fund (EA) | 0 | 19,300 | 0 | 0 | 0 | 0 | 0 |
| Supplemental Grants - Aged, Blind and Disabled | 140,194 | 124,145 | 128,980 | 128,980 | 128,980 | 128,980 | 128,980 |
| Early Intervention | 80,689 | 89,535 | 105,175 | 107,877 | 107,877 | 107,877 | 107,877 |
| Child Care Services | 60,877 | 80,209 | 107,671 | 104,432 | 104,432 | 104,432 | 104,432 |
| Nurse Family Partnership | 0 | 0 | 1,951 | 1,951 | 1,951 | 1,951 | 1,951 |
| TOTAL GENERAL FUND | \$ 1,017,334 | \$ 1,101,335 | \$ 1,153,603 | \$ 1,155,042 | \$ 1,155,812 | \$ 1,156,582 | \$ 1,157,352 |

PROGRAM OBJECTIVE: To maximize the individual's capacity for independent living through the provision of an array of service and support programs.

Program: Mental Health

This program provides for an integrated behavioral health system including mental health treatment services and supports as well as substance abuse services. The objective of these services is to support individual movement to recovery. The department seeks to ensure that there is an integrated approach to both the delivery and financing of behavioral health services. The department administers community mental health funds, Behavioral Health Services Initiative (BHSI) funds for both mental health and substance abuse services for eligible individuals and Act 152 funds to provide non-hospital residential substance abuse services. In addition, the department manages, through county contracts, the Medicaid HealthChoices Behavioral Health Managed Care program. Direct mental health treatment services are also provided through eight State-operated hospitals and one restoration (long-term care) center. Finally, the department oversees the delivery of community mental health services, administered by counties under the Pennsylvania Mental Health and Mental Retardation (MH/MR) Act of 1966 and the Mental Health Procedures Act (MHPA) of 1976.

Program Element: Community Mental Health Services

The MH/MR Act of 1966 requires county governments to provide an array of community-based mental health services, including unified intake, community consultation and education, support for families caring for members with mental disorders and community residential programs. Community services are targeted to adults with serious mental illness and children/adolescents with or at risk of serious emotional disturbance. Key provisions of service include recovery-oriented treatment, community care and support services that enable individuals to return to the community and lead independent and productive lives. Non-residential services include family-based support, outpatient care, partial hospitalization, emergency and crisis intervention, peer to peer support and after care. Community

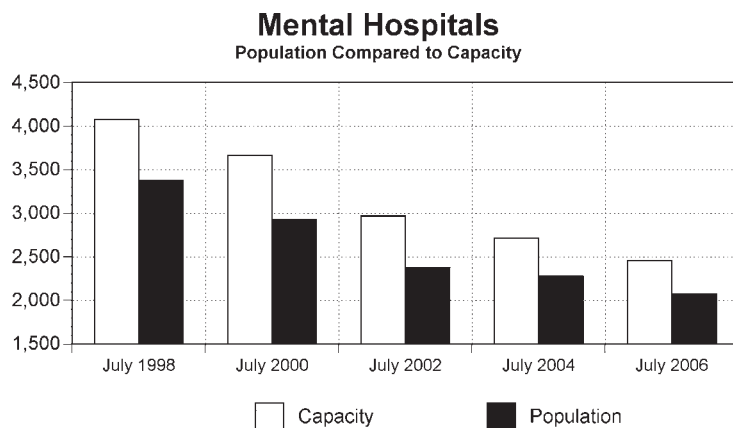
residential services consist of housing support, residential treatment, inpatient care, crisis services and mobile therapy. Services are administered by single counties, county joiners or through contracts with private, nonprofit organizations or agencies. Services, with some exceptions, are funded with State, Federal and/or county matching funds.

Program Element: Substance Abuse Services

The department is responsible for the oversight and administration of Behavioral Health Services Initiative (BHSI) funding. Substance abuse treatment services funded with BHSI are provided to individuals with severe addictive disorders, including co-occurring mental health disorders, who are uninsured, who do not have insurance that covers the service they need, or who cannot obtain Medical Assistance benefits. Services available through this capitated allocation include the full continuum of treatment, as well as case management services to assist this population in access to and retention in treatment to promote recovery.

Program Element: State Mental Hospitals

State mental hospitals provide long-term inpatient care for individuals who require intensive inpatient treatment. Additionally, they provide specialized inpatient care for adolescents, criminal offenders and elderly (long-term) populations. A unit for the treatment of violent sexual predators whose commitment in the Youth Development Center system terminates at age 21 has been established as mandated in Act 21 of 2003. In order to move individuals in the most integrated setting, efforts continue to assess and transfer individuals to community mental health programs, where services are provided in a less restrictive level of care through the Community/Hospital Integration Projects Program (CHIPPs).



As more people receive mental health services in the community, the population at State mental hospitals has declined by 1,302 or 39%, since July of 1998.

Program: Mental Health (continued)

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Community Mental Health Services | | | | | | | |
| Total persons provided mental health services* | 398,590 | 412,725 | 516,195 | 520,715 | 525,280 | 529,900 | 534,570 |
| Persons receiving mental health inpatient and outpatient services from community mental health funds (unduplicated)* | 120,245 | 121,447 | 122,660 | 123,890 | 125,130 | 126,380 | 127,645 |
| Persons receiving services through Medical Assistance expenditures (fee for service and HealthChoices) (unduplicated)* | 256,020 | 258,580 | 361,165 | 364,780 | 368,425 | 372,110 | 375,830 |
| Persons receiving services through BHSI funds (unduplicated)* | 31,553 | 32,698 | 32,370 | 32,045 | 31,725 | 31,410 | 31,095 |
| Average cost per person served* | \$3,585 | \$3,622 | \$3,658 | \$3,695 | \$3,732 | \$3,769 | \$3,807 |
| Substance Abuse Services | | | | | | | |
| Total persons receiving DPW administered substance abuse services* | 87,690 | 90,871 | 95,890 | 95,965 | 96,050 | 96,150 | 96,250 |
| Persons receiving services through Medical Assistance expenditures (fee-for-service and HealthChoices) (unduplicated)* | 45,848 | 46,306 | 51,770 | 52,285 | 52,810 | 53,340 | 53,870 |
| Persons receiving services through Act 152 funds (unduplicated)* | 5,633 | 5,633 | 5,575 | 5,520 | 5,465 | 5,410 | 5,355 |
| Persons receiving services through BHSI funds (unduplicated) | 39,325 | 38,932 | 38,545 | 38,160 | 37,775 | 37,400 | 37,025 |
| Average cost per person served* | \$1,954 | \$1,954 | \$1,974 | \$1,994 | \$2,014 | \$2,034 | \$2,054 |
| State Mental Hospitals | | | | | | | |
| Total persons served in State Mental Hospitals* | 3,877 | 3,573 | 3,535 | 3,500 | 3,465 | 3,430 | 3,400 |
| Total admissions to State Mental Hospitals | 1,616 | 1,600 | 1,440 | 1,410 | 1,385 | 1,355 | 1,330 |
| Cost per person in State Mental Hospital population* | \$105,000 | \$106,564 | \$117,220 | \$119,564 | \$121,955 | \$124,394 | \$126,882 |
| Forensic admissions to State Mental Hospitals* | 458 | 453 | 450 | 445 | 440 | 435 | 430 |
| Percentage of adults readmitted to State Mental Hospitals within one year of last discharge | 13% | 12% | 11% | 10% | 9% | 8% | 7% |
| Percentage of persons in State Mental Hospitals with stay longer than two years | 51% | 54% | 40% | 30% | 25% | 15% | 10% |

Total persons provided mental health services was revised to include individuals receiving services from community mental health funds, Medical Assistance expenditures (both through the HealthChoices Behavioral Health Program and the fee-for-service delivery system), and BHSI funds.

*New program measure.

Hospital and Restoration Center Populations for the Prior, Current and Upcoming Year:

| State Mental Hospitals | Population July 2004 | Population July 2005 | Projected Population July 2006 | Projected Bed Capacity July 2006 | Projected Percent of Capacity July 2006 |
|------------------------|-------------------------|-------------------------|--------------------------------------|---|--|
| Allentown..... | 172 | 169 | 179 | 210 | 85.2% |
| Clarks Summit..... | 220 | 218 | 220 | 265 | 83.0% |
| Danville..... | 135 | 152 | 165 | 210 | 78.6% |
| Harrisburg..... | 251 | 197 | - | - | 0.0% |
| Mayview..... | 361 | 343 | 345 | 398 | 86.7% |
| Norristown..... | 398 | 401 | 404 | 454 | 89.0% |
| South Mountain..... | 137 | 131 | 127 | 159 | 79.9% |
| Torrance..... | 210 | 228 | 225 | 270 | 83.3% |
| Warren..... | 217 | 215 | 220 | 250 | 88.0% |
| Wernersville..... | 178 | 202 | 190 | 240 | 79.2% |
| TOTAL..... | 2,279 | 2,256 | 2,075 | 2,456 | 84.5% |

Program: Mental Health (continued)

Total Proposed Expenditures by Hospital, Restoration Center and Community Programs:

| | 2004-05 | | | 2005-06 | | | 2006-07 | | |
|---|-------------------|-------------------|-------------------|---------|-----------|--------|---------|-----------|--------|
| | Actual | Available | Budget | Actual | Available | Budget | Actual | Available | Budget |
| Allentown | | | | | | | | | |
| State Funds..... | \$ 29,006 | \$ 29,893 | \$ 30,676 | | | | | | |
| Federal Funds..... | 2,913 | 2,339 | 1,575 | | | | | | |
| Augmentations..... | 1,654 | 1,651 | 851 | | | | | | |
| TOTAL..... | <u>\$ 33,573</u> | <u>\$ 33,883</u> | <u>\$ 33,102</u> | | | | | | |
| Clarks Summit | | | | | | | | | |
| State Funds..... | \$ 35,263 | \$ 35,011 | \$ 34,273 | | | | | | |
| Federal Funds..... | 3,438 | 3,182 | 2,859 | | | | | | |
| Augmentations..... | 2,007 | 2,059 | 1,259 | | | | | | |
| TOTAL..... | <u>\$ 40,708</u> | <u>\$ 40,252</u> | <u>\$ 38,391</u> | | | | | | |
| Danville | | | | | | | | | |
| State Funds..... | \$ 26,672 | \$ 30,878 | \$ 27,828 | | | | | | |
| Federal Funds..... | 2,668 | 2,570 | 2,648 | | | | | | |
| Augmentations..... | 1,463 | 1,722 | 921 | | | | | | |
| TOTAL..... | <u>\$ 30,803</u> | <u>\$ 35,170</u> | <u>\$ 31,397</u> | | | | | | |
| Harrisburg | | | | | | | | | |
| State Funds..... | \$ 37,750 | \$ 8,967 | \$ 4,101 | | | | | | |
| Federal Funds..... | 4,254 | 2,732 | 0 | | | | | | |
| Augmentations..... | 2,135 | 1,420 | 0 | | | | | | |
| TOTAL..... | <u>\$ 44,139</u> | <u>\$ 13,119</u> | <u>\$ 4,101</u> | | | | | | |
| Mayview | | | | | | | | | |
| State Funds..... | \$ 59,742 | \$ 59,150 | \$ 57,535 | | | | | | |
| Federal Funds..... | 5,741 | 4,169 | 4,631 | | | | | | |
| Augmentations..... | 1,792 | 1,733 | 933 | | | | | | |
| TOTAL..... | <u>\$ 67,275</u> | <u>\$ 65,052</u> | <u>\$ 63,099</u> | | | | | | |
| Norristown | | | | | | | | | |
| State Funds..... | \$ 72,757 | \$ 66,226 | \$ 70,636 | | | | | | |
| Federal Funds..... | 6,587 | 4,278 | 4,982 | | | | | | |
| Augmentations..... | 2,411 | 2,012 | 1,212 | | | | | | |
| TOTAL..... | <u>\$ 81,755</u> | <u>\$ 72,515</u> | <u>\$ 76,830</u> | | | | | | |
| South Mountain State Restoration Center | | | | | | | | | |
| State Funds..... | \$ 20,350 | \$ 13,162 | \$ 6,795 | | | | | | |
| Federal Funds..... | 2,501 | 9,416 | 15,588 | | | | | | |
| Augmentations..... | 2,100 | 2,095 | 1,296 | | | | | | |
| TOTAL..... | <u>\$ 24,951</u> | <u>\$ 24,673</u> | <u>\$ 23,679</u> | | | | | | |
| Torrance | | | | | | | | | |
| State Funds..... | \$ 37,389 | \$ 39,642 | \$ 38,323 | | | | | | |
| Federal Funds..... | 3,865 | 3,124 | 3,087 | | | | | | |
| Augmentations..... | 1,845 | 1,961 | 1,162 | | | | | | |
| TOTAL..... | <u>\$ 43,099</u> | <u>\$ 44,727</u> | <u>\$ 42,572</u> | | | | | | |
| Warren | | | | | | | | | |
| State Funds..... | \$ 35,560 | \$ 34,944 | \$ 34,230 | | | | | | |
| Federal Funds..... | 3,545 | 3,627 | 3,004 | | | | | | |
| Augmentations..... | 2,202 | 2,200 | 1,400 | | | | | | |
| TOTAL..... | <u>\$ 41,307</u> | <u>\$ 40,771</u> | <u>\$ 38,634</u> | | | | | | |
| Wernersville | | | | | | | | | |
| State Funds..... | \$ 31,078 | \$ 34,940 | \$ 33,251 | | | | | | |
| Federal Funds..... | 3,171 | 3,485 | 4,784 | | | | | | |
| Augmentations..... | 1,954 | 2,215 | 1,415 | | | | | | |
| TOTAL..... | <u>\$ 36,203</u> | <u>\$ 40,640</u> | <u>\$ 39,450</u> | | | | | | |
| Administrative Cost | | | | | | | | | |
| State Funds..... | \$ 4,244 | \$ 5,914 | \$ 5,585 | | | | | | |
| Federal Funds..... | 0 | 0 | 0 | | | | | | |
| Augmentations..... | 0 | 0 | 0 | | | | | | |
| TOTAL..... | <u>\$ 4,244</u> | <u>\$ 5,914</u> | <u>\$ 5,585</u> | | | | | | |
| Community Programs | | | | | | | | | |
| State Funds..... | \$ 266,499 | \$ 317,714 | \$ 336,919 | | | | | | |
| Federal Funds..... | 218,354 | 231,701 | 213,434 | | | | | | |
| Augmentations..... | 11,183 | 0 | 0 | | | | | | |
| TOTAL..... | <u>\$ 496,036</u> | <u>\$ 549,415</u> | <u>\$ 550,353</u> | | | | | | |
| Maintenance and security costs for closed facilities | | | | | | | | | |
| State Funds | \$ 112 | \$ 1,840 | \$ 1,840 | | | | | | |

Program: Mental Health (continued)

Program Recommendations:

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

| Mental Health Services | |
|-------------------------------|---|
| \$ 9,686 | —to provide a two percent cost-of-living adjustment. |
| 8,000 | —to reflect reduction of Intergovernmental Transfer funds. |
| 651 | —to continue current program. |
| -4,188 | —reflects the transfer of facilities maintenance to Department of General Services. |
| -4,120 | —Estimated Medicare Part D savings. |
| -4,900 | —nonrecurring programs. |
| 115 | —revision of Federal financial participation from 55.05% to 54.39%. |
| -3,140 | —Initiative—Behavioral Health HealthChoices Expansion. Savings as the result of providing behavioral health services through the HealthChoices Program. |
| <u>\$ 2,104</u> | <i>Appropriation Increase</i> |

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Mental Health Services | \$ 664,502 | \$ 674,713 | \$ 676,817 | \$ 673,677 | \$ 673,677 | \$ 673,677 | \$ 673,677 |
| Behavioral Health Services | 43,981 | 43,981 | 43,981 | 43,981 | 43,981 | 43,981 | 43,981 |
| Psychiatric Services in Eastern PA | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 |
| TOTAL GENERAL FUND | <u>\$ 711,983</u> | <u>\$ 722,194</u> | <u>\$ 724,298</u> | <u>\$ 721,158</u> | <u>\$ 721,158</u> | <u>\$ 721,158</u> | <u>\$ 721,158</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 required 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.

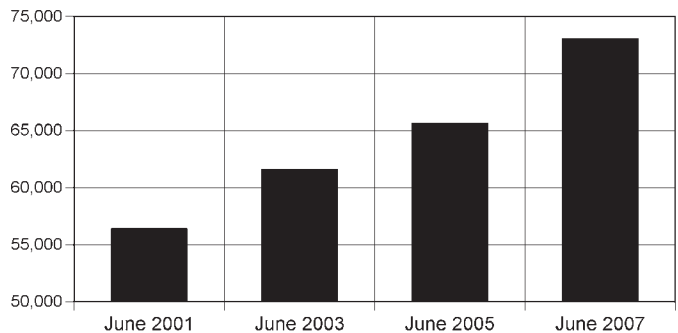
Program Element: Institutional Services

The Department of Public Welfare operates or provides funding for privately operated institutional care for people with mental retardation. The Commonwealth provides services through five State centers, whose 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 Center for Medicare and Medicaid Services. Private Intermediate Care Facilities for the Mentally Retarded (ICF/MR) 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 supports coordination, 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 12,320 since 2001. Over the same period, the State Centers' population will have decreased by 35%.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Persons receiving Mental Retardation services during fiscal year* | 72,538 | 73,486 | 74,255 | 74,255 | 74,255 | 74,255 | 74,255 |
| Persons receiving community non-residential services: | | | | | | | |
| Adult day services | 25,752 | 26,746 | 27,585 | 27,585 | 27,585 | 27,585 | 27,585 |
| Family support services | 22,697 | 22,859 | 23,315 | 23,315 | 23,315 | 23,315 | 23,315 |
| Persons receiving residential services (at end of year): | | | | | | | |
| Community residential facilities (CRF) | 18,334 | 18,839 | 19,225 | 19,225 | 19,225 | 19,225 | 19,225 |
| Private ICF/MRs | 2,617 | 2,606 | 2,580 | 2,580 | 2,580 | 2,580 | 2,580 |
| State Centers | 1,450 | 1,370 | 1,280 | 1,240 | 1,200 | 1,160 | 1,120 |

Program: Mental Retardation (continued)

Program Measures: (continued)

| | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|----------|----------|----------|----------|----------|----------|----------|
| Average cost of individuals served in the community: | | | | | | | |
| Residential services | \$64,537 | \$65,041 | \$68,069 | \$69,113 | \$69,113 | \$69,113 | \$69,113 |
| Day programs or other supports | \$11,819 | \$12,728 | \$12,926 | \$13,171 | \$13,171 | \$13,171 | \$13,171 |

* New program measure.

The measure "Persons receiving Mental Retardation services" has been revised to remove those receiving Early Intervention services. See the Child Development section of the Income Maintenance Program for Early Intervention measures.

State Centers Population for the Prior, Current and Upcoming Year:

| | Population July 2004 | Population July 2005 | Projected Population July 2006 | Projected Bed Capacity July 2006 | Projected Percent Capacity July 2006 |
|---------------------------------|-------------------------|-------------------------|--------------------------------------|---|---|
| State Centers | | | | | |
| Altoona..... | 92 | 90 | 0 | 0 | NA |
| Ebensburg..... | 284 | 278 | 323 | 402 | 80.3% |
| Hamburg..... | 154 | 145 | 138 | 200 | 69.0% |
| Polk..... | 384 | 364 | 345 | 557 | 61.9% |
| Selinsgrove..... | 383 | 374 | 368 | 584 | 63.0% |
| White Haven..... | 205 | 199 | 196 | 275 | 71.3% |
| TOTAL STATE CENTERS..... | 1,502 | 1,450 | 1,370 | 2,018 | 67.9% |

Proposed Expenditures by Center:

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | | 2004-05 Actual | 2005-06 Available | 2006-07 Budget |
|---|-------------------|----------------------|-------------------|---|-------------------|----------------------|-------------------|
| Altoona | | | | Polk | | | |
| State funds..... | \$ 4,775 | \$ 4,659 | \$ 200 | State funds..... | \$ 26,027 | \$ 25,907 | \$ 25,283 |
| Federal funds..... | 6,406 | 7,044 | 0 | Federal funds..... | 36,227 | 37,585 | 36,793 |
| Augmentations..... | 1,317 | 1,134 | 0 | Augmentations..... | 6,921 | 6,888 | 6,795 |
| TOTAL..... | \$ 12,498 | \$ 12,837 | \$ 200 | TOTAL..... | \$ 69,175 | \$ 70,380 | \$ 68,871 |
| Ebensburg | | | | Selinsgrove | | | |
| State funds..... | \$ 19,020 | \$ 19,506 | \$ 22,744 | State funds..... | \$ 25,003 | \$ 25,478 | \$ 26,028 |
| Federal funds..... | 26,806 | 28,504 | 33,064 | Federal funds..... | 35,368 | 37,170 | 38,111 |
| Augmentations..... | 4,979 | 4,970 | 5,392 | Augmentations..... | 6,809 | 6,814 | 6,852 |
| TOTAL..... | \$ 50,805 | \$ 52,980 | \$ 61,200 | TOTAL..... | \$ 67,180 | \$ 69,462 | \$ 70,991 |
| Hamburg | | | | White Haven | | | |
| State funds..... | \$ 10,501 | \$ 11,093 | \$ 10,898 | State funds..... | \$ 13,800 | \$ 14,161 | \$ 14,202 |
| Federal funds..... | 16,328 | 15,976 | 15,767 | Federal funds..... | 19,522 | 20,350 | 20,466 |
| Augmentations..... | 2,784 | 2,776 | 2,766 | Augmentations..... | 3,542 | 3,524 | 3,566 |
| TOTAL..... | \$ 29,613 | \$ 29,845 | \$ 29,431 | TOTAL..... | \$ 36,864 | \$ 38,035 | \$ 38,234 |
| Maintenance and security costs for closed facilities | | | | Non-Facility/Other Operational costs | | | |
| State funds..... | \$ 2,452 | \$ 2,015 | \$ 2,162 | State funds..... | \$ 647 | \$ 1,588 | \$ 1,626 |
| Augmentations..... | 1,219 | 1,230 | 1,230 | Budgetary Reserve | | | |
| TOTAL..... | \$ 3,671 | \$ 3,245 | \$ 3,392 | Federal funds..... | \$ 0 | \$ 5,000 | \$ 5,000 |

Program: Mental Retardation (continued)

Program Recommendations:

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

| | | | | |
|----|--|---|-----------|---|
| | State Centers for the Mentally Retarded | | | |
| \$ | 460 | —to continue current program. | 2,542 | —to reflect individuals transferring from the ICF/MR program. |
| | -2,253 | —savings from implementation of Medicare Part D pharmacy benefit. | 6,484 | —to replace Federal Social Service Block Grant funds. |
| | 529 | —revision of Federal financial participation from 55.05% to 54.39%. | 2,494 | —revision of Federal financial participation from 55.05% to 54.39%. |
| \$ | -1,264 | <i>Appropriation Decrease</i> | 16,751 | - Initiative – Expanded Community Mental Retardation Services. To provide home and community-based services for 805 additional persons with mental retardation and to address new Federal Medicaid home and community-based waiver requirements. This initiative is consistent with prior year efforts to increase the use of home and community-based care and decrease the use of institutionalization. |
| | | Intermediate Care Facilities—Mentally Retarded | | |
| \$ | 3,299 | —to provide a two percent per diem increase as mandated by Federal regulations. | | |
| | 8,453 | —non-recurring prior year carryover. | | |
| | -194 | —to continue current program. | | |
| | -2,354 | —to reflect transfer of individuals to the community program. | | |
| | -869 | —increase in assessment revenue. | | |
| | 611 | —revision of Federal financial participation from 55.05% to 54.39%. | \$ 59,762 | <i>Appropriation Increase</i> |
| \$ | 8,946 | <i>Appropriation Increase</i> | | |
| | | Community Mental Retardation Services | | |
| \$ | 14,965 | —to provide a two percent cost-of-living adjustment. | \$ 61 | Pennhurst Dispersal |
| | 12,900 | —to annualize previous program revisions providing enhanced community services. | | —to provide a two percent cost-of-living adjustment. |
| | 3,626 | —to continue current program. | \$ 8 | MR Residential Services - Lansdowne |
| | | | -825 | —non-recurring projects. |
| | | | \$ -817 | <i>Appropriation Decrease</i> |

This budget recommends continuation of the Autism Intervention and Services appropriation at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-----------|-------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | | |
| State Centers for the Mentally Retarded ... | \$ | 102,225 | \$ 104,407 | \$ 103,143 | \$ 103,143 | \$ 103,143 | \$ 103,143 | \$ 103,143 |
| Intermediate Care Facilities - Mentally Retarded | | 114,432 | 115,568 | 124,514 | 124,514 | 124,514 | 124,514 | 124,514 |
| Community Mental Retardation Services .. | | 706,593 | 729,633 | 789,395 | 801,828 | 801,828 | 801,828 | 801,828 |
| Autism Intervention and Services | | 0 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| Pennhurst Dispersal | | 3,009 | 3,058 | 3,119 | 3,119 | 3,119 | 3,119 | 3,119 |
| MR Residential Services - Lansdowne | | 1,065 | 1,223 | 406 | 406 | 406 | 406 | 406 |
| TOTAL GENERAL FUND | \$ | 927,324 | \$ 956,889 | \$ 1,023,577 | \$ 1,036,010 | \$ 1,036,010 | \$ 1,036,010 | \$ 1,036,010 |

PROGRAM OBJECTIVE: To enhance the social and economic well being of families and individuals through the provision of an array of services and support programs.

Program: Human Services

The department operates a variety of programs designed to provide supportive services to people while they overcome an adverse behavior or circumstance that has affected their lives.

Program Element: Family Support Service

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.

Counties provide services including temporary placement for children who cannot live with their own families, assistance to provide a permanent legal family for any child who cannot be returned to his own family, adoption assistance, day treatment services, child protective services, emergency shelter, counseling and juvenile detention.

Special programs have been developed to support the delivery of services by county child welfare agencies. One program provides equalized access to adoption services for all eligible children through a Statewide adoption network. Facilitated by the Adoptions and Safe Families Act, 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 can provide

residential programs for the treatment of Pennsylvania's serious juvenile offenders and those with special problems in a secure setting. 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 | Population July 2004 | Population July 2005 | Projected Population July 2006 | Projected Capacity July 2006 | Projected % of Capacity July 2006 |
|------------------------------|----------------------|----------------------|--------------------------------|------------------------------|-----------------------------------|
| YFC – Hickory Run | 43 | 44 | 44 | 49 | 89.8% |
| YFC – Trough Creek | 39 | 49 | 49 | 50 | 98.0% |
| New Castle | 270 | 190 | 170 | 186 | 90.6% |
| Loysville | <u>325</u> | <u>335</u> | <u>330</u> | <u>349</u> | <u>91.7%</u> |
| Total Current Program | 677 | 618 | 593 | 634 | 93.5% |

The YDCs/YFCs have a total capacity of 634 youth. Included in the system are specialized treatment services for sex offenders, arsonists, drug and alcohol abusers, and emotionally disturbed and mentally retarded youth.

The Master Case Planning System guides treatment of youth within the YDCs/YFCs. This system requires comprehensive diagnosis and assessment of each youth in care, development of an individualized treatment plan, implementation strategies, periodic reviews and revisions of each plan, and identification of aftercare needs. Individual and group counseling forms the core of the treatment process.

The YDCs/YFCs emphasize programs and activities designed to promote youth competency, victim awareness, social and financial restitution, and public safety and protection. Each program provides training and education in daily living skills. Many YDCs/YFCs also provide actual job training and work experience opportunities where youth may be paid. Youth are required to use a portion of their earnings for restitution.

Education is a major component of the YDC/YFC system. Each program includes both academic and vocational curricula. Educational diagnostic testing precedes all academic placements and is utilized in the development of Individual Education Plans (IEPs) for each youth.

Program Element: Family Planning and Breast Cancer Screening

Family planning clinics provide educational, medical and social services to persons over age 16 to address contraceptive or infertility issues. Grants are provided to 200 clinics in the State.

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

Program: Human Services (continued)

35 years of age and older and women with a family history of breast cancer.

Program Element: Services to the Disabled

A variety of specialized services are provided to enable people with severe physical and/or cognitive impairments to live independently in the community. Attendant care, service coordination, peer counseling, non-medical transportation, community integration and independent living skills training are several of the community-based support services that are provided through a network of Medical Assistance providers.

The Attendant Care Program provides services to mentally-alert adults with physical disabilities between the ages 18 and 59 through a variety of program models. Personal assistance services such as dressing and grooming are provided enabling 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 are 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.

This budget proposes to increase the availability of home and community-based care as an alternative to nursing facility care. Home and community-based services promote independence and self-reliance, and maximize opportunities for family and community involvement.

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 that 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 operates through counties to provide temporary shelter to homeless individuals and rental assistance to those in immediate danger of becoming homeless. Shelter may be provided in large mass shelters or in hotels and motels through a voucher system.

Housing assistance can include a cash payment to an individual or family to prevent or end homelessness, or intervention to prevent homelessness where an eviction is imminent. In addition to preventing homelessness, housing assistance is available to move people out of temporary shelters into permanent housing.

Case management services are utilized to assure ongoing coordination with the client and to assist the client with activities needed for self-sufficient living.

Specialized residences for the mentally ill homeless are 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: Human Services (continued)

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Youth Development Centers | | | | | | | |
| YDC — youth served | 1,657 | 1,580 | 1,550 | 1,515 | 1,485 | 1,455 | 1,430 |
| YDC — occupancy rates | 86% | 90% | 94% | 95% | 95% | 95% | 95% |
| YDC — youth in work experience | 802 | 750 | 750 | 750 | 750 | 750 | 750 |
| Family Support Services | | | | | | | |
| Children receiving child welfare services at home | 243,272 | 245,225 | 248,545 | 251,860 | 255,180 | 258,500 | 261,815 |
| Out of home placement in: | | | | | | | |
| Community residential programs | 29,189 | 32,155 | 31,800 | 31,440 | 31,080 | 30,725 | 30,370 |
| Institutional care programs (annual unduplicated recipients) * | NA | 5,925 | 5,792 | 5,660 | 5,535 | 5,475 | 5,410 |
| Percent of children reunited with parents or primary caregiver within twelve months of placement | 49.8% | 50.6% | 50.7% | 52.0% | 53.0% | 54.0% | 55.0% |
| Finalized Adoptions | 1,973 | 2,200 | 2,420 | 2,530 | 2,640 | 2,745 | 2,860 |
| Investigations of reported child abuse * | NA | 23,500 | 23,382 | 23,265 | 23,150 | 23,035 | 22,920 |
| Percent of child abuse investigations substantiated | 19.6% | 18.8% | 18.2% | 17.6% | 17.0% | 16.5% | 15.9% |
| Homeless Assistance | | | | | | | |
| Total persons receiving homeless services | 106,600 | 104,000 | 104,000 | 104,000 | 104,000 | 104,000 | 104,000 |
| Other Human Services | | | | | | | |
| Domestic violence victims served | 48,108 | 48,100 | 48,100 | 48,100 | 48,100 | 48,100 | 48,100 |
| Rape crisis/sexual assault persons served | 19,781 | 19,800 | 19,800 | 19,800 | 19,800 | 19,800 | 19,800 |
| Breast cancer screening clients | 112,300 | 112,300 | 112,300 | 112,300 | 112,300 | 112,300 | 112,300 |
| Legal service clients | 22,479 | 19,500 | 19,500 | 19,500 | 19,500 | 19,500 | 19,500 |
| Attendant care persons served | 6,266 | 7,046 | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 |
| Persons with developmental disabilities served in nursing facilities | 603 | 581 | 581 | 581 | 581 | 581 | 581 |
| Persons with developmental disabilities served in the community | 2,160 | 2,779 | 3,530 | 3,530 | 3,530 | 3,530 | 3,530 |

*New program measure.

Program Recommendations:

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

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|----------------------------|--|--|------|--|--|--|------|-------------------------|--|--|---------|-------------------------------|-----------|--|--|--|--|--------------------------------------|-----------|-----------------------------|--------|--------------------------|--|--|--|--|--------|--|--------|--------------------|---------|---|--|--|------|--|-------|--------------------------------|------|-------------------------|--|--|-----------|-------------------------------|-------|-----------------------|--|--|--|--|--|
| <table border="0"> <tr> <td style="text-align: right;">\$ 215</td> <td>—to replace Federal funds.</td> <td style="vertical-align: top;">\$ -15,000</td> <td>Child Welfare – TANF Transition</td> </tr> <tr> <td style="text-align: right;">-692</td> <td>—reduction in administrative expenses.</td> <td></td> <td>—reflects reduction in temporary funding to offset reduction in Federal funds.</td> </tr> <tr> <td style="text-align: right;">-100</td> <td>—nonrecurring projects.</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black;">\$ -577</td> <td><i>Appropriation Decrease</i></td> <td style="vertical-align: top;">\$ 14,859</td> <td>Behavioral Health Services Transition</td> </tr> <tr> <td></td> <td></td> <td></td> <td>—transfer from County Child Welfare.</td> </tr> <tr> <td style="text-align: right;">\$ 47,967</td> <td>County Child Welfare</td> <td style="vertical-align: top;">\$ 230</td> <td>Domestic Violence</td> </tr> <tr> <td></td> <td>—for county needs-based budgets as mandated by Act 30 of 1991.</td> <td></td> <td>—to provide a two percent cost-of-living adjustment.</td> </tr> <tr> <td style="text-align: right;">10,676</td> <td>—to provide a two percent cost-of-living adjustment.</td> <td style="vertical-align: top;">\$ 118</td> <td>Rape Crisis</td> </tr> <tr> <td style="text-align: right;">-14,859</td> <td>—transfer to Behavioral Health Services Transition.</td> <td></td> <td>—to provide a two percent cost-of-living adjustment.</td> </tr> <tr> <td style="text-align: right;">-776</td> <td>—partial program transfer to Nurse Family Partnership.</td> <td style="vertical-align: top;">\$ 30</td> <td>Breast Cancer Screening</td> </tr> <tr> <td style="text-align: right;">-703</td> <td>—nonrecurring projects.</td> <td></td> <td>—to provide a two percent cost-of-living adjustment.</td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black;">\$ 42,305</td> <td><i>Appropriation Increase</i></td> <td style="vertical-align: top;">\$ 50</td> <td>Legal Services</td> </tr> <tr> <td></td> <td></td> <td></td> <td>—to provide a two percent cost-of-living adjustment.</td> </tr> </table> | \$ 215 | —to replace Federal funds. | \$ -15,000 | Child Welfare – TANF Transition | -692 | —reduction in administrative expenses. | | —reflects reduction in temporary funding to offset reduction in Federal funds. | -100 | —nonrecurring projects. | | | \$ -577 | <i>Appropriation Decrease</i> | \$ 14,859 | Behavioral Health Services Transition | | | | —transfer from County Child Welfare. | \$ 47,967 | County Child Welfare | \$ 230 | Domestic Violence | | —for county needs-based budgets as mandated by Act 30 of 1991. | | —to provide a two percent cost-of-living adjustment. | 10,676 | —to provide a two percent cost-of-living adjustment. | \$ 118 | Rape Crisis | -14,859 | —transfer to Behavioral Health Services Transition. | | —to provide a two percent cost-of-living adjustment. | -776 | —partial program transfer to Nurse Family Partnership. | \$ 30 | Breast Cancer Screening | -703 | —nonrecurring projects. | | —to provide a two percent cost-of-living adjustment. | \$ 42,305 | <i>Appropriation Increase</i> | \$ 50 | Legal Services | | | | —to provide a two percent cost-of-living adjustment. | |
| \$ 215 | —to replace Federal funds. | \$ -15,000 | Child Welfare – TANF Transition | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -692 | —reduction in administrative expenses. | | —reflects reduction in temporary funding to offset reduction in Federal funds. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -100 | —nonrecurring projects. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$ -577 | <i>Appropriation Decrease</i> | \$ 14,859 | Behavioral Health Services Transition | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | —transfer from County Child Welfare. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$ 47,967 | County Child Welfare | \$ 230 | Domestic Violence | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | —for county needs-based budgets as mandated by Act 30 of 1991. | | —to provide a two percent cost-of-living adjustment. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10,676 | —to provide a two percent cost-of-living adjustment. | \$ 118 | Rape Crisis | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -14,859 | —transfer to Behavioral Health Services Transition. | | —to provide a two percent cost-of-living adjustment. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -776 | —partial program transfer to Nurse Family Partnership. | \$ 30 | Breast Cancer Screening | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -703 | —nonrecurring projects. | | —to provide a two percent cost-of-living adjustment. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$ 42,305 | <i>Appropriation Increase</i> | \$ 50 | Legal Services | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | —to provide a two percent cost-of-living adjustment. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Program: Human Services (continued)

| | |
|---|---|
| <p>Homeless Assistance</p> <p>\$ 490 —to provide a two percent cost-of-living adjustment.</p> <p>–1,075 —nonrecurring projects.</p> <hr/> <p>\$ –585 <i>Appropriation Decrease</i></p> <p>Services to Persons with Disabilities</p> <p>\$ 6,268 —to provide service to an additional 748 persons with disabilities.</p> <p>1,057 —to provide a two percent cost-of-living adjustment.</p> <p>7,586 —to continue current program.</p> <p>240 —revision of Federal financial participation from 55.05% to 54.39%.</p> <hr/> <p>\$ 15,151 <i>Appropriation Increase</i></p> | <p>Attendant Care</p> <p>\$ 8,108 —to continue current program.</p> <p>5,384 —to provide service to 752 additional persons with disabilities.</p> <p>1,555 —to provide a two percent cost-of-living adjustment.</p> <p>176 —revision of Federal financial participation from 55.05% to 54.39%.</p> <hr/> <p>\$ 15,223 <i>Appropriation Increase</i></p> <p>Family and Children's Center</p> <p>\$ –143 —nonrecurring projects.</p> |
|---|---|

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Youth Development Institutions and | | | | | | | |
| Forestry Camps | \$ 68,265 | \$ 64,896 | \$ 64,319 | \$ 64,319 | \$ 64,319 | \$ 64,319 | \$ 64,319 |
| County Child Welfare | 632,547 | 838,526 | 880,831 | 949,580 | 1,023,647 | 1,103,491 | 1,189,563 |
| Child Welfare - TANF Transition | 0 | 45,000 | 30,000 | 15,000 | 0 | 0 | 0 |
| Behavioral Health Services Transition | 0 | 0 | 14,859 | 7,400 | 0 | 0 | 0 |
| Community Based Family Centers | 3,148 | 3,148 | 3,148 | 3,148 | 3,148 | 3,148 | 3,148 |
| Domestic Violence | 11,542 | 11,542 | 11,772 | 11,772 | 11,772 | 11,772 | 11,772 |
| Rape Crisis | 5,879 | 5,879 | 5,997 | 5,997 | 5,997 | 5,997 | 5,997 |
| Breast Cancer Screening | 1,526 | 1,526 | 1,556 | 1,556 | 1,556 | 1,556 | 1,556 |
| Human Services Development Fund | 33,785 | 33,785 | 33,785 | 33,785 | 33,785 | 33,785 | 33,785 |
| Legal Services | 2,519 | 2,519 | 2,569 | 2,569 | 2,569 | 2,569 | 2,569 |
| Homeless Assistance | 24,461 | 25,536 | 24,951 | 24,951 | 24,951 | 24,951 | 24,951 |
| Services to Persons with Disabilities | 28,223 | 45,874 | 61,025 | 69,663 | 69,663 | 69,663 | 69,663 |
| Attendant Care | 47,031 | 60,751 | 75,974 | 82,298 | 82,298 | 82,298 | 82,298 |
| Family and Children's Center | 0 | 143 | 0 | 0 | 0 | 0 | 0 |
| TOTAL GENERAL FUND | \$ 858,926 | \$ 1,139,125 | \$ 1,210,786 | \$ 1,272,038 | \$ 1,323,705 | \$ 1,403,549 | \$ 1,489,621 |



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) | | |
|--|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| GENERAL FUND: | | | |
| General Government: | | | |
| General Government Operations..... | \$ 136,935^a | \$ 136,424 | \$ 136,424 |
| (A)Cigarette Fines and Penalties..... | 15 | 15 | 15 |
| (A)Cigarette Tax Enforcement..... | 718 | 792 | 750 |
| (A)Services to Special Funds..... | 9,028 | 8,595 | 9,371 |
| (A)EDP and Staff Support..... | 6,004 | 5,856 | 6,813 |
| (A)Tax Information..... | 92 | 160 | 100 |
| (A)Private Letter Valuation Charges..... | 3 | 3 | 3 |
| (A)Local Sales Tax..... | 3,023 | 4,098 | 4,500 |
| (A)Small Games of Chance..... | 214 | 230 | 230 |
| (A)Reimbursed Costs from Other Agencies..... | 479 | 1,087 | 1,500 |
| (A)BTFT - Fines and Penalties..... | 120 | 500 | 500 |
| (A)Gaming Control Board..... | 0 | 0 | 0 ^b |
| General Operations - Lottery Administration..... | 27,324 | 0 | 0 |
| (A)License Fees..... | 138 | 0 | 0 |
| (A)Annuity Assignment Fees..... | 4 | 0 | 0 |
| (A)Lottery Number Publications..... | 3 | 0 | 0 |
| Commissions - Inheritance & Realty Transfer Taxes (EA)..... | 6,572 | 6,642 | 7,244 |
| Revenue Enforcement..... | 0 | 0 | 4,600 |
| Gaming Administration (06/07)..... | 21,100 | 0 | 0 |
| Subtotal - State Funds..... | \$ 191,931 | \$ 143,066 | \$ 148,268 |
| Subtotal - Augmentations..... | 19,841 | 21,336 | 23,782 |
| Total - General Government..... | \$ 211,772 | \$ 164,402 | \$ 172,050 |
| Grants and Subsidies: | | | |
| Distribution of Public Utility Realty Tax..... | \$ 22,177 | \$ 31,316 | \$ 31,272 |
| STATE FUNDS..... | \$ 214,108 | \$ 174,382 | \$ 179,540 |
| AUGMENTATIONS..... | 19,841 | 21,336 | 23,782 |
| GENERAL FUND TOTAL..... | \$ 233,949 | \$ 195,718 | \$ 203,322 |
| MOTOR LICENSE FUND: | | | |
| General Government: | | | |
| Collections - Liquid Fuels Tax..... | \$ 13,215 | \$ 13,408 | \$ 13,708 |
| (F)Fuel Tax Enforcement..... | 11 | 0 | 0 |
| Subtotal - State Funds..... | \$ 13,215 | \$ 13,408 | \$ 13,708 |
| Subtotal - Federal Funds..... | 11 | 0 | 0 |
| Total - General Government..... | \$ 13,226 | \$ 13,408 | \$ 13,708 |
| Refunds: | | | |
| Refunding Liquid Fuels Tax (EA)..... | \$ 7,000 | \$ 9,000 | \$ 9,000 |
| STATE FUNDS..... | \$ 20,215 | \$ 22,408 | \$ 22,708 |
| FEDERAL FUNDS..... | 11 | 0 | 0 |
| MOTOR LICENSE FUND TOTAL..... | \$ 20,226 | \$ 22,408 | \$ 22,708 |
| LOTTERY FUND: | | | |
| General Government: | | | |
| General Operations (EA)..... | \$ 0 | \$ 27,211 | \$ 33,953 |
| (A)License Fees..... | 0 | 125 | 135 |
| (A)Annuity Assignment Fees..... | 0 | 25 | 25 |
| Lottery Advertising (EA)..... | 30,000 | 30,000 | 30,000 |
| Player Activated Terminal Costs (EA)..... | 0 | 3,000 | 0 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| Expanded Sales (EA) | 14,591 | 24,736 | 24,736 |
| On-Line Vendor Commissions (EA) | 50,911 | 53,658 | 52,545 |
| Instant Vendor Commissions (EA) | 29,301 | 24,388 | 30,776 |
| Auditor General's Audit Costs (EA) | 86 | 86 | 86 |
| Payment of Prize Money (EA) | 252,834 | 247,114 | 274,439 |
| | \$ 377,723 | \$ 410,193 | \$ 446,535 |
| Subtotal - State Funds..... | 0 | 150 | 160 |
| Subtotal - Augmentations..... | \$ 377,723 | \$ 410,343 | \$ 446,695 |
| Total - General Government..... | | | |
| Grants and Subsidies: | | | |
| Property Tax & Rent Assistance for Older Pennsylvanians (EA)..... | \$ 126,600 | \$ 131,200 | \$ 130,000 |
| STATE FUNDS..... | \$ 504,323 | \$ 541,393 | \$ 576,535 |
| AUGMENTATIONS..... | 0 | 150 | 160 |
| LOTTERY FUND TOTAL | \$ 504,323 | \$ 541,543 | \$ 576,695 |
| <u>RACING FUND:</u> | | | |
| General Government: | | | |
| Collections - State Racing (EA)..... | \$ 235 | \$ 235 | \$ 235 |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 214,108 | \$ 174,382 | \$ 179,540 |
| SPECIAL FUNDS..... | 524,773 | 564,036 | 599,478 |
| FEDERAL FUNDS..... | 11 | 0 | 0 |
| AUGMENTATIONS..... | 19,841 | 21,486 | 23,942 |
| TOTAL ALL FUNDS | \$ 758,733 | \$ 759,904 | \$ 802,960 |

^a Actually appropriated as \$134,936,000 for General Government Operations and \$1,999,000 for Revenue Enforcement.

^b Funding level to be determined by the Gaming Control Board based on expected level of gaming activities.

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| REVENUE COLLECTION AND ADMINISTRATION | | | | | | | |
| GENERAL FUND..... | \$ 191,931 | \$ 143,066 | \$ 148,268 | \$ 147,943 | \$ 147,648 | \$ 147,648 | \$ 147,648 |
| SPECIAL FUNDS..... | 398,173 | 432,836 | 469,478 | 476,135 | 482,723 | 488,308 | 494,904 |
| FEDERAL FUNDS..... | 11 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 19,841 | 21,486 | 23,942 | 23,942 | 23,942 | 23,942 | 23,942 |
| SUBCATEGORY TOTAL..... | \$ 609,956 | \$ 597,388 | \$ 641,688 | \$ 648,020 | \$ 654,313 | \$ 659,898 | \$ 666,494 |
| COMMUNITY DEVELOPMENT AND PRESERVATION | | | | | | | |
| GENERAL FUND..... | \$ 22,177 | \$ 31,316 | \$ 31,272 | \$ 33,177 | \$ 34,172 | \$ 35,197 | \$ 36,253 |
| 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..... | \$ 22,177 | \$ 31,316 | \$ 31,272 | \$ 33,177 | \$ 34,172 | \$ 35,197 | \$ 36,253 |
| HOMEOWNERS AND RENTERS ASSISTANCE | | | | | | | |
| GENERAL FUND..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 126,600 | 131,200 | 130,000 | 131,000 | 132,000 | 134,000 | 135,000 |
| FEDERAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUBCATEGORY TOTAL..... | \$ 126,600 | \$ 131,200 | \$ 130,000 | \$ 131,000 | \$ 132,000 | \$ 134,000 | \$ 135,000 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 214,108 | \$ 174,382 | \$ 179,540 | \$ 181,120 | \$ 181,820 | \$ 182,845 | \$ 183,901 |
| SPECIAL FUNDS..... | 524,773 | 564,036 | 599,478 | 607,135 | 614,723 | 622,308 | 629,904 |
| FEDERAL FUNDS..... | 11 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 19,841 | 21,486 | 23,942 | 23,942 | 23,942 | 23,942 | 23,942 |
| DEPARTMENT TOTAL..... | \$ 758,733 | \$ 759,904 | \$ 802,960 | \$ 812,197 | \$ 820,485 | \$ 829,095 | \$ 837,747 |

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 has added automated processes that assist taxpayers in filing accurately and more efficiently. These include the Electronic Tax and Data Exchange System (E-TIDES), and an Internet system for filing business taxes such as sales tax, employer withholding tax, liquid fuels tax, fuel tax, corporation tax extensions and estimates. There are also three electronic systems for filing and payment of personal income tax: by Internet (PA Direct File); by Federal / State e-file which allows for the simultaneous filing of Federal and State returns; and

by telephone (Telefile). Revenue collection efforts are being enhanced to improve violation enforcement and improve business practices. This has permitted the department to keep the cost of collection at approximately \$1.00 for every \$326.55 in current taxes collected and \$1.00 for every \$12.66 of delinquent taxes 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. Recent expansions include participation in the multi-state Powerball Game, midday drawings, and Player Activated Terminal installations.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Active accounts by tax type | | | | | | | |
| Corporation | 284,452 | 295,000 | 305,000 | 315,000 | 325,000 | 335,000 | 345,000 |
| Sales and Use | 312,358 | 319,000 | 326,000 | 333,000 | 340,000 | 347,000 | 354,000 |
| Employer | 335,904 | 342,000 | 348,000 | 355,000 | 362,000 | 369,000 | 376,000 |
| Personal Income Tax | 5,888,296 | 5,900,000 | 5,900,000 | 5,900,000 | 5,900,000 | 5,900,000 | 5,900,000 |
| Liquid Fuels | 765 | 865 | 885 | 900 | 920 | 940 | 955 |
| Motor Carrier - IFTA | 14,606 | 14,800 | 15,100 | 15,400 | 15,700 | 16,000 | 16,300 |
| Motor Carrier - Pennsylvania only | 13,004 | 13,100 | 13,400 | 13,600 | 13,900 | 14,200 | 14,500 |
| Personal Income Tax: | | | | | | | |
| Returns Processed | 5,808,829 | 5,900,000 | 5,900,000 | 5,900,000 | 5,900,000 | 5,900,000 | 5,900,000 |
| Total - electronic | 2,520,663 | 2,450,000 | 2,550,000 | 2,650,000 | 2,750,000 | 2,900,000 | 3,000,000 |
| Total - paper | 3,288,166 | 3,450,000 | 3,350,000 | 3,250,000 | 3,150,000 | 3,000,000 | 2,900,000 |
| Corporation taxes average settlement time (in months)* | | | | | | | |
| Group 1 (100% PA; total of Corporate Net Income (CNI); Capital Stock and Franchise Tax (CSFT); and Loans Tax < \$10,000) ... | 15 | 12 | 12 | 12 | 12 | 12 | 12 |
| Group 2 (Apportioned, less than 100% PA; total of CNI; CSFT; and Loans Tax < \$10,000) | 14 | 11 | 11 | 11 | 11 | 11 | 11 |
| Group 3 (Total of CNI; CSFT; and Loans Tax < \$10,000) | 14 | 11 | 11 | 11 | 11 | 11 | 11 |
| Amounts due as a result of audit assessments (in millions) | \$206 | \$190 | \$193 | \$196 | \$199 | \$201 | \$204 |
| Percent of sales tax audits sustained through the Board of Finance and Revenue | 76.11% | 77.00% | 78.00% | 79.00% | 80.00% | 81.00% | 82.00% |
| Pass Through Business (PTB) assessments | | | | | | | |
| Assessments as a result of PTB action (in millions) | \$27 | \$20 | \$20 | \$20 | \$20 | \$20 | \$20 |
| Assessment collections (in millions) | \$11 | \$15 | \$15 | \$15 | \$15 | \$15 | \$15 |

Program: Revenue Collection and Administration (continued)

| Program Measures: (continued) | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---------|---------|---------------|---------------|--------------|--------------|--------------|
| Electronic business tax registrations as a percentage of the total | 67% | 68% | 69% | 70% | 71% | 71% | 72% |
| Collections from delinquent accounts (in millions) | \$640 | \$692 | \$697 | \$702 | \$707 | \$712 | \$717 |
| Delinquent taxes collected per dollar spent | \$12.66 | \$12.70 | \$13.10 | \$13.50 | \$13.90 | \$14.30 | \$14.70 |
| Total number of appeals (all tax types) | 21,379 | 22,975 | 22,815 | 22,655 | 22,495 | 22,345 | 22,185 |
| Average time to close Board of Appeals cases (in days) * | 68 | 68 | 67 | 66 | 65 | 64 | 63 |
| Taxpayer Service and Information Center calls answered * | 341,789 | 349,588 | 367,068 | 385,421 | 404,691 | 424,927 | 446,173 |
| Use and Cigarette Tax* | | | | | | | |
| Use Tax Compliance Program | NA | NA | \$ 18,342,585 | \$ 38,195,255 | \$26,631,245 | \$ 7,500,000 | \$ 7,500,000 |
| Expanded Cigarette Tax Inspections and Enforcement * | | | | | | | |
| Increased annual direct collections from Cigarette Tax enforcement activity | NA | NA | \$ 3,750,000 | \$7,500,000 | \$5,000,000 | \$ 2,500,000 | \$ 2,500,000 |
| Billings from Cigarette Tax enforcement activity | NA | NA | 6,000 | 12,000 | 8,000 | 4,000 | 4,000 |
| Abusive Tax Shelter Voluntary Disclosure * | | | | | | | |
| Additional tax disclosed in excess of that originally reported to Pennsylvania ... | NA | NA | \$ 15,000,000 | \$ 750,000 | \$ 750,000 | \$ 750,000 | \$ 750,000 |
| Business License Information * | | | | | | | |
| Increase in delinquent tax collections. | NA | NA | \$ 3,200,000 | \$ 6,300,000 | \$8,800,000 | \$ 6,300,000 | \$6,300,000 |
| Lottery Operations | | | | | | | |
| Lottery operating costs as a percent of ticket sales (includes advertising, commissions, and sales expansion) * | 4.72% | 4.73% | 4.80% | 4.80% | 4.82% | 4.86% | 4.90% |
| Lottery operating costs as a percent of ticket sales (includes cost of lottery administration only) * | 0.72% | 0.68% | 0.66% | 0.67% | 0.68% | 0.68% | 0.67% |

*New program measure.

Program Recommendation:

| | | | |
|---|---|---|--|
| GENERAL FUND: | | LOTTERY FUND: | |
| Commissions - Inheritance & Realty Transfer Taxes (EA) | | General Operations (EA) | |
| \$ 602 | —based on current revenue estimates. | \$ 4,800 | —to continue current program. |
| | | 1,500 | —increased information technology costs. |
| | | 442 | —increased facility-related costs. |
| Revenue Enforcement | | Player Activated Terminal Costs (EA) | |
| \$ 500 | —Initiative—Business License Tax Clearance. To provide for tax compliance reviews of business licenses from all Commonwealth agencies. | \$ 6,742 | <i>Appropriation Increase</i> |
| 1,200 | —Initiative—Abusive Tax Shelter Voluntary Compliance. To facilitate the disclosure of tax shelters and payments of corresponding personal income and corporate taxes. | \$ -3,000 | —nonrecurring program cost. |
| 2,900 | —Initiative—Use and Cigarette Tax Compliance. To increase Use Tax and Cigarette Tax payment compliance. | \$ -1,113 | On-Line Vendor Commissions (EA) |
| | | | —based on the latest projection of program requirements. |
| | | | Instant Vendor Commissions (EA) |
| | | | —based on the latest projection of program requirements. |
| \$ 4,600 | <i>Appropriation Increase</i> | \$ 27,325 | Payment of Prize Money (EA) |
| | | | —based on the latest projection of program requirements. |
| MOTOR LICENSE FUND: | | All other appropriations are recommended at the current year funding level. | |
| \$ 300 | Collections - Liquid Fuels Tax | | |
| | —to continue current program. | | |

Program: Revenue Collection and Administration (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| General Government Operations | \$ 136,935 | \$ 136,424 | \$ 136,424 | \$ 136,424 | \$ 136,424 | \$ 136,424 | \$ 136,424 |
| General Operations - Lottery | | | | | | | |
| Administration | 27,324 | 0 | 0 | 0 | 0 | 0 | 0 |
| Commissions - Inheritance & Realty | | | | | | | |
| Transfer Taxes (EA) | 6,572 | 6,642 | 7,244 | 7,244 | 7,244 | 7,244 | 7,244 |
| Revenue Enforcement | 0 | 0 | 4,600 | 4,275 | 3,980 | 3,980 | 3,980 |
| Gaming Administration (06/07) | 21,100 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL GENERAL FUND | \$ 191,931 | \$ 143,066 | \$ 148,268 | \$ 147,943 | \$ 147,648 | \$ 147,648 | \$ 147,648 |
| MOTOR LICENSE FUND: | | | | | | | |
| Collections - Liquid Fuels Tax | \$ 13,215 | \$ 13,408 | \$ 13,708 | \$ 13,708 | \$ 13,708 | \$ 13,708 | \$ 13,708 |
| Refunding Liquid Fuels Tax (EA) | 7,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 |
| TOTAL MOTOR LICENSE FUND | \$ 20,215 | \$ 22,408 | \$ 22,708 | \$ 22,708 | \$ 22,708 | \$ 22,708 | \$ 22,708 |
| LOTTERY FUND: | | | | | | | |
| General Operations (EA) | \$ 0 | \$ 27,211 | \$ 33,953 | \$ 36,887 | \$ 39,969 | \$ 43,204 | \$ 46,601 |
| Lottery Advertising (EA) | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Player Activated Terminal Costs (EA) | 0 | 3,000 | 0 | 0 | 0 | 0 | 0 |
| Expanded Sales (EA) | 14,591 | 24,736 | 24,736 | 24,736 | 24,736 | 24,736 | 24,736 |
| On-Line Vendor Commissions (EA) | 50,911 | 53,658 | 52,545 | 53,151 | 53,640 | 54,046 | 54,548 |
| Instant Vendor Commissions (EA) | 29,301 | 24,388 | 30,776 | 30,372 | 30,963 | 31,531 | 32,161 |
| Auditor General's Audit Costs (EA) | 86 | 86 | 86 | 86 | 86 | 86 | 86 |
| Payment of Prize Money (EA) | 252,834 | 247,114 | 274,439 | 277,960 | 280,386 | 281,762 | 283,829 |
| TOTAL LOTTERY FUND | \$ 377,723 | \$ 410,193 | \$ 446,535 | \$ 453,192 | \$ 459,780 | \$ 465,365 | \$ 471,961 |
| RACING FUND: | | | | | | | |
| Collections - State Racing (EA) | \$ 235 | \$ 235 | \$ 235 | \$ 235 | \$ 235 | \$ 235 | \$ 235 |

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: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Taxing authorities receiving funds | 3,016 | 3,017 | 3,017 | 3,017 | 3,017 | 3,017 | 3,017 |

Program Recommendation:

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

\$ -44 **Distribution of Public Utility Realty Tax**
 —reflects normal fluctuations in tax assessments.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Distribution of Public Utility Realty Tax | \$ 22,177 | \$ 31,316 | \$ 31,272 | \$ 33,717 | \$ 34,172 | \$ 35,197 | \$ 36,253 |

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 2004-05, the average tax assistance payment was \$371.36 and the average rent rebate was \$393.77.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Households provided property tax or rent assistance | 325,681 | 336,300 | 335,300 | 334,200 | 333,200 | 332,200 | 331,200 |
| Households applying by June 30 | 319,452 | 310,293 | 309,362 | 308,434 | 307,509 | 306,586 | 305,666 |
| Rebates mailed by July 31 | 271,383 | 263,445 | 262,655 | 261,867 | 261,082 | 260,298 | 259,517 |

Program Recommendation:

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

Property Tax & Rent Assistance for Older Pennsylvanians (EA)
 \$ -1,200 —decreased program participation.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| LOTTERY FUND: | | | | | | | |
| Property Tax & Rent Assistance for Older Pennsylvanians (EA) | \$ 126,600 | \$ 131,200 | \$ 130,000 | \$ 131,000 | \$ 132,000 | \$ 134,000 | \$ 135,000 |



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) | | |
|---|-------------------------------|------------------------|------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| <u>GENERAL FUND:</u> | | | |
| <i>General Government:</i> | | | |
| General Government Operations..... | \$ 2,371 | \$ 2,300 | \$ 2,300 |
| (A)Consumer Protection..... | 6,861 | 5,879 | 6,410 |
| Subtotal - State Funds..... | \$ 2,371 | \$ 2,300 | \$ 2,300 |
| Subtotal - Augmentations..... | 6,861 | 5,879 | 6,410 |
| Total - General Government..... | <u>\$ 9,232</u> | <u>\$ 8,179</u> | <u>\$ 8,710</u> |
| STATE FUNDS..... | \$ 2,371 | \$ 2,300 | \$ 2,300 |
| AUGMENTATIONS..... | 6,861 | 5,879 | 6,410 |
| GENERAL FUND TOTAL..... | <u>\$ 9,232</u> | <u>\$ 8,179</u> | <u>\$ 8,710</u> |

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| SECURITIES INDUSTRY REGULATION | | | | | | | |
| GENERAL FUND..... | \$ 2,371 | \$ 2,300 | \$ 2,300 | \$ 2,300 | \$ 2,300 | \$ 2,300 | \$ 2,300 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 6,861 | 5,879 | 6,410 | 6,410 | 6,410 | 6,410 | 6,410 |
| SUBCATEGORY TOTAL..... | \$ 9,232 | \$ 8,179 | \$ 8,710 | \$ 8,710 | \$ 8,710 | \$ 8,710 | \$ 8,710 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 2,371 | \$ 2,300 | \$ 2,300 | \$ 2,300 | \$ 2,300 | \$ 2,300 | \$ 2,300 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 6,861 | 5,879 | 6,410 | 6,410 | 6,410 | 6,410 | 6,410 |
| DEPARTMENT TOTAL..... | \$ 9,232 | \$ 8,179 | \$ 8,710 | \$ 8,710 | \$ 8,710 | \$ 8,710 | \$ 8,710 |

PROGRAM OBJECTIVE: To reduce fraud and to protect public investors involved in securities transactions as well as to facilitate legitimate capital formation in the State.

Program: Securities Industry Regulation

The primary function of the Pennsylvania Securities Commission is to encourage the financing of legitimate business and industry in the Commonwealth while protecting the investing public from fraudulent and unfair practices in the securities industry.

The commission protects the investing public through the registration and regulation of salespersons and companies dealing in securities. It also issues cease and desist orders to persons and corporations attempting to sell securities without approval, as well as pursuing prosecution of violators of the Pennsylvania Securities Act.

The commission works with other State, Federal and independent regulatory agencies and the various stock exchanges to develop uniform filing requirements to eliminate

duplicative State and Federal examination and registration requirements. The commission is increasing the use of information technology to monitor the offering and sale of securities via electronic means. Fees collected from the securities industry support compliance and enforcement activities, as well as a portion of ongoing operations of the commission.

Acts 125 through 132 (inclusive) of 2004 make changes to the Securities Code to clarify, expand and update language to be consistent with current Federal statutes and the practices of the U.S. Securities and Exchange Commission. The acts will also allow the Pennsylvania Securities Commission to enhance consumer protection operations and securities regulation.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|------------|------------|------------|------------|------------|------------|------------|
| Securities filings received | 5,067 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 |
| Securities filings cleared | 4,906 | 5,400 | 5,400 | 5,400 | 5,400 | 5,400 | 5,400 |
| Dollar amounts of securities cleared for sale (millions): | \$ 212,000 | \$ 250,000 | \$ 250,000 | \$ 250,000 | \$ 250,000 | \$ 250,000 | \$ 250,000 |
| Broker-dealers registered | 2,545 | 2,670 | 2,800 | 2,940 | 3,080 | 3,230 | 3,390 |
| Agents registered | 145,689 | 148,600 | 151,570 | 154,600 | 157,690 | 160,850 | 164,050 |
| Investment advisers registered | 1,895 | 2,040 | 2,200 | 2,375 | 2,565 | 2,770 | 2,990 |
| Investment adviser representatives registered | 6,876 | 7,560 | 8,300 | 9,130 | 10,040 | 11,040 | 12,150 |
| Formal investigations conducted | 160 | 175 | 185 | 200 | 215 | 215 | 225 |
| Compliance examinations conducted | 70 | 75 | 80 | 85 | 90 | 95 | 100 |
| Enforcement/compliance actions | 150 | 210 | 215 | 220 | 225 | 230 | 230 |

Program Recommendations:

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

The General Government Operations appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|-------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| General Government Operations | \$ 2,371 | \$ 2,300 | \$ 2,300 | \$ 2,300 | \$ 2,300 | \$ 2,300 | \$ 2,300 |



DEPARTMENT OF STATE

The mission of the Department of State is to monitor and enforce the standards of ethics and competence in a variety of areas, including professional licensure, corporate law, charitable solicitation, the electoral process and professional boxing and wrestling.

The Department of State is administered by the Secretary of the Commonwealth and includes the Bureau of Charitable Organizations, the Bureau of Commissions, Elections and Legislation, the Corporation Bureau, the State Athletic Commission, the Bureau of Enforcement and Investigation, and the Bureau of Professional and Occupational Affairs, which provides support to 27 professional and occupational licensing boards.

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|--------------------------|--------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| GENERAL FUND: | | | |
| General Government: | | | |
| General Government Operations..... | \$ 3,973 | \$ 4,451 | \$ 4,451 |
| (F)Federal Election Reform..... | 146,625 | 150,306 | 100,000 |
| (A)Departmental Services..... | 0 ^a | 0 ^a | 0 ^a |
| (R)Professional and Occupational Affairs..... | 22,902 ^b | 24,648 ^b | 28,574 ^b |
| (R)State Board of Medicine..... | 5,800 ^b | 8,794 ^b | 9,348 ^b |
| (R)State Board of Osteopathic Medicine..... | 1,130 ^b | 1,520 ^b | 1,610 ^b |
| (R)State Board of Podiatry..... | 245 ^b | 333 ^b | 350 ^b |
| (R)State Athletic Commission..... | 393 ^b | 416 ^b | 423 ^b |
| (R)Corporation Bureau (EA)..... | 5,093 ^c | 4,153 ^c | 4,742 ^c |
| (R)Corporation Bureau - Transfer to General Fund (EA)..... | 0 | 0 | 2,000 ^c |
| Subtotal..... | <u>\$ 186,161</u> | <u>\$ 194,621</u> | <u>\$ 151,498</u> |
| Statewide Uniform Registry of Electors..... | 0 | 0 | 6,500 |
| Voter Registration..... | 561 | 543 | 551 |
| (F)Elections Assistance - Grants to Counties..... | 886 | 1,247 | 1,247 |
| Subtotal..... | <u>\$ 1,447</u> | <u>\$ 1,790</u> | <u>\$ 1,798</u> |
| Publishing Constitutional Amendments (EA)..... | 525 | 0 | 0 |
| Electoral College..... | 10 | 0 | 0 |
| Subtotal - State Funds..... | <u>\$ 5,069</u> | <u>\$ 4,994</u> | <u>\$ 11,502</u> |
| Subtotal - Federal Funds..... | 147,511 | 151,553 | 101,247 |
| Subtotal - Restricted Revenues..... | 35,563 | 39,864 | 47,047 |
| Total - General Government..... | <u>\$ 188,143</u> | <u>\$ 196,411</u> | <u>\$ 159,796</u> |
| Grants and Subsidies: | | | |
| Voting of Citizens in Military Service..... | \$ 20 | \$ 40 | \$ 40 |
| County Election Expenses (EA)..... | 400 | 400 | 400 |
| Total - Grants and Subsidies..... | <u>\$ 420</u> | <u>\$ 440</u> | <u>\$ 440</u> |
| STATE FUNDS..... | \$ 5,489 | \$ 5,434 | \$ 11,942 |
| FEDERAL FUNDS..... | 147,511 | 151,553 | 101,247 |
| RESTRICTED REVENUES..... | 35,563 | 39,864 | 47,047 |
| GENERAL FUND TOTAL..... | <u>\$ 188,563</u> | <u>\$ 196,851</u> | <u>\$ 160,236</u> |
| OTHER FUNDS: | | | |
| PATIENT SAFETY TRUST FUND: | | | |
| General Operations (EA)..... | <u>\$ 5,000</u> | <u>\$ 5,000</u> | <u>\$ 5,000</u> |
| REAL ESTATE RECOVERY FUND: | | | |
| Real Estate Recovery Payments (EA)..... | <u>\$ 175</u> | <u>\$ 375</u> | <u>\$ 100</u> |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 5,489 | \$ 5,434 | \$ 11,942 |
| SPECIAL FUNDS..... | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 147,511 | 151,553 | 101,247 |
| RESTRICTED..... | 35,563 | 39,864 | 47,047 |
| OTHER FUNDS..... | 5,175 | 5,375 | 5,100 |
| TOTAL ALL FUNDS..... | <u>\$ 193,738</u> | <u>\$ 202,226</u> | <u>\$ 165,336</u> |

^a Not added to the total to avoid double counting: 2004-05 Actual is \$3,629,000, 2005-06 Available is \$3,900,000, 2006-07 Budget is \$3,518,000.

^b Appropriated from a restricted revenue account.

^c Executive Authorization from a restricted revenue account.

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|-------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| CONSUMER PROTECTION | | | | | | | |
| GENERAL FUND..... | \$ 5,489 | \$ 5,434 | \$ 11,942 | \$ 12,192 | \$ 12,202 | \$ 12,192 | \$ 12,192 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 147,511 | 151,553 | 101,247 | 100,247 | 100,000 | 100,000 | 100,000 |
| OTHER FUNDS..... | 40,738 | 45,239 | 52,147 | 50,147 | 50,147 | 50,147 | 50,147 |
| SUBCATEGORY TOTAL..... | \$ 193,738 | \$ 202,226 | \$ 165,336 | \$ 162,586 | \$ 162,349 | \$ 162,339 | \$ 162,339 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 5,489 | \$ 5,434 | \$ 11,942 | \$ 12,192 | \$ 12,202 | \$ 12,192 | \$ 12,192 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 147,511 | 151,553 | 101,247 | 100,247 | 100,000 | 100,000 | 100,000 |
| OTHER FUNDS..... | 40,738 | 45,239 | 52,147 | 50,147 | 50,147 | 50,147 | 50,147 |
| DEPARTMENT TOTAL..... | \$ 193,738 | \$ 202,226 | \$ 165,336 | \$ 162,586 | \$ 162,349 | \$ 162,339 | \$ 162,339 |

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 9,424 election precincts.

Act 61 of 2001 amended the Pennsylvania Voter Registration Act and requires the department to develop a Statewide Uniform Registry of Electors (SURE) – an integrated voter registration database containing all electors in the Commonwealth. The act also created an advisory board to establish the requirements of a SURE system.

Other functions in this program include commissioning gubernatorial appointees to boards and commissions and preparing commissions for judges, magisterial districts judges and notaries public as well as enforcement of the Notary Public Law. In addition, a record of all legislation passed by the General Assembly is maintained by docketing the bills and assigning act numbers.

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.

Act 13 of 2002, the Medical Care Availability and Reduction of Error (Mcare) Act further provides for medical malpractice liability insurance, tort reform, mandatory reporting by and to State licensing boards and continuing medical education. The Act established the Patient Safety Authority to review and recommend improvements in patient safety.

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 Charitable Organizations of and the State Athletic Commission.

The Corporation Bureau is responsible for both profit and nonprofit business incorporation filings and submission of Uniform Commercial Code (UCC) filings. There are approximately 2 million corporate entities in the database and the bureau processes approximately 47,000 new corporations annually. It also registers approximately 26,000 trademarks and fictitious names as well as 131,000 UCC filings annually. The primary goals of the Corporation Bureau are to make the registration process as efficient as possible and to enhance public access in order to promote a more favorable business climate within the Commonwealth.

Act 198 of 1990 established a restricted account with funding levels to be executively authorized by the Governor to fund the Corporation Bureau.

The Bureau of Charitable Organizations is responsible for the registration of charitable organizations, professional fundraisers and solicitors, as well as regulation of the actual solicitation and distribution of collected funds. The major objective of the bureau is to increase the awareness and understanding of the Charitable Solicitations Act among Pennsylvania consumers and charitable organizations.

Act 55 of 1997 increased the number of charities required to register with the Department of State and established a system of mandatory arbitration to resolve complaints of unfair competition filed by small businesses against charities.

Program: Consumer Protection (continued)

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, agent, boxer, judge, manager, matchmaker, physician, promoter (including those promoting professional wrestling), referee, timekeeper and trainer.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Voter registration transactions | 975,000 | 980,000 | 980,000 | 980,000 | 1,300,000 | 980,000 | 980,000 |
| Campaign finance reports filed via the internet | 1,583 | 1,600 | 1,700 | 1,800 | 1,900 | 2,000 | 2,100 |
| Professional licenses and renewals issued | 358,782 | 400,000 | 423,000 | 400,000 | 423,000 | 400,000 | 423,000 |
| Disciplinary actions by boards | 3,000 | 2,575 | 2,600 | 2,650 | 2,700 | 2,750 | 2,800 |
| Case files opened (BPOA) | 11,062 | 12,000 | 12,500 | 13,000 | 13,500 | 14,000 | 14,500 |
| Case files closed (BPOA) | 10,145 | 11,000 | 11,500 | 12,000 | 12,400 | 13,000 | 13,500 |
| Medical facilities filing patient safety data | 445 | 450 | 455 | 460 | 465 | 470 | 475 |
| Uniform Commercial Code financing statement filings and information requests fulfilled | 147,000 | 150,000 | 153,000 | 156,060 | 159,181 | 162,365 | 165,615 |
| Charity registrations | 8,800 | 8,800 | 8,800 | 8,800 | 8,800 | 8,800 | 8,800 |
| Open charities investigations | 350 | 350 | 350 | 350 | 350 | 350 | 350 |
| Closed charities investigations | 350 | 350 | 350 | 350 | 350 | 350 | 350 |
| Reviews of fictitious names, business corporations, corporations and trademark applications | 111,000 | 113,000 | 115,000 | 117,000 | 119,000 | 122,000 | 124,000 |
| Corporation information requests processed | 178,000 | 182,000 | 186,000 | 190,000 | 194,000 | 198,000 | 202,000 |
| Bureau of Enforcement & Investigation (BEI) investigations opened* | 3,290 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 |
| BEI Investigations completed* | 4,130 | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 |
| BEI Inspections completed* | 14,157 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Professional Health Monitoring Program case files opened* | 918 | 1,125 | 1,378 | 1,688 | 2,069 | 2,535 | 3,105 |
| Professional Health Monitoring Program case files closed* | 879 | 1,055 | 1,293 | 1,584 | 1,940 | 2,377 | 2,912 |

Case files opened and closed reflect lower volume than previous years due in part to the implementation of venue and certificate of merit requirements in the MCARE Act of 2002.

*New program measure.

Program Recommendations:

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

| | |
|--|---|
| <p>Statewide Registry of Electors \$ 6,500 —Initiative—SURE System. To provide resources for the continued support and development of the Statewide Uniform Registry of Electors system.</p> <p>Voter Registration \$ 8 —to continue current program.</p> <p>All other appropriations are funded at the current level.</p> <p>This budget also recommends the following changes in appropriations and executive authorizations from restricted accounts:</p> <p>Professional and Occupational Affairs \$ 3,926 —to continue current program.</p> <p>State Board of Medicine \$ 554 —to continue current program.</p> | <p>State Board of Osteopathic Medicine \$ 90 —to continue current program.</p> <p>State Board of Podiatry \$ 17 —to continue current program.</p> <p>State Athletic Commission \$ 7 —to continue current program.</p> <p>Corporation Bureau (EA) \$ 589 —to continue current program.</p> <p>Corporation Bureau-Transfer to General Fund (EA) \$ 2,000 —surplus transfer from the Corporation Bureau Account.</p> |
|--|---|

Recommendations assume that fees for all boards will be sufficient to fund the recommended expenditure level.

Program: Consumer Protection (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| General Government Operations | \$ 3,973 | \$ 4,451 | \$ 4,451 | \$ 4,451 | \$ 4,451 | \$ 4,451 | \$ 4,451 |
| Statewide Uniform Registry of Electors | 0 | 0 | 6,500 | 6,500 | 6,500 | 6,500 | 6,500 |
| Voter Registration | 561 | 543 | 551 | 551 | 551 | 551 | 551 |
| Publishing Constitutional Amendments (EA) | 525 | 0 | 0 | 250 | 250 | 250 | 250 |
| Electoral College | 10 | 0 | 0 | 0 | 10 | 0 | 0 |
| Voting of Citizens in Military Service | 20 | 40 | 40 | 40 | 40 | 40 | 40 |
| County Election Expenses (EA) | 400 | 400 | 400 | 400 | 400 | 400 | 400 |
| TOTAL GENERAL FUND | \$ 5,489 | \$ 5,434 | \$ 11,942 | \$ 12,192 | \$ 12,202 | \$ 12,192 | \$ 12,192 |



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) | | |
|---|--------------------------------|--------------------------------|--------------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| <u>GENERAL FUND:</u> | | | |
| <i>Grants and Subsidies:</i> | | | |
| National Guard - Employer Contribution..... | \$ 4 | \$ 4 | \$ 4 |
| | <u>4</u> | <u>4</u> | <u>4</u> |
| <u>OTHER FUNDS:</u> | | | |
| STATE EMPLOYEES' RETIREMENT FUND: | | | |
| State Employees' Retirement Administration..... | \$ 23,490 | \$ 24,187 | \$ 24,925 |
| Directed Commissions..... | 0 | 1,000 | 1,000 |
| STATE EMPLOYEES' RETIREMENT FUND TOTAL..... | <u>\$ 23,490</u> | <u>\$ 25,187</u> | <u>\$ 25,925</u> |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 4 | \$ 4 | \$ 4 |
| SPECIAL FUNDS..... | 0 | 0 | 0 |
| OTHER FUNDS..... | 23,490 | 25,187 | 25,925 |
| TOTAL ALL FUNDS..... | <u><u>\$ 23,494</u></u> | <u><u>\$ 25,191</u></u> | <u><u>\$ 25,929</u></u> |

State Employees' Retirement System

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| STATE EMPLOYEES' RETIREMENT | | | | | | | |
| GENERAL FUND..... | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 23,490 | 25,187 | 25,925 | 25,925 | 25,925 | 25,925 | 25,925 |
| SUBCATEGORY TOTAL..... | \$ 23,494 | \$ 25,191 | \$ 25,929 | \$ 25,929 | \$ 25,929 | \$ 25,929 | \$ 25,929 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 23,490 | 25,187 | 25,925 | 25,925 | 25,925 | 25,925 | 25,925 |
| DEPARTMENT TOTAL..... | \$ 23,494 | \$ 25,191 | \$ 25,929 | \$ 25,929 | \$ 25,929 | \$ 25,929 | \$ 25,929 |

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 \$26 billion dollars. The system is funded in accordance with generally accepted actuarial standards; the funding is reviewed annually by a contracted actuarial firm and an experience review is completed every five years.

The three major sources of current income to the system are earnings from investments, and employer and member contributions. The employer contribution rate is established annually by the board upon the recommendation of the actuary. Employer contribution rates differ in accordance with the class of employees for which they are contributing. There is additional cost for employees in safety positions, the Legislature and the Judiciary. As a result of Act 9 of

2001, effective January 2002, most system members contribute six and one-quarter percent of pay to the system, depending upon individual employee election of membership. Normal retirement from the system is at age 60, age 50 for safety employees and members of the Legislature, or at any age with 35 years of service. Retirement before those times is possible after five years of service but is actuarially reduced to the equivalent of the annuity which would have been payable at superannuation retirement. Act 40 of 2003 changed the funding period for most of system's actuarial liabilities from ten years to thirty years, effectively spreading out the payment of its costs and liabilities. Act 40 is expected to reduce employer contributions over a ten-year period by approximately \$5 billion.

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: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Retirement counseling sessions* | 18,234 | 38,592 | 39,920 | 40,904 | 41,927 | 42,935 | 44,435 |
| Total number of retired employees | 99,267 | 100,832 | 102,414 | 104,146 | 105,948 | 107,735 | 109,393 |

* The counseling sessions measure data for the years 2005-06 and beyond are an estimate based upon a number of factors including membership demographics and pending or actual legislative changes. These estimates can be subject to significant fluctuation based on the interest level of the membership.

Program Recommendations:

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

STATE EMPLOYEES' RETIREMENT FUND
State Employees' Retirement Administration
 \$ 738 —to continue current program.

The National Guard-Employer Contribution appropriation is recommended at level funding

In addition to this appropriation, \$1,000,000 in Directed Commission expenditures are anticipated for the budget year.

State Employees' Retirement System

Program: State Employees' Retirement (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| National Guard - Employer Contribution | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 |
| STATE EMPLOYEES' RETIREMENT FUND: | | | | | | | |
| State Employees' Retirement | | | | | | | |
| Administration | \$ 23,490 | \$ 24,187 | \$ 24,925 | \$ 24,925 | \$ 24,925 | \$ 24,925 | \$ 24,925 |
| Directed Commissions | 0 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| TOTAL STATE EMPLOYEES' RETIREMENT FUND | \$ 23,490 | \$ 25,187 | \$ 25,925 | \$ 25,925 | \$ 25,925 | \$ 25,925 | \$ 25,925 |



STATE POLICE

The mission of the State Police is to promote traffic safety, effectively investigate crime and reduce criminal activity and to provide investigative assistance and support services to all law enforcement agencies within the Commonwealth. In addition, the State Police maintains and provides to criminal justice agencies, up-to-date law enforcement information, continually evaluates the competence level of law enforcement within the Commonwealth and provides prompt, competent service in emergency situations. The State Police ensures personal protection and security for the Governor and other persons designated by proper authority and enforces all other State statutes as directed by proper authority.

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)
 2004-05 2005-06 2006-07
 ACTUAL AVAILABLE BUDGET

GENERAL FUND:

General Government:

| | \$ | 155,694 | \$ | 140,459 | \$ | 160,260 |
|---|-----------|----------------|-----------|----------------|-----------|----------------|
| General Government Operations..... | \$ | 155,694 | \$ | 140,459 | \$ | 160,260 |
| (F) Drug Enforcement..... | | 400 | | 400 | | 500 |
| (F) Bulletproof Vests..... | | 1,473 | | 1,473 | | 1,473 |
| (F) Marijuana Eradication..... | | 100 | | 100 | | 100 |
| (F) Motor Carrier Safety..... | | 0 | | 13,252 | | 17,592 |
| (F) In-Car Video Cameras..... | | 300 | | 0 | | 0 |
| (F) Improvements for Lab Systems..... | | 250 | | 0 | | 0 |
| (F) Computer Crime Prevention..... | | 750 | | 500 | | 500 |
| (F) Combat Underage Drinking..... | | 450 | | 0 | | 0 |
| (F) Speed Timing Equipment..... | | 0 | | 500 | | 500 |
| (F) Intelligent Transportation System..... | | 0 | | 250 | | 0 |
| (F) Drug Recognition Expert Program..... | | 0 | | 25 | | 25 |
| (F) Domestic Terrorism Training..... | | 0 | | 380 | | 380 |
| (F) 2005 Homeland Security Grant..... | | 0 | | 1,000 | | 1,000 |
| (F) Terrorism Prevention Program..... | | 0 | | 500 | | 500 |
| (F) Project Safe Neighborhoods..... | | 0 | | 30 | | 0 |
| (F) Cold Case DNA..... | | 0 | | 733 | | 733 |
| (F) DNA Personnel..... | | 0 | | 70 | | 70 |
| (F) Radiation Emergency Response Fund..... | | 10 | | 10 | | 10 |
| (F) Megan's Law Improvements..... | | 105 | | 40 | | 0 |
| (F) Domestic Terrorism Equipment..... | | 300 | | 0 | | 0 |
| (F) Forensic Lab Improvement..... | | 139 | | 0 | | 0 |
| (F) DNA Backlog Reduction..... | | 268 | | 342 | | 360 |
| (F) Innovative Occupant Protection..... | | 600 | | 300 | | 500 |
| (F) Racial Profiling Analysis..... | | 166 | | 0 | | 0 |
| (F) Child Passenger Fitting Station..... | | 570 | | 570 | | 670 |
| (F) DNA Capacity Enhancement..... | | 758 | | 1,000 | | 1,000 |
| (F) Human Trafficking..... | | 0 | | 450 | | 450 |
| (F) Private Sector Outreach..... | | 0 | | 0 | | 100 |
| (F) NW Regional Meth Task Force..... | | 0 | | 0 | | 250 |
| (F) Forensic Casework Backlog..... | | 0 | | 0 | | 137 |
| (F) Forensic Cameras..... | | 0 | | 0 | | 500 |
| (F) Project Safe Neighborhoods (EA)..... | | 30 | | 0 | | 0 |
| (F) DCSI - MARIS System(EA)..... | | 226 | | 0 | | 0 |
| (F) DUI Enforcement(EA)..... | | 600 | | 875 | | 700 |
| (F) Safety Education(EA)..... | | 50 | | 50 | | 50 |
| (F) Motor Carrier Safety(EA)..... | | 3,794 | | 0 | | 0 |
| (F) Interstate Highway Enforcement(EA)..... | | 525 | | 600 | | 600 |
| (F) Sobriety Test Training(EA)..... | | 20 | | 20 | | 20 |
| (F) Construction Zone Patrolling(EA)..... | | 10,000 | | 10,000 | | 10,000 |
| (F) Corridor Safety(EA)..... | | 75 | | 200 | | 200 |
| (F) Crash Reduction(EA)..... | | 150 | | 150 | | 150 |
| (F) Occupant Protection(EA)..... | | 500 | | 500 | | 500 |
| (F) Combat Underage Drinking(EA)..... | | 0 | | 100 | | 205 |
| (F) Homeland Security Equipment (EA)..... | | 844 | | 472 | | 0 |
| (F) DCSI-Triggerlock (EA)..... | | 260 | | 350 | | 454 |
| (F) DCSI-PA Criminal Intelligence Center(EA)..... | | 605 | | 144 | | 0 |
| (F) Amber Alert (EA)..... | | 0 | | 40 | | 40 |
| (F) Tropical Depression Ivan (EA)..... | | 54 | | 0 | | 0 |
| (F) Public Health Preparedness (EA)..... | | 50 | | 50 | | 0 |
| (F) COPS Homeland Security OT Program (EA)..... | | 3,000 | | 0 | | 0 |
| (F) Impaired Driving Visibility Enforcement (EA)..... | | 112 | | 0 | | 175 |
| (F) ATF-PSP Partnership (EA)..... | | 0 | | 60 | | 60 |
| (F) DNA Chemistry Technicians (EA)..... | | 0 | | 100 | | 100 |
| (A) Turnpike Commission..... | | 26,371 | | 27,500 | | 28,500 |
| (A) Gaming Control Board..... | | 0 | | 0 | | 0 ^a |
| (A) Sale of Automobiles..... | | 14 | | 100 | | 100 |
| (A) Criminal History Record Checks..... | | 9,279 | | 9,000 | | 9,200 |
| (A) Training Fees..... | | 10 | | 35 | | 35 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|--------------------------|--------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| (A)Reimbursement for Services..... | 2,614 | 1,131 | 1,936 |
| (A)Criminal History Fees - DPW..... | 0 | 20 | 10 |
| (A)Bank Alarm Fees..... | 0 | 20 | 10 |
| (A)Fingerprint Record Checks..... | 272 | 170 | 190 |
| (A)Registry of Protection..... | 121 | 140 | 130 |
| (A)Purchasing Card Rebates..... | 73 | 60 | 70 |
| (A)Littering Fines..... | 6 | 25 | 25 |
| (A)Credit Card Receipts..... | 1,335 | 1,200 | 1,200 |
| (A)Photographic Services..... | 18 | 25 | 25 |
| (A)Delaware River Toll Bridge..... | 1,048 | 1,375 | 1,375 |
| (A)Transfer from Motor License Fund..... | 0 ^b | 0 ^b | 0 ^b |
| Subtotal..... | <u>\$ 224,389</u> | <u>\$ 216,896</u> | <u>\$ 243,670</u> |
| Law Enforcement Information Technology..... | 12,416 | 11,885 | 8,375 |
| (A)Transfer from Motor License Fund..... | 0 ^b | 0 ^b | 0 ^b |
| Incident Information Management System..... | 0 | 0 | 3,510 |
| (A)Transfer from Motor License Fund..... | 0 ^b | 0 ^b | 0 ^b |
| Municipal Police Training..... | 3,474 | 3,846 | 3,846 |
| (A)Transfer from Motor License Fund..... | 0 ^b | 0 ^b | 0 ^b |
| Patrol Vehicles..... | 2,517 | 0 | 0 |
| (A)Automobile Sales..... | 1,385 | 0 | 0 |
| (A)Delaware River Toll Bridge..... | 236 | 0 | 0 |
| (A)Transfer from Motor License Fund..... | 0 ^b | 0 | 0 |
| Subtotal..... | <u>\$ 4,138</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Automated Fingerprint Identification System..... | 975 | 1,226 | 1,226 |
| (F)DCSI - Palm Readers (EA)..... | 0 | 500 | 500 |
| Subtotal..... | <u>\$ 975</u> | <u>\$ 1,726</u> | <u>\$ 1,726</u> |
| Gun Checks..... | 2,221 | 0 | 900 |
| (R)Firearm Records Check..... | 1,440 | 5,807 | 3,400 |
| Gaming Administration (06/07)..... | 7,500 | 0 | 0 |
| Subtotal..... | <u>\$ 11,161</u> | <u>\$ 5,807</u> | <u>\$ 4,300</u> |
| Subtotal - State Funds..... | \$ 184,797 | \$ 157,416 | \$ 178,117 |
| Subtotal - Federal Funds..... | 27,534 | 36,136 | 41,104 |
| Subtotal - Augmentations..... | 42,782 | 40,801 | 42,806 |
| Subtotal - Restricted Revenues..... | 1,440 | 5,807 | 3,400 |
| Total - General Government..... | <u>\$ 256,553</u> | <u>\$ 240,160</u> | <u>\$ 265,427</u> |
| STATE FUNDS..... | \$ 184,797 | \$ 157,416 | \$ 178,117 |
| FEDERAL FUNDS..... | 27,534 | 36,136 | 41,104 |
| AUGMENTATIONS..... | 42,782 | 40,801 | 42,806 |
| RESTRICTED REVENUES..... | 1,440 | 5,807 | 3,400 |
| GENERAL FUND TOTAL..... | <u>\$ 256,553</u> | <u>\$ 240,160</u> | <u>\$ 265,427</u> |

MOTOR LICENSE FUND:

General Government:

| | | | |
|---|-------------------|-------------------|-------------------|
| General Government Operations..... | \$ 331,337 | \$ 380,399 | \$ 435,185 |
| Law Enforcement Information Technology..... | 26,384 | 32,135 | 22,645 |
| Incident Information Management System..... | 0 | 0 | 9,490 |
| Municipal Police Training..... | 3,509 | 3,846 | 3,846 |
| Patrol Vehicles..... | 5,401 | 10,478 | 8,821 |
| (A)Automobile Sales..... | 0 | 1,675 | 1,675 |
| Automated Fingerprint Identification System..... | 1,846 | 121 | 121 |
| Commercial Vehicles Inspection..... | 0 | 3,773 | 3,773 |
| Subtotal..... | <u>\$ 368,477</u> | <u>\$ 432,427</u> | <u>\$ 485,556</u> |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|--------------------------|--------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| Subtotal - State Funds..... | \$ 368,477 | \$ 430,752 | \$ 483,881 |
| Subtotal - Augmentations..... | 0 | 1,675 | 1,675 |
| Total - General Government..... | <u>\$ 368,477</u> | <u>\$ 432,427</u> | <u>\$ 485,556</u> |
| STATE FUNDS..... | \$ 368,477 | \$ 430,752 | \$ 483,881 |
| AUGMENTATIONS..... | 0 | 1,675 | 1,675 |
| MOTOR LICENSE FUND TOTAL..... | <u>\$ 368,477</u> | <u>\$ 432,427</u> | <u>\$ 485,556</u> |
| OTHER FUNDS: | | | |
| GENERAL FUND: | | | |
| Seized/Forfeited Property - Federal..... | \$ 400 | \$ 300 | \$ 300 |
| State Drug Act Forfeiture Funds..... | 400 | 400 | 350 |
| State Criminal Enforcement Forfeiture Funds..... | 50 | 50 | 50 |
| Crime Lab User Fees..... | 300 | 300 | 300 |
| Auto Theft and Arson Fund..... | 1,500 | 1,500 | 1,500 |
| Insurance Fraud Prevention..... | 250 | 250 | 250 |
| GENERAL FUND TOTAL..... | <u>\$ 2,900</u> | <u>\$ 2,800</u> | <u>\$ 2,750</u> |
| DNA DETECTION FUND: | | | |
| DNA Detection of Offenders(EA)..... | \$ 218 | \$ 363 | \$ 674 |
| STATE STORES FUND: | | | |
| Liquor Control Enforcement..... | \$ 19,884 | \$ 20,958 | \$ 23,322 |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 184,797 | \$ 157,416 | \$ 178,117 |
| SPECIAL FUNDS..... | 368,477 | 430,752 | 483,881 |
| FEDERAL FUNDS..... | 27,534 | 36,136 | 41,104 |
| AUGMENTATIONS..... | 42,782 | 42,476 | 44,481 |
| RESTRICTED..... | 1,440 | 5,807 | 3,400 |
| OTHER FUNDS..... | 23,002 | 24,121 | 26,746 |
| TOTAL ALL FUNDS..... | <u>\$ 648,032</u> | <u>\$ 696,708</u> | <u>\$ 777,729</u> |

^a Funding level to be determined by the Gaming Control Board based on expected level of gaming activities.

^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)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| PUBLIC PROTECTION AND LAW ENFORCEMENT | | | | | | | |
| GENERAL FUND..... | \$ 184,797 | \$ 157,416 | \$ 178,117 | \$ 179,495 | \$ 179,495 | \$ 179,495 | \$ 179,495 |
| SPECIAL FUNDS..... | 368,477 | 430,752 | 483,881 | 482,540 | 482,540 | 482,540 | 482,540 |
| FEDERAL FUNDS..... | 27,534 | 36,136 | 41,104 | 41,104 | 41,104 | 41,104 | 41,104 |
| OTHER FUNDS..... | 67,224 | 72,404 | 74,627 | 74,627 | 74,627 | 74,627 | 74,627 |
| SUBCATEGORY TOTAL..... | \$ 648,032 | \$ 696,708 | \$ 777,729 | \$ 777,766 | \$ 777,766 | \$ 777,766 | \$ 777,766 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 184,797 | \$ 157,416 | \$ 178,117 | \$ 179,495 | \$ 179,495 | \$ 179,495 | \$ 179,495 |
| SPECIAL FUNDS..... | 368,477 | 430,752 | 483,881 | 482,540 | 482,540 | 482,540 | 482,540 |
| FEDERAL FUNDS..... | 27,534 | 36,136 | 41,104 | 41,104 | 41,104 | 41,104 | 41,104 |
| OTHER FUNDS..... | 67,224 | 72,404 | 74,627 | 74,627 | 74,627 | 74,627 | 74,627 |
| DEPARTMENT TOTAL..... | \$ 648,032 | \$ 696,708 | \$ 777,729 | \$ 777,766 | \$ 777,766 | \$ 777,766 | \$ 777,766 |

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.

State-of-the-art technology is automating a full range of State Police functions. The Incident Information Management System (IIMS) is currently being implemented. Data terminals have been installed in patrol vehicles, and bar-coding capabilities are being developed 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.

In 2003, the Pennsylvania Criminal Intelligence Center (PaCIC) was implemented. The PaCIC provides analytical assistance to Pennsylvania law enforcement agencies. Trained, professional Intelligence Analysts supply law enforcement agencies with various intelligence/information products needed for tactical and strategic planning. Intelligence Analysts also offer access to archived public information, investigative information and intelligence information from a multitude of Statewide and national databases.

The State Police operational resources are coordinated through the Problem Specific Policing (PSP) initiative. The PSP is an incident analysis and police management tool that utilizes case data mapping with the goal of reducing traffic crashes and criminal activity. Its aim is to improve the quality of life of citizens. The PSP is built on the principles of accurate and timely statistical data, effective tactics, rapid deployments of existing resources and follow-up assessments.

Program Element: Vehicle Standards Control

The vehicle inspection program within the Commonwealth is conducted jointly by the Department of Transportation and the State Police. This program was established to provide vehicle safety through periodic inspection of motor vehicles and removal of unsafe vehicles from the Commonwealth's highways. The administrative supervision of motor vehicle safety inspection stations, emissions inspection stations and motor vehicle dealers was transferred to the Department

of Transportation on January 1, 1998. State Police continue to administer the school bus and mass transit vehicle inspection function; investigate complaints of improper practices by official inspection stations and motor vehicle dealers.

Program Element: Traffic Supervision

Enforcing the Commonwealth's traffic laws is a major responsibility of the State Police. The department emphasizes reducing traffic crashes and bringing the motoring public into voluntary compliance with all traffic laws through patrol and enforcement activities. Traffic patrol and enforcement is provided by the State Police in those municipalities where there are no full-time police departments and on interstate highways. Traffic assistance is also provided, upon request, to municipalities with full-time police departments.

The State Police utilize various patrol and enforcement techniques; however, the very presence of visible police patrols continues to have the greatest impact on reducing traffic crashes. In this regard, the State Police attempt to allocate patrol activities to those areas and locations with high traffic and crash 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. Enforcement efforts continue to be concentrated in areas identified by the PSP initiative.

The department continues the use of DUI Sobriety Checkpoints to combat drunk driving. Operation Nighthawk was initiated as a Statewide training and enforcement program providing legal updates, development strategies and operational tactics combined with saturation DUI enforcement teams.

The Commonwealth Commercial Vehicle Enforcement Program is a responsibility of the Pennsylvania State Police. 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 conducts the Federal Motor Carrier Safety Assistance Program (MCSAP). MCSAP consists of troopers and civilian enforcement officers 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. Beginning in 2004, the State Police became the

Program: Public Protection and Law Enforcement (continued)

primary MSCAP agency, with the transfer of program personnel and resources from the Department of Transportation. 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.

In a program sponsored by the National Highway Traffic Safety Administration, 232 Pennsylvania State Troopers are currently certified as child passenger safety technicians. The State Police maintain 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 provides assistance to municipalities in suppression of violent crime through the Operation Triggerlock Program. Under this program, the State Police 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 a wide range of law enforcement topics.

Program Element: Criminal Law Enforcement

The majority of State Police efforts in criminal law enforcement are performed at the station level and consist of investigations of violence and property crimes. At the Statewide level, there are special investigations involving drugs and narcotics, organized crime, terrorism, white-collar crime, public corruption, arson, computer crime, and criminal personality profiling.

State Police troopers, along with local, State and Federal agencies, target major drug trafficking organizations utilizing a comprehensive strategy that involves intelligence gathering, financial background information, criminal investigation and asset forfeiture proceedings.

On February 20, 2002, the Pennsylvania State Police

instituted a non-family child abduction alert notification system called the Pennsylvania Amber Alert Plan. This utilizes the Emergency Alert System to inform the public of an abduction of a child under the age of 16 or under the age of 18 with a proven mental or physical disability; and in certain instances, which the police believe the child is in danger of serious bodily harm or death.

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 83% of the Commonwealth's land area, comprising 27% of its population, and also provides assistance to a variety of local and State agencies, particularly law enforcement agencies. The department classifies emergency assistance into two separate categories: civil disorder and emergency management.

Civil disorders are incidents that may become criminal in nature in such categories as prison disturbances, labor disorders, strikes, campus-school disorders, youth group disorders, terrorism and hostage situations. Emergency management deals with prevention, mitigation and response to natural and/or man-made hazards to prevent loss of life or property, economic loss and disruption of normal living conditions.

The Office of Domestic Security (ODS) was formed in October, 2002 to administer and coordinate numerous homeland and domestic security responsibilities. ODS has four primary missions: emergency planning and preparedness, liaison to the Governor's Office of Homeland Security, facility security for department installations, and risk and vulnerability assessments for facilities and critical infrastructures.

The Special Emergency Response Team (SERT) is comprised of carefully selected, uniquely trained, and specially equipped troopers responsible for an incident-specific approach to high-risk and special emergency situations. Specially trained K-9 Dog Teams provide drug, arson, and explosive detection during emergency incidents. The department's fleet of eight helicopters and seven airplanes are frequently called upon to provide assistance during emergencies. The State Police has also established a Hazardous Device and Explosive Section as a response to bomb threats and similar security issues.

Program: Public Protection and Law Enforcement (continued)

Program Element: Liquor Control and Gaming Enforcement

The Bureau of Liquor Control Enforcement directs and controls a coordinated enforcement effort toward violations of the Pennsylvania Liquor Code and related sections of the Crimes Code. Operations include covert and overt investigations, assisting municipal police agencies, conducting routine license investigations and performing establishment audits and border patrols. The State Police have implemented a high school and middle school education program to deter minors from using alcoholic beverages. The State Police also conduct the Enforcing the Underage Drinking Laws Program to effect a change in the culture of

college students to reduce binge drinking and deglamorize underage drinking. The project consists of establishing partnerships with college administrators, college students, the alcohol industry and community members to determine and implement effective measures to reduce the harmful consequences caused by underage and binge drinking. Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, established the Gaming Control Board to regulate and oversee the implementation and operation of limited gaming activities within the Commonwealth. The Pennsylvania State Police responsibilities under the act include investigating and prosecuting criminal infractions, conducting various background checks, and, with the Gaming Control Board, enforcing Gaming laws.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Operations | | | | | | | |
| Sworn Complement (1) | 4,338 | 4,428 | 4,548 | 4,548 | 4,548 | 4,548 | 4,548 |
| Civilian Complement | 1,700 | 1,707 | 1,767 | 1,767 | 1,767 | 1,767 | 1,767 |
| Number of Troopers on Patrol* | 2,066 | 2,156 | 2,246 | 2,246 | 2,246 | 2,246 | 2,246 |
| Vehicle Standards Control | | | | | | | |
| School bus inspections | 27,830 | 27,504 | 27,748 | 27,992 | 28,216 | 28,460 | 28,640 |
| Motor Carrier Safety Inspections* | 83,818 | 86,333 | 88,923 | 91,590 | 94,338 | 97,168 | 100,083 |
| Percentage of commercial vehicles placed out-of-service* | 33% | 33% | 33% | 33% | 33% | 33% | 33% |
| Traffic Supervision | | | | | | | |
| Percentage of Commonwealth highways patrolled by the State Police* | 62% | 62% | 62% | 62% | 62% | 62% | 62% |
| Vehicle accidents* | 82,996 | 81,336 | 79,709 | 78,115 | 76,553 | 75,022 | 73,521 |
| Vehicle accident fatalities | 779 | 763 | 748 | 733 | 719 | 704 | 690 |
| Traffic citations issued | 451,160 | 462,552 | 460,017 | 457,482 | 454,947 | 452,411 | 455,000 |
| DUI arrests - individuals arrested | 12,271 | 12,099 | 12,454 | 12,820 | 13,197 | 13,585 | 13,984 |
| Criminal Law Enforcement and Crime Prevention | | | | | | | |
| Crimes per 100,000 population in State Police jurisdiction areas: | | | | | | | |
| Against persons | 156 | 156 | 151 | 146 | 140 | 136 | 131 |
| Criminal arrests | 2,712 | 2,740 | 2,810 | 2,880 | 2,950 | 3,020 | 3,080 |
| % of cleared offenses in which person was identified | 69.8% | 66.2% | 66.1% | 66.1% | 66.0% | 66.0% | 65.9% |
| % of those arrested who are convicted | 56.1% | 59.1% | 61.0% | 63.0% | 66.0% | 66.0% | 66.0% |
| Crimes per 100,000 population in State Police jurisdiction areas: | | | | | | | |
| Against property | 1,547 | 1,520 | 1,501 | 1,483 | 1,464 | 1,447 | 1,429 |
| Persons arrested | 10,312 | 10,003 | 10,122 | 10,242 | 10,364 | 10,487 | 10,612 |
| % of cleared offenses in which person was identified | 26.3% | 26.9% | 27.5% | 28.2% | 28.9% | 29.5% | 30.2% |
| % of those arrested who are convicted | 68.8% | 70.5% | 69.5% | 68.6% | 67.7% | 66.8% | 65.9% |
| Methamphetamine labs closed | 125 | 232 | 464 | 928 | 1,856 | 3,712 | 3,712 |
| Megan's Law: number of registered sex offenders* | 7,305 | 8,508 | 9,808 | 11,126 | 12,206 | 13,296 | 14,320 |
| CLEAN/NCIC Transactions* | 361,213 | 418,115 | 426,477 | 435,006 | 443,706 | 452,580 | 461,632 |
| Crime Lab | | | | | | | |
| Specimens submitted for DNA analysis | 691 | 60,000 | 60,000 | 60,000 | 55,000 | 50,000 | 45,000 |
| No-suspect DNA positive identifications | 227 | 224 | 400 | 400 | 400 | 400 | 400 |
| Fingerprint cards submitted | 281,454 | 285,000 | 297,500 | 310,738 | 323,976 | 336,935 | 350,412 |
| Cases solved through identification of latent prints | 930 | 980 | 1,025 | 1,075 | 1,125 | 1,175 | 1,225 |

Program: Public Protection and Law Enforcement (continued)

| Program Measures: (continued) | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Background Checks | | | | | | | |
| Firearms Checks: checks conducted for the purchase of a firearm | 514,287 | 540,894 | 543,298 | 545,703 | 548,107 | 550,511 | 552,713 |
| Firearm purchase denials from criminal history check | 9,705 | 8,368 | 8,435 | 8,502 | 8,568 | 8,636 | 8,706 |
| Criminal history checks for employment purposes | 1,074,325 | 1,089,527 | 1,168,222 | 1,246,316 | 1,325,610 | 1,404,305 | 1,487,671 |
| Crime Tip Line | | | | | | | |
| Terrorism Hotline calls with possible intelligence | 479 | 300 | 300 | 300 | 300 | 300 | 300 |
| Terrorism tips received | 1,038 | 1,190 | 1,390 | 1,590 | 1,790 | 1,990 | 2,190 |
| Drug tips received | 263 | 223 | 244 | 254 | 264 | 274 | 284 |
| Liquor Control Enforcement | | | | | | | |
| Enforcement investigations | 50,005 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Inspections of open liquor establishments | 2,426 | 2,450 | 2,450 | 2,450 | 2,450 | 2,450 | 2,450 |
| Warning notices issued due to Liquor Code violations** | 2,393 | 2,400 | 2,400 | 2,400 | 2,400 | 2,400 | 2,400 |

* New program measure.

(1) Additional troopers for gaming enforcement will be approved pending an agreement between the Gaming Control Board and the State Police. Sworn complement does not include additional troopers to be hired for gaming enforcement.

Specimens submitted for DNA analysis increases because Act 185 of 2004 mandates taking DNA samples from most convicted criminals.

Program Recommendations:

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

| | | |
|--|--|---|
| <p>GENERAL FUND AND MOTOR LICENSE FUND COMBINED</p> <p>General Government Operations</p> <p>\$ 1,679 —to continue current program.</p> <p>6,304 —Initiative—Additional State Troopers. To enhance public safety by increasing the number of Pennsylvania State Police enlisted personnel by 90 Troopers.</p> <p>66,604 —funding for retired Troopers health insurance costs previously distributed across all State agencies.</p> <hr/> <p>\$ 74,587 <i>Appropriation Increase</i></p> | <p>Patrol Vehicles</p> <p>—non-recurring purchases.</p> <p>—Initiative—Additional State Troopers. To acquire patrol vehicles for an additional 90 State Police Troopers.</p> <hr/> <p>\$ -1,657 <i>Appropriation Decrease</i></p> | <p>Gun Checks</p> <p>—to continue current program.</p> |
| <p>Law Enforcement Information Technology</p> <p>\$ -3,510 —to reflect transfer of Incident Information Management System costs to a new appropriation.</p> <p>Incident Information Management System</p> <p>\$ 3,510 —to reflect transfer of Incident Information Management System costs to a new appropriation.</p> | <p>STATE STORES FUND</p> <p>Liquor Control Enforcement</p> <p>—to continue current program.</p> | |

Program: Public Protection and Law Enforcement (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| General Government Operations | \$ 155,694 | \$ 140,459 | \$ 160,260 | \$ 160,438 | \$ 160,438 | \$ 160,438 | \$ 160,438 |
| Law Enforcement Information Technology | 12,416 | 11,885 | 8,375 | 8,375 | 8,375 | 8,375 | 8,375 |
| Incident Information Management System | 0 | 0 | 3,510 | 3,510 | 3,510 | 3,510 | 3,510 |
| Municipal Police Training | 3,474 | 3,846 | 3,846 | 3,846 | 3,846 | 3,846 | 3,846 |
| Patrol Vehicles | 2,517 | 0 | 0 | 0 | 0 | 0 | 0 |
| Automated Fingerprint Identification System | 975 | 1,226 | 1,226 | 1,226 | 1,226 | 1,226 | 1,226 |
| Gun Checks | 2,221 | 0 | 900 | 2,100 | 2,100 | 2,100 | 2,100 |
| Gaming Administration (06/06) | 7,500 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL GENERAL FUND | \$ 187,797 | \$ 157,416 | \$ 178,117 | \$ 179,495 | \$ 177,495 | \$ 177,495 | \$ 177,495 |
| MOTOR LICENSE FUND: | | | | | | | |
| General Government Operations | \$ 331,337 | \$ 380,399 | \$ 435,185 | \$ 435,665 | \$ 435,665 | \$ 435,665 | \$ 435,665 |
| Law Enforcement Information Technology | 26,384 | 32,135 | 22,645 | 22,645 | 22,645 | 22,645 | 22,645 |
| Incident Information Management System | 0 | 0 | 9,490 | 9,490 | 9,490 | 9,490 | 9,490 |
| Municipal Police Training | 3,509 | 3,846 | 3,846 | 3,846 | 3,846 | 3,846 | 3,846 |
| Patrol Vehicles | 5,401 | 10,478 | 8,821 | 7,000 | 7,000 | 7,000 | 7,000 |
| Automated Fingerprint Identification System | 1,846 | 121 | 121 | 121 | 121 | 121 | 121 |
| Commercial Vehicles Inspection | 0 | 3,773 | 3,773 | 3,773 | 3,773 | 3,773 | 3,773 |
| TOTAL MOTOR LICENSE FUND | \$ 368,477 | 430,752 | 483,881 | 482,540 | 482,540 | 482,540 | 482,540 |
| STATE STORES FUND: | | | | | | | |
| Liquor Control Enforcement | \$ 19,884 | \$ 20,958 | \$ 23,322 | \$ 23,322 | \$ 23,322 | \$ 23,322 | \$ 23,322 |



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)
2004-05 2005-06 2006-07
ACTUAL AVAILABLE BUDGET

GENERAL FUND:

General Government:

| | | | | | | |
|------------------------------------|----|-------|----|-------|----|-------|
| General Government Operations..... | \$ | 1,317 | \$ | 1,330 | \$ | 1,330 |
|------------------------------------|----|-------|----|-------|----|-------|

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|-----------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| EDUCATION SUPPORT SERVICES | | | | | | | |
| GENERAL FUND..... | \$ 1,317 | \$ 1,330 | \$ 1,330 | \$ 1,330 | \$ 1,330 | \$ 1,330 | \$ 1,330 |
| 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..... | \$ 1,317 | \$ 1,330 | \$ 1,330 | \$ 1,330 | \$ 1,330 | \$ 1,330 | \$ 1,330 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 1,317 | \$ 1,330 | \$ 1,330 | \$ 1,330 | \$ 1,330 | \$ 1,330 | \$ 1,330 |
| 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..... | \$ 1,317 | \$ 1,330 | \$ 1,330 | \$ 1,330 | \$ 1,330 | \$ 1,330 | \$ 1,330 |

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, 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)

The General Government Operations appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|-------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| General Government Operations | \$ 1,317 | \$ 1,330 | \$ 1,330 | \$ 1,330 | \$ 1,330 | \$ 1,330 | \$ 1,330 |



DEPARTMENT OF TRANSPORTATION

The mission of the Department of Transportation is to provide, through the active involvement of customers, employes and partners, an intermodal transportation system and services that exceed the expectation of those who use them.

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| GENERAL FUND: | | | |
| <i>General Government:</i> | | | |
| General Operations | \$ 1,793 | \$ 1,752 | \$ 1,752 |
| (F)FTA - Technical Studies Grants..... | 3,231 | 3,915 | 3,967 |
| (F)Capital Assistance..... | 143 | 153 | 300 |
| (F)Surface Transportation Assistance..... | 920 | 920 | 920 |
| (F)FTA - Capital Improvement Grants..... | 4,300 | 4,300 | 5,700 |
| (F)Title IV Rail Assistance..... | 36 | 36 | 36 |
| (F)Maglev..... | 0 | 5,000 | 5,000 |
| (R)Project Management Oversight - PTAF (EA)..... | 1,176 | 1,000 | 1,000 |
| (A)PTAF- Oversight..... | 0 ^a | 0 ^a | 0 ^a |
| Rail Safety Inspection | 434 | 434 | 434 |
| Vehicle Sales Tax Collections | 1,829 | 1,498 | 1,253 |
| Voter Registration | 901 | 410 | 377 |
| Organ Donor Operations | 99 | 0 | 0 |
| Subtotal - State Funds..... | \$ 5,056 | \$ 4,094 | \$ 3,816 |
| Subtotal - Federal Funds..... | 8,630 | 14,324 | 15,923 |
| Subtotal - Restricted Revenues..... | 1,176 | 1,000 | 1,000 |
| Total - General Government..... | \$ 14,862 | \$ 19,418 | \$ 20,739 |
| <i>Grants and Subsidies:</i> | | | |
| Mass Transportation Assistance | \$ 287,815 | \$ 293,571 | \$ 299,442 |
| Rural Transportation Assistance | 1,000 | 1,000 | 1,000 |
| (F)TANFBG - Access to Jobs..... | 10,000 | 0 | 0 |
| Fixed Route Transit | 25,000 | 10,754 | 6,754 |
| Intercity Transportation | 7,413 | 7,413 | 7,413 |
| (F)Surface Transportation - Operating..... | 13,000 | 14,100 | 14,100 |
| (F)Surface Transportation Assistance Capital..... | 1,700 | 4,000 | 4,000 |
| (F)FTA - Capital Improvements..... | 24,700 | 25,000 | 25,000 |
| (F)FTA - Intelligent Vehicles - Public Transit..... | 500 | 4,635 | 2,645 |
| (F)FTA - Intelligent Transit System Deployment..... | 0 | 14,214 | 14,214 |
| (R)Technical Assistance - PTAF (EA)..... | 5,008 | 4,793 | 1,468 |
| (R)Community Transportation Equipment Grants - PTAF (EA)..... | 1,967 | 3,240 | 2,300 |
| (R)Mass Transit Grants (EA)..... | 69,666 | 69,666 | 69,666 |
| (R)Rural Transit Grants (EA)..... | 4,134 | 4,134 | 4,134 |
| (R)Community Transportation (EA)..... | 3,304 | 1,678 | 1,200 |
| Rail Freight Assistance | 8,500 | 8,500 | 10,500 |
| (A)Reimbursement - Rail Freight Assistance..... | 13 | 10 | 0 |
| Subtotal - State Funds..... | \$ 329,728 | \$ 321,238 | \$ 325,109 |
| Subtotal - Federal Funds..... | 49,900 | 61,949 | 59,959 |
| Subtotal - Augmentations..... | 13 | 10 | 0 |
| Subtotal - Restricted Revenues..... | 84,079 | 83,511 | 78,768 |
| Total - Grants and Subsidies..... | \$ 463,720 | \$ 466,708 | \$ 463,836 |
| STATE FUNDS..... | \$ 334,784 | \$ 325,332 | \$ 328,925 |
| FEDERAL FUNDS..... | 58,530 | 76,273 | 75,882 |
| AUGMENTATIONS..... | 13 | 10 | 0 |
| RESTRICTED REVENUES..... | 85,255 | 84,511 | 79,768 |
| GENERAL FUND TOTAL | \$ 478,582 | \$ 486,126 | \$ 484,575 |
| MOTOR LICENSE FUND: | | | |
| <i>General Government:</i> | | | |
| General Government Operations | \$ 46,222 | \$ 47,022 | \$ 52,998 |
| (F)Federal Aid - Intelligent Transportation System..... | 102 | 500 | 0 |
| (A)Reimbursement - Other Agencies..... | 99 | 80 | 80 |

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
|---|-------------------|----------------------|-------------------|
| (A)Mass Transportation..... | 305 | 135 | 135 |
| (A)Duplicating Services..... | 0 | 114 | 114 |
| (A)Aviation Restricted Revenue..... | 1 | 161 | 161 |
| (A)Administrative Hearings..... | 169 | 40 | 40 |
| (A)Litter Fine Receipts..... | 81 | 9 | 9 |
| (A)Reimb Drug & Alcohol Testing..... | 32 | 30 | 60 |
| Welcome Centers..... | 2,616 | 2,616 | 2,845 |
| Highway Systems Technology..... | 16,100 | 22,100 | 22,100 |
| (A)Intelligent Transportation Systems..... | 11 | 0 | 0 |
| Subtotal..... | \$ 65,738 | \$ 72,807 | \$ 78,542 |
| Subtotal - State Funds..... | \$ 64,938 | \$ 71,738 | \$ 77,943 |
| Subtotal - Federal Funds..... | 102 | 500 | 0 |
| Subtotal - Augmentations..... | 698 | 569 | 599 |
| Total - General Government..... | \$ 65,738 | \$ 72,807 | \$ 78,542 |
| Refunds: | | | |
| Refunding Collected Monies (EA)..... | \$ 3,750 | \$ 4,750 | \$ 4,000 |
| Subtotal..... | \$ 3,750 | \$ 4,750 | \$ 4,000 |
| General Government: | | | |
| Highway and Safety Improvements..... | \$ 150,000 | \$ 150,000 | \$ 150,000 |
| Security Wall Pilot Program..... | 5,000 | 5,000 | 5,000 |
| Highway Capital Projects (EA)..... | 220,218 | 221,577 | 216,000 |
| (F)Highway Research, Planning and Construction..... | 693,803 | 940,000 | 1,000,000 |
| (F)Highway Safety - Construction (EA)..... | 100 | 100 | 100 |
| (F)Federal Disaster Reimbursement - FHWA..... | 14 | 0 | 0 |
| (A)Highway Construction Contributions..... | 6,671 | 7,000 | 10,000 |
| (A)Joint Use Leases..... | 395 | 0 | 0 |
| (A)Intern Program - PHEAA Reimbursement..... | 194 | 0 | 0 |
| (A)Reimbursement - Other Agencies..... | 75 | 0 | 0 |
| (A)Proceeds from sale of R/W..... | 125 | 0 | 0 |
| (A)Licensing Fees- Engineering Software..... | 192 | 0 | 0 |
| (A)Reimb-Accident Damage Claims..... | 1 | 0 | 0 |
| (R)Highway Capital Projects - Excise Tax (EA)..... | 62,914 | 75,439 | 85,996 |
| (R)Highway Bridge Projects (EA)..... | 95,000 | 90,000 | 90,000 |
| (R)Bridges - Excise Tax (EA)..... | 48,110 | 52,201 | 65,763 |
| (F)Federal Aid - Highway Bridge Projects..... | 219,213 | 213,000 | 220,000 |
| (A)Bridge Construction Contributions..... | 1,973 | 2,800 | 2,800 |
| (A)Bridge Reimbursement from Local Governments..... | 6 | 200 | 200 |
| Subtotal..... | \$ 1,504,004 | \$ 1,757,317 | \$ 1,845,859 |
| Highway Maintenance..... | 694,000 | 770,500 | 770,500 |
| Secondary Road - Maintenance and Resurfacing (EA)..... | 65,230 | 65,230 | 65,230 |
| Highway Maintenance Safety Projects..... | 0 | 10,000 | 15,000 |
| Smoother Roads and Priority Bridges..... | 50,000 | 50,000 | 150,000 |
| Disaster Recovery..... | 0 | 50,000 | 0 |
| Bridge Preservation..... | 0 | 28,000 | 48,000 |
| Emergency Highway and Bridge Repair..... | 0 | 5,433 | 15,000 |
| Reinvestment - Facilities..... | 9,540 | 16,540 | 16,540 |
| (F)Highway Research, Planning and Construction..... | 161,155 | 264,000 | 210,000 |
| (F)Highway Safety - Maintenance (EA)..... | 4,000 | 4,000 | 4,000 |
| (F)Federal Disaster Reimbursement - FHWA..... | 1,747 | 0 | 0 |
| (R)Highway Maintenance - Excise Tax (EA)..... | 155,434 | 188,651 | 192,462 |
| (R)Highway Maintenance Enhancement (EA)..... | 227,992 | 277,366 | 282,357 |
| (A)Highway Maintenance Contributions..... | 7,114 | 10,940 | 18,000 |
| (A)Sale of Automobiles..... | 0 | 400 | 0 |
| (A)Sale of Gas, Oil and Antifreeze..... | 20 | 50 | 0 |
| (A)Sale of Right-of-Way - Hwy Maint..... | 1 | 10 | 0 |
| (A)Sale of Equipment..... | 4,569 | 5,000 | 7,000 |
| (A)Heavy Hauling - Bonded Roads..... | 387 | 300 | 0 |

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
|---|---------------------|----------------------|---------------------|
| (A) Sale of Signs..... | 109 | 100 | 0 |
| (A) Accident Damage Claims..... | 4,089 | 5,000 | 0 |
| (A) Intern Program - PHEAA Reimbursement..... | 239 | 200 | 0 |
| Subtotal..... | <u>\$ 1,385,626</u> | <u>\$ 1,751,720</u> | <u>\$ 1,794,089</u> |
| Homeland Security - Personal ID..... | 0 | 0 | 8,800 |
| Safety Administration and Licensing..... | 124,925 | 127,708 | 129,459 |
| (F) State and Community Highway Safety..... | 204 | 700 | 600 |
| (F) Highway Safety - Safety Administration (EA)..... | 300 | 300 | 300 |
| (F) Reimbursement - Drivers License Suspension/Denial..... | 0 | 100 | 0 |
| (F) Reimbursement - Advertising Emission Inspection..... | 0 | 100 | 0 |
| (F) Congestion Mitigation Air Quality..... | 0 | 100 | 100 |
| (A) Administrative Support..... | 0 | 350 | 0 |
| (A) Computer Support..... | 8 | 100 | 70 |
| (A) Photo ID Program..... | 14,926 | 16,498 | 16,050 |
| (A) Emission Mechanic Training Courses..... | 63 | 89 | 100 |
| (A) Vehicle Sales Tax Collections..... | 0 ^b | 0 ^b | 0 ^b |
| (A) Reimbursement - Special Plates Administrative Costs..... | 15 | 50 | 50 |
| (A) Reimbursement - Data Line Charges..... | 223 | 200 | 300 |
| (A) Postage..... | 33 | 400 | 400 |
| Subtotal..... | <u>\$ 140,697</u> | <u>\$ 146,695</u> | <u>\$ 156,229</u> |
| (R) Aviation Operations..... | 4,966 | 4,966 | 4,966 |
| (F) Aviation Planning (EA)..... | 13 | 13 | 480 |
| (F) Reimbursement - Statewide Program..... | 322 | 485 | 0 |
| (F) Airport Inspections (EA)..... | 12 | 12 | 30 |
| (A) Reimbursement - Flight Operations..... | 530 | 840 | 840 |
| (A) Airport Inspections and Licensing..... | 10 | 7 | 7 |
| (A) Reimbursement - Statewide Program..... | 0 | 60 | 60 |
| Subtotal..... | <u>\$ 5,853</u> | <u>\$ 6,383</u> | <u>\$ 6,383</u> |
| Subtotal - State Funds..... | <u>\$ 1,318,913</u> | <u>\$ 1,499,988</u> | <u>\$ 1,589,529</u> |
| Subtotal - Federal Funds..... | <u>1,080,883</u> | <u>1,422,910</u> | <u>1,435,610</u> |
| Subtotal - Augmentations..... | <u>41,968</u> | <u>50,594</u> | <u>55,877</u> |
| Subtotal - Restricted Revenues..... | <u>594,416</u> | <u>688,623</u> | <u>721,544</u> |
| Total - General Government..... | <u>\$ 3,036,180</u> | <u>\$ 3,662,115</u> | <u>\$ 3,802,560</u> |
| Grants and Subsidies: | | | |
| Local Road Maintenance and Construction Payments..... | \$ 189,764 | \$ 190,639 | \$ 204,576 |
| Supplemental Local Road Maintenance & Construction Payments..... | 5,000 | 5,000 | 5,000 |
| Payment to Turnpike Commission (EA)..... | 28,000 | 28,000 | 28,000 |
| (R) Local Road Payments - Excise Tax (EA)..... | 44,455 | 55,185 | 53,705 |
| (R) Payments to Municipalities (EA)..... | 31,120 | 38,733 | 37,594 |
| (R) Local Grants for Bridge Projects (EA)..... | 25,000 | 25,000 | 25,000 |
| (R) County Bridges - Excise Tax (EA)..... | 8,488 | 10,922 | 8,055 |
| (F) Federal Aid - Local Grants for Bridge Projects..... | 604 | 1,200 | 1,000 |
| (F) Federal Aid - County Bridges..... | 328 | 200 | 200 |
| (A) Local Governments..... | 6 | 0 | 200 |
| (R) Toll Roads - Excise Tax (EA)..... | 51,551 | 55,749 | 70,003 |
| (R) Annual Maintenance Payments - Highway Transfer (EA)..... | 12,230 | 11,401 | 11,510 |
| (R) Restoration Projects - Highway Transfer (EA)..... | 14,394 | 4,900 | 3,750 |
| (R) Airport Development..... | 8,000 | 8,000 | 8,000 |
| (F) Airport Development (EA)..... | 18,000 | 18,000 | 18,000 |
| (R) Real Estate Tax Rebate..... | 250 | 250 | 250 |
| Subtotal..... | <u>\$ 437,190</u> | <u>\$ 453,179</u> | <u>\$ 474,843</u> |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|----------------------|---------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| Subtotal - State Funds..... | \$ 222,764 | \$ 223,639 | \$ 237,576 |
| Subtotal - Federal Funds..... | 18,932 | 19,400 | 19,200 |
| Subtotal - Augmentations..... | 6 | 0 | 200 |
| Subtotal - Restricted Revenues..... | 195,488 | 210,140 | 217,867 |
| Total - Grants and Subsidies..... | \$ 437,190 | \$ 453,179 | \$ 474,843 |
| | | | |
| STATE FUNDS..... | \$ 1,610,365 | \$ 1,800,115 | \$ 1,909,048 |
| FEDERAL FUNDS..... | 1,099,917 | 1,442,810 | 1,454,810 |
| AUGMENTATIONS..... | 42,672 | 51,163 | 56,676 |
| RESTRICTED REVENUES..... | 789,904 | 898,763 | 939,411 |
| MOTOR LICENSE FUND TOTAL..... | \$ 3,542,858 | \$ 4,192,851 | \$ 4,359,945 |
| | | | |
| LOTTERY FUND: | | | |
| <i>Grants and Subsidies:</i> | | | |
| Older Pennsylvanians Shared Rides (EA)..... | \$ 70,953 | \$ 73,356 | \$ 72,256 |
| Older Pennsylvanians Free Transit (EA)..... | 51,800 | 63,579 | 59,536 |
| Fixed Route Transportation..... | 0 | 16,500 | 20,500 |
| Total - Grants and Subsidies..... | \$ 122,753 | \$ 153,435 | \$ 152,292 |
| | | | |
| LOTTERY FUND TOTAL..... | \$ 122,753 | \$ 153,435 | \$ 152,292 |
| | | | |
| OTHER FUNDS: | | | |
| GENERAL FUND: | | | |
| Federal Grants - Railroad Freight Rehabilitation..... | \$ 122 | \$ 1,000 | \$ 1,000 |
| Child Passenger Restraint Fund..... | 105 | 100 | 100 |
| GENERAL FUND TOTAL..... | \$ 227 | \$ 1,100 | \$ 1,100 |
| | | | |
| MOTOR LICENSE FUND: | | | |
| Federal Reimbursements - Highway Safety Program..... | \$ 8,796 | \$ 6,700 | \$ 9,000 |
| Reimbursements to Municipalities - Vehicle Code Fines..... | 13,088 | 17,000 | 18,000 |
| Federal Reimbursements - Flood Related Costs..... | 3,156 | 2,000 | 2,000 |
| Reimbursements to Other States- Apportioned Registration Plan..... | 33,660 | 37,000 | 39,000 |
| Federal Reimbursements - Bridge Projects..... | 30,624 | 40,000 | 40,000 |
| Motorcycle Safety Education..... | 4,235 | 3,000 | 5,500 |
| Equipment Rental Security Deposits..... | 0 | 1,000 | 1,000 |
| Payments to Blind/Visually Handicapped..... | 0 | 1,600 | 1,600 |
| Federal Reimbursements - Political Subdivisions..... | 68,336 | 60,000 | 75,000 |
| License and Registration Pickups..... | 0 | 15 | 15 |
| Engineering Software Maintenance..... | 175 | 200 | 200 |
| CDL- Hazardous Material Fees..... | 33 | 0 | 700 |
| MOTOR LICENSE FUND TOTAL..... | \$ 162,103 | \$ 168,515 | \$ 192,015 |
| | | | |
| HIGHWAY BEAUTIFICATION FUND: | | | |
| Control of Junkyards (EA)..... | \$ 15 | \$ 15 | \$ 15 |
| Control of Outdoor Advertising (EA)..... | 700 | 700 | 700 |
| HIGHWAY BEAUTIFICATION FUND TOTAL..... | \$ 715 | \$ 715 | \$ 715 |
| | | | |
| INFRASTRUCTURE BANK FUND: | | | |
| Infrastructure Bank Loans (EA)..... | \$ 10,118 | \$ 12,003 | \$ 20,003 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|----------------------------|----------------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| LIQUID FUELS TAX FUND: | | | |
| Payments to Counties..... | \$ 31,120 | \$ 31,000 | \$ 38,094 |
| Auditor General's Audit Costs (EA)..... | 302 | 500 | 500 |
| LIQUID FUELS TAX FUND TOTAL..... | <u>\$ 31,422</u> | <u>\$ 31,500</u> | <u>\$ 38,594</u> |
| MOTOR VEHICLE TRANSACTION RECOVERY FUND: | | | |
| Reimbursement to Transportation..... | \$ 0 | \$ 150 | \$ 170 |
| PUBLIC TRANSPORTATION ASSISTANCE FUND: | | | |
| Mass Transit Grants (EA)..... | \$ 188,480 | \$ 170,351 | \$ 175,375 |
| Transfer to General Fund (EA)..... | 0 ^c | 0 ^c | 0 ^c |
| Rural Transit Grants (EA)..... | 4,525 | 4,001 | 4,225 |
| PUBLIC TRANSPORTATION ASSISTANCE FUND TOTAL..... | <u>\$ 193,005</u> | <u>\$ 174,352</u> | <u>\$ 179,600</u> |
| DEPARTMENT TOTAL - ALL FUNDS | | | |
| GENERAL FUND..... | \$ 334,784 | \$ 325,332 | \$ 328,925 |
| SPECIAL FUNDS..... | 1,733,118 | 1,953,550 | 2,061,340 |
| FEDERAL FUNDS..... | 1,158,447 | 1,519,083 | 1,530,692 |
| AUGMENTATIONS..... | 42,685 | 51,173 | 56,676 |
| RESTRICTED..... | 875,159 | 983,274 | 1,019,179 |
| OTHER FUNDS..... | 397,590 | 388,335 | 432,197 |
| TOTAL ALL FUNDS..... | <u>\$ 4,541,783</u> | <u>\$ 5,220,747</u> | <u>\$ 5,429,009</u> |

^a Not added to the total to avoid double counting: 2004-05 Actual is \$0, 2005-06 Available is \$10,000, and 2006-07 Budget is \$10,000.

^b Not added to the total to avoid double counting: 2004-05 Actual is \$1,829,000, 2005-06 Available is \$1,498,000, and 2006-07 Budget is \$1,253,000.

^c Not added to the total to avoid double counting: 2004-05 Actual is \$4,795,000, 2005-06 Available is \$4,784,000, and 2006-07 Budget is \$4,768,000.

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| TRANSPORTATION SUPPORT SERVICES | | | | | | | |
| GENERAL FUND..... | \$ 1,793 | \$ 1,752 | \$ 1,752 | \$ 1,752 | \$ 1,752 | \$ 1,752 | \$ 1,752 |
| SPECIAL FUNDS..... | 66,072 | 73,872 | 79,098 | 79,098 | 79,098 | 79,098 | 79,098 |
| FEDERAL FUNDS..... | 8,732 | 9,824 | 10,923 | 10,923 | 10,923 | 10,923 | 10,923 |
| OTHER FUNDS..... | 2,001 | 1,669 | 2,399 | 2,399 | 2,399 | 2,399 | 2,399 |
| SUBCATEGORY TOTAL..... | \$ 78,598 | \$ 87,117 | \$ 94,172 | \$ 94,172 | \$ 94,172 | \$ 94,172 | \$ 94,172 |
| STATE HIGHWAY AND BRIDGE CONSTRUCTION/RECONSTRUCTION | | | | | | | |
| GENERAL FUND..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 403,218 | 404,577 | 399,000 | 399,000 | 399,000 | 399,000 | 399,000 |
| FEDERAL FUNDS..... | 913,130 | 1,153,100 | 1,220,100 | 1,220,100 | 1,220,100 | 1,220,100 | 1,220,100 |
| OTHER FUNDS..... | 238,901 | 250,806 | 288,917 | 282,478 | 283,273 | 284,077 | 284,897 |
| SUBCATEGORY TOTAL..... | \$ 1,555,249 | \$ 1,808,483 | \$ 1,908,017 | \$ 1,901,578 | \$ 1,902,373 | \$ 1,903,177 | \$ 1,903,997 |
| STATE HIGHWAY AND BRIDGE MAINTENANCE | | | | | | | |
| GENERAL FUND..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 821,386 | 998,319 | 1,083,115 | 917,575 | 917,575 | 925,115 | 930,115 |
| FEDERAL FUNDS..... | 166,902 | 268,000 | 214,000 | 214,000 | 214,000 | 214,000 | 214,000 |
| OTHER FUNDS..... | 451,231 | 544,818 | 570,182 | 565,256 | 565,865 | 566,479 | 567,100 |
| SUBCATEGORY TOTAL..... | \$ 1,439,519 | \$ 1,811,137 | \$ 1,867,297 | \$ 1,696,831 | \$ 1,697,440 | \$ 1,705,594 | \$ 1,711,215 |
| LOCAL HIGHWAY AND BRIDGE ASSISTANCE | | | | | | | |
| GENERAL FUND..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 194,764 | 195,639 | 209,576 | 209,576 | 209,576 | 209,576 | 209,576 |
| FEDERAL FUNDS..... | 932 | 1,400 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| OTHER FUNDS..... | 279,163 | 294,641 | 311,408 | 311,408 | 311,408 | 311,408 | 311,408 |
| SUBCATEGORY TOTAL..... | \$ 474,859 | \$ 491,680 | \$ 522,184 | \$ 522,184 | \$ 522,184 | \$ 522,184 | \$ 522,184 |
| MASS TRANSPORTATION | | | | | | | |
| GENERAL FUND..... | \$ 289,249 | \$ 295,005 | \$ 300,876 | \$ 300,876 | \$ 300,876 | \$ 300,876 | \$ 300,876 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 10,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUNDS..... | 262,671 | 244,018 | 249,266 | 251,998 | 251,998 | 251,998 | 251,998 |
| SUBCATEGORY TOTAL..... | \$ 561,920 | \$ 539,023 | \$ 550,142 | \$ 552,874 | \$ 552,874 | \$ 552,874 | \$ 552,874 |
| INTERCITY TRANSPORTATION | | | | | | | |
| GENERAL FUND..... | \$ 15,913 | \$ 15,913 | \$ 17,913 | \$ 17,913 | \$ 17,913 | \$ 17,913 | \$ 17,913 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 39,900 | 61,949 | 59,959 | 59,959 | 59,959 | 59,959 | 59,959 |
| OTHER FUNDS..... | 9,277 | 9,937 | 6,602 | 6,612 | 6,616 | 6,627 | 6,639 |
| SUBCATEGORY TOTAL..... | \$ 65,090 | \$ 87,799 | \$ 84,474 | \$ 84,484 | \$ 84,488 | \$ 84,499 | \$ 84,511 |

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| AIR TRANSPORTATION | | | | | | | |
| GENERAL FUND..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 18,347 | 18,510 | 18,510 | 18,510 | 18,510 | 18,510 | 18,510 |
| OTHER FUNDS..... | 13,756 | 14,123 | 14,123 | 14,123 | 14,123 | 14,123 | 14,123 |
| SUBCATEGORY TOTAL..... | \$ 32,103 | \$ 32,633 | \$ 32,633 | \$ 32,633 | \$ 32,633 | \$ 32,633 | \$ 32,633 |
| SAFETY ADMINISTRATION AND LICENSING | | | | | | | |
| GENERAL FUND..... | \$ 2,829 | \$ 1,908 | \$ 1,630 | \$ 1,630 | \$ 1,630 | \$ 1,630 | \$ 1,630 |
| SPECIAL FUNDS..... | 124,925 | 127,708 | 138,259 | 140,959 | 144,989 | 144,989 | 144,989 |
| FEDERAL FUNDS..... | 504 | 1,300 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| OTHER FUNDS..... | 53,163 | 57,852 | 61,655 | 61,655 | 61,655 | 61,655 | 61,655 |
| SUBCATEGORY TOTAL..... | \$ 181,421 | \$ 188,768 | \$ 202,544 | \$ 205,244 | \$ 209,274 | \$ 209,274 | \$ 209,274 |
| OLDER PENNSYLVANIANS TRANSIT | | | | | | | |
| GENERAL FUND..... | \$ 25,000 | \$ 10,754 | \$ 6,754 | \$ 6,754 | \$ 6,754 | \$ 6,754 | \$ 6,754 |
| SPECIAL FUNDS..... | 122,753 | 153,435 | 152,292 | 152,292 | 152,292 | 152,292 | 152,292 |
| FEDERAL FUNDS..... | 0 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| OTHER FUNDS..... | 5,271 | 4,918 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 |
| SUBCATEGORY TOTAL..... | \$ 153,024 | \$ 174,107 | \$ 167,546 | \$ 167,546 | \$ 167,546 | \$ 167,546 | \$ 167,546 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 334,784 | \$ 325,332 | \$ 328,925 | \$ 328,925 | \$ 328,925 | \$ 328,925 | \$ 328,925 |
| SPECIAL FUNDS..... | 1,733,118 | 1,953,550 | 2,061,340 | 1,898,500 | 1,902,530 | 1,910,070 | 1,915,070 |
| FEDERAL FUNDS..... | 1,158,447 | 1,519,083 | 1,530,692 | 1,530,692 | 1,530,692 | 1,530,692 | 1,530,692 |
| OTHER FUNDS..... | 1,315,434 | 1,422,782 | 1,508,052 | 1,499,429 | 1,500,837 | 1,502,266 | 1,503,719 |
| DEPARTMENT TOTAL..... | \$ 4,541,783 | \$ 5,220,747 | \$ 5,429,009 | \$ 5,257,546 | \$ 5,262,984 | \$ 5,271,953 | \$ 5,278,406 |

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 including tourist promotional television spots and films. 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.

Funded within this program are various initiatives to pilot and test new technologies, material, and equipment to achieve a broad range of goals including improved traffic congestion and safety, longer life cycles for pavements and road markings, and improved efficiency in winter maintenance operations.

Also included is the Agility Program, which forges new innovative ways for the department to interact with municipal governments in order to accomplish road improvements.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Overhead costs as a percentage of department budget | 1.42% | 1.40% | 1.40% | 1.40% | 1.40% | 1.40% | 1.40% |

| Program Recommendations: | This budget recommends the following changes: (Dollar Amounts in Thousands) | |
|--|---|--|
| MOTOR LICENSE FUND | | |
| General Government Operations | | Refunding Collected Monies |
| \$ 5,976 —to continue current program and provide for administrative billings. | | \$ -750 —fewer reimbursements for overpayments needed. |

General Operations and Highway Systems Technology are recommended at the current year funding level.

| Appropriations within this Program: | (Dollar Amounts in Thousands) | | | | | | |
|---------------------------------------|-------------------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
| GENERAL FUND: | | | | | | | |
| General Operations | \$ 1,793 | \$ 1,752 | \$ 1,752 | \$ 1,752 | \$ 1,752 | \$ 1,752 | \$ 1,752 |
| MOTOR LICENSE FUND: | | | | | | | |
| General Government Operations | \$ 46,222 | \$ 47,022 | \$ 52,998 | \$ 52,998 | \$ 52,998 | \$ 52,998 | \$ 52,998 |
| Highway Systems Technology | 16,100 | 22,100 | 22,100 | 22,100 | 22,100 | 22,100 | 22,100 |
| Refunding Collected Monies (EA) | 3,750 | 4,750 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| TOTAL MOTOR LICENSE FUND | \$ 66,072 | \$ 73,872 | \$ 79,098 | \$ 79,098 | \$ 79,098 | \$ 79,098 | \$ 79,098 |

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: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Miles of new highway construction | 39 | 40 | 40 | 40 | 40 | 40 | 40 |
| Miles of Interstate reconstruction | 70 | 80 | 75 | 75 | 75 | 75 | 75 |
| Miles of non-Interstate reconstruction | 40 | 55 | 55 | 50 | 50 | 50 | 50 |
| Interstate highway system in good or excellent condition* | 65.0% | 67.1% | 68.9% | 70.4% | 70.4% | 70.4% | 70.4% |
| Interstate highway system in poor condition | 6.1% | 5.4% | 4.7% | 4.1% | 4.0% | 4.0% | 4.0% |
| NHS non-Interstate highway system in good or excellent condition* | 61.7% | 63.0% | 64.8% | 64.8% | 65.9% | 65.9% | 65.9% |
| NHS non-Interstate highway system in poor condition* | 9.8% | 9.6% | 9.2% | 8.8% | 8.8% | 8.8% | 8.8% |
| Bridges replaced/repaired | 235 | 240 | 240 | 240 | 240 | 240 | 240 |
| Structurally deficient bridges by deck area (%)* | 20.9% | 20.9% | 20.9% | 20.9% | 20.8% | 20.6% | 20.4% |
| Variance of final cost of construction versus original contract amount | 3.1% | 4.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |

Miles of Interstate and non-Interstate reconstruction decreased reflecting a lag time in data reporting.

*New program measure.

Program Recommendations:

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

Highway and Safety Improvement

New highway construction and reconstruction focuses on projects that will spur economic development. Key projects expected to be under construction in 2006-07 include reconstruction of PA 611 from the PA Turnpike to Blair Mill in Montgomery County; reconstruction of the RTs 202 / 422 ramp to I-76 in Montgomery County; reconstruction of SR 22 from the Cozy Inn Cutoff to

the intersection with RT 66 in Westmoreland County; reconstruction of RT 22 from the intersection of RT 982 to the intersection with Auction Barn Road in Westmoreland County; widen RT 61 in Deer Lake Borough in Schuylkill County; reconstruction of the RT 219 Bradford Bypass in McKean County; and reconstruction of the RT 219 Johnsonburg Bypass in Elk County.

Program: State Highway and Bridge Construction/Reconstruction (continued)

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

New construction will continue on portions of I-99 in Centre County.

Payment to the Turnpike Commission and Security Wall Pilot Program are recommended at the current year funding level.

Highway Capital Projects (EA)
 \$ -5,577 —nonrecurring projects.

Bridge Restricted Revenue

Major bridge projects to be started or continued during 2006-07 include the Ulster Bridge in Bradford County, Market Street Bridge in Lycoming County, I-80 County Line Bridge in Monroe County, Old Betzwood Bridge in Montgomery County, Dannehower/Schuylkill in Montgomery County, Pine Creek Bridge in Armstrong County, East Brady Bridge in Clarion County, Mossie Blvd. Bridge in Allegheny County, 31st Street Bridge in Allegheny County, New Alexandria Bridge in Westmoreland County.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| MOTOR LICENSE FUND: | | | | | | | |
| Highway and Safety Improvements | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 |
| Security Wall Pilot Program | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Highway Capital Projects (EA) | 220,218 | 221,577 | 216,000 | 216,000 | 216,000 | 216,000 | 216,000 |
| Payment to Turnpike Commission (EA) | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 |
| TOTAL MOTOR LICENSE FUND | \$ 403,218 | \$ 404,577 | \$ 399,000 | \$ 399,000 | \$ 399,000 | \$ 399,000 | \$ 399,000 |

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 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: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Miles of State maintained highways | 39,890 | 39,880 | 39,870 | 39,860 | 39,850 | 39,840 | 39,830 |
| Miles of State maintained highways improved: | | | | | | | |
| Structural restoration | 217 | 299 | 308 | 253 | 272 | 272 | 272 |
| Maintenance resurfacing | 2,316 | 2,898 | 3,220 | 2,853 | 2,300 | 2,300 | 2,300 |
| Surface repairs | 3,637 | 3,705 | 3,593 | 3,655 | 3,607 | 3,607 | 3,607 |
| Total | 6,170 | 6,902 | 7,121 | 6,761 | 6,179 | 6,179 | 6,179 |

Program: State Highway and Bridge Maintenance (continued)

Program Recommendations:

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

| | | | |
|------------|--|-----------|---|
| | MOTOR LICENSE FUND | | |
| | Welcome Centers | \$ 20,000 | Bridge Preservation |
| \$ 229 | —to continue current program. | | —Initiative – Bridge Preservation. To expand the bridge restoration program which extends bridge life expectancy. |
| | Highway Maintenance Safety Projects | \$ -433 | Emergency Highway and Bridge Repair |
| \$ 5,000 | —Initiative – Highway Maintenance Safety Projects. To provide additional resources for highway maintenance safety projects. | 10,000 | —nonrecurring projects. |
| | Smoother Roads and Priority Bridges | | —Initiative – Emergency Highway and Bridge Repair. To provide for emergency repairs due to storms, slide conditions and sink holes. |
| \$ 100,000 | —Initiative – Smoother Roads and Priority Bridges. To expand the pavement restoration program and to address bridge maintenance needs. | \$ 9,567 | <i>Appropriation Increase</i> |
| | Disaster Recovery | | |
| \$ -50,000 | —nonrecurring projects. | | |

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| MOTOR LICENSE FUND: | | | | | | | |
| Welcome Centers | \$ 2,616 | \$ 2,616 | \$ 2,845 | \$ 2,845 | \$ 2,845 | \$ 2,845 | \$ 2,845 |
| Highway Maintenance | 694,000 | 770,500 | 770,500 | 770,500 | 770,500 | 770,500 | 770,500 |
| Secondary Road - Maintenance and Resurfacing (EA) | 65,230 | 65,230 | 65,230 | 65,230 | 65,230 | 65,230 | 65,230 |
| Highway Maintenance Safety Projects | 0 | 10,000 | 15,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Smoother Roads and Priority Bridges | 50,000 | 50,000 | 150,000 | 35,000 | 40,000 | 45,000 | 50,000 |
| Disaster Recovery | 0 | 50,000 | 0 | 0 | 0 | 0 | 0 |
| Bridge Preservation | 0 | 28,000 | 48,000 | 15,000 | 10,000 | 10,000 | 10,000 |
| Emergency Highway and Bridge Repair ... | 0 | 5,433 | 15,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Reinvestment - Facilities | 9,540 | 16,540 | 16,540 | 14,000 | 14,000 | 16,540 | 16,540 |
| TOTAL MOTOR LICENSE FUND | \$ 821,386 | \$ 998,319 | \$ 1,083,115 | \$ 917,575 | \$ 917,575 | \$ 925,115 | \$ 930,115 |

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 fuels tax is deposited directly into the Liquid Fuels Tax Fund and apportioned to the 67 counties.
- Of the remaining eleven and one-half cents fuels tax, 20 percent is distributed from the Motor License Fund to 2,566 municipalities.

Oil Franchise Tax

- In addition to the distribution of 20 percent of the remaining eleven and one-half cent liquid fuels tax, the 2,566 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 4,560 miles of these roads have been returned to the Commonwealth's municipalities.

The General Assembly authorized improvements to local bridges through the Highway Bridge Capital Act of 1982 and subsequent amendments. Currently, there are over 6,300 local bridges larger than 20 feet maintained in the Commonwealth. As with the State bridges contained in these capital budget acts, the improvements are funded through 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. Act 26 of 1991 also provides additional local bridge assistance funds through one percent of the 55 mill oil company franchise tax.

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: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Miles of highway locally administered: | | | | | | | |
| Total | 76,165 | 76,410 | 76,670 | 76,930 | 77,200 | 77,470 | 77,750 |
| Percent of all highways in the Commonwealth | 65.6% | 65.7% | 65.8% | 65.9% | 66.0% | 66.0% | 66.1% |
| Miles of local highways improved | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 |
| Local bridges: | | | | | | | |
| Total (greater than 20 feet) | 6,311 | 6,315 | 6,320 | 6,323 | 6,323 | 6,323 | 5,323 |
| Brought up to standard through State Bridge Program | 51 | 51 | 51 | 51 | 49 | 48 | 48 |

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**

\$ 13,937 —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)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| MOTOR LICENSE FUND: | | | | | | | |
| Local Road Maintenance and Construction Payments | \$ 189,764 | \$ 190,639 | \$ 204,576 | \$ 204,576 | \$ 204,576 | \$ 204,576 | \$ 204,576 |
| Supplemental Local Road Maintenance and Construction Payments | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| TOTAL MOTOR LICENSE FUND | \$ 194,764 | \$ 195,639 | \$ 209,576 | \$ 209,576 | \$ 209,576 | \$ 209,576 | \$ 209,576 |

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. Many transit agencies in the Commonwealth, including the State's two largest agencies –SEPTA and PAT – face deficits because revenues are insufficient to meet expenditures. Proposals to develop a stable and reliable funding source for mass transportation have been proposed and will be considered through the legislative process.

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.

In addition to the funding shown in the Governor's Budget, urban mass transportation agencies receive about \$500 million in direct subsidies from the federal government. This is procedurally different from highway programs in which all Federal Highway Administration grants – whether to the state or to a local entity – must pass through the Department of Transportation. The Federal Transit Administration (FTA) is directed by Congressional legislation to provide grants directly to urban transit operators. These funds are not handled by Pennsylvania's State Treasurer, which, in effect, puts them outside the Commonwealth's budget. Included in the grants provided for mass transportation by FTA are those funds that are made available through Federal Highway Trust transfers that are commonly referred to as "flex" funds.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Passengers carried by State-assisted operators (millions annually) | 310.0 | 313.3 | 313.7 | 314.6 | 315.3 | 315.8 | 317.0 |
| Passengers per vehicle hour | 26.7 | 26.9 | 26.7 | 26.7 | 26.6 | 26.5 | 26.5 |
| Percentage share of average income of mass transit trips: | | | | | | | |
| From passenger | 34.2 | 33.1 | 41.8 | 46.3 | 48.1 | 50.3 | 52.3 |
| From Commonwealth | 45.5 | 43.8 | 42.3 | 40.7 | 39.4 | 37.8 | 36.3 |
| From Federal Government | 12.2 | 15.2 | 8.4 | 5.9 | 5.7 | 5.4 | 5.2 |
| From local government | 8.2 | 7.9 | 7.5 | 7.2 | 6.8 | 6.5 | 6.2 |

Percentage share of average income of mass transit trips reflects the increased use of Federal "flex" funding in 2004-05 thru 2006-07.

Transportation

Program: Mass Transportation (continued)

Program Recommendations:

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

Mass Transportation Assistance
 \$ 5,871 – To provide additional funding for mass transportation services.

The Rural Transportation Assistance and the Rail Safety Inspection appropriations are recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Rail Safety Inspection | \$ 434 | \$ 434 | \$ 434 | \$ 434 | \$ 434 | \$ 434 | \$ 434 |
| Mass Transportation Assistance | 287,815 | 293,571 | 299,442 | 299,442 | 299,442 | 299,442 | 299,442 |
| Rural Transportation Assistance | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| TOTAL GENERAL FUND | \$ 289,249 | \$ 295,005 | \$ 300,876 | \$ 300,876 | \$ 300,876 | \$ 300,876 | \$ 300,876 |

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 four separate intercity transportation programs: intercity bus service such as that operated by Greyhound and Trailways, Commonwealth flight services, intercity rail passenger service operated by Amtrak, and rail freight service of importance to local shippers on the State's Rail Branchline System.

The Commonwealth's intercity bus program supports systems where, without operating assistance, essential service would be terminated. It is estimated that about 500,000 passengers will utilize Commonwealth subsidized intercity bus services in 2005-06. 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 used to support intercity bus operations and supplement the existing State-sponsored program.

Intercity rail passenger service in Pennsylvania, as distinguished from local or regional commuter service, is presently provided by the National Railroad Passenger Corporation (Amtrak). The majority of the service is operated as part of Amtrak's national system without financial assistance from the Commonwealth. The department has contracted with Amtrak to provide additional service to supplement Amtrak's national system schedule. This subsidized service, the Keystone Rail Service, is provided on the Philadelphia/Harrisburg corridor and consists of 44 one-way trains per week.

The Commonwealth's rail freight network provides a competitive cost advantage for business and industry that depend upon cost effective transportation of bulk commodities.

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 70 percent of the total project cost for construction projects and 70 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 70 percent of the funding for accelerated maintenance projects not to exceed \$250,000 and 70 percent of the funding for construction projects not to exceed \$100,000.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Intercity Bus: | | | | | | | |
| Passengers handled | 400,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Subsidy per bus mile | \$0.49 | \$0.48 | \$0.50 | \$0.50 | \$0.50 | \$0.50 | \$0.50 |
| Rail Freight: | | | | | | | |
| Miles of rail lines: | | | | | | | |
| State assisted | 187 | 299 | 250 | 250 | 250 | 250 | 250 |
| Jobs created by State-supported rail freight improvements | 1,910 | 2,375 | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 |
| Additional trucks that would be needed without rail freight bulk cargo service | 326,655 | 918,839 | 825,000 | 825,000 | 825,000 | 825,000 | 825,000 |
| Intercity Rail: | | | | | | | |
| Passengers handled | 249,900 | 264,000 | 265,000 | 265,000 | 267,000 | 267,000 | 267,000 |
| Subsidy per passenger mile | \$0.38 | \$0.39 | \$0.39 | \$0.39 | \$0.39 | \$0.39 | \$0.39 |

Subsidy per bus mile reflects increased use of Federal funds.

Program: Intercity Transportation (continued)

Program Recommendations:

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

Rail Freight Assistance
 \$ 2,000 —to continue current program.

Intercity Transportation is recommended at current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Intercity Transportation | \$ 7,413 | \$ 7,413 | \$ 7,413 | \$ 7,413 | \$ 7,413 | \$ 7,413 | \$ 7,413 |
| Rail Freight Assistance | 8,500 | 8,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 |
| TOTAL GENERAL FUND | \$ 15,913 | \$ 15,913 | \$ 17,913 | \$ 17,913 | \$ 17,913 | \$ 17,913 | \$ 17,913 |

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 fifth 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. The department provides programs to improve the safety and effectiveness of the Commonwealth's aviation network, including an airport inspection and licensing program. The department 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, is receiving 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: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Airports receiving State grants: | | | | | | | |
| Airport development grants | 62 | 61 | 56 | 61 | 62 | 65 | 65 |
| Percentage of public use airports with runways in need of improvement | 17% | 12% | 12% | 10% | 9% | 7% | 9% |

Percentage of public use airports with runways in need of improvement has decreased to reflect project readiness and available funding.

Program Recommendations:

The budget recommends the Airport Development Grants Program at the \$8 million level. 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 10.9 million vehicles were registered under Pennsylvania's annual renewal cycle. This total included over 189,000 heavy trucks greater than 17,000 pounds and more than 140,000 trailers greater than 10,000 pounds. The number of licensed drivers has remained consistent over the past few years at 8.4 million, including 400,000 commercial drivers. The four-year driver's 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. Almost 860,000 driving knowledge and skills tests were conducted in fiscal year 2004-05 so those applicants can be certified to operate passenger and commercial vehicles and motorcycles. A Statewide network of facilities is utilized to conduct written, oral and skills tests.

The safety inspection program for the Commonwealth's more than 10 million motor vehicles is intended to minimize traffic accidents due to mechanical failure. As required by the Federal Clean Air Act Amendments of 1990, the Commonwealth operates an annual Vehicle Emissions Inspection Program in twenty-five counties affecting approximately 6.6 million vehicles. These counties are Allegheny, Beaver, Berks, Blair, Bucks, Cambria, Centre, Chester, Cumberland, Dauphin, Delaware, Erie, Lackawanna, Lancaster, Lebanon, Lehigh, Luzerne, Lycoming, Mercer, Montgomery, Northampton, Philadelphia, Washington, Westmoreland and York. In the remaining 42 counties not required to participate in the emissions inspection program, the annual safety inspection program incorporates a visual anti-tampering check for the presence of Federally-required emission control components that were installed on the vehicle by the manufacturer. Pennsylvania enforcement officials are responsible for the issuance of citations for vehicle code violations. Over one-half of the 1.9 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. 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 100 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 220 messenger sites, processing 1.6 million customer inquiries. 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. On May 16, 2001, PENNDOT successfully implemented its Internet renewal system for use by the general public. This program gives customers the ability to renew their non-commercial driver's license, photo identification card or vehicle registration via the Internet. As of August 2005, over 4.9 million driver license and vehicle registrations renewals have been completed using the Internet renewal service. Over 17.5% of those eligible for on-line driver license and vehicle registration renewals chose the Internet in August 2005. Online driver history requests

Program: Safety Administration and Licensing (continued)

for individuals and businesses were implemented in May 2002. As of August 2005, close to 98,000 individual driver histories have been provided on-line and 1,050 business accounts have been issued. Over 201,000 business requests for driver histories have been conducted on-line. An Internet change of address service was implemented in August 2002. To date, 524,000 vehicle registration and driver license address changes have been completed through

the on-line services. Online exam scheduling was implemented in November 2002. Over 464,000 driver license skill tests have been scheduled by customers via the Internet. An on-line survey is used to measure our customer's satisfaction with these Internet services. The survey provides customers the opportunity to rate Internet services; the site is being rated at over 4.7 (on a scale of 1 to 5) for both ease-of-use and overall performance.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---------------------------------------|------------|------------|------------|------------|------------|------------|------------|
| Vehicles inspected: | | | | | | | |
| Safety inspections | 10,650,000 | 10,700,000 | 10,800,000 | 10,915,000 | 11,025,000 | 11,134,000 | 11,245,000 |
| Emission inspections | 6,450,000 | 6,600,000 | 6,666,000 | 6,730,000 | 6,800,000 | 6,868,000 | 6,935,000 |
| Registrations: | | | | | | | |
| New | 1,550,000 | 1,584,000 | 1,600,000 | 1,616,000 | 1,632,000 | 1,648,000 | 1,664,000 |
| Renewed | 8,467,000 | 8,452,000 | 8,537,000 | 8,622,000 | 8,708,000 | 8,795,000 | 8,883,000 |
| Licensed drivers: | | | | | | | |
| New | 310,738 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| Renewed | 2,066,319 | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 |
| New commercial drivers licensed | 13,931 | 13,600 | 13,600 | 13,600 | 13,600 | 13,600 | 13,600 |
| Photo identification cards issued | | | | | | | |
| (non-driver photo) | 320,097 | 320,000 | 320,000 | 320,000 | 320,000 | 320,000 | 320,000 |
| Service Center customers served | | | | | | | |
| within 30 minutes | 95.9% | 99% | 99% | 99% | 99% | 99% | 99% |
| Access rate of driver and vehicle | | | | | | | |
| services call center | 84.3% | 95% | 95% | 95% | 95% | 95% | 95% |

Program Recommendations:

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

| | |
|--|--|
| <p>GENERAL FUND Vehicle Sales Tax Collections \$ -245 —nonrecurring costs.</p> <p>Voter Registration \$ -33 —nonrecurring costs.</p> | <p>MOTOR LICENSE FUND Safety Administration and Licensing \$ 1,751 —to continue current program.</p> <p>Homeland Security - Personal ID \$ 8,800 —Initiative – REAL ID Act. To improve the issuance of drivers license/ID cards and products, as well as to reduce fraud and improve security.</p> |
|--|--|

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Vehicle Sales Tax Collections | \$ 1,829 | \$ 1,498 | \$ 1,253 | \$ 1,253 | \$ 1,253 | \$ 1,253 | \$ 1,253 |
| Voter Registration | 901 | 410 | 377 | 377 | 377 | 377 | 377 |
| Organ Donor Operations | 99 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL GENERAL FUND | \$ 2,829 | \$ 1,908 | \$ 1,630 | \$ 1,630 | \$ 1,630 | \$ 1,630 | \$ 1,630 |
| MOTOR LICENSE FUND: | | | | | | | |
| Safety Administration and Licensing | \$ 124,925 | \$ 127,708 | \$ 129,459 | \$ 129,459 | \$ 129,459 | \$ 129,459 | \$ 129,459 |
| Homeland Security - Personal ID | 0 | 0 | 8,800 | 11,500 | 15,530 | 15,530 | 15,530 |
| TOTAL MOTOR LICENSE FUND | \$ 124,925 | \$ 127,708 | \$ 138,259 | \$ 140,959 | \$ 144,989 | \$ 144,989 | \$ 144,989 |

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 and the Fixed Route Transit appropriation in the General Fund. 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. In 24 counties, persons with disabilities who are not eligible for other public funded transportation are receiving discounted fares on shared ride transportation services, making that service affordable. In 2003-04, persons with disabilities made over 110,000 shared ride trips at discounted fares. In 2004-05, trips increased to nearly 140,000 and will exceed 150,000 in 2005-06.

| Program Measures: | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|------------|------------|------------|------------|------------|------------|------------|
| Free transit trips | 38,694,428 | 38,694,428 | 39,472,619 | 40,262,066 | 41,067,307 | 41,888,650 | 42,726,424 |
| Trips on State assisted shared ride vehicles | 5,374,614 | 5,458,462 | 5,522,700 | 5,633,000 | 5,746,000 | 5,861,000 | 5,978,000 |
| Cost to the Commonwealth per trip: | | | | | | | |
| Free Transit | \$1.87 | \$1.86 | \$2.06 | \$2.06 | \$2.06 | \$2.06 | \$2.06 |
| State assisted shared ride vehicles | \$12.01 | \$12.49 | \$13.08 | \$13.73 | \$14.42 | \$15.14 | \$15.90 |

Program Recommendations:

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

| | |
|---|--|
| <p>GENERAL FUND Fixed Route Transit \$ -4,000 —to transfer a portion of the program to the Lottery Fund.</p> | <p>Older Pennsylvanians Free Transit \$ -4,043 —to continue current program based on transit system projections.</p> |
| <p>LOTTERY FUND Older Pennsylvanians Shared Rides \$ -1,100 —to continue current program based on transit system projections.</p> | <p>Fixed Route Transportation \$ 4,000 —to continue current program.</p> |

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Fixed Route Transit | \$ 25,000 | \$ 10,754 | \$ 6,754 | \$ 6,754 | \$ 6,754 | \$ 6,754 | \$ 6,754 |
| LOTTERY FUND: | | | | | | | |
| Older Pennsylvanians Shared Rides (EA) \$ | 70,953 | \$ 73,356 | \$ 72,256 | \$ 72,256 | \$ 72,256 | \$ 72,256 | \$ 72,256 |
| Older Pennsylvanians Free Transit (EA) .. | 51,800 | 63,579 | 59,536 | 59,536 | 59,536 | 59,536 | 59,536 |
| Fixed Route Transportation | 0 | 16,500 | 20,500 | 20,500 | 20,500 | 20,500 | 20,500 |
| TOTAL LOTTERY FUND | \$ 122,753 | \$ 153,435 | \$ 152,292 | \$ 152,292 | \$ 152,292 | \$ 152,292 | \$ 152,292 |



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)
 2004-05 2005-06 2006-07
 ACTUAL AVAILABLE BUDGET

GENERAL FUND:

General Government:

Senate:

| | | | |
|--|------------|------------|------------|
| Fifty Senators..... | \$ 4,960 | \$ 6,700 | \$ 6,700 |
| Senate President - Personnel Expenses..... | 300 | 315 | 315 |
| Employees of Chief Clerk..... | 5,945 | 6,000 | 6,000 |
| Salaried Officers and Employees..... | 8,648 | 9,000 | 9,000 |
| Incidental Expenses..... | 3,226 | 3,226 | 3,226 |
| Postage - Chief Clerk and Legislative Journal..... | 1,461 | 1,465 | 1,465 |
| President..... | 5 | 0 | 0 |
| President Pro Tempore..... | 20 | 0 | 0 |
| President and President Pro Tempore..... | 0 | 25 | 25 |
| Expenses - Senators..... | 1,329 | 1,329 | 1,329 |
| Legislative Printing and Expenses..... | 18,592 | 18,592 | 18,592 |
| Computer Services (R)..... | 5,145 | 0 | 0 |
| Computer Services (D)..... | 5,145 | 0 | 0 |
| Computer Services (R) and (D)..... | 0 | 10,700 | 10,700 |
| Committee on Appropriations (R)..... | 4,498 | 0 | 0 |
| Committee on Appropriations (D)..... | 4,498 | 0 | 0 |
| Committee on Appropriations (R) and (D)..... | 0 | 9,800 | 9,800 |
| Caucus Operations (R) and (D)..... | 0 | 38,500 | 38,500 |
| Caucus Operations (R)..... | 18,800 | 0 | 0 |
| Caucus Operations (D)..... | 18,800 | 0 | 0 |
| Committee and Contingent Expenses (R) and (D)..... | 0 | 658 | 658 |
| Committee and Contingent (R)..... | 229 | 0 | 0 |
| Committee and Contingent (D)..... | 229 | 0 | 0 |
| Senate Flag Purchase..... | 24 | 24 | 24 |
| Subtotal..... | \$ 101,854 | \$ 106,334 | \$ 106,334 |

House of Representatives:

| | | | |
|--|-----------|-----------|-----------|
| Members' Salaries, Speaker's Extra Compensation..... | \$ 19,222 | \$ 19,222 | \$ 19,222 |
| House Employes (R)..... | 20,225 | 0 | 0 |
| House Employes (D)..... | 20,225 | 0 | 0 |
| House Employees (R) and (D)..... | 0 | 40,450 | 40,450 |
| Speaker's Office..... | 897 | 897 | 897 |
| Bi-Partisan Committee, Chief Clerk, Comptroller & EMS..... | 12,209 | 12,814 | 12,814 |
| Mileage - Representatives, Officers and Employees..... | 300 | 400 | 400 |
| Chief Clerk and Legislative Journal..... | 2,000 | 3,000 | 3,000 |
| Speaker..... | 20 | 0 | 0 |
| Chief Clerk..... | 643 | 0 | 0 |
| Floor Leader (R)..... | 7 | 0 | 0 |
| Floor Leader (D)..... | 7 | 0 | 0 |
| Whip (R)..... | 6 | 0 | 0 |
| Whip (D)..... | 6 | 0 | 0 |
| Chairman - Caucus (R)..... | 3 | 0 | 0 |
| Chairman - Caucus (D)..... | 3 | 0 | 0 |
| Secretary - Caucus (R)..... | 3 | 0 | 0 |
| Secretary - Caucus (D)..... | 3 | 0 | 0 |
| Chairman - Appropriations Committee (R)..... | 6 | 0 | 0 |
| Chairman - Appropriations Committee (D)..... | 6 | 0 | 0 |
| Chairman - Policy Committee (R)..... | 2 | 0 | 0 |
| Chairman - Policy Committee (D)..... | 2 | 0 | 0 |
| Caucus Administrator (R)..... | 2 | 0 | 0 |
| Caucus Administrator (D)..... | 2 | 0 | 0 |
| Administrator for Staff (R)..... | 20 | 0 | 0 |
| Administrator for Staff (D)..... | 20 | 0 | 0 |
| Contingent Expenses (R) and (D)..... | 0 | 761 | 761 |
| Legislative Office for Research Liaison..... | 677 | 756 | 756 |

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
|--|-------------------|----------------------|-------------------|
| Incidental Expenses..... | 7,845 | 8,845 | 8,845 |
| Expenses - Representatives..... | 5,133 | 5,133 | 5,133 |
| Legislative Printing and Expenses..... | 16,000 | 18,000 | 18,000 |
| National Legislative Conference - Expenses..... | 294 | 527 | 527 |
| Committee on Appropriations (R)..... | 5,730 | 0 | 0 |
| Committee on Appropriations (D)..... | 5,730 | 0 | 0 |
| Committee on Appropriations (R) and (D)..... | 0 | 11,460 | 11,460 |
| Special Leadership Account (R)..... | 13,329 | 0 | 0 |
| Special Leadership Account (D)..... | 13,329 | 0 | 0 |
| Special Leadership Account (R) and (D)..... | 0 | 26,658 | 26,658 |
| Legislative Management Committee (R)..... | 21,657 | 0 | 0 |
| Legislative Management Committee (D)..... | 21,657 | 0 | 0 |
| Legislative Management Committee (R) and (D)..... | 0 | 42,314 | 42,314 |
| House Flag Purchase..... | 24 | 24 | 24 |
| Information Technology..... | 16,000 | 13,000 | 13,000 |
| School for New Members..... | 15 | 15 | 15 |
| Subtotal..... | \$ 203,259 | \$ 204,276 | \$ 204,276 |
| Legislative Reference Bureau: | | | |
| Legislative Reference Bureau - Salaries & Expenses..... | \$ 7,598 | \$ 7,598 | \$ 7,598 |
| Contingent Expenses..... | 20 | 20 | 20 |
| Printing of PA Bulletin and PA Code..... | 795 | 795 | 795 |
| Subtotal..... | \$ 8,413 | \$ 8,413 | \$ 8,413 |
| Legislative Budget and Finance Committee..... | | | |
| Commonwealth Mail Processing Center..... | \$ 2,250 | \$ 2,250 | \$ 2,250 |
| | 925 | 1,300 | 1,300 |
| Legislative Miscellaneous and Commissions: | | | |
| Legislative Data Processing Center..... | \$ 3,751 | \$ 3,751 | \$ 3,751 |
| Joint State Government Commission..... | 1,795 | 1,795 | 1,795 |
| Local Government Commission..... | 1,159 | 1,159 | 1,159 |
| Local Government Codes..... | 28 | 28 | 28 |
| Joint Legislative Air and Water Pollution Control Committee..... | 498 | 498 | 498 |
| Legislative Audit Advisory Commission..... | 168 | 178 | 178 |
| Independent Regulatory Review Commission..... | 1,850 | 1,850 | 1,850 |
| Capitol Preservation Committee..... | 967 | 900 | 900 |
| Capitol Restoration..... | 4,150 | 4,150 | 4,150 |
| Flag Conservation..... | 60 | 60 | 60 |
| Colonial History..... | 197 | 197 | 197 |
| Capitol Centennial..... | 250 | 250 | 250 |
| Rare Books Conservation..... | 400 | 400 | 400 |
| North Office Building Restoration..... | 1,067 | 0 | 0 |
| Commission on Sentencing..... | 992 | 1,120 | 1,120 |
| (F)NCHIP - Criminal Identification Technology (EA)..... | 305 | 462 | 322 |
| (F)DCSI - Web Expansion and JNET Interface (EA)..... | 5 | 0 | 0 |
| (F)DCSI - JNET Information Technology (EA)..... | 132 | 210 | 0 |
| (F)DCSI - Research and Data Management (EA)..... | 1,039 | 900 | 817 |
| Center For Rural Pennsylvania..... | 1,050 | 1,100 | 1,100 |
| Host State Committee Expenses CSG..... | 0 | 200 | 200 |
| Pennsylvania Policy Database..... | 0 | 160 | 160 |
| Health Care Cost Containment Council..... | 4,019 | 4,019 | 4,019 |
| State Ethics Commission..... | 1,805 | 1,805 | 1,805 |
| Subtotal..... | \$ 25,687 | \$ 25,192 | \$ 24,759 |
| Subtotal - State Funds..... | \$ 340,907 | \$ 346,193 | \$ 346,193 |
| Subtotal - Federal Funds..... | 1,481 | 1,572 | 1,139 |
| Total - General Government..... | \$ 342,388 | \$ 347,765 | \$ 347,332 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--------------------------------|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| STATE FUNDS..... | \$ 340,907 | \$ 346,193 | \$ 346,193 |
| FEDERAL FUNDS..... | 1,481 | 1,572 | 1,139 |
| GENERAL FUND TOTAL..... | \$ 342,388 | \$ 347,765 | \$ 347,332 |

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|-------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| LEGISLATURE | | | | | | | |
| GENERAL FUND..... | \$ 340,907 | \$ 346,193 | \$ 346,193 | \$ 346,193 | \$ 346,193 | \$ 346,193 | \$ 346,193 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 1,481 | 1,572 | 1,139 | 1,139 | 1,139 | 1,139 | 1,139 |
| OTHER FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUBCATEGORY TOTAL..... | \$ 342,388 | \$ 347,765 | \$ 347,332 | \$ 347,332 | \$ 347,332 | \$ 347,332 | \$ 347,332 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 340,907 | \$ 346,193 | \$ 346,193 | \$ 346,193 | \$ 346,193 | \$ 346,193 | \$ 346,193 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 1,481 | 1,572 | 1,139 | 1,139 | 1,139 | 1,139 | 1,139 |
| OTHER FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DEPARTMENT TOTAL..... | \$ 342,388 | \$ 347,765 | \$ 347,332 | \$ 347,332 | \$ 347,332 | \$ 347,332 | \$ 347,332 |

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)

All appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| TOTAL GENERAL FUND | \$ 340,907 | \$ 346,193 | \$ 346,193 | \$ 346,193 | \$ 346,193 | \$ 346,193 | \$ 346,193 |



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) | | |
|---|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| GENERAL FUND: | | | |
| <i>General Government:</i> | | | |
| Supreme Court: | | | |
| Supreme Court..... | \$ 13,151 | \$ 13,801 | \$ 13,801 |
| (A) Filing Fees..... | 404 | 346 | 346 |
| Justices Expenses..... | 180 | 180 | 180 |
| Judicial Council..... | 340 | 406 | 406 |
| County Court Administrators..... | 15,035 | 16,400 | 16,400 |
| Court Management Education..... | 69 | 157 | 157 |
| (A) Court Management Program..... | 10 | 5 | 9 |
| Civil Procedural Rules Committee..... | 423 | 423 | 423 |
| Appellate/Orphans Rules Committee..... | 180 | 180 | 180 |
| Rules of Evidence Committee..... | 169 | 169 | 169 |
| Minor Court Rules Committee..... | 178 | 178 | 178 |
| Criminal Procedural Rules Committee..... | 430 | 430 | 430 |
| Domestic Relations Committee..... | 203 | 203 | 203 |
| Juvenile Court Rules Committee..... | 198 | 198 | 198 |
| Court Administrator..... | 8,945 | 9,220 | 9,220 |
| (F) Court Improvement Project..... | 0 | 430 | 425 |
| (A) Miscellaneous..... | 7 | 6 | 7 |
| Integrated Criminal Justice System..... | 2,095 | 2,095 | 2,095 |
| (R) Judicial Computer System..... | 42,261 | 41,727 | 41,727 |
| Unified Judicial System Security..... | 5,156 | 0 | 0 |
| Unified Judicial System Security (06/07)..... | 0 | 1,058 | 1,058 |
| Subtotal..... | \$ 89,434 | \$ 87,612 | \$ 87,612 |
| Superior Court: | | | |
| Superior Court..... | \$ 26,679 | \$ 26,679 | \$ 26,679 |
| (A) Filing Fees..... | 223 | 265 | 265 |
| Judges Expenses..... | 237 | 237 | 237 |
| Subtotal..... | \$ 27,139 | \$ 27,181 | \$ 27,181 |
| Commonwealth Court: | | | |
| Commonwealth Court..... | \$ 16,060 | \$ 16,060 | \$ 16,060 |
| (A) Filing Fees..... | 192 | 200 | 200 |
| Judges Expenses..... | 143 | 143 | 143 |
| Subtotal..... | \$ 16,395 | \$ 16,403 | \$ 16,403 |
| Courts of Common Pleas: | | | |
| Courts of Common Pleas..... | \$ 68,436 | \$ 68,436 | \$ 68,436 |
| (A) Filing Fees..... | 20 | 0 | 0 |
| Senior Judges..... | 3,592 | 4,217 | 4,217 |
| Judicial Education..... | 953 | 1,346 | 1,346 |
| Ethics Committee..... | 40 | 40 | 40 |
| Subtotal..... | \$ 73,041 | \$ 74,039 | \$ 74,039 |
| Magisterial District Judges: | | | |
| Magisterial District Judges..... | \$ 55,282 | \$ 56,303 | \$ 56,303 |
| Magisterial District Judge Education..... | 605 | 605 | 605 |
| (A) Registration Fees..... | 38 | 31 | 37 |
| (A) Miscellaneous..... | 100 | 0 | 0 |
| Subtotal..... | \$ 56,025 | \$ 56,939 | \$ 56,945 |
| Philadelphia Courts: | | | |
| Traffic Court..... | \$ 840 | \$ 924 | \$ 924 |
| Municipal Court..... | 4,760 | 5,842 | 5,842 |

Summary by Fund and Appropriation

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|----------------------|-------------------|
| | 2004-05 ACTUAL | 2005-06 AVAILABLE | 2006-07 BUDGET |
| Law Clerks..... | 39 | 39 | 39 |
| Domestic Violence Services..... | 204 | 204 | 204 |
| Subtotal..... | \$ 5,843 | \$ 7,009 | \$ 7,009 |
| | | | |
| Judicial Conduct Board..... | \$ 1,202 | \$ 1,202 | \$ 1,202 |
| Court of Judicial Discipline..... | 451 | 451 | 451 |
| Subtotal - State Funds..... | \$ 226,275 | \$ 227,826 | \$ 227,826 |
| Subtotal - Federal Funds..... | 0 | 430 | 425 |
| Subtotal - Augmentations..... | 994 | 853 | 864 |
| Subtotal - Restricted Revenues..... | 42,261 | 41,727 | 41,727 |
| Total - General Government..... | \$ 269,530 | \$ 270,836 | \$ 270,842 |
| | | | |
| Grants and Subsidies: | | | |
| Reimbursement of County Costs: | | | |
| Jurors..... | \$ 1,369 | \$ 1,369 | \$ 1,369 |
| County Courts..... | 32,125 | 33,036 | 33,036 |
| Senior Judge..... | 1,321 | 2,000 | 2,000 |
| Gun Court Reimbursements (06/07)..... | 525 | 125 | 0 |
| Court Consolidation..... | 0 | 949 | 0 |
| Subtotal..... | \$ 35,340 | \$ 37,479 | \$ 36,405 |
| Total - Grants and Subsidies..... | \$ 35,340 | \$ 37,479 | \$ 36,405 |
| | | | |
| STATE FUNDS..... | \$ 261,615 | \$ 265,305 | \$ 264,231 |
| FEDERAL FUNDS..... | 0 | 430 | 425 |
| AUGMENTATIONS..... | 994 | 853 | 864 |
| RESTRICTED REVENUES..... | 42,261 | 41,727 | 41,727 |
| GENERAL FUND TOTAL..... | \$ 304,870 | \$ 308,315 | \$ 307,247 |

Program Funding Summary

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|-------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| STATE JUDICIAL SYSTEM | | | | | | | |
| GENERAL FUND..... | \$ 261,615 | \$ 265,305 | \$ 264,231 | \$ 264,231 | \$ 264,231 | \$ 264,231 | \$ 264,231 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 0 | 430 | 425 | 425 | 425 | 425 | 425 |
| OTHER FUNDS..... | 43,255 | 42,580 | 42,591 | 42,591 | 42,591 | 42,591 | 42,591 |
| SUBCATEGORY TOTAL..... | \$ 304,870 | \$ 308,315 | \$ 307,247 | \$ 307,247 | \$ 307,247 | \$ 307,247 | \$ 307,247 |
| ALL PROGRAMS: | | | | | | | |
| GENERAL FUND..... | \$ 261,615 | \$ 265,305 | \$ 264,231 | \$ 264,231 | \$ 264,231 | \$ 264,231 | \$ 264,231 |
| SPECIAL FUNDS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS..... | 0 | 430 | 425 | 425 | 425 | 425 | 425 |
| OTHER FUNDS..... | 43,255 | 42,580 | 42,591 | 42,591 | 42,591 | 42,591 | 42,591 |
| DEPARTMENT TOTAL..... | \$ 304,870 | \$ 308,315 | \$ 307,247 | \$ 307,247 | \$ 307,247 | \$ 307,247 | \$ 307,247 |

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 Magisterial Judges (formerly termed "District Justices").

At the first level in the court system are the special courts. In counties other than Philadelphia, these courts are presided over by Magisterial Judges who have jurisdiction over summary criminal cases, landlord-tenant matters and other civil actions where the amount claimed does not exceed \$8,000. They also have jurisdiction to issue warrants, hold arraignments and preliminary hearings in all criminal cases, and to accept guilty pleas under certain circumstances.

Although Magisterial District Judges need not be lawyers, they must complete an educational course and pass a qualifying examination administered by the Minor Judiciary Education Board 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 Magisterial Judges. The Philadelphia Traffic Court, composed of seven judges, has jurisdiction over all summary offenses under the Motor Vehicle Code and related city ordinances.

The Supreme Court of Pennsylvania recently established by Order an administrative judicial unit within the Fifth Judicial District (Allegheny County) known as "Pittsburgh Municipal Court". Most matters that were previously assigned to Pittsburgh Magistrates Court have been assigned to this court, with the exception of Housing Court matters. Housing Court matters will be transferred to Pittsburgh Municipal Court shortly. The Pittsburgh Municipal Court will be staffed by Magisterial District judges from districts within the City of Pittsburgh and throughout Allegheny County and will be assigned to sit on the court by the president judge of the Fifth Judicial District.

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.

In accordance with the State Constitution and statute, there is a two-tiered judicial disciplinary system. The role of the first tier, the Judicial Conduct Board, is to investigate complaints regarding judicial conduct. Hearings are conducted by the second tier, the Court of Judicial Discipline, to determine whether a sanction should be imposed upon a member of the Judiciary.

As defined by the State Constitution, statute and court rule, the Administrative Office of Pennsylvania Courts (AOPC) is the administrative arm of the Supreme Court, assisting that Court in its oversight responsibility of the Commonwealth's Unified Judicial System. The AOPC provides services for approximately 2,100 members of the Judiciary and staff, including budgeting, accounting, benefits and retirement counseling, legal representation, policy guidance, technical advice, education, research, legislative affairs, communications, administration and development of the judicial computer project and data processing.

The Judicial Computer System has the ultimate goal of computerization of the entire judiciary. Automated systems presently in place are the District Justice System (DJS) which serves the 555 Magisterial District Judge offices; the Pennsylvania Appellate Courts Case Management System (PACMS), which is the integrated, automated case management system that serves the three appellate courts; and the Administrative Services Application Program (ASAP) which serves the court's administrative needs, including accounting, budgeting, payroll and human resources functions. The system presently being implemented is the Common Pleas Criminal Case Management System (CPCMS), which will automate the trial courts throughout Pennsylvania. As of December 31, 2005, the CPCMS has been implemented in 62 counties; the remaining counties will be moved on to CPCMS during calendar years 2006 and 2007. Later phases will extend automation to the civil courts. The Judiciary has been an active participant in the Commonwealth's multi-agency Integrated Criminal Justice Network (commonly known as JNET) from its inception, and provides it with important data from its automated systems.

Program: State Judicial System (continued)

Program Recommendations: (continued)

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

Gun Court Reimbursements
\$ -125 —nonrecurring appropriation.

Court Consolidation
\$ -949 —nonrecurring appropriation.

This budget recommends all appropriations either at levels based on estimated revenues or at levels to carry current programs forward.

Appropriations within this Program:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND: | | | | | | | |
| Supreme Court | \$ 13,151 | \$ 13,801 | \$ 13,801 | \$ 13,801 | \$ 13,801 | \$ 13,801 | \$ 13,801 |
| Justices Expenses | 180 | 180 | 180 | 180 | 180 | 180 | 180 |
| Judicial Council | 340 | 406 | 406 | 406 | 406 | 406 | 406 |
| County Court Administrators | 15,035 | 16,400 | 16,400 | 16,400 | 16,400 | 16,400 | 16,400 |
| Court Management Education | 69 | 157 | 157 | 157 | 157 | 157 | 157 |
| Civil Procedural Rules Committee | 423 | 423 | 423 | 423 | 423 | 423 | 423 |
| Appellate/Orphans Rules Committee | 180 | 180 | 180 | 180 | 180 | 180 | 180 |
| Rules of Evidence Committee | 169 | 169 | 169 | 169 | 169 | 169 | 169 |
| Minor Court Rules Committee | 178 | 178 | 178 | 178 | 178 | 178 | 178 |
| Criminal Procedural Rules Committee | 430 | 430 | 430 | 430 | 430 | 430 | 430 |
| Domestic Relations Committee | 203 | 203 | 203 | 203 | 203 | 203 | 203 |
| Juvenile Court Rules Committee | 198 | 198 | 198 | 198 | 198 | 198 | 198 |
| Court Administrator | 8,945 | 9,220 | 9,220 | 9,220 | 9,220 | 9,220 | 9,220 |
| Integrated Criminal Justice System | 2,095 | 2,095 | 2,095 | 2,095 | 2,095 | 2,095 | 2,095 |
| Unified Judicial System Security | 5,156 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unified Judicial System Security (06/07) .. | 0 | 1,058 | 1,058 | 1,058 | 1,058 | 1,058 | 1,058 |
| Superior Court | 26,679 | 26,679 | 26,679 | 26,679 | 26,679 | 26,679 | 26,679 |
| Judges Expenses | 237 | 237 | 237 | 237 | 237 | 237 | 237 |
| Commonwealth Court | 16,060 | 16,060 | 16,060 | 16,060 | 16,060 | 16,060 | 16,060 |
| Judges Expenses | 143 | 143 | 143 | 143 | 143 | 143 | 143 |
| Courts of Common Pleas | 68,436 | 68,436 | 68,436 | 68,436 | 68,436 | 68,436 | 68,436 |
| Senior Judges | 3,592 | 4,217 | 4,217 | 4,217 | 4,217 | 4,217 | 4,217 |
| Judicial Education | 953 | 1,346 | 1,346 | 1,346 | 1,346 | 1,346 | 1,346 |
| Ethics Committee | 40 | 40 | 40 | 40 | 40 | 40 | 40 |
| Magisterial District Judges | 55,282 | 56,303 | 56,303 | 56,303 | 56,303 | 56,303 | 56,303 |
| Magisterial District Judge Education | 605 | 605 | 605 | 605 | 605 | 605 | 605 |
| Traffic Court | 840 | 924 | 924 | 924 | 924 | 924 | 924 |
| Municipal Court | 4,760 | 5,842 | 5,842 | 5,842 | 5,842 | 5,842 | 5,842 |
| Law Clerks | 39 | 39 | 39 | 39 | 39 | 39 | 39 |
| Domestic Violence Services | 204 | 204 | 204 | 204 | 204 | 204 | 204 |
| Judicial Conduct Board | 1,202 | 1,202 | 1,202 | 1,202 | 1,202 | 1,202 | 1,202 |
| Court of Judicial Discipline | 451 | 451 | 451 | 451 | 451 | 451 | 451 |
| Jurors | 1,369 | 1,369 | 1,369 | 1,369 | 1,369 | 1,369 | 1,369 |
| County Courts | 32,125 | 33,036 | 33,036 | 33,036 | 33,036 | 33,036 | 33,036 |
| Senior Judge | 1,321 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Gun Court Reimbursements (06/07) | 525 | 125 | 0 | 0 | 0 | 0 | 0 |
| Court Consolidation | 0 | 949 | 0 | 0 | 0 | 0 | 0 |
| TOTAL GENERAL FUND | \$ 261,615 | \$ 265,305 | \$ 264,231 | \$ 264,231 | \$ 264,231 | \$ 264,231 | \$ 264,231 |



Commonwealth of Pennsylvania

Governor's Executive Budget

CAPITAL BUDGET

CAPITAL BUDGET Program Summary

This section contains the 2006-07 Capital Budget and Five Year Capital Program. The proposed funding sources and amounts needed to support capital programs are projected for five fiscal years.

All projects are grouped by categories regardless of the source of funding. The categories, as explained below, are consistently used for projects, which are to be funded by Commonwealth debt obligations, current revenues and funds received from other jurisdictions. Funding source distinctions are clearly noted throughout the section, which itemizes the recommended capital program.

Public Improvement Projects — This category includes various types of new buildings and renovation projects. Also included are nonstructural improvements and the acquisition of land. The design and construction for the majority of these projects is administered by the Department of General Services. However, Keystone Recreation, Park and Conservation and the Environmental Stewardship Projects are administered by the Department of Conservation and Natural Resources.

Public Improvement—Original Furniture and Equipment Projects — This category provides for the equipping of newly completed public improvement projects by purchasing original moveable furniture and equipment through the Department of General Services. Replacement furniture and equipment to be used in existing buildings are purchased as fixed assets through agency operating budgets.

Transportation Assistance Projects — These projects include: (a) the purchase of rolling stock and construction or improvement of facilities operated by mass transportation agencies throughout the Commonwealth; (b) the acquisition, construction and equipping of rural and intercity common carrier surface transportation systems or any components thereof; and (c) air transportation systems. These projects are administered by the Department of Transportation.

Redevelopment Assistance Projects — This category provides grants for the acquisition of land and the construction of buildings and other property appurtenances for municipal agencies and authorities for economic development and the prevention and elimination of blight.

Flood Control Projects — This category provides the State's share of Federal flood control works and improvements to prevent floods and to preserve, control and regulate the flow of rivers and streams in the Commonwealth. These projects are administered by the Department of Environmental Protection.

Highway Projects — This category includes the design, purchase of rights-of-way, construction, reconstruction and other improvements to highways and bridges on the State highway system. These projects are designed and constructed by the Department of Transportation.

Capital Budget Financing — As is indicated wherever necessary, many capital projects are financed by current revenues either from dedicated sources or appropriations through operating budgets. However, most of the authorizations recommended in the capital budget are debt financed for varying terms by General Obligation Bonds. See the Public Debt Section (Section G) for further discussion of Debt Policy.

The Capital Budget section consists of the following subsections.

2006-07 New Project Authorizations — This section itemizes and describes the new capital projects recommended for authorization in 2006-07 and their proposed source of funding. The projects are listed by department and capital project category.

Impact on Operating Costs — The description of each capital project recommended for authorization contains a statement concerning the impact on program operating costs expected from the implementation of the capital project. With certain exceptions, the statement indicates little or no effect on operating costs. This is due to the fact that most capital projects involve the renovation or replacement of existing facilities. Consequently, any operating cost impact is derived from such items as efficiencies in energy consumption and avoided maintenance. These items, when viewed in terms of the total agency or program budget, generally tend to be negligible. An exception is when a very large scale project is implemented which will dramatically change these and other elements of an operating budget. In these cases, the expected change in operating expenses is quantified. An additional case in which the net change in operating cost will be quantified is where new construction will result in a significant increase in the capital asset base. In this case, the

estimated effect on operating costs will be shown with the capital project when recommended for authorization. A more precise figure will be recommended in the agency's operating budget when the project has been completed which is usually several years after a capital project is authorized.

There are several categories of capital authorizations for which no estimate of operating cost impact is provided. Among these are the categories of Redevelopment Assistance, Flood Control, Transportation Assistance and flood protection projects undertaken as part of the Public Improvement category. These projects constitute improvements to the property of other entities, primarily local jurisdictions such as cities, boroughs townships, etc. Any change in operating costs will, therefore, be borne by an entity other than the Commonwealth. One other category of capital authorizations, which will not provide a statement of operating cost impact, is Highway and Bridge projects. This is because the bulk of capital spending in this category is for the rehabilitation of the existing highway network rather than the addition of new mileage. As rehabilitation takes place,

previously high maintenance costs are avoided. These avoided maintenance costs are then shifted to other segments of roadway where repair needs are relatively great. As a result, the total highway operating budget experiences very little net change.

Forecast of Future Projects — This section contains a dollar forecast of new capital projects to be requested during each of the fiscal years 2007-08 through 2010-11. The projections are grouped by department and capital project category.

Estimate of Capital Expenditures — This section provides an estimate of expenditures for capital projects during each of the next five fiscal years. Since design, acquisition and construction of a project are not generally completed during the fiscal year in which the project is initiated, actual expenditures usually occur over several fiscal years. The estimated expenditures determine the amount of bonds, which must be issued or the current revenue appropriations required in each fiscal year. The projections are listed by capital project category and agency, and are further subdivided by currently authorized projects, new projects proposed for 2006-07 and projects which will be authorized in the future (2007-11).

ESTIMATED CAPITAL EXPENDITURES State Funds

This table presents summary data on the source of funding and use for currently authorized and proposed capital projects. Detailed information on debt issued for capital projects is contained in the Public Debt Section of this budget document.

(Dollar Amounts in Thousands)

| | 2006-07 Estimated | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| GENERAL OBLIGATION BOND FUNDING | | | | | |
| Revenues | | | | | |
| Capital Facilities Bonds | | | | | |
| Public Improvement Projects - Buildings and Structures..... | \$ 445,000 | \$ 735,000 | \$ 690,000 | \$ 620,000 | \$ 530,000 |
| Public Improvement Projects - Furniture and Equipment..... | 5,000 | 35,000 | 11,000 | 1,000 | 0 |
| Redevelopment Assistance Projects..... | 230,000 | 310,000 | 295,000 | 250,000 | 195,000 |
| Flood Control Projects..... | 10,000 | 3,000 | 4,000 | 5,000 | 6,000 |
| Transportation Assistance Projects..... | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| Less: Costs of Issue..... | -12,600 | -18,495 | -17,250 | -15,390 | -8,810 |
| Miscellaneous Revenue..... | 23,480 | 9,917 | 10,051 | 9,842 | 9,863 |
| Change in Available Cash..... | 12,959 | -182 | -2,804 | 4,395 | -443 |
| Total..... | <u>\$ 863,839</u> | <u>\$ 1,224,240</u> | <u>\$ 1,139,997</u> | <u>\$ 1,024,847</u> | <u>\$ 881,610</u> |
| Expenditures | | | | | |
| Capital Facilities Fund | | | | | |
| Public Improvement Projects - Buildings and Structures..... | \$ 442,963 | \$ 727,991 | \$ 681,648 | \$ 615,743 | \$ 532,002 |
| Public Improvement Projects - Furniture and Equipment..... | 13,773 | 35,119 | 10,756 | 908 | 765 |
| Redevelopment Assistance Projects..... | 249,252 | 307,669 | 293,549 | 250,810 | 192,447 |
| Flood Control Projects..... | 7,851 | 3,461 | 4,044 | 7,386 | 6,396 |
| Transportation Assistance Projects..... | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| Total - General Obligation Bonds..... | <u>\$ 863,839</u> | <u>\$ 1,224,240</u> | <u>\$ 1,139,997</u> | <u>\$ 1,024,847</u> | <u>\$ 881,610</u> |
| FROM CURRENT REVENUES | | | | | |
| Public Improvement Projects - Fish and Boat Fund..... | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 |
| Acquisition, Improvement and Restoration Projects | | | | | |
| Keystone Recreation, Park and Conservation Fund..... | 18,848 | 18,437 | 19,112 | 19,112 | 19,112 |
| Acquisition, Rehabilitation and Development Project | | | | | |
| Environmental Stewardship Fund..... | 7,739 | 11,514 | 11,917 | 12,334 | 12,766 |
| Highway Projects - Motor License Fund..... | 406,322 | 399,883 | 400,678 | 401,482 | 402,303 |
| Total Current Revenues..... | <u>\$ 433,659</u> | <u>\$ 430,584</u> | <u>\$ 432,457</u> | <u>\$ 433,678</u> | <u>\$ 434,931</u> |
| TOTAL - ALL FUNDS | <u><u>\$ 1,297,498</u></u> | <u><u>\$ 1,654,823</u></u> | <u><u>\$ 1,572,454</u></u> | <u><u>\$ 1,458,525</u></u> | <u><u>\$ 1,316,540</u></u> |

Totals may not add due to rounding.

FORECAST OF NEW PROJECT AUTHORIZATIONS State Funds

This table provides a summary of the budget recommendations and potential future authorizations by department.

(Dollar Amounts in Thousands)

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | Total |
|--|---------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| Agriculture..... | \$ 15,000 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 15,000 |
| Conservation and Natural Resources.... | 216,772 | 109,050 | 99,000 | 99,000 | 93,500 | 617,322 |
| Corrections..... | 54,300 | 30,000 | 30,000 | 30,000 | 30,000 | 174,300 |
| Education..... | 80,411 | 90,560 | 92,500 | 92,750 | 94,000 | 450,221 |
| Emergency Management Agency..... | 2,375 | 0 | 0 | 0 | 0 | 2,375 |
| Environmental Protection..... | 6,800 | 5,200 | 10,800 | 9,600 | 7,400 | 39,800 |
| Executive Offices..... | 0 | 0 | 0 | 0 | 0 | 0 |
| Fish and Boat Commission..... | 0 | 2,000 | 1,500 | 1,000 | 1,000 | 5,500 |
| Game Commission..... | 0 | 2,000 | 1,000 | 1,000 | 1,000 | 5,000 |
| General Services..... | 0 | 0 | 0 | 0 | 0 | 0 |
| Historical and Museum Commission..... | 6,660 | 12,165 | 12,800 | 10,140 | 0 | 41,765 |
| Liquor Control Board..... | 0 | 0 | 0 | 0 | 0 | 0 |
| Military and Veterans Affairs..... | 0 | 0 | 0 | 0 | 0 | 0 |
| Public Welfare..... | 9,648 | 25,604 | 25,932 | 25,618 | 26,089 | 112,891 |
| State Police..... | 0 | 0 | 0 | 0 | 0 | 0 |
| Transportation..... | 1,000,692 | 450,000 | 450,000 | 450,000 | 450,000 | 2,800,692 |
| TOTAL..... | \$ 1,392,658 | \$ 726,579 | \$ 723,532 | \$ 719,108 | \$ 702,989 | \$ 4,264,866 |

Capital Budget

RECOMMENDED 2006-07 NEW PROJECT AUTHORIZATIONS STATE FUNDS

This table provides a summary of new project authorizations by department and capital program category within bond and current revenue sources.

(Dollar Amounts in Thousands)

| | Capital Facilities Bond Funds | | | |
|---|-----------------------------------|--------------------------------------|--|------------------------------|
| | Public Improvement Projects | Original Furniture & Equipment | Transportation Assistance Projects | Flood Control Projects |
| Agriculture..... | \$ 15,000 | \$ 0 | \$ 0 | \$ 0 |
| Conservation and Natural Resources..... | 1,500 | 8,500 | 0 | 0 |
| Corrections..... | 54,300 | 0 | 0 | 0 |
| Education..... | 70,286 | 10,125 | 0 | 0 |
| Emergency Management..... | 2,375 | 0 | 0 | 0 |
| Environmental Protection..... | 6,600 | 0 | 0 | 200 |
| Executive Offices..... | 0 | 0 | 0 | 0 |
| Fish and Boat Commission..... | 0 | 0 | 0 | 0 |
| Game Commission..... | 0 | 0 | 0 | 0 |
| General Services..... | 0 | 0 | 0 | 0 |
| Historical and Museum Commission..... | 6,360 | 300 | 0 | 0 |
| Liquor Control Board..... | 0 | 0 | 0 | 0 |
| Military and Veterans Affairs..... | 0 | 0 | 0 | 0 |
| Public Welfare..... | 9,648 | 0 | 0 | 0 |
| State Police..... | 0 | 0 | 0 | 0 |
| Transportation..... | 0 | 0 | 348,528 | 0 |
| TOTAL..... | \$ 166,069 | \$ 18,925 | \$ 348,528 | \$ 200 |

| | Current Revenues | | All Funds |
|---|---------------------|-----------------------------------|---------------------|
| | Highway Projects | Public Improvement Projects | |
| Agriculture..... | \$ 0 | \$ 0 | \$ 15,000 |
| Conservation and Natural Resources..... | 0 | 206,772 | 216,772 |
| Corrections..... | 0 | 0 | 54,300 |
| Education..... | 0 | 0 | 80,411 |
| Emergency Management..... | 0 | 0 | 2,375 |
| Environmental Protection..... | 0 | 0 | 6,800 |
| Executive Offices..... | 0 | 0 | 0 |
| Fish and Boat Commission..... | 0 | 0 | 0 |
| Game Commission..... | 0 | 0 | 0 |
| General Services..... | 0 | 0 | 0 |
| Historical and Museum Commission..... | 0 | 0 | 6,660 |
| Liquor Control Board..... | 0 | 0 | 0 |
| Military and Veterans Affairs..... | 0 | 0 | 0 |
| Public Welfare..... | 0 | 0 | 9,648 |
| State Police..... | 0 | 0 | 0 |
| Transportation..... | 652,164 | 0 | 1,000,692 |
| TOTAL..... | \$ 652,164 | \$ 206,772 | \$ 1,392,658 |

DEPARTMENT OF AGRICULTURE

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| 2006-07 PUBLIC IMPROVEMENT PROJECTS | | | | |
| Protection and Development of Agricultural Industries..... | \$ 15,000 | \$ 0 | \$ 0 | \$ 15,000 |
| TOTAL PROJECTS..... | <u>\$ 15,000</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 15,000</u> |
| SOURCE OF FUNDS | | | | |
| General Obligation Bond Issues | | | | |
| Capital Facilities Fund - Buildings and Structures..... | \$ 15,000 | \$ 0 | \$ 0 | \$ 15,000 |
| Capital Facilities Fund - Furniture and Equipment..... | 0 | 0 | 0 | 0 |
| TOTAL..... | <u>\$ 15,000</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 15,000</u> |

Department of Agriculture 2006-07 Projects

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| FROM CAPITAL FACILITIES BOND FUNDS | | | | |
| PUBLIC IMPROVEMENT PROJECTS | | | | |
| Program: Protection and Development of Agricultural Industries | | | | |
| Alkaline Digestive Laboratory | \$ 3,000 | \$ 0 | \$ 0 | \$ 3,000 |
| CONSTRUCT DIGESTER: This project will involve the purchase and area construction of an alkaline digester for the disposal of animal carcasses. When completed, this project is expected to increase operating costs by \$200,000 annually. | | | | |
| Farm Show Complex | 12,000 | 0 | 0 | 12,000 |
| REHABILITATION OF FARM SHOW COMPLEX: This project will provide for the rehabilitation of the original farm show complex including HVAC, parking, security upgrades, and other improvements. When completed, this project is not expected to increase operating costs. | | | | |
| PROGRAM TOTAL | <u>\$ 15,000</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 15,000</u> |

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|-------------------------|------------------|---------------------------|--------------------------|
| 2006-07 PUBLIC IMPROVEMENT PROJECTS | | | | |
| Parks and Forest Management..... | \$ 193,697 | \$ 20,000 | \$ 225 | \$ 213,922 |
| TOTAL PROJECTS..... | \$ 193,697 | \$ 20,000 | \$ 225 | \$ 213,922 |
| SOURCE OF FUNDS | | | | |
| General Obligation Bond Issues | | | | |
| Capital Facilities Fund - Buildings and Structures..... | \$ 1,275 | \$ 0 | \$ 225 | \$ 1,500 |
| Capital Facilities Fund - Furniture and Equipment..... | 8,500 | 0 | 0 | 8,500 |
| Subtotal General Obligation Bond Issues..... | \$ 9,775 | \$ 0 | \$ 225 | \$ 10,000 |
| Current Revenues | | | | |
| Keystone Recreation, Park and Conservation Fund - Improvements and Rehabilitation..... | \$ 41,970 | \$ 10,000 | \$ 0 | \$ 51,970 |
| Environmental Stewardship Fund - Acquisition, Improvements and Rehabilitation..... | 141,952 | 10,000 | 0 | 151,952 |
| State Forestry Bridge - Parks and Forest Management..... | 0 | 0 | 0 | 0 |
| Subtotal Current Revenues..... | \$ 183,922 | \$ 20,000 | \$ 0 | \$ 203,922 |
| TOTAL..... | \$ 193,697 | \$ 20,000 | \$ 225 | \$ 213,922 |

Department of Conservation and Natural Resources 2006-07 Projects

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| FROM CAPITAL FACILITIES BOND FUNDS | | | | |
| PUBLIC IMPROVEMENT PROJECTS | | | | |
| Program: Parks and Forest Management | | | | |
| Forest District # 12, Lycoming County | \$ 1,275 | \$ 0 | \$ 225 | \$ 1,500 |
| REHABILITATE HEPBURN STREET DAM: This project will rehabilitate and improve the public viewing area, observation room, trash boom, inlet gates, access roadway, and other devices. When completed, this project is expected to increase operating costs by \$40,000 annually. | | | | |
| S. B. Elliott State Park, Clearfield County | 3,500 | 0 | 0 | 3,500 |
| ORIGINAL FURNITURE AND EQUIPMENT: This project will provide additional funding for exhibits, furnishings and equipment to complete the visitors' center and overnight lodge facility. When completed, this project is expected to increase operating costs by \$7,000 annually. | | | | |
| Sinnemahoning State Park, Cameron/Potter Counties | 2,000 | 0 | 0 | 2,000 |
| ORIGINAL FURNITURE AND EQUIPMENT: This project will provide furniture and equipment for current capital projects at this location. When completed, furniture and equipment expenditures will not increase operating costs. | | | | |
| Kinzua Bridge State Park, McKean County | 3,000 | 0 | 0 | 3,000 |
| ORIGINAL FURNITURE AND EQUIPMENT: This project will provide furniture and equipment for current capital projects at this location. When completed, furniture and equipment expenditures will not increase operating costs. | | | | |
| PROGRAM TOTAL..... | <u>\$ 9,775</u> | <u>\$ 0</u> | <u>\$ 225</u> | <u>\$ 10,000</u> |

Capital Budget

Department of Conservation and Natural Resources 2006-07 Projects

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Bald Eagle State Park, Centre County | \$ 450 | \$ 0 | \$ 0 | \$ 450 |
| REPLACE DAY USE RESTROOM: This project will replace day use restroom including fixtures within modern code. When completed, this project is not expected to increase operating costs. | | | | |
| Bald Eagle State Park, Centre County | 350 | 0 | 0 | 350 |
| ACQUIRE MANAGER'S RESIDENCE: This project will provide a residence for the park manager. When completed, this project is not expected to increase operating costs. | | | | |
| Bald Eagle State Park, Centre County | 450 | 0 | 0 | 450 |
| DEVELOP CAMPGROUND & SANITARY FACILITIES: This project will provide for a primitive campground and comfort facilities including a shower house and restroom. When completed, this project is not expected to increase operating costs. | | | | |
| Bald Eagle State Park, Centre County | 300 | 0 | 0 | 300 |
| REPLACE COURTESY DOCK: This project will provide a replacement courtesy dock at eight public boat landings. When completed, this project is not expected to increase operating costs. | | | | |
| Bald Eagle State Park, Centre County | 300 | 0 | 0 | 300 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation of the winter/summer launch and restrooms. When completed, this project is not expected to increase operating costs. | | | | |
| Beltzville State Park, Carbon County | 400 | 0 | 0 | 400 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation of the sewage treatment plant, lift station, and sewer lines. When completed, this project is not expected to increase operating costs. | | | | |
| Bendigo State Park, Elk County | 300 | 0 | 0 | 300 |
| PAVING PARKING AND ACCESS: This project will provide for the paving of the parking area including access roads. When completed, this project is not expected to increase operating costs. | | | | |
| Black Moshannon State Park, Centre County | 300 | 0 | 0 | 300 |
| PAVING PROJECTS: This project will provide for the paving projects including maintenance, ADA pier, and Westside Road. When completed, this project is not expected to increase operating costs. | | | | |
| Black Moshannon State Park, Centre County | 300 | 0 | 0 | 300 |
| REHAB DAM SPILLWAY: This project will provide for the rehabilitation of the dam spillway within the park. When completed, this project is not expected to increase operating costs. | | | | |

Department of Conservation and Natural Resources 2006-07 Projects

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|---|-------------------------|--------------|---------------------------|--------------------------|
| FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Chapman State Park, Warren County | \$ 350 | \$ 0 | \$ 0 | \$ 350 |
| PAVING PROJECTS: This project will provide for the paving projects including main access & campground, yurt, and cottage access. When completed, this project is not expected to increase operating costs. | | | | |
| Cherry Springs State Park, Potter County | 300 | 0 | 0 | 300 |
| OBSERVATION DOMES: This project will provide for the development and construction of domes for night sky observation within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Clear Creek State Park, Jefferson County | 900 | 0 | 0 | 900 |
| REHAB ROADS AND BRIDGES: This project will provide for the rehabilitation of the roads and bridges throughout the park. When completed, this project is not expected to increase operating costs. | | | | |
| Colton Point State Park, Tioga County | 300 | 0 | 0 | 300 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation of the campground and campsites, install ADA overlook, and pave roads. When completed, this project is not expected to increase operating costs. | | | | |
| Delaware Canal State Park, Bucks County | 300 | 0 | 0 | 300 |
| REHAB GIVING POND RESIDENCE: This project will rehabilitate Giving Pond residence to comply with modern codes. When completed, this project is not expected to increase operating costs. | | | | |
| Denton Hill State Park, Potter County | 400 | 0 | 0 | 400 |
| PAVING PARKING AND ACCESS: This project will provide for the paving of the parking area including access roads. When completed, this project is not expected to increase operating costs. | | | | |
| Denton Hill State Park, Potter County | 1,500 | 0 | 0 | 1,500 |
| REHAB LODGES: This project will provide for the rehabilitation of lodges within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Elk State Park, Elk County | 300 | 0 | 0 | 300 |
| PAVING PARKING AND ACCESS: This project will provide for the paving of the parking area including access roads by restrooms and bulkhead. When completed, this project is not expected to increase operating costs. | | | | |
| Elk State Park, Elk County | 1,000 | 0 | 0 | 1,000 |
| POLLUTION REMEDIATION: This project will provide for the pollution remediation in and near the well within the park. When completed, this project is not expected to increase operating costs. | | | | |

Department of Conservation and Natural Resources 2006-07 Projects

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|--|-------------------------|--------------|---------------------------|--------------------------|
| FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Evansburg State Park, Montgomery County | \$ 300 | \$ 0 | \$ 0 | \$ 300 |
| REPLACE TEMPORARY RESTROOM: This project will provide for the replacement of a temporary restroom with a modern facility in compliance with codes. When completed, this project is not expected to increase operating costs. | | | | |
| Evansburg State Park, Montgomery County | 400 | 0 | 0 | 400 |
| REPLACE OFFICE: This project will provide for the replacement and conversion of a plywood office to a permanent structure. When completed, this project is not expected to increase operating costs. | | | | |
| Forest District # 18, Schuylkill County | 300 | 0 | 0 | 300 |
| HALDEMAN HOUSE OFFICE CONVERSION: This project will provide for the conversion of the Haldeman House to an office within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Hickory Run State Park, Carbon County | 500 | 0 | 0 | 500 |
| PAVING PARKING AND ACCESS: This project will provide for the paving of the parking area including access roads. When completed, this project is not expected to increase operating costs. | | | | |
| Hickory Run State Park, Carbon County | 300 | 0 | 0 | 300 |
| REHAB WATER LINES: This project will provide for the rehabilitation of water lines within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Hills Creek State Park, Tioga County | 500 | 0 | 0 | 500 |
| REHAB MAINTENANCE BUILDING: This project will provide for the rehabilitation of the maintenance building including the addition of two (2) bays. When completed, this project is not expected to increase operating costs. | | | | |
| Hills Creek State Park, Tioga County | 600 | 0 | 0 | 600 |
| REHAB SPILLWAY: This project will provide for the rehabilitation of the dam spillway within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Hills Creek State Park, Tioga County | 500 | 0 | 0 | 500 |
| PAVING PROJECTS: This project will provide for the paving projects including roads and parking areas. When completed, this project is not expected to increase operating costs. | | | | |
| Hyner Run State Park, Clinton County | 700 | 0 | 0 | 700 |
| REHAB ROADS AND BRIDGES: This project will provide for the rehabilitation of the roads and two bridges throughout the park. When completed, this project is not expected to increase operating costs. | | | | |

Department of Conservation and Natural Resources 2006-07 Projects

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Hyner Run State Park, Clinton County | \$ 400 | \$ 0 | \$ 0 | \$ 400 |
| REHAB WATER SYSTEM: This project will provide for the rehabilitation of the water system including storage tank and treatment building. When completed, this project is not expected to increase operating costs. | | | | |
| Kettle Creek State Park, Clinton County | 300 | 0 | 0 | 300 |
| PAVING PROJECTS: This project will provide for the paving projects including campgrounds and access to upper campground area. When completed, this project is not expected to increase operating costs. | | | | |
| Kettle Creek State Park, Clinton County | 300 | 0 | 0 | 300 |
| REHAB RESTROOM: This project will provide for the rehabilitation of hors trail access restroom septic field. When completed, this project is not expected to increase operating costs. | | | | |
| Kettle Creek State Park, Clinton County | 300 | 0 | 0 | 300 |
| ADDITIONAL RESTROOM: This project will provide for the addition of a restroom and pavilion. When completed, this project is not expected to increase operating costs. | | | | |
| Keystone State Park, Westmoreland County | 350 | 0 | 0 | 350 |
| REHAB MAINTENANCE AREA: This project will provide for the rehabilitation and expansion of the maintenance area. When completed, th project is not expected to increase operating costs. | | | | |
| Keystone State Park, Westmoreland County | 700 | 0 | 0 | 700 |
| REHAB PARK ROADS: This project will provide for the rehabilitation of the roads throughout the park. When completed, this project is not expected to increase operating costs. | | | | |
| Keystone State Park, Westmoreland County | 280 | 0 | 0 | 280 |
| REHAB SLAG ROAD BRIDGE: This project will provide for the rehabilitation of the Slag Road Bridge. When completed, this project is not expected to increase operating costs. | | | | |
| Laurel Hill State Park, Somerset County | 1,200 | 0 | 0 | 1,200 |
| REHAB GROUP CAMPGROUNDS: This project will provide for the rehabilitation of the group camp within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Laurel Hill State Park, Somerset County | 450 | 0 | 0 | 450 |
| REHAB CAMPING COTTAGE SHOWER HOUSE: This project will provide for the rehabilitation of the camping cottage shower house within the campground. When completed, this project is not expected to increase operating costs. | | | | |

Department of Conservation and Natural Resources 2006-07 Projects

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Leonard Harrison State Park, Tioga County | \$ 300 | \$ 0 | \$ 0 | \$ 300 |
| REHAB TURKEY PATH TRAIL: This project will provide for the rehabilitation of the Turkey Path along the Colton Point Trail within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Leonard Harrison State Park, Tioga County | 350 | 0 | 0 | 350 |
| PAVING PROJECTS: This project will provide for the paving projects within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Leonard Harrison State Park, Tioga County | 300 | 0 | 0 | 300 |
| REHAB WATER SYSTEM: This project will provide for the rehabilitation of the water system and sanitary system. When completed, this project is not expected to increase operating costs. | | | | |
| Little Pine State Park, Lycoming County | 800 | 0 | 0 | 800 |
| REHAB DAM: This project will provide for the rehabilitation of the dam within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Little Pine State Park, Lycoming County | 400 | 0 | 0 | 400 |
| PAVING PROJECTS: This project will provide for the paving projects within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Little Pine State Park, Lycoming County | 300 | 0 | 0 | 300 |
| REHAB RESTROOM: This project will provide for the rehabilitation of the restroom at the lower picnic area. When completed, this project is not expected to increase operating costs. | | | | |
| M. K. Goddard State Park, Mercer County | 375 | 0 | 0 | 375 |
| REHAB WATER SYSTEM: This project will provide for the rehabilitation of the water system. When completed, this project is not expected to increase operating costs. | | | | |
| Marsh Creek, Chester County | 325 | 0 | 0 | 325 |
| REHAB PARKING AREAS: This project will provide for the rehabilitation of the parking lots including paving within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Marsh Creek, Chester County | 300 | 0 | 0 | 300 |
| OFFICE EXPANSION: This project will provide for the expansion of the park office to comply with ADA regulations. When completed, this project is not expected to increase operating costs. | | | | |

Department of Conservation and Natural Resources 2006-07 Projects

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|--|-------------------------|--------------|---------------------------|--------------------------|
| FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Milton State Park, Northumberland County | \$ 400 | \$ 0 | \$ 0 | \$ 400 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation of the sewage lines to the park, electric to the park, and sanitation stations in the park. When completed, this project is not expected to increase operating costs. | | | | |
| Milton State Park, Northumberland County | 300 | 0 | 0 | 300 |
| REHAB BOAT LAUNCH AND PATHWAY: This project will provide for the rehabilitation of the boat launch and walk path to the launch within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Moraine State Park, Butler County | 500 | 0 | 0 | 500 |
| REHAB LAUNCH AND ROADWAY: This project will provide for the rehabilitation of the old 422 boat launch and road within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Moraine State Park, Butler County | 650 | 0 | 0 | 650 |
| REPLACE TWO RESIDENCES: This project will provide for the replacement of two residences within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Mt. Pisgah State Park, Bradford County | 300 | 0 | 0 | 300 |
| OFFICE EXPANSION: This project will provide for the expansion of the park office and sales display. When completed, this project is not expected to increase operating costs. | | | | |
| Mt. Pisgah State Park, Bradford County | 300 | 0 | 0 | 300 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation of the sewage treatment plant and infiltration. When completed, this project is not expected to increase operating costs. | | | | |
| Neshaminy State Park, Bucks County | 350 | 0 | 0 | 350 |
| REHAB POOL CONCESSION: This project will provide for the rehabilitation of the concession area at the pool. When completed, this project is not expected to increase operating costs. | | | | |
| Ohiopyle State Park, Fayette County | 900 | 0 | 0 | 900 |
| CONSTRUCT PARKING: This project will provide for the construction of a parking facility above the park office. When completed, this project is not expected to increase operating costs. | | | | |
| Ohiopyle State Park, Fayette County | 250 | 0 | 0 | 250 |
| REHAB RESIDENCE: This project will provide for the rehabilitation of the park residence within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Ole Bull State Park, Potter County | 300 | 0 | 0 | 300 |
| REHAB PARK COTTAGE: This project will provide for the rehabilitation of the park cottage including the ADA bedroom. When completed, this project is not expected to increase operating costs. | | | | |

Department of Conservation and Natural Resources 2006-07 Projects

(Dollar Amounts in Thousands)

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|---|-------------------------|--------------|---------------------------|--------------------------|
| FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Ole Bull State Park, Potter County | \$ 300 | \$ 0 | \$ 0 | \$ 300 |
| REHAB WATER STORAGE TANK SYSTEM: This project will provide for the rehabilitation of the water storage tank system. When completed, this project is not expected to increase operating costs. | | | | |
| Ole Bull State Park, Potter County | 300 | 0 | 0 | 300 |
| PAVING PROJECTS: This project will provide for the paving projects including roads and parking areas. When completed, this project is not expected to increase operating costs. | | | | |
| Parker Dam State Park, Clearfield County | 300 | 0 | 0 | 300 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation of the sewage treatment plant to operate on propane and rehab dump station. When completed, this project is not expected to increase operating costs. | | | | |
| Parker Dam State Park, Clearfield County | 300 | 0 | 0 | 300 |
| REHAB CABIN COLONY: This project will provide for the rehabilitation of the cabin colony including replacing logs, ceilings, fireplace and wood heater. When completed, this project is not expected to increase operating costs. | | | | |
| Parker Dam State Park, Clearfield County | 300 | 0 | 0 | 300 |
| REHAB DAM: This project will provide for the rehabilitation of the dam within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Patterson State Park, Potter County | 300 | 0 | 0 | 300 |
| REHAB RESTROOM: This project will provide for the rehabilitation of the restroom within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Poe Paddy State Park, Centre County | 300 | 0 | 0 | 300 |
| PAVING PROJECTS: This project will provide for the paving projects including campground. When completed, this project is not expected to increase operating costs. | | | | |
| Poe Valley State Park, Centre County | 300 | 0 | 0 | 300 |
| PAVING PROJECTS: This project will provide for the paving projects including roads, campground, and parking areas. When completed, this project is not expected to increase operating costs. | | | | |
| Poe Valley State Park, Centre County | 300 | 0 | 0 | 300 |
| REPLACE BRIDGE AND GUIDE RAILS: This project will provide for the replacement of a bridge and guide rails within the park. When completed, this project is not expected to increase operating costs. | | | | |

Department of Conservation and Natural Resources 2006-07 Projects

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| FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Pymatuning State Park, Crawford County | \$ 1,000 | \$ 0 | \$ 0 | \$ 1,000 |
| REHAB LAUNCH AND ENVIRONS: This project will provide for the rehabilitation of the Espyville South Launch and environs. When completed, this project is not expected to increase operating costs. | | | | |
| Pymatuning State Park, Crawford County | 1,750 | 0 | 0 | 1,750 |
| REHAB PARK OFFICE: This project will provide for the rehabilitation of the park office. When completed, this project is not expected to increase operating costs. | | | | |
| Pymatuning State Park, Crawford County | 750 | 0 | 0 | 750 |
| REPLACE CAMP STORE: This project will provide for the replacement of the Jamestown camp store and laundry facilities. When completed, this project is not expected to increase operating costs. | | | | |
| Pymatuning State Park, Crawford County | 425 | 0 | 0 | 425 |
| REHAB BEACH HOUSE: This project will provide for the rehabilitation of the Jamestown beach house. When completed, this project is not expected to increase operating costs. | | | | |
| R. B. Winter State Park, Union County | 300 | 0 | 0 | 300 |
| PAVING PROJECTS: This project will provide for the paving projects including roads, access areas, and parking areas. When completed, this project is not expected to increase operating costs. | | | | |
| Raccoon Creek State Park, Beaver County | 700 | 0 | 0 | 700 |
| ROADWAY REPAIRS: This project will provide for the roadway slip repairs and various park roads. When completed, this project is not expected to increase operating costs. | | | | |
| Ralph Stover State Park, Bucks County | 500 | 0 | 0 | 500 |
| REPLACE LATRINES: This project will provide for the replacement of pit latrines with modern comfort stations and rehab water system. When completed, this project is not expected to increase operating costs. | | | | |
| Ravensburg State Park, Clinton County | 300 | 0 | 0 | 300 |
| REPLACE BRIDGE ENTRANCE: This project will provide for the replacement of the bridge entrance within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Ravensburg State Park, Clinton County | 300 | 0 | 0 | 300 |
| PAVING PROJECTS: This project will provide for the paving projects including roads, access areas, and parking areas. When completed, this project is not expected to increase operating costs. | | | | |
| Reeds Gap State Park, Mifflin County | 300 | 0 | 0 | 300 |
| REPLACE BRIDGE ENTRANCE: This project will provide for the replacement of a bridge within the park. When completed, this project is not expected to increase operating costs. | | | | |

Department of Conservation and Natural Resources 2006-07 Projects

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|---|-------------------------|--------------|---------------------------|--------------------------|
| FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Reeds Gap State Park, Mifflin County | \$ 300 | \$ 0 | \$ 0 | \$ 300 |
| REHAB SEWAGE TREATMENT SYSTEM: This project will provide for the rehabilitation of the sewage treatment system. When completed, this project is not expected to increase operating costs. | | | | |
| Reeds Gap State Park, Mifflin County | 300 | 0 | 0 | 300 |
| PAVING PROJECTS: This project will provide for the paving projects including roads, access areas, and parking areas. When completed, this project is not expected to increase operating costs. | | | | |
| Ricketts Glen State Park, Luzerne County | 300 | 0 | 0 | 300 |
| REHAB WATER LINES: This project will provide for the rehabilitation of the water lines within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Ridley Creek State Park, Delaware County | 300 | 0 | 0 | 300 |
| REHAB MAINTENANCE BUILDING: This project will provide for the rehabilitation and re-roofing of the maintenance building in the park. When completed, this project is not expected to increase operating costs. | | | | |
| Ryerson Station State Park, Greene County | 215 | 0 | 0 | 215 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation and modernization of the park. When completed, this project is not expected to increase operating costs. | | | | |
| S.B. Elliott State Park, Clearfield County | 300 | 0 | 0 | 300 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation and modernization of the ADA cabins and washhouse facilities. When completed, this project is not expected to increase operating costs. | | | | |
| Shikellamy State Park, Northumberland County | 900 | 0 | 0 | 900 |
| PAVING PROJECTS: This project will provide for the paving projects including roads, access areas, and parking areas. When completed, this project is not expected to increase operating costs. | | | | |
| Shikellamy State Park, Northumberland County | 300 | 0 | 0 | 300 |
| REPLACE FENCE: This project will provide for the repairing or replacement of various sections of fence within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Shikellamy State Park, Northumberland County | 300 | 0 | 0 | 300 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation and renovation of buildings, boat concession stands and restrooms. When completed, this project is not expected to increase operating costs. | | | | |
| Shikellamy State Park, Northumberland County | 300 | 0 | 0 | 300 |
| ROADWAY REPAIRS: This project will provide for renovations and repairs to Overlook Road. When completed, this project is not expected to increase operating costs. | | | | |

Capital Budget

Department of Conservation and Natural Resources 2006-07 Projects

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| FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Shikellamy State Park, Northumberland County | \$ 300 | \$ 0 | \$ 0 | \$ 300 |
| REHAB RESTROOM: This project will provide for the rehabilitation and modernization of a restroom within the park. When completed, this project not expected to increase operating costs. | | | | |
| Shikellamy State Park, Northumberland County | 450 | 0 | 0 | 450 |
| PAVING PROJECTS: This project will provide for the paving of the Walkway Trail for entrance and loop parking. When completed, this project is not expected to increase operating costs. | | | | |
| Sinnemahoning State Park, Cameron County | 300 | 0 | 0 | 300 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation and renovation of 40 Maples restrooms including the retrofitting of solar panels. When completed, this project is not expected to increase operating costs. | | | | |
| Sinnemahoning State Park, Cameron County | 500 | 0 | 0 | 500 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation of the maintenance building and utility storage building. When completed, this project is not expected to increase operating costs. | | | | |
| Sinnemahoning State Park, Cameron County | 300 | 0 | 0 | 300 |
| REHAB BOAT LAUNCH: This project will provide for the rehabilitation of the boat launch and including relocating the entrance. When completed, th project is not expected to increase operating costs. | | | | |
| Sizerville State Park, Cameron County | 300 | 0 | 0 | 300 |
| REHAB BUILDING: This project will provide for the rehabilitation of a building within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Susquehanna State Park, Lycoming County | 300 | 0 | 0 | 300 |
| PAVING PROJECTS: This project will provide for the paving projects withi the park. When completed, this project is not expected to increase operating costs. | | | | |
| Susquehanna State Park, Lycoming County | 500 | 0 | 0 | 500 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation and renovation of restrooms to connect with city sewage system. When completed, this project is not expected to increase operating costs. | | | | |
| Tobyhanna State Park, Monroe County | 300 | 0 | 0 | 300 |
| OFFICE EXPANSION: This project will provide for the expansion of the park office. When completed, this project is not expected to increase operating costs. | | | | |
| Worlds End State Park, Sullivan County | 350 | 0 | 0 | 350 |
| REHAB ROADS: This project will provide for the rehabilitation of the roads throughout the park. When completed, this project is not expected to increase operating costs. | | | | |

Capital Budget

Department of Conservation and Natural Resources 2006-07 Projects

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|---|-------------------------|------------------|---------------------------|--------------------------|
| FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Yellow Creek State Park, Indiana County REHAB INFRASTRUCTURE: This project will provide for the rehabilitation and renovation of camping cottage shower house within the park. When completed, this project is not expected to increase operating costs. | \$ 450 | \$ 0 | \$ 0 | \$ 450 |
| Yellow Creek State Park, Indiana County REHAB INFRASTRUCTURE: This project will provide for the rehabilitation of sewage system. When completed, this project is not expected to increase operating costs. | 375 | 0 | 0 | 375 |
| Yellow Creek State Park, Indiana County REHAB BEACH HOUSE: This project will provide for the rehabilitation of the beach house within the park. When completed, this project is not expected to increase operating costs. | 425 | 0 | 0 | 425 |
| Various Parks & Forest Districts, Statewide LAND ACQUISITION: This project will acquire land to be incorporated within the park system according to the Commonwealth's master plan. When completed, this project is not expected to increase operating costs. | 0 | 10,000 | 0 | 10,000 |
| PROGRAM TOTAL..... | <u>\$ 41,970</u> | <u>\$ 10,000</u> | <u>\$ 0</u> | <u>\$ 51,970</u> |

Department of Conservation and Natural Resources 2006-07 Projects

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| FROM ENVIRONMENTAL STEWARDSHIP FUND | | | | |
| CURRENT REVENUES | | | | |
| PUBLIC IMPROVEMENT PROJECTS | | | | |
| Program: Parks and Forest Management | | | | |
| Bald Eagle State Park, Centre County | \$ 1,500 | \$ 0 | \$ 0 | \$ 1,500 |
| REHAB PARK OFFICE: This project will provide for the rehabilitation of the park office and visitors' center. When completed, this project is not expected to increase operating costs. | | | | |
| Bald Eagle State Park, Centre County | 1,600 | 0 | 0 | 1,600 |
| REHAB ROADS: This project will provide for the rehabilitation of the roads throughout the park. When completed, this project is not expected to increase operating costs. | | | | |
| Bald Eagle State Park, Centre County | 1,250 | 0 | 0 | 1,250 |
| EXPAND CABINS: This project will provide for the expansion of ten (10) modern cabins to the park. When completed, this project is not expected to increase operating costs. | | | | |
| Bald Eagle State Park, Centre County | 1,500 | 0 | 0 | 1,500 |
| EXPAND RESTROOMS: This project will provide for the expansion of new restrooms within the park including Upper Green's Run and Lower Green's Run. When completed, this project is not expected to increase operating costs. | | | | |
| Bald Eagle State Park, Centre County | 1,500 | 0 | 0 | 1,500 |
| REPLACE MARINA DOCKS: This project will provide for the rehabilitation and replacement of the marina docks within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Bald Eagle State Park, Centre County | 1,000 | 0 | 0 | 1,000 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation of the Sewage Treatment Plant, lift station, and sewer lines. When completed, this project is not expected to increase operating costs. | | | | |
| Black Moshannon State Park, Centre County | 600 | 0 | 0 | 600 |
| REHAB MARINA AREA: This project will provide for the rehabilitation of the boat watercraft concession comfort station. When completed, this project is not expected to increase operating costs. | | | | |
| Caledonia State Park, Franklin County | 500 | 0 | 0 | 500 |
| REPLACE BRIDGES: This project will provide for the replacement of two bridges within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Caledonia State Park, Franklin County | 500 | 0 | 0 | 500 |
| POOL MAINTENANCE: This project will provide for the maintenance to the waterslide and spray ground at the pool. When completed, this project is not expected to increase operating costs. | | | | |
| Caledonia State Park, Franklin County | 300 | 0 | 0 | 300 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation of the day use area and campgrounds including paving. When completed, this project is not expected to increase operating costs. | | | | |

Department of Conservation and Natural Resources 2006-07 Projects

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| FROM ENVIRONMENTAL STEWARDSHIP FUND | | | | |
| CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Caledonia State Park, Franklin County | \$ 800 | \$ 0 | \$ 0 | \$ 800 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation of the waterlines and system throughout the park. When completed, this project is not expected to increase operating costs. | | | | |
| Canoe Creek State Park, Blair County | 500 | 0 | 0 | 500 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation of the sewage treatment plant, lift station, and sewer lines. When completed, this project is not expected to increase operating costs. | | | | |
| Chapman State Park, Warren County | 2,500 | 0 | 0 | 2,500 |
| REHAB CABINS: This project will provide for the rehabilitation of the cabin colony within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Chapman State Park, Warren County | 500 | 0 | 0 | 500 |
| OFFICE EXPANSION: This project will provide for the expansion of the park office and visitors' center. When completed, this project is not expected to increase operating costs. | | | | |
| Cherry Springs State Park, Potter County | 2,200 | 0 | 0 | 2,200 |
| VISITORS' CENTER EXPANSION: This project will provide for the expansion of the visitors' center. When completed, this project is not expected to increase operating costs. | | | | |
| Clear Creek State Park, Jefferson County | 1,100 | 0 | 0 | 1,100 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation of the comfort stations and water system throughout the park. When completed, this project is not expected to increase operating costs. | | | | |
| Codorus State Park, York County | 450 | 0 | 0 | 450 |
| REHAB MARINA AREA: This project will provide for the rehabilitation of the sailboat area restroom and sewage lines. When completed, this project is not expected to increase operating costs. | | | | |
| Codorus State Park, York County | 2,600 | 0 | 0 | 2,600 |
| REHAB POOL AREA: This project will provide for the rehabilitation of the pool and spray ground. When completed, this project is not expected to increase operating costs. | | | | |
| Codorus State Park, York County | 700 | 0 | 0 | 700 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation of the interiors of the comfort stations and classrooms. When completed, this project is not expected to increase operating costs. | | | | |
| Colton Point State Park, Tioga County | 850 | 0 | 0 | 850 |
| REPLACE PIT LATRINES: This project will provide for the replacement of two pit latrines with composting comfort stations at the playground. When completed, this project is not expected to increase operating costs. | | | | |

Department of Conservation and Natural Resources 2006-07 Projects

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| FROM ENVIRONMENTAL STEWARDSHIP FUND | | | | |
| CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Cook Forest State Park, Clarion County | \$ 1,100 | \$ 0 | \$ 0 | \$ 1,100 |
| REHAB ROADS: This project will provide for the rehabilitation of the roads and parking lots throughout the park. When completed, this project is not expected to increase operating costs. | | | | |
| Delaware Canal State Park, Bucks County | 500 | 0 | 0 | 500 |
| REFURBISH LOCK #7: This project will provide for the refurbishing of lock #7 in the canal. When completed, this project is not expected to increase operating costs. | | | | |
| Denton Hill State Park, Potter County | 5,000 | 0 | 0 | 5,000 |
| REPLACE LIFTS: This project will provide for the replacement of lifts throughout the park. When completed, this project is not expected to increase operating costs. | | | | |
| Denton Hill State Park, Potter County | 3,500 | 0 | 0 | 3,500 |
| REPLACE SNOW MAKING EQUIPMENT: This project will provide for the replacement of snow making equipment throughout the park. When completed, this project is not expected to increase operating costs. | | | | |
| Forest District #12, Lycoming County | 2,500 | 0 | 0 | 2,500 |
| OFFICE EXPANSION: This project will provide for the expansion of the park office. When completed, this project is not expected to increase operating costs. | | | | |
| Forest District #18, Dauphin County | 700 | 0 | 0 | 700 |
| RENOVATE HALDEMAN HOUSE: This project will provide for the renovation of the Haldeman House within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Forest District #18, Columbia County | 2,000 | 0 | 0 | 2,000 |
| OFFICE EXPANSION: This project will provide for a new park office. When completed, this project is not expected to increase operating costs. | | | | |
| Forest District #19, Wayne County | 2,000 | 0 | 0 | 2,000 |
| OFFICE EXPANSION: This project will provide for a new park office. When completed, this project is not expected to increase operating costs. | | | | |
| Forest District #2, Fulton County | 2,000 | 0 | 0 | 2,000 |
| OFFICE EXPANSION: This project will provide for a new park office. When completed, this project is not expected to increase operating costs. | | | | |
| Forest District #5, Huntingdon County | 1,000 | 0 | 0 | 1,000 |
| OFFICE EXPANSION: This project will provide for the expansion of the park office. When completed, this project is not expected to increase operating costs. | | | | |

Department of Conservation and Natural Resources 2006-07 Projects

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| FROM ENVIRONMENTAL STEWARDSHIP FUND | | | | |
| CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Forest District #8, Clarion County | \$ 1,000 | \$ 0 | \$ 0 | \$ 1,000 |
| OFFICE EXPANSION: This project will provide for the expansion of the park office. When completed, this project is not expected to increase operating costs. | | | | |
| Forest District #14, Warren County | 500 | 0 | 0 | 500 |
| REHAB BUILDING: This project will provide for the rehabilitation of historic stone house within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Forest District #4, Somerset County | 350 | 0 | 0 | 350 |
| OFFICE EXPANSION: This project will provide for the expansion of the Negro Mountain maintenance complex. When completed, this project is not expected to increase operating costs. | | | | |
| Forest District #4, Westmoreland County | 2,000 | 0 | 0 | 2,000 |
| REHAB ROAD: This project will provide for the rehabilitation of Linn Run Road. When completed, this project is not expected to increase operating costs. | | | | |
| Gifford Pinchot State Park, York County | 600 | 0 | 0 | 600 |
| REHAB VISITORS' CENTER: This project will provide for the rehabilitation of visitors' center and classroom. When completed, this project is not expected to increase operating costs. | | | | |
| Gifford Pinchot State Park, York County | 1,400 | 0 | 0 | 1,400 |
| REHAB WATER LINES: This project will provide for the rehabilitation of water lines and the loop to the office within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Gifford Pinchot State Park, York County | 650 | 0 | 0 | 650 |
| REHAB INFRASTRUCTURE: This project will provide for the replacement of two comfort stations within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Gifford Pinchot State Park, York County | 600 | 0 | 0 | 600 |
| REHAB ROADS: This project will provide for the rehabilitation of the roads and parking lots throughout the park. When completed, this project is not expected to increase operating costs. | | | | |
| Gifford Pinchot State Park, York County | 700 | 0 | 0 | 700 |
| CABIN EXPANSION: This project will provide for the expansion of five modern cabins to the park. When completed, this project is not expected to increase operating costs. | | | | |
| Gifford Pinchot State Park, York County | 1,000 | 0 | 0 | 1,000 |
| REHAB TRAIL: This project will provide for the rehabilitation of 12 Mile Tra including bridges. When completed, this project is not expected to increase operating costs. | | | | |

Department of Conservation and Natural Resources 2006-07 Projects

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| FROM ENVIRONMENTAL STEWARDSHIP FUND | | | | |
| CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Gouldsboro State Park, Monroe County | \$ 750 | \$ 0 | \$ 0 | \$ 750 |
| REPLACE DAM: This project will provide for the replacement of the dam within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Greenwood Furnace State Park, Huntingdon County | 300 | 0 | 0 | 300 |
| PAVING PROJECTS: This project will provide for the paving projects within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Greenwood Furnace State Park, Huntingdon County | 450 | 0 | 0 | 450 |
| CONSTRUCT MAINTENANCE BUILDING: This project will provide for the construction of a new maintenance building within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Greenwood Furnace State Park, Huntingdon County | 300 | 0 | 0 | 300 |
| REHAB SEWAGE TREATMENT SYSTEM: This project will provide for the rehabilitation of the sewage treatment system. When completed, this project is not expected to increase operating costs. | | | | |
| Hickory Run State Park, Carbon County | 1,500 | 0 | 0 | 1,500 |
| OFFICE EXPANSION: This project will provide for a new park office. When completed, this project is not expected to increase operating costs. | | | | |
| Hillman State Park, Washington County | 300 | 0 | 0 | 300 |
| REHAB RUNWAYS: This project will provide for the rehabilitation of the runways within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Hills Creek State Park, Tioga County | 3,000 | 0 | 0 | 3,000 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation of the sewage treatment plant, lift station, and sewer lines. When completed, this project is not expected to increase operating costs. | | | | |
| Hills Creek State Park, Tioga County | 1,200 | 0 | 0 | 1,200 |
| OFFICE EXPANSION: This project will provide for the expansion of the park office and visitors' center. When completed, this project is not expected to increase operating costs. | | | | |
| Hyner Run State Park, Clinton County | 1,000 | 0 | 0 | 1,000 |
| OFFICE EXPANSION: This project will provide for the expansion of the park office and visitors' center. When completed, this project is not expected to increase operating costs. | | | | |

Department of Conservation and Natural Resources 2006-07 Projects

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| FROM ENVIRONMENTAL STEWARDSHIP FUND | | | | |
| CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Hyner Run State Park, Clinton County | \$ 300 | \$ 0 | \$ 0 | \$ 300 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation of the day use restrooms within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Kettle Creek State Park, Clinton County | 600 | 0 | 0 | 600 |
| REHAB CABIN COLONY: This project will provide for the rehabilitation of the cabin colony including water lines, sewage lines, and access ports. When completed, this project is not expected to increase operating costs. | | | | |
| Kettle Creek State Park, Clinton County | 1,450 | 0 | 0 | 1,450 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation and renovation of the bathhouse, shower house, and sewage system within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Kettle Creek State Park, Clinton County | 1,300 | 0 | 0 | 1,300 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation and modernization of lower campground and sewage system. When completed, this project is not expected to increase operating costs. | | | | |
| Kings Gap Environmental Center, Cumberland County | 550 | 0 | 0 | 550 |
| CONSTRUCT MAINTENANCE BUILDING: This project will provide for the construction of a new maintenance building and rehabilitate carriage house. When completed, this project is not expected to increase operating costs. | | | | |
| Kooser State Park, Somerset County | 1,100 | 0 | 0 | 1,100 |
| REHAB ROADS AND BRIDGES: This project will provide for the rehabilitation of the roads and bridges throughout the park. When completed, this project is not expected to increase operating costs. | | | | |
| Laurel Ridge State Park, Somerset County | 850 | 0 | 0 | 850 |
| REPLACE TRAIL BRIDGE: This project will provide for the replacement of the turnpike trail bridge superstructure within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Leonard Harrison State Park, Tioga County | 1,500 | 0 | 0 | 1,500 |
| CONSTRUCT ADDITION: This project will construct an addition to the visitors' center with restrooms and classroom facility and office. When completed, this project is not expected to increase operating costs. | | | | |
| Little Buffalo State Park, Perry County | 650 | 0 | 0 | 650 |
| REHAB SEWAGE TREATMENT SYSTEM: This project will provide for the rehabilitation of the sewage treatment system. When completed, this project is not expected to increase operating costs. | | | | |
| Little Buffalo State Park, Perry County | 2,000 | 0 | 0 | 2,000 |
| PURCHASE AND REHAB CAMPGROUND: This project will provide for the purchase and rehabilitation of a campground site. When completed, this project is not expected to increase operating costs. | | | | |

Department of Conservation and Natural Resources 2006-07 Projects

(Dollar Amounts in Thousands)

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|---|-------------------------|--------------|---------------------------|--------------------------|
| FROM ENVIRONMENTAL STEWARDSHIP FUND | | | | |
| CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Little Buffalo State Park, Perry County | \$ 700 | \$ 0 | \$ 0 | \$ 700 |
| LAKE DREDGING: This project will provide for the dredging of the lake within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Locust Lake State Park, Schuylkill County | 1,700 | 0 | 0 | 1,700 |
| REPLACE BUILDINGS: This project will provide for the replacement to the campground buildings within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Lyman Run State Park, Potter County | 300 | 0 | 0 | 300 |
| REPLACE BUILDINGS: This project will provide for the replacement to the campground buildings within the park. When completed, this project is not expected to increase operating costs. | | | | |
| M.K. Goddard State Park, Mercer County | 1,800 | 0 | 0 | 1,800 |
| REHAB OFFICE/MAINTENANCE COMPLEX: This project will provide for the rehabilitation of the park office and maintenance complex. When completed, this project is not expected to increase operating costs. | | | | |
| M.K. Goddard State Park, Mercer County | 1,650 | 0 | 0 | 1,650 |
| REHAB MARINA AREA: This project will provide for the rehabilitation of the marina building within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Moraine State Park, Butler County | 1,000 | 0 | 0 | 1,000 |
| REHAB SEWAGE TREATMENT SYSTEM: This project will provide for the rehabilitation of the sewage treatment system. When completed, this project is not expected to increase operating costs. | | | | |
| Moraine State Park, Butler County | 900 | 0 | 0 | 900 |
| REPLACE BEACH HOUSE: This project will provide for the replacement of the lakeview beach house within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Moraine State Park, Butler County | 350 | 0 | 0 | 350 |
| RESURFACE BIKE TRAIL: This project will provide for the resurfacing of the bike trail within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Nockamixon State Park, Bucks County | 1,000 | 0 | 0 | 1,000 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation and modernization of 3 comfort stations within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Ohiopyle State Park, Fayette County | 1,500 | 0 | 0 | 1,500 |
| REHAB INFRASTRUCTURE: This project will provide for the accessibility of the park office within the park. When completed, this project is not expected to increase operating costs. | | | | |

Department of Conservation and Natural Resources 2006-07 Projects

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|--|-------------------------|--------------|---------------------------|--------------------------|
| FROM ENVIRONMENTAL STEWARDSHIP FUND | | | | |
| CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Ohiopyle State Park, Fayette County | \$ 1,500 | \$ 0 | \$ 0 | \$ 1,500 |
| REHAB TRAIL BRIDGES/CULVERTS: This project will provide for the rehabilitation of the trail bridges and culverts within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Ohiopyle State Park, Fayette County | 950 | 0 | 0 | 950 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation of Tharp Knob restroom and Mitchell Field washhouse. When completed, this project is not expected to increase operating costs. | | | | |
| Ole Bull State Park, Potter County | 500 | 0 | 0 | 500 |
| OFFICE EXPANSION: This project will provide for a new park office and visitor's center. When completed, this project is not expected to increase operating costs. | | | | |
| Ole Bull State Park, Potter County | 300 | 0 | 0 | 300 |
| REHAB INFRASTRUCTURE: This project will provide for the replace pit latrines with modern comfort stations within the park. When completed, this project is not expected to increase operating costs. | | | | |
| State Park Region 1, Cameron County | 1,500 | 0 | 0 | 1,500 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation of surface and well water supplies within the park. When completed, this project is not expected to increase operating costs. | | | | |
| State Park Region 1, Cameron County | 350 | 0 | 0 | 350 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation of surface water filtration system. When completed, this project is not expected to increase operating costs. | | | | |
| Parker Dam State Park, Clearfield County | 750 | 0 | 0 | 750 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation of the shower house and organization of the group tenting area. When completed, this project is not expected to increase operating costs. | | | | |

Department of Conservation and Natural Resources 2006-07 Projects

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|---|-------------------------|--------------|---------------------------|--------------------------|
| FROM ENVIRONMENTAL STEWARDSHIP FUND | | | | |
| CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Pine Grove Furnace State Park, Cumberland County | \$ 450 | \$ 0 | \$ 0 | \$ 450 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation and modernization of the group camp comfort station within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Pine Grove Furnace State Park, Cumberland County | 812 | 0 | 0 | 812 |
| LAKE DREDGING: This project will provide for the dredging of the lake within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Pine Grove Furnace State Park, Cumberland County | 450 | 0 | 0 | 450 |
| ENVIRONMENTAL PROTECTION: This project will provide for the protection of natural resources-Laurel Lake Area. When completed, this project is not expected to increase operating costs. | | | | |
| Pine Grove Furnace State Park, Cumberland County | 2,000 | 0 | 0 | 2,000 |
| REHAB OFFICE: This project will provide for the rehabilitation of the hostel-office-visitors' center complex. When completed, this project is not expected to increase operating costs. | | | | |
| Poe Paddy State Park, Centre County | 1,500 | 0 | 0 | 1,500 |
| REHAB INFRASTRUCTURE: This project will provide for the replacement of pit latrines with modern comfort stations including shower houses and rehabilitate sewage systems. When completed, this project is not expected to increase operating costs. | | | | |
| Poe Valley State Park, Centre County | 2,000 | 0 | 0 | 2,000 |
| REHAB DAM: This project will provide for the rehabilitation of the dam within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Poe Valley State Park, Centre County | 500 | 0 | 0 | 500 |
| OFFICE EXPANSION: This project will provide for a new park office and visitors' center. When completed, this project is not expected to increase operating costs. | | | | |
| Presque Isle State Park, Erie County | 2,000 | 0 | 0 | 2,000 |
| REHAB SEWAGE TREATMENT SYSTEM: This project will provide for the rehabilitation of the sewage treatment system. When completed, this project is not expected to increase operating costs. | | | | |
| Presque Isle State Park, Erie County | 3,600 | 0 | 0 | 3,600 |
| REPLACE BEACH HOUSES: This project will provide for the replacement of 4 beach houses within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Prince Gallitzin State Park, Cambria County | 2,800 | 0 | 0 | 2,800 |
| REHAB WATER LINES: This project will provide for the rehabilitation of water lines within the park. When completed, this project is not expected to increase operating costs. | | | | |

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|---|-------------------------|--------------|---------------------------|--------------------------|
| FROM ENVIRONMENTAL STEWARDSHIP FUND | | | | |
| CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Prince Gallitzin State Park, Cambria County | \$ 800 | \$ 0 | \$ 0 | \$ 800 |
| REHAB ROADS: This project will provide for the rehabilitation of the roads throughout the park. When completed, this project is not expected to increase operating costs. | | | | |
| Prince Gallitzin State Park, Cambria County | 900 | 0 | 0 | 900 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation of the day use area site, buildings, and campground. When completed, this project is not expected to increase operating costs. | | | | |
| Prince Gallitzin State Park, Cambria County | 450 | 0 | 0 | 450 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation of the electric at the campground in the park. When completed, this project is not expected to increase operating costs. | | | | |
| Prince Gallitzin State Park, Cambria County | 2,000 | 0 | 0 | 2,000 |
| REPLACE MARINA DOCKS: This project will provide for the replacement of the Beaver Valley Marina docks. When completed, this project is not expected to increase operating costs. | | | | |
| Prince Gallitzin State Park, Cambria County | 800 | 0 | 0 | 800 |
| PAVING PROJECTS: This project will provide for the paving projects including roads and parking areas. When completed, this project is not expected to increase operating costs. | | | | |
| Prince Gallitzin State Park, Cambria County | 1,500 | 0 | 0 | 1,500 |
| EXPAND CAMPGROUND: This project will provide for the expansion of campground-1 as shown in the master plan. When completed, this project is not expected to increase operating costs. | | | | |
| Promised Land State Park, Pike County | 1,000 | 0 | 0 | 1,000 |
| REHAB SEWAGE TREATMENT SYSTEM: This project will provide for the rehabilitation of the sewage treatment system. When completed, this project is not expected to increase operating costs. | | | | |
| Pymatuning State Park, Crawford County | 500 | 0 | 0 | 500 |
| REHAB BOAT LAUNCH: This project will provide for the rehabilitation of five boat launches within the park. When completed, this project is not expected to increase operating costs. | | | | |
| R.B. Winter State Park, Union County | 500 | 0 | 0 | 500 |
| REHAB WALKWAY: This project will provide for the rehabilitation of walkway on a PENNDOT bridge within the park. When completed, this project is not expected to increase operating costs. | | | | |
| R.B. Winter State Park, Union County | 500 | 0 | 0 | 500 |
| REHAB INFRASTRUCTURE: This project will provide for the replacement of 2 composting toilets and sand bridge with modern comfort stations. When completed, this project is not expected to increase operating costs. | | | | |

Department of Conservation and Natural Resources 2006-07 Projects

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| FROM ENVIRONMENTAL STEWARDSHIP FUND | | | | |
| CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Raccoon Creek State Park, Beaver County | \$ 500 | \$ 0 | \$ 0 | \$ 500 |
| REHAB WASHHOUSES: This project will provide for the rehabilitation of 5 campground washhouses within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Raccoon Creek State Park, Beaver County | 750 | 0 | 0 | 750 |
| REHAB TRAIL BRIDGE: This project will provide for the rehabilitation of the Valley Bicycle Trail Bridge within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Ravensburg State Park, Clinton County | 750 | 0 | 0 | 750 |
| REHAB INFRASTRUCTURE: This project will provide for the replacement of 3 composting toilets and sand bridge with modern comfort stations. When completed, this project is not expected to increase operating costs. | | | | |
| Reeds Gap State Park, Mifflin County | 500 | 0 | 0 | 500 |
| REHAB SHOWER HOUSE: This project will rehabilitate shower house for camping area. When completed, this project is not expected to increase operating costs. | | | | |
| Reeds Gap State Park, Mifflin County | 300 | 0 | 0 | 300 |
| RELOCATE PARK OFFICE: This project will provide for the relocation of office building within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Reeds Gap State Park, Mifflin County | 1,500 | 0 | 0 | 1,500 |
| REHAB OFFICE/MAINTENANCE COMPLEX: This project will provide for the construction of a new park office and visitors' center and rehabilitate the maintenance complex. When completed, this project is not expected to increase operating costs. | | | | |
| Reeds Gap State Park, Mifflin County | 1,000 | 0 | 0 | 1,000 |
| REPLACE POOL: This project will provide for the replacement of a swimming pool. When completed, this project is not expected to increase operating costs. | | | | |
| Reeds Gap State Park, Mifflin County | 600 | 0 | 0 | 600 |
| REHABILITATE SHOWER HOUSE: This project will rehabilitate shower house for camping area. When completed, this project is not expected to increase operating costs. | | | | |
| Ridley Creek State Park, Delaware County | 800 | 0 | 0 | 800 |
| REHAB MANSION: This project will provide for the renovations of the mansion interior within the park. When completed, this project is not expected to increase operating costs. | | | | |
| S.B. Elliott State Park, Clearfield County | 2,500 | 0 | 0 | 2,500 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation and modernization of the cabins and washhouse facilities. When complete this project is not expected to increase operating costs. | | | | |

Department of Conservation and Natural Resources 2006-07 Projects

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| FROM ENVIRONMENTAL STEWARDSHIP FUND | | | | |
| CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Shawnee State Park, Bedford County | \$ 300 | \$ 0 | \$ 0 | \$ 300 |
| REHAB BRIDGE: This project will provide for the rehabilitation of campground bridge including the deck and painting the steel. When completed, this project is not expected to increase operating costs. | | | | |
| Shawnee State Park, Bedford County | 500 | 0 | 0 | 500 |
| REHAB INFRASTRUCTURE: This project will provide for the rehabilitation of the campground including sites, electric and paving. When completed, this project is not expected to increase operating costs. | | | | |
| Shawnee State Park, Bedford County | 2,000 | 0 | 0 | 2,000 |
| REHAB CABIN COLONY: This project will provide for the rehabilitation of the cabin colony. When completed, this project is not expected to increase operating costs. | | | | |
| Shawnee State Park, Bedford County | 1,100 | 0 | 0 | 1,100 |
| REHAB WATER PLANT: This project will provide for the rehabilitation of water lines and treatment plant. When completed, this project is not expected to change operating costs. | | | | |
| Shikellamy State Park, Northumberland County | 1,000 | 0 | 0 | 1,000 |
| REHAB DAM: This project will provide for the rehabilitation of a concrete apron at Tail Race for dam access. When completed, this project is not expected to increase operating costs. | | | | |
| Shikellamy State Park, Northumberland County | 300 | 0 | 0 | 300 |
| REHAB CAUSEWAY: This project will provide for the rehabilitation of a causeway for inflatable dam bags 4 & 5. When completed, this project is not expected to increase operating costs. | | | | |
| Shikellamy State Park, Northumberland County | 740 | 0 | 0 | 740 |
| REPLACE BAGS: This project will provide for the replacement of inflatable dam bags 4 & 5. When completed, this project is not expected to increase operating costs. | | | | |
| Shikellamy State Park, Northumberland County | 650 | 0 | 0 | 650 |
| REHAB MAINTENANCE AREA: This project will provide for the rehabilitation and expansion of the maintenance area. When completed, this project is not expected to increase operating costs. | | | | |
| Shikellamy State Park, Northumberland County | 2,500 | 0 | 0 | 2,500 |
| REPLACE MARINA DOCKS: This project will provide for the rehabilitation and replacement of the marina docks including bulk head safety wall and pier within the park. When completed, this project is not expected to increase operating costs. | | | | |

Department of Conservation and Natural Resources 2006-07 Projects

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| FROM ENVIRONMENTAL STEWARDSHIP FUND | | | | |
| CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Shikellamy State Park, Northumberland County | \$ 2,500 | \$ 0 | \$ 0 | \$ 2,500 |
| REPLACE MARINA DOCKS: This project will provide for the rehabilitation and replacement of the marina docks including bulk head safety wall and pier within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Sinnemahoning State Park, Cameron County | 700 | 0 | 0 | 700 |
| REHAB MAINTENANCE BUILDING: This project will provide for the rehabilitation of the maintenance building including the addition of four (4) bays. When completed, this project is not expected to increase operating costs. | | | | |
| Sinnemahoning State Park, Cameron County | 600 | 0 | 0 | 600 |
| REHAB SHOWER HOUSE: This project will rehabilitate shower house for camping area. When completed, this project is not expected to increase operating costs. | | | | |
| Sinnemahoning State Park, Cameron County | 500 | 0 | 0 | 500 |
| REHAB RESTROOM: This project will provide for the rehabilitation and modernization of a restroom along Wildlife Trail. When completed, this project is not expected to increase operating costs. | | | | |
| Sinnemahoning State Park, Cameron County | 600 | 0 | 0 | 600 |
| REHAB SHOWER HOUSE: This project will rehabilitate shower house for camping area. When completed, this project is not expected to increase operating costs. | | | | |
| Sizerville State Park, Cameron County | 1,800 | 0 | 0 | 1,800 |
| OFFICE EXPANSION: This project will provide for a new park office. When completed, this project is not expected to increase operating costs. | | | | |
| Sizerville State Park, Cameron County | 2,000 | 0 | 0 | 2,000 |
| REHAB INFRASTRUCTURE: This project will provide for the replacement of pit latrines with modern comfort stations and bathhouse within the park. When completed, this project is not expected to increase operating costs. | | | | |
| Sizerville State Park, Cameron County | 600 | 0 | 0 | 600 |
| REHAB SHOWER HOUSE: This project will rehabilitate shower house for camping area. When completed, this project is not expected to increase operating costs. | | | | |
| Trough Creek State Park, Huntingdon County | 400 | 0 | 0 | 400 |
| REHAB SHOWER HOUSE: This project will rehabilitate shower house for camping area. When completed, this project is not expected to increase operating costs. | | | | |
| Whipple Dam State Park, Huntingdon County | 1,500 | 0 | 0 | 1,500 |
| LAKE DREDGING: This project will provide for the dredging of the lake within the park. When completed, this project is not expected to increase operating costs. | | | | |

Capital Budget

Department of Conservation and Natural Resources 2006-07 Projects

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| FROM ENVIRONMENTAL STEWARDSHIP FUND | | | | |
| CURRENT REVENUES | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Parks and Forest Management | | | | |
| Various Parks, Statewide | \$ 0 | \$ 10,000 | \$ 0 | \$ 10,000 |
| <p>LAND ACQUISITION: This project will acquire land to be incorporated within the park system according to the Commonwealth's master plan. When completed, this project is not expected to increase operating costs.</p> | | | | |
| PROGRAM TOTAL..... | \$ 141,952 | \$ 10,000 | \$ 0 | \$ 151,952 |

DEPARTMENT OF CORRECTIONS

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| 2006-07 PUBLIC IMPROVEMENT PROJECTS | | | | |
| Institutionalization of Offenders..... | \$ 56,640 | \$ 0 | \$ 14,160 | \$ 70,800 |
| TOTAL PROJECTS..... | <u>\$ 56,640</u> | <u>\$ 0</u> | <u>\$ 14,160</u> | <u>\$ 70,800</u> |
| SOURCE OF FUNDS | | | | |
| General Obligation Bond Issues | | | | |
| Capital Facilities Fund - Buildings and Structures..... | \$ 43,440 | \$ 0 | \$ 10,860 | \$ 54,300 |
| Capital Facilities Fund - Furniture and Equipment..... | 0 | 0 | 0 | 0 |
| Subtotal General Obligation Bond Issues..... | <u>43,440</u> | <u>0</u> | <u>10,860</u> | <u>54,300</u> |
| Federal Funds | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Other Funds | <u>13,200</u> | <u>0</u> | <u>3,300</u> | <u>16,500</u> |
| TOTAL..... | <u>\$ 56,640</u> | <u>\$ 0</u> | <u>\$ 14,160</u> | <u>\$ 70,800</u> |

Capital Budget

Department of Corrections 2006-07 Projects

(Dollar Amounts in Thousands)

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

| Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|-------------------------|--------------|---------------------------|--------------------------|
|-------------------------|--------------|---------------------------|--------------------------|

FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Institutionalization of Offenders

| | State | Fed. | Other | Total |
|---|----------|------|--------|----------|
| State Correctional Institution at Camp Hill | \$ 1,640 | \$ 0 | \$ 410 | \$ 2,050 |
| INFRASTRUCTURE UPGRADE: This project will construct a new coal handling system to replace existing system. When completed, this project is not expected to increase operating costs. | 0 | 0 | 0 | 0 |
| State Correctional Institution at Mercer | 10,800 | 0 | 2,700 | 13,500 |
| EXPAND FACILITY AND SECURITY UPGRADES: This project will construct a new 230 bed capacity and upgrade infrastructure and security. When completed, this project is expected to increase operating costs by \$760,000 per year. | 0 | 0 | 0 | 0 |
| State Correctional Institution at Laurel Highlands | 10,800 | 0 | 2,700 | 13,500 |
| EXPAND FACILITY AND SECURITY UPGRADES: This project will construct a new 230 bed capacity and upgrade infrastructure and security. When completed, this project is expected to increase operating costs by \$805,000 per year. | 0 | 0 | 0 | 0 |
| State Correctional Institution at Laurel Highlands | 5,120 | 0 | 1,280 | 6,400 |
| CONSTRUCT WING - STEP DOWN UNIT: This project will construct a new wing on the medical step down unit for an additional 48 beds including utility infrastructure upgrade. When completed, this project is expected to increase operating costs by \$1,120,000 annually. | 0 | 0 | 0 | 0 |
| State Correctional Institution at Mahanoy | 0 | 0 | 0 | 0 |
| CONSTRUCT LAUNDRY FACILITY: This project will modify an existing building into a regional laundry facility for Correctional Industries including laundry equipment. When completed, this project is expected to increase operating costs by \$1,850,000 annually. | 0 | 0 | 0 | 0 |
| | 5,280 | 0 | 1,320 | 6,600 |
| State Correctional Institution at Graterford | 0 | 0 | 0 | 0 |
| CONSTRUCT LAUNDRY FACILITY: This project will modify an existing building into a regional laundry facility for Correctional Industries including laundry equipment. When completed, this project is expected to increase operating costs by \$1,850,000 annually. | 0 | 0 | 0 | 0 |
| | 7,920 | 0 | 1,980 | 9,900 |
| State Correctional Institution at Smithfield | 10,800 | 0 | 2,700 | 13,500 |
| EXPAND FACILITY AND SECURITY UPGRADES: This project will construct a new 230 bed capacity and upgrade infrastructure and security. When completed, this project is expected to increase operating costs by \$760,000 per year. | 0 | 0 | 0 | 0 |

Capital Budget

Department of Corrections 2006-07 Projects

(Dollar Amounts in Thousands)

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

| Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|-------------------|-----------|------------------------|--------------------|
|-------------------|-----------|------------------------|--------------------|

FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS (continued)

Program: Institutionalization of Offenders

| | State | Fed. | Other | Total |
|---|------------------|-------------|------------------|------------------|
| State Correctional Institution at Huntingdon | \$ 2,120 | \$ 0 | \$ 530 | \$ 2,650 |
| INSTALL SECONDARY BOILER AND LINES: This project will install a back up boiler to the current system at SCI Huntingdon and provide steam line interconnection to SCI Smithfield boiler house. When completed, this project is not expected to increase operating costs. | 0 | 0 | 0 | 0 |
| State Correctional Institution at Albion | 720 | 0 | 180 | 900 |
| RENOVATE FIRE ALARM SYSTEM: This project will replace and modernize heat sensors, smoke detectors, pull stations and computer programming to current codes and technology. When completed, this project is not expected to increase operating costs. | 0 | 0 | 0 | 0 |
| State Correctional Institution at Coal | 720 | 0 | 180 | 900 |
| RENOVATE FIRE ALARM SYSTEM: This project will replace and modernize heat sensors, smoke detectors, pull stations and computer programming to current codes and technology. When completed, this project is not expected to increase operating costs. | 0 | 0 | 0 | 0 |
| State Correctional Institution at Mahanoy | 720 | 0 | 180 | 900 |
| RENOVATE FIRE ALARM SYSTEM: This project will replace and modernize heat sensors, smoke detectors, pull stations and computer programming to current codes and technology. When completed, this project is not expected to increase operating costs. | 0 | 0 | 0 | 0 |
| <hr/> | | | | |
| Total State..... | \$ 43,440 | \$ 0 | \$ 10,860 | \$ 54,300 |
| Total Federal..... | 0 | 0 | 0 | 0 |
| Total Other..... | 13,200 | 0 | 3,300 | 16,500 |
| <hr/> | | | | |
| PROGRAM TOTAL..... | <u>\$ 56,640</u> | <u>\$ 0</u> | <u>\$ 14,160</u> | <u>\$ 70,800</u> |

DEPARTMENT OF EDUCATION

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| 2006-07 PUBLIC IMPROVEMENT PROJECTS | | | | |
| State Owned Schools..... | \$ 12,935 | \$ 0 | \$ 1,786 | \$ 14,721 |
| Higher Education - State-Related Universities..... | 53,684 | 0 | 12,006 | 65,690 |
| TOTAL PROJECTS..... | \$ 66,619 | \$ 0 | \$ 13,792 | \$ 80,411 |
| SOURCE OF FUNDS | | | | |
| General Obligation Bond Issues | | | | |
| Capital Facilities Fund - Buildings and Structures..... | \$ 58,014 | \$ 0 | \$ 12,272 | \$ 70,286 |
| Capital Facilities Fund - Furniture and Equipment..... | 8,605 | 0 | 1,520 | 10,125 |
| Subtotal General Obligation Bond Issues..... | \$ 66,619 | \$ 0 | \$ 13,792 | \$ 80,411 |
| Current Revenues | | | | |
| Higher Education - State-Related Universities..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| TOTAL..... | \$ 66,619 | \$ 0 | \$ 13,792 | \$ 80,411 |

Capital Budget

Department of Education 2006-07 Projects

This section provides a brief description of each recommended project, its location and cost components. Operating cost impacts are not provided for these projects since these costs are borne by the operating budget of each university.

(Dollar Amounts in Thousands)

FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: State Owned Schools

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| Scranton School for the Deaf LIFE SAFETY, HEALTH & SECURITY UPGRADES: This project will update and improve life safety issues campus-wide and fully integrated. When completed, this project is expected to increase operating costs by \$20,000 annually. | \$ 6,850 | \$ 0 | \$ 1,028 | \$ 7,878 |
| Scranton School for the Deaf CONSTRUCT LIBRARY/ MEDIA COMMUNICATION CENTER: This project will construct a new library /media communications center concurrent to modern codes. When completed, this project is expected to increase operating costs by \$10,000 annually. | 3,000 | 0 | 450 | 3,450 |
| Scranton School for the Deaf DEVELOP RECREATIONAL SITE: This project will develop and make site improvements and provide equipment for age appropriate recreation areas and sports sites. When completed, this project is not expected to increase operating costs. | 100 | 0 | 15 | 115 |
| Scranton School for the Deaf ADDITIONAL FUNDING CAMPUS SAFETY IMPROVEMENTS: This project will provide supplemental funding for DGS project 416-11 to resolve unknown water damage, mildew and rot removal. When completed, this project is not expected to increase operating costs. | 1,950 | 0 | 293 | 2,243 |
| Scranton School for the Deaf ORIGINAL FURNITURE AND EQUIPMENT, CONSTRUCT LIBRARY/ MEDIA COMMUNICATION CENTER: This project will provide for the purchase of moveable furniture and equipment to allow construction project to become operational. When completed, this project is not expected to increase operating costs. | 1,035 | 0 | 0 | 1,035 |
| PROGRAM TOTAL | <u>\$ 12,935</u> | <u>\$ 0</u> | <u>\$ 1,786</u> | <u>\$ 14,721</u> |

Department of Education 2006-07 Projects

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| FROM CAPITAL FACILITIES BOND FUNDS | | | | |
| Program: Higher Education - State-Related Universities | | | | |
| Thaddeus Stevens College of Technology | \$ 4,400 | \$ 0 | \$ 600 | \$ 5,000 |
| CONSTRUCT INDUSTRIAL BUILDING: This project will construct a building for carpentry, collision repair and metal fabrication to meet all current codes and safe instructional environment. When completed, this project is expected to increase operating costs by \$78,000 annually. | | | | |
| Lincoln University | 12,000 | 0 | 3,000 | 15,000 |
| CAMPUS AND GROUNDS RENOVATION: This project will construct, repave, resurface walkways around campus, improve entranceways, landscape maintenance and development around the campus and provide additional parking. When completed, this project will not increase operating costs since the University is responsible for maintenance. | | | | |
| Temple University | 4,000 | 0 | 1,000 | 5,000 |
| RESTORE BAPTIST TEMPLE BUILDING: This project will renovate and rehabilitate the interior for use as a performance hall for the various performing arts colleges of Temple University. When completed, this project will not increase operating costs since the University is responsible for maintenance. | | | | |
| University of Pittsburgh | 6,400 | 0 | 1,600 | 8,000 |
| CHEVRON SCIENCE CENTER RENOVATION: This project will continue to upgrade deferred maintenance on the Chevron Science Center including replacement of laboratory fume hoods and other code upgrades. When completed, this project will not increase operating costs since the University is responsible for maintenance. | | | | |
| Pennsylvania State University - Berks | 6,720 | 0 | 1,680 | 8,400 |
| NEW CLASSROOM BUILDING - ADDITIONAL FUNDING: This project requests additional funding to reflect rising construction costs including additional square footage from original scope. When completed, this project will not increase operating costs since the University is responsible for maintenance. | | | | |
| Pennsylvania State University - Delaware | 1,760 | 0 | 440 | 2,200 |
| NEW ADMINISTRATION BUILDING - ADDITIONAL FUNDING: This project requests additional funding to reflect rising construction costs including additional square footage from original scope. When completed, this project will not increase operating costs since the University is responsible for maintenance. | | | | |
| Lincoln University | 3,600 | 0 | 900 | 4,500 |
| ORIGINAL FURNITURE AND EQUIPMENT, SCIENCE CLASSROOM BUILDING: This project will provide for the purchase of moveable furniture and equipment to allow construction project to become operational. When completed, this project will not increase operating costs since the University is responsible for maintenance. | | | | |

Capital Budget

Department of Education 2006-07 Projects

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| FROM CAPITAL FACILITIES BOND FUNDS | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Higher Education - State-Related Universities (continued) | | | | |
| Lincoln University | \$ 2,480 | \$ 0 | \$ 620 | \$ 3,100 |
| ORIGINAL FURNITURE AND EQUIPMENT, CONSTRUCTION OF INTERNATIONAL CULTURAL CENTER: This project will provide for the purchase of moveable furniture and equipment to allow construction project to become operational. When completed, this project will not increase operating costs since the University is responsible for maintenance. | | | | |
| Pennsylvania State University - Berks | 390 | 0 | 0 | 390 |
| ORIGINAL FURNITURE AND EQUIPMENT, CONSTRUCTION OF NEW CLASSROOM LABORATORY BUILDING, BERKS CAMPUS: This project will provide for the purchase of moveable furniture and equipment to allow construction project to become operational. When completed, this project will not increase operating costs since the University is responsible for maintenance. | | | | |
| Pennsylvania State University - Delaware | 200 | 0 | 0 | 200 |
| ORIGINAL FURNITURE AND EQUIPMENT, CONSTRUCTION OF NEW ADMINISTRATION BUILDING, DELAWARE CAMPUS: This project will provide for the purchase of moveable furniture and equipment to allow construction project to become operational. When completed, this project will not increase operating costs since the University is responsible for maintenance. | | | | |
| PROGRAM TOTAL..... | <u>\$ 41,950</u> | <u>\$ 0</u> | <u>\$ 9,840</u> | <u>\$ 51,790</u> |

Capital Budget

Department of Education 2006-07 Projects

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| FROM CAPITAL FACILITIES BOND FUNDS | | | | |
| <i>PUBLIC IMPROVEMENT PROJECTS (continued)</i> | | | | |
| Program: Higher Education - State System of Higher Education | | | | |
| Shippensburg University | \$ 1,250 | \$ 0 | \$ 250 | \$ 1,500 |
| HUBER ARTS CENTER - ADDITIONAL FUNDING: This project will provide additional funding for the renovation of the Huber Arts Center and building annex while providing additional laboratory space. When completed, this project will increase operating costs by \$23,000 annually. | | | | |
| Bloomsburg University | 4,167 | 0 | 833 | 5,000 |
| RENOVATE BAKELESS CENTER: This project will renovate the Bakeless Center for Humanities including code upgrades, HVAC requirements, and walkway accessibility. When completed, this project will not increase operating costs since the University is responsible for maintenance. | | | | |
| Cheyney University | 3,750 | 0 | 750 | 4,500 |
| RENOVATE BROWNE HALL: This project will renovate Browne Hall including structure repairs, lead paint and asbestos removal, upgrade infrastructure according to modern codes, communication upgrades and fire safety code requirements. When completed, this project will not increase operating costs since the University is responsible for maintenance. | | | | |
| Kutztown University | 1,667 | 0 | 333 | 2,000 |
| NEW MAINTENANCE BUILDING - ADDITIONAL FUNDING: This project requests additional funding to reflect the consolidation of industrial plants on the university to one central location. When completed, this project will not increase operating costs since the University is responsible for maintenance. | | | | |
| Kutztown University | 400 | 0 | 0 | 400 |
| ORIGINAL FURNITURE AND EQUIPMENT - MAINTENANCE BUILDING: This project will provide for the purchase of moveable furniture and equipment to allow construction project to become operational. When completed, this project will not increase operating costs since the University is responsible for maintenance. | | | | |
| Bloomsburg University | 500 | 0 | 0 | 500 |
| ORIGINAL FURNITURE AND EQUIPMENT - BAKELESS CENTER: This project will provide for the purchase of moveable furniture and equipment to allow construction project to become operational. When completed, this project will not increase operating costs since the University is responsible for maintenance. | | | | |
| PROGRAM TOTAL | <u>\$ 11,734</u> | <u>\$ 0</u> | <u>\$ 2,166</u> | <u>\$ 13,900</u> |

EMERGENCY MANAGEMENT AGENCY

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| 2006-07 PUBLIC IMPROVEMENT PROJECTS | | | | |
| Emergency Management..... | \$ 2,100 | \$ 0 | \$ 275 | \$ 2,375 |
| TOTAL PROJECTS..... | <u>\$ 2,100</u> | <u>\$ 0</u> | <u>\$ 275</u> | <u>\$ 2,375</u> |
| SOURCE OF FUNDS | | | | |
| General Obligation Bond Issues | | | | |
| Capital Facilities Fund - Buildings and Structures..... | \$ 2,100 | \$ 0 | \$ 275 | \$ 2,375 |
| Capital Facilities Fund - Furniture and Equipment..... | 0 | 0 | 0 | 0 |
| TOTAL..... | <u>\$ 2,100</u> | <u>\$ 0</u> | <u>\$ 275</u> | <u>\$ 2,375</u> |

Emergency Management Agency 2006-07 Projects

(Dollar Amounts in Thousands)

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

| Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|-------------------------|--------------|---------------------------|--------------------------|
|-------------------------|--------------|---------------------------|--------------------------|

FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Emergency Management

| | | | | |
|--|-----------------|-------------|---------------|-----------------|
| <p>Emergency Operations Center REHABILITATE EMERGENCY OPERATIONS CENTER: This project will provide for the upgrade and replacement of the HVAC units. When completed, this project is expected to decrease operating costs marginally.</p> | \$ 300 | \$ 0 | \$ 75 | \$ 375 |
| <p>Emergency Operations Center CONSTRUCT EMERGENCY OPERATIONS CENTER - EASTERN AREA: This project will provide for the construction of an emergency operations center for the eastern area staff, similar the western emergency operations center. When completed, this project is expected to increase operating costs by less than \$100,000 annually.</p> | 1,800 | 0 | 200 | 2,000 |
| <p>PROGRAM TOTAL.....</p> | <u>\$ 2,100</u> | <u>\$ 0</u> | <u>\$ 275</u> | <u>\$ 2,375</u> |

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| 2006-07 PUBLIC IMPROVEMENT PROJECTS | | | | |
| Environmental Protection and Management..... | \$ 5,700 | \$ 0 | \$ 900 | \$ 6,600 |
| FLOOD CONTROL PROJECTS | | | | |
| Environmental Protection and Management..... | 200 | 0 | 0 | 200 |
| TOTAL PROJECTS..... | <u>\$ 5,900</u> | <u>\$ 0</u> | <u>\$ 900</u> | <u>\$ 6,800</u> |
| SOURCE OF FUNDS | | | | |
| General Obligation Bond Issues | | | | |
| Capital Facilities Fund - Buildings and Structures..... | \$ 5,700 | \$ 0 | \$ 900 | \$ 6,600 |
| Capital Facilities Fund - Flood Control..... | 200 | 0 | 0 | 200 |
| TOTAL..... | <u>\$ 5,900</u> | <u>\$ 0</u> | <u>\$ 900</u> | <u>\$ 6,800</u> |

Capital Budget

Department of Environmental Protection 2006-07 Projects

(Dollar Amounts in Thousands)

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

| Base Project Cost | Land Cost | Design & Contingencies | Project Cost |
|-------------------------|--------------|---------------------------|-----------------|
|-------------------------|--------------|---------------------------|-----------------|

FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Environmental Protection and Management

Township of Pittston, Luzerne County

| | | | | | | | |
|----|-------|----|---|----|-----|----|-------|
| \$ | 1,000 | \$ | 0 | \$ | 200 | \$ | 1,200 |
|----|-------|----|---|----|-----|----|-------|

ADDITIONAL FUNDS: This project would add additional funds to DGS project 183-3 - providing approximately 6,000 feet of rock slope protection along Spring Brook. When completed, this project is not expected to increase operating costs since the locality will be responsible for maintenance.

Borough of Jermyn, Lackawanna County

| | | | | | | | |
|--|-------|--|---|--|-----|--|-------|
| | 1,000 | | 0 | | 200 | | 1,200 |
|--|-------|--|---|--|-----|--|-------|

ADDITIONAL FUNDS: This project would add additional funds to DGS project 181-21 - constructing a concrete channel and box culvert for approximately 3,700 feet of compacted earth at downstream end. When completed, this project is not expected to increase operating costs since the locality will be responsible for maintenance.

Township of Cheltenham, Montgomery County

| | | | | | | | |
|--|-------|--|---|--|-----|--|-------|
| | 1,000 | | 0 | | 200 | | 1,200 |
|--|-------|--|---|--|-----|--|-------|

ADDITIONAL FUNDS: This project would add additional funds to DGS project 181-08 - construct a concrete channel, extending a concrete culvert, and increasing flow capacity under SEPTA railroad line. When completed, this project is not expected to increase operating costs since the locality will be responsible for maintenance.

Pennsylvania State Mine Map Repository, Dauphin County

| | | | | | | | |
|--|-------|--|---|--|-----|--|-------|
| | 2,700 | | 0 | | 300 | | 3,000 |
|--|-------|--|---|--|-----|--|-------|

CONSTRUCT CENTRAL MAP REPOSITORY: This project will provide for the construction of a central map repository to contain all of the historic maps of abandoned mines in Pennsylvania. The repository will provide for both the physical storage of maps of various media as well as the storage of digital images of the maps of abandoned mines. When completed, this project is not expected to increase operating costs.

| | | | | | | | | |
|--------------------|-----------|--------------|-----------|----------|-----------|------------|-----------|--------------|
| PROGRAM TOTAL..... | <u>\$</u> | <u>5,700</u> | <u>\$</u> | <u>0</u> | <u>\$</u> | <u>900</u> | <u>\$</u> | <u>6,600</u> |
|--------------------|-----------|--------------|-----------|----------|-----------|------------|-----------|--------------|

Department of Environmental Protection 2006-07 Projects

(Dollar Amounts in Thousands)

| | Project Cost | Land Cost | Design & Contingencies | Project Cost |
|---|-----------------|--------------|---------------------------|-----------------|
| FROM CAPITAL FACILITIES BOND FUNDS | | | | |
| <i>FLOOD CONTROL PROJECTS</i> | | | | |
| Program: Environmental Protection and Management | | | | |
| North Fork, Potter County | \$ 200 | \$ 0 | \$ 0 | \$ 200 |
| NORTH FORK DAM REHABILITATION: This project will refurbish the current dam on site, which is 45 years old, as part of the flood control in Potter County. When completed, this project is not expected to increase operating costs. | | | | |
| PROGRAM TOTAL..... | <u>\$ 200</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 200</u> |

HISTORICAL AND MUSEUM COMMISSION

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| 2006-07 PUBLIC IMPROVEMENT PROJECTS | | | | |
| State Historic Preservation..... | \$ 5,600 | \$ 0 | \$ 1,060 | \$ 6,660 |
| TOTAL PROJECTS..... | \$ 5,600 | \$ 0 | \$ 1,060 | \$ 6,660 |
| SOURCE OF FUNDS | | | | |
| General Obligation Bond Issues | | | | |
| Capital Facilities Fund - Buildings and Structures..... | \$ 5,300 | \$ 0 | \$ 1,060 | \$ 6,360 |
| Capital Facilities Fund - Furniture and Equipment..... | 300 | 0 | 0 | 300 |
| TOTAL..... | \$ 5,600 | \$ 0 | \$ 1,060 | \$ 6,660 |

Historical and Museum Commission 2006-07 Projects

(Dollar Amounts in Thousands)

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

| Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|-------------------------|--------------|---------------------------|--------------------------|
|-------------------------|--------------|---------------------------|--------------------------|

FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: State Historic Preservation

| | | | | |
|--|------------------------|--------------------|------------------------|------------------------|
| <p>Pennsylvania Lumber Museum, Potter County RENOVATIONS AND SITE DEVELOPMENT: This project will provide for the renovations, upgrade and expansion of visitors' center as well as make associated site improvements to walks, driveways, parking lots, and landscaping. When completed, this project will increase operating costs \$6,000 annually.</p> | \$ 2,500 | \$ 0 | \$ 500 | \$ 3,000 |
| <p>Daniel Boone Homestead, Berks County RENOVATIONS AND SITE DEVELOPMENT: Install fire protection systems to protect site by using one or more of the following approaches - fire suppression, fire fighting stations, fire & security detections with monitoring, and alarm systems. When completed, this project will increase operating costs \$5,000 annually.</p> | 800 | 0 | 160 | 960 |
| <p>Graeme Park, Montgomery County RENOVATIONS AND SITE DEVELOPMENT: This project will provide for the renovation of a barn as a fully functional visitors' center while restoring and preserving the barn exterior including masonry restoration, new roof, window and door repairs, painting, site work, interior renovations including restrooms, lighting, HVAC and fire suppression. When completed, this project will increase operating costs \$3,000 annually.</p> | 2,000 | 0 | 400 | 2,400 |
| <p>Pennsylvania Lumber Museum, Potter County ORIGINAL FURNITURE AND EQUIPMENT FOR RENOVATION OF MUSEUM: This project will provide for the original furniture and equipment associated with the newly renovated visitors' center so that the project can become operational. When completed, furniture and equipment expenditures will not increase operating costs.</p> | 300 | 0 | 0 | 300 |
| <p>PROGRAM TOTAL.....</p> | <p><u>\$ 5,600</u></p> | <p><u>\$ 0</u></p> | <p><u>\$ 1,060</u></p> | <p><u>\$ 6,660</u></p> |

DEPARTMENT OF PUBLIC WELFARE

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| 2006-07 PUBLIC IMPROVEMENT PROJECTS | | | | |
| Human Services..... | \$ 8,040 | \$ 0 | \$ 1,608 | \$ 9,648 |
| TOTAL PROJECTS..... | <u>\$ 8,040</u> | <u>\$ 0</u> | <u>\$ 1,608</u> | <u>\$ 9,648</u> |
| SOURCE OF FUNDS | | | | |
| General Obligation Bond Issues | | | | |
| Capital Facilities Fund - Buildings and Structures..... | \$ 8,040 | \$ 0 | \$ 1,608 | \$ 9,648 |
| Capital Facilities Fund - Furniture and Equipment..... | 0 | 0 | 0 | 0 |
| TOTAL..... | <u>\$ 8,040</u> | <u>\$ 0</u> | <u>\$ 1,608</u> | <u>\$ 9,648</u> |

Capital Budget

Department of Public Welfare 2006-07 Projects

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

(Dollar Amounts in Thousands)

| Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|-------------------------|--------------|---------------------------|--------------------------|
|-------------------------|--------------|---------------------------|--------------------------|

FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Human Services

| | | | | |
|---|--------|------|--------|--------|
| <p>Clarks Summit State Hospital, Lackawanna County REFURBISH FRONT ENTRANCE: This project will refurbish the front entrance and steps of Newtown Hall to comply with current codes and regulations. When completed this project is not expected to increase operating costs.</p> | \$ 500 | \$ 0 | \$ 100 | \$ 600 |
| <p>Mayview State Hospital, Allegheny County FIRE SAFETY UPGRADE: This project will upgrade and replace the existing smoke/fire alarm system to meet current codes as well as compatibility. When completed this project is not expected to increase operating costs.</p> | 540 | 0 | 108 | 648 |
| <p>Polk Center, Venango County RENOVATE WATER TREATMENT PLANT: This project will replace vales, backwash pump and replenish filters with new media in order to keep water plant in compliance with regulations. When completed this project is not expected to increase operating costs.</p> | 1,000 | 0 | 200 | 1,200 |
| <p>South Mountain Restoration Center, Franklin County FIRE SAFETY UPGRADE: This project will upgrade and replace the existing smoke/fire alarm system to meet current codes as well as compatibility. When completed this project is not expected to increase operating costs.</p> | 3,200 | 0 | 640 | 3,840 |
| <p>Ebensburg Center, Cambria County INFRASTRUCTURE RENOVATIONS: This project will replace main direct sanitary line to municipal plant for both the Ebensburg Center and County PennDOT Office. When completed this project is not expected to increase operating costs.</p> | 600 | 0 | 120 | 720 |
| <p>Loysville Youth Development Center, Perry County BOILER PLANT RENOVATIONS: This project will install new boilers/building assemblies since the current boilers are outdated and inefficient. When completed this project is not expected to increase operating costs.</p> | 1,200 | 0 | 240 | 1,440 |
| <p>Polk Center, Venango County INSTALL SUMMER BOILER: This project will install a new summer boiler with all connections to comply with regulated requirements during all seasons. When completed this project is not expected to increase operating costs.</p> | 1,000 | 0 | 200 | 1,200 |

| | | | | |
|--------------------|-----------------|-------------|-----------------|-----------------|
| PROGRAM TOTAL..... | <u>\$ 8,040</u> | <u>\$ 0</u> | <u>\$ 1,608</u> | <u>\$ 9,648</u> |
|--------------------|-----------------|-------------|-----------------|-----------------|

DEPARTMENT OF TRANSPORTATION

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|-------------------------|-------------------|---------------------------|--------------------------|
| 2006-07 PUBLIC IMPROVEMENT PROJECTS | | | | |
| State Highway and Bridge Maintenance..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Highway Safety..... | 0 | 0 | 0 | 0 |
| Subtotal..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| TRANSPORTATION ASSISTANCE PROJECTS | | | | |
| Air Transportation..... | \$ 24,820 | \$ 0 | \$ 1,206 | \$ 26,026 |
| Urban Mass Transportation..... | 771,931 | 0 | 28,681 | 800,612 |
| Rural and Intercity Rail..... | 77,191 | 4,200 | 660 | 82,051 |
| Subtotal..... | \$ 873,942 | \$ 4,200 | \$ 30,547 | \$ 908,689 |
| HIGHWAY PROJECTS | | | | |
| State Highway and Bridge Construction/Reconstruction..... | \$ 1,811,844 | \$ 133,322 | \$ 274,007 | \$ 2,219,173 |
| TOTAL PROJECTS..... | <u>\$ 2,685,786</u> | <u>\$ 137,522</u> | <u>\$ 304,554</u> | <u>\$ 3,127,862</u> |
| SOURCE OF FUNDS | | | | |
| General Obligation Bond Issues | | | | |
| Capital Facilities Fund - Transportation Assistance..... | \$ 316,694 | \$ 2,100 | \$ 29,734 | \$ 348,528 |
| Capital Facilities Fund - Public Improvement Projects..... | 0 | 0 | 0 | 0 |
| Current Revenues | | | | |
| Motor License Fund..... | \$ 851,252 | \$ 31,878 | \$ 80,438 | \$ 963,567 |
| Federal Funds..... | 1,450,894 | 101,106 | 192,358 | 1,744,357 |
| Local Funds..... | 66,947 | 2,438 | 2,024 | 72,559 |
| TOTAL..... | <u>\$ 2,685,786</u> | <u>\$ 137,522</u> | <u>\$ 304,554</u> | <u>\$ 3,127,862</u> |

Capital Budget

Department of Transportation 2006-07 Projects

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

(Dollar Amounts in Thousands)

| Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|-------------------------|--------------|---------------------------|--------------------------|
|-------------------------|--------------|---------------------------|--------------------------|

FROM CAPITAL FACILITIES BOND FUNDS

TRANSPORTATION ASSISTANCE PROJECTS

Program: Air Transportation

Chester County Airport

CONSTRUCT HANGARS: This project will provide for the construction of storage buildings for aircraft currently on a waiting list at the airport. When completed, this project is not expected to increase operating costs.

| | | | | | | | | |
|-------|----|-----|----|---|----|-----|----|-----|
| State | \$ | 410 | \$ | 0 | \$ | 103 | \$ | 513 |
| Fed. | | 0 | | 0 | | 0 | | 0 |
| Local | | 410 | | 0 | | 103 | | 513 |

Lehigh Valley International Airport

AIRPORT IMPROVEMENTS: This project will provide for the economic development and safety enhancement at the airport. When completed, this project is not expected to increase operating costs.

| | | | | | | | | |
|-------|--|--------|--|---|--|-----|--|--------|
| State | | 4,500 | | 0 | | 500 | | 5,000 |
| Fed. | | 0 | | 0 | | 0 | | 0 |
| Local | | 19,500 | | 0 | | 500 | | 20,000 |

| | | | | | | | | |
|--------------------------|----|--------|----|---|----|-------|----|--------|
| TOTAL STATE FUNDS..... | \$ | 4,910 | \$ | 0 | \$ | 603 | \$ | 5,513 |
| TOTAL FEDERAL FUNDS..... | | 0 | | 0 | | 0 | | 0 |
| TOTAL LOCAL FUNDS..... | | 19,910 | | 0 | | 603 | | 20,513 |
| | | | | | | | | |
| PROGRAM TOTAL..... | \$ | 24,820 | \$ | 0 | \$ | 1,206 | \$ | 26,026 |

Department of Transportation 2006-07 Projects

(Dollar Amounts in Thousands)

| Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|-------------------------|--------------|---------------------------|--------------------------|
|-------------------------|--------------|---------------------------|--------------------------|

FROM CAPITAL FACILITIES BOND FUNDS

TRANSPORTATION ASSISTANCE PROJECTS (continued)

Program: Urban Mass Transportation

All of the following projects are grants to local transportation authorities. Consequently, no staffing or operating cost impacts are provided since these will be borne by local budgets.

| | | | | | |
|---|-------|---------|------|-------|---------|
| Southeastern Pennsylvania Transportation Authority | State | \$ 408 | \$ 0 | \$ 45 | \$ 453 |
| F.F.Y. 2001 ADDITIONAL FUNDING: | Fed. | 2,174 | 0 | 0 | 2,174 |
| This project will provide for additional funding for SEPTA's F.F.Y. 2001 Section 5307 Program, which includes refurbishing the Walnut-Locus subway station, Wayne Junction, and 30th Street to Suburban Station catenary improvements. | Local | 91 | 0 | 0 | 91 |
| Southeastern Pennsylvania Transportation Authority | State | 3,203 | 0 | 356 | 3,559 |
| F.F.Y. 2001 ADDITIONAL FUNDING: | Fed. | 2,174 | 0 | 0 | 2,174 |
| This project will provide for additional funding for SEPTA's F.F.Y. 2001 Section 5309 Fixed Guideway Program, which includes the following trackless trolley purchase and Callowhill Street garage replacement. | Local | 91 | 0 | 0 | 91 |
| Delaware River Port Authority | State | 100 | 0 | 11 | 111 |
| ADDITIONAL SMOKE AND FIRE SYSTEM: This project will provide for the DRPA's Philadelphia Locust Street Subway smoke and fire system project. A fire stand pipe system will be installed at the Locust Street Station of PATCO's subway system. | Fed. | 533 | 0 | 0 | 533 |
| | Local | 22 | 0 | 0 | 22 |
| Southeastern Pennsylvania Transportation Authority | State | 25,350 | 0 | 2,817 | 28,167 |
| F.F.Y. 2006 FEDERAL PROGRAM: | Fed. | 135,202 | 0 | 0 | 135,202 |
| This project will provide for F.F.Y. 2006 Federal Program, which includes trackless trolley purchase, transit enhancements, utility fleet renewal station rehabilitation, rail service, fare collection upgrade, regional rail car acquisition, elevated system reconstruction, station accessibility, repairs, and other programs. | Local | 5,633 | 0 | 0 | 5,633 |
| Berks Area Reading Transit Authority | State | 90 | 0 | 10 | 100 |
| REPLACE BUSES: This project will provide for the replacement of two (2) fixed route buses, which have met their useful life. | Fed. | 480 | 0 | 0 | 480 |
| | Local | 20 | 0 | 0 | 20 |
| Berks Area Reading Transit Authority | State | 132 | 0 | 15 | 147 |
| REPLACE 8 PARA TRANSIT BUSES: This project will replace 8 Para transit buses and related equipment, which have met their useful life. | Fed. | 704 | 0 | 0 | 704 |
| | Local | 29 | 0 | 0 | 29 |
| Berks Area Reading Transit Authority | State | 150 | 0 | 17 | 167 |
| PURCHASE AUTO VEHICLE LOCATOR SYSTEM: This project will provide for the purchase of an auto vehicle locator for both the fixed route and Para transit systems. | Fed. | 800 | 0 | 0 | 800 |
| | Local | 33 | 0 | 0 | 33 |
| Butler Township | State | 1,080 | 0 | 120 | 1,200 |
| PULLMAN TRANSFER CENTER: This project will provide for Butler Township's Pullman Center Multi-modal Transfer Center. | Fed. | 5,760 | 0 | 0 | 5,760 |
| | Local | 240 | 0 | 0 | 240 |

Capital Budget

Department of Transportation 2006-07 Projects

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost | |
|--|-------------------------|--------------|---------------------------|--------------------------|--------|
| FROM CAPITAL FACILITIES BOND FUNDS | | | | | |
| TRANSPORTATION ASSISTANCE PROJECTS (continued) | | | | | |
| Program: Urban Mass Transportation (continued) | | | | | |
| Centre Area Transportation Authority | State | \$ 150 | \$ 0 | \$ 17 | \$ 167 |
| REPLACE FUELING STATION: This project will provide for the replacement of three (3) CNG compressors, which are the main components to the current fueling station. | Fed. | 800 | 0 | 0 | 800 |
| | Local | 33 | 0 | 0 | 33 |
| City of Philadelphia | State | 750 | 0 | 83 | 833 |
| STREETSCAPE IMPROVEMENTS: This project will provide for streetscape upgrades along the portion of Market Street where SEPTA is reconstructing the elevated line. | Fed. | 4,000 | 0 | 0 | 4,000 |
| | Local | 167 | 0 | 0 | 167 |
| City of Philadelphia | State | 375 | 0 | 42 | 417 |
| STREETSCAPE IMPROVEMENTS: This project will provide for streetscape, greening, street lighting, and intersection improvements adjacent to the intersection of 52nd Street and Lancaster Avenue. | Fed. | 2,000 | 0 | 0 | 2,000 |
| | Local | 83 | 0 | 0 | 83 |
| City of Philadelphia | State | 186 | 0 | 21 | 207 |
| STREETSCAPE IMPROVEMENTS: This project will provide for streetscape, intersection, transit stop/terminal, and pedestrian improvements along Oxford Avenue and Huntingdon Pike in Fox Chase and Rockledge Borough in Montgomery County. | Fed. | 995 | 0 | 0 | 995 |
| | Local | 41 | 0 | 0 | 41 |
| Erie Metropolitan Transit Authority | State | 2,250 | 0 | 250 | 2,500 |
| CONSTRUCTION OF NEW TRANSPORTATION CENTER: This project will provide for the construction of a new transit center located within Glenwood Park in the City of Erie. | Fed. | 12,000 | 0 | 0 | 12,000 |
| | Local | 500 | 0 | 0 | 500 |
| Erie Metropolitan Transit Authority | State | 52 | 0 | 6 | 58 |
| INSTALL PASSENGER SHELTERS: This project will provide for the purchase and construction/installation of one (1) completely enclosed shelter and ten (10) shelters with benches. | Fed. | 278 | 0 | 0 | 278 |
| | Local | 12 | 0 | 0 | 12 |
| Fayette County | State | 37 | 0 | 4 | 41 |
| INTERMODAL TRANSIT CENTER FACILITY AND MAINTENANCE EQUIPMENT: This project will provide for construction of Fayette County's Intermodal Transit Center Facility, and maintenance equipment. | Fed. | 197 | 0 | 0 | 197 |
| | Local | 8 | 0 | 0 | 8 |
| Fayette County | State | 164 | 0 | 18 | 182 |
| INTERMODAL TRANSIT CENTER AND ADMINISTRATIVE MAINTENANCE BUILDING: This project will provide for Fayette County's Intermodal Transit Center, bus replacements, and a bus wash facility. | Fed. | 874 | 0 | 0 | 874 |
| | Local | 36 | 0 | 0 | 36 |
| Lehigh and Northampton Transportation Authority | State | 518 | 0 | 58 | 576 |
| PURCHASE BUSES: This project will provide for the purchase of twelve (12) heavy duty buses to replace buses, which have met their useful life. | Fed. | 2,764 | 0 | 0 | 2,764 |
| | Local | 115 | 0 | 0 | 115 |
| Lehigh and Northampton Transportation Authority | State | 150 | 0 | 17 | 167 |
| EASTON GARAGE EXPANSION: This project will provide for the expansion of LANTA's Easton garage to increase capacity of facility. | Fed. | 800 | 0 | 0 | 800 |
| | Local | 33 | 0 | 0 | 33 |

Capital Budget

Department of Transportation 2006-07 Projects

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost | |
|--|-------------------------|--------------|---------------------------|--------------------------|--------|
| FROM CAPITAL FACILITIES BOND FUNDS | | | | | |
| TRANSPORTATION ASSISTANCE PROJECTS (continued) | | | | | |
| Program: Urban Mass Transportation (continued) | | | | | |
| Lehigh and Northampton Transportation Authority | State | \$ 324 | \$ 0 | \$ 36 | \$ 360 |
| PURCHASE MINI BUSES: This project will provide for the purchase of twenty (20) mini buses to replace fifteen (15) of LANTA's mini buses which have met their useful life and provide for the expansion of five (5) mini buses. | Fed. | 1,728 | 0 | 0 | 1,728 |
| | Local | 72 | 0 | 0 | 72 |
| Mid County Transit Authority | State | 76 | 0 | 9 | 85 |
| REPLACE VEHICLE STORAGE FACILITY: This project will provide for replacement of the vehicle storage facility and upgrade radio equipment including an automatic vehicle locator (AVL) system. | Fed. | 408 | 0 | 0 | 408 |
| | Local | 17 | 0 | 0 | 17 |
| Mid Mon Valley Transit Authority | State | 60 | 0 | 7 | 67 |
| CONSTRUCT PARK AND RIDE LOT: This project provides for the design and construction of a park and ride lot in Union Township, Washington County along State Route 88. | Fed. | 322 | 0 | 0 | 322 |
| | Local | 13 | 0 | 0 | 13 |
| Schuylkill Transportation System | State | 210 | 0 | 23 | 233 |
| PURCHASE BUSES: This project will provide for the purchase of four (4) heavy duty buses to replace four (4), which have met their useful life. | Fed. | 1,120 | 0 | 0 | 1,120 |
| | Local | 47 | 0 | 0 | 47 |
| Schuylkill Transportation System | State | 375 | 0 | 42 | 417 |
| CONSTRUCTION OF UNION STATION TRANSIT CENTER: This project will provide for site construction of the Union Station Transit Center. This project is part of the redevelopment of Pottsville along State Route 61. | Fed. | 2,000 | 0 | 0 | 2,000 |
| | Local | 83 | 0 | 0 | 83 |
| Schuylkill Transportation System | State | 197 | 0 | 22 | 219 |
| PURCHASE SMALL BUSES: This project will provide for the purchase of seven (7) replacement small transit buses and one (1) trolley bus, and maintenance facility repairs and renovations. | Fed. | 1,051 | 0 | 0 | 1,051 |
| | Local | 44 | 0 | 0 | 44 |
| Williamsport Bureau of Transportation | State | 135 | 0 | 15 | 150 |
| TRANSPORTATION HUB: This project will provide for the improvements for a rural hub at the Lycoming Mall for WBT's fixed route transit service and the retrofit of the entire bus fleet with state-of-the-art equipment to provide for Automatic Vehicle Location (AVL) system. | Fed. | 720 | 0 | 0 | 720 |
| | Local | 30 | 0 | 0 | 30 |
| Southeastern Pennsylvania Transportation Authority | State | 42,300 | 0 | 4,700 | 47,000 |
| F.Y. 2005-2006 VEHICLE OVERHAUL PROGRAM: This project will provide for F.Y. 2005-2006 Vehicle Overhaul Program which provides for the major overhaul of SEPTA's rolling stock. | Fed. | 0 | 0 | 0 | 0 |
| | Local | 0 | 0 | 0 | 0 |
| Southeastern Pennsylvania Transportation Authority | State | 29,700 | 0 | 3,300 | 33,000 |
| F.Y. 2005-2006 INFRASTRUCTURE SAFETY RENEWAL PROGRAM: This project provides for the F.Y. 2005-2006 Infrastructure Safety Renewal Program which includes improvements to stations, signals, track, power, and buildings. | Fed. | 0 | 0 | 0 | 0 |
| | Local | 0 | 0 | 0 | 0 |

Capital Budget

Department of Transportation 2006-07 Projects

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost | |
|--|-------------------------|--------------|---------------------------|--------------------------|--------|
| FROM CAPITAL FACILITIES BOND FUNDS | | | | | |
| TRANSPORTATION ASSISTANCE PROJECTS (continued) | | | | | |
| Program: Urban Mass Transportation (continued) | | | | | |
| Southeastern Pennsylvania Transportation Authority | State | \$ 751 | \$ 0 | \$ 83 | \$ 834 |
| F.F.Y. 2005 FEDERAL HIGHWAY FLEX PROJECTS: | Fed. | 4,003 | 0 | 0 | 4,003 |
| This project will provide for F.F.Y. 2005 Federal Highway Flex Projects, which includes Congestion Management Systems, Railroad/Highway grade crossings, purchase of hybrid buses and emission control devices. | Local | 167 | 0 | 0 | 167 |
| Southeastern Pennsylvania Transportation Authority | State | 3,203 | 0 | 356 | 3,559 |
| F.F.Y. 2005 BUS PURCHASE PROGRAM: This project will provide for the F.F.Y. 2005 final phase of a three year project to acquire 318 accessible forty foot low-floor buses with an option for 20 additional buses. | Fed. | 17,083 | 0 | 0 | 17,083 |
| | Local | 712 | 0 | 0 | 712 |
| Southeastern Pennsylvania Transportation Authority | State | 751 | 0 | 83 | 834 |
| F.F.Y. 2006 FEDERAL HIGHWAY FLEX PROJECTS: | Fed. | 4,003 | 0 | 0 | 4,003 |
| This project will provide for F.F.Y. 2006 Federal Highway Flex Projects, which includes Congestion Management Systems, Railroad/Highway grade crossings, purchase of hybrid buses and emission control devices. | Local | 167 | 0 | 0 | 167 |
| Southeastern Pennsylvania Transportation Authority | State | 3,203 | 0 | 356 | 3,559 |
| F.F.Y. 2006 TRACKLESS TROLLEY PURCHASE PROGRAM: | Fed. | 17,083 | 0 | 0 | 17,083 |
| This project will provide for F.F.Y. 2006 Trackless Trolley purchase program for design and acquisition of new trackless trolleys. | Local | 712 | 0 | 0 | 712 |
| Southeastern Pennsylvania Transportation Authority | State | 450 | 0 | 50 | 500 |
| F.F.Y. 2004 TRANSIT ENHANCEMENT PROGRAM: | Fed. | 2,400 | 0 | 0 | 2,400 |
| This project will provide for SEPTA's F.F.Y. 2004 transit enhancement program including but not limited to: Merion Station roof replacement, 69th Street Terminal landscape and streetscape, Frankford Transportation Center Terminal landscape, and historic stations renovations (Wayne, Allen Lane, and Queen Lane Stations). | Local | 100 | 0 | 0 | 100 |
| Southeastern Pennsylvania Transportation Authority | State | 450 | 0 | 50 | 500 |
| F.F.Y. 2006 TRANSIT ENHANCEMENT PROGRAM: | Fed. | 2,400 | 0 | 0 | 2,400 |
| This project will provide for SEPTA's F.F.Y. 2006 transit enhancement program including but not limited to: Merion Station roof replacement, 69th Street Terminal landscape and streetscape, Frankford Transportation Center Terminal landscape, and historic stations renovations (Wayne, Allen Lane, and Queen Lane Stations). | Local | 100 | 0 | 0 | 100 |
| Delaware River Port Authority | State | 523 | 0 | 58 | 581 |
| INTERLOCKING REHABILITATION: This project will provide for the DRPA's interlocking project within the City of Philadelphia includes the rehabilitation/replacement of PATCO's three interlockings (Market, 11th and Locust Street interlockings), rail head profile grinding, ballast remediation, and rail replacement. | Fed. | 2,789 | 0 | 0 | 2,789 |
| | Local | 116 | 0 | 0 | 116 |

Capital Budget

Department of Transportation 2006-07 Projects

(Dollar Amounts in Thousands)

| Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|-------------------------|--------------|---------------------------|--------------------------|
|-------------------------|--------------|---------------------------|--------------------------|

FROM CAPITAL FACILITIES BOND FUNDS

TRANSPORTATION ASSISTANCE PROJECTS (continued)

Program: Urban Mass Transportation (continued)

| | | | | | |
|---|-------|-----------|------|----------|-----------|
| Southeastern Pennsylvania Transportation Authority | State | \$ 10,440 | \$ 0 | \$ 1,160 | \$ 11,600 |
| F.F.Y. 2007 PROGRAM: | Fed. | 55,680 | 0 | 0 | 55,680 |
| This project will provide for funding for SEPTA's F.F.Y. 2007 | Local | 2,320 | 0 | 0 | 2,320 |

Section 5307 Program, which includes trackless trolley purchase, bus purchase, utility fleet renewal, Broad Street subway stations rehabilitation, Elwyn to Wawa rail service, fare collection upgrade, Paoli transportation center, Market elevated reconstruction program station accessibility, state of good repair initiatives, R5 Paoli line improvements, and smart stations program

| | | | | | |
|---|-------|--------|---|-------|--------|
| Southeastern Pennsylvania Transportation Authority | State | 15,660 | 0 | 1,740 | 17,400 |
| F.F.Y. 2007 PROGRAM: | Fed. | 83,520 | 0 | 0 | 83,520 |
| This project will provide for funding for SEPTA's F.F.Y. 2007 | Local | 3,480 | 0 | 0 | 3,480 |

Section 5309 Program, which includes trackless trolley purchase, bus purchase, utility fleet renewal, Broad Street subway stations rehabilitation, Elwyn to Wawa rail service, fare collection upgrade, Paoli transportation center, Market elevated reconstruction program station accessibility, state of good repair initiatives, R5 Paoli line improvements, and smart stations program

| | | | | | |
|--|-------|--------|---|-----|--------|
| Port Authority of Allegheny County | State | 6,547 | 0 | 728 | 7,275 |
| F.F.Y. 2007-08 FORMULA PROGRAM: | Fed. | 34,920 | 0 | 0 | 34,920 |
| This project will provide for PAT's F.F.Y. 2007 Section 5307 | Local | 1,455 | 0 | 0 | 1,455 |

Formula Program, which includes but is not limited to the following: transit enhancements, fixed guideway rehabilitation, capital cost of contracting, support vehicles, equipment and improvements to fixed facilities, and associated capital maintenance items:

| | | | | | |
|--|-------|--------|---|-----|--------|
| Port Authority of Allegheny County | State | 5,265 | 0 | 585 | 5,850 |
| F.F.Y. 2007-08 FORMULA PROGRAM: | Fed. | 28,080 | 0 | 0 | 28,080 |
| This project will provide for PAT's F.F.Y. 2007 Section 5309 | Local | 1,170 | 0 | 0 | 1,170 |

Fixed Guideway Modernization, which provides for the replacement/rehabilitation of PAT's rail and busway systems to ensure safety and reliability.

| | | | | | |
|--|-------|-------|---|----|-------|
| Area Transportation Authority | State | 306 | 0 | 34 | 340 |
| PURCHASE REPLACEMENT VEHICLES: This project will | Fed. | 1,632 | 0 | 0 | 1,632 |
| provide for the purchase of replacement vehicles including small heavy | Local | 68 | 0 | 0 | 68 |

duty vehicles and vans.

| | | | | | |
|---|-------|-------|---|----|-------|
| Area Transportation Authority | State | 306 | 0 | 34 | 340 |
| INTELLIGENT TRANSPORTATION SYSTEM: This project will | Fed. | 1,632 | 0 | 0 | 1,632 |
| provide for the intelligent transportation system including such elements | Local | 68 | 0 | 0 | 68 |

as maintenance and computer aided reservations, scheduling, dispatching software, and automatic vehicle location.

| | | | | | |
|---|-------|-----|---|----|-----|
| Area Transportation Authority | State | 136 | 0 | 15 | 151 |
| PURCHASE NEW VEHICLES: This project will provide for the purchase | Fed. | 725 | 0 | 0 | 725 |
| of 3 new vehicles and intelligent transportation systems for Monroe | Local | 30 | 0 | 0 | 30 |

Township, Clarion County.

Capital Budget

Department of Transportation 2006-07 Projects

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost | |
|--|-------------------------|--------------|---------------------------|--------------------------|--------|
| FROM CAPITAL FACILITIES BOND FUNDS | | | | | |
| TRANSPORTATION ASSISTANCE PROJECTS (continued) | | | | | |
| Program: Urban Mass Transportation (continued) | | | | | |
| Berks Area Reading Transit Authority | State | \$ 540 | \$ 0 | \$ 60 | \$ 600 |
| FACILITY RENOVATION: This project will provide for the facility renovation at BARTA's 1700 North 11th Street Facility. | Fed. | 2,880 | 0 | 0 | 2,880 |
| | Local | 120 | 0 | 0 | 120 |
| Beaver County Transit Authority | State | 735 | 0 | 82 | 817 |
| REPLACE 20 VEHICLES: This project will provide for the replacement of 18 fixed route vehicles and 2 demand response vehicles which have met their useful life. | Fed. | 3,920 | 0 | 0 | 3,920 |
| | Local | 163 | 0 | 0 | 163 |
| Capital Area Transit | State | 672 | 0 | 75 | 747 |
| PURCHASE NEW VEHICLES: This project will provide for the purchase of 14 replacement buses and spare parts to replace 14 existing coaches which have met their useful life. | Fed. | 3,584 | 0 | 0 | 3,584 |
| | Local | 149 | 0 | 0 | 149 |
| Capital Area Transit | State | 750 | 0 | 83 | 833 |
| PURCHASE NEW VEHICLES: This project will provide for the purchase of 16 new coaches to serve the Corridor One Regional Commuter Rail System. | Fed. | 3,996 | 0 | 0 | 3,996 |
| | Local | 167 | 0 | 0 | 167 |
| Capital Area Transit | State | 75 | 0 | 8 | 83 |
| PURCHASE FARE COLLECTION EQUIPMENT: This project will provide for the purchase of fare collection equipment. The new electronic fareboxes will replace existing fareboxes on the fixed route fleet. | Fed. | 400 | 0 | 0 | 400 |
| | Local | 17 | 0 | 0 | 17 |
| Centre Area Transportation Authority | State | 140 | 0 | 16 | 156 |
| PURCHASE ADVANCED PUBLIC TRANSPORTATION SYSTEM: This project will provide for the purchase of an automatic vehicle locator system as the first phase to equip buses and service vehicles with such items as stop enunciators, electronic performance monitoring stc by stop passenger counts, real time passenger information, and oth features. | Fed. | 750 | 0 | 0 | 750 |
| | Local | 31 | 0 | 0 | 31 |
| Cambria County Transit Authority | State | 22 | 0 | 2 | 24 |
| CABLE REPLACEMENT: This project will provide for the replacement of cable for the inclined cable replacement program. | Fed. | 117 | 0 | 0 | 117 |
| | Local | 5 | 0 | 0 | 5 |
| Cambria County Transit Authority | State | 192 | 0 | 21 | 213 |
| PURCHASE NEW VEHICLES: This project will provide for the replacement purchase of 5 accessible transit buses with 5 heavy duty 30 foot accessible low floor buses fueled by clean burning diesel. | Fed. | 1,245 | 0 | 0 | 1,245 |
| | Local | 42 | 0 | 0 | 42 |
| Cambria County Transit Authority | State | 60 | 0 | 7 | 67 |
| BUS SHELTER REPLACEMENT: This project will provide for CCTA's bus shelter replacement program to replace shelters which have exceeded, their useful life with 53 shelters with solar panels for lighting and advertising panels | Fed. | 320 | 0 | 0 | 320 |
| | Local | 13 | 0 | 0 | 13 |

Capital Budget

Department of Transportation 2006-07 Projects

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost | |
|---|-------------------------|--------------|---------------------------|--------------------------|--------|
| FROM CAPITAL FACILITIES BOND FUNDS | | | | | |
| TRANSPORTATION ASSISTANCE PROJECTS (continued) | | | | | |
| Program: Urban Mass Transportation (continued) | | | | | |
| Erie Metropolitan Transportation Authority | State | \$ 90 | \$ 0 | \$ 10 | \$ 100 |
| PURCHASE AUTOMATIC VEHICLE LOCATOR SYSTEM AND SIGNAGE: | Fed. | 480 | 0 | 0 | 480 |
| This project will provide for the purchase of an automated vehicle locator and customer information system, including fleet management and security system for all EMTA's fixed route and para transit vehicles and system wide signage | Local | 20 | 0 | 0 | 20 |
| Fayette Area Coordinated Transportation | State | 68 | 0 | 8 | 76 |
| PURCHASE MAINTENANCE AND FACILITY EQUIPMENT: | Fed. | 362 | 0 | 0 | 362 |
| This project will provide for the purchase of maintenance and facility equipment, office furniture, and electronic equipment. | Local | 15 | 0 | 0 | 15 |
| Fayette Area Coordinated Transportation | State | 33 | 0 | 4 | 37 |
| PURCHASE NEW VEHICLES: This project will | Fed. | 178 | 0 | 0 | 178 |
| provide for the purchase of 4 replacement buses and spare parts. | Local | 8 | 0 | 0 | 8 |
| Red Rose Transit Authority | State | 149 | 0 | 17 | 166 |
| CONSTRUCT PARK AND RIDE LOT: This project provides for the design, land acquisition, demolition, and construction of a park and ride lot at North Queen Street and McGovern Avenue. | Fed. | 800 | 0 | 0 | 800 |
| | Local | 34 | 0 | 0 | 34 |
| Shenango Valley Shuttle Service | State | 90 | 0 | 10 | 100 |
| PURCHASE REPLACEMENT VEHICLES: This project will | Fed. | 480 | 0 | 0 | 480 |
| provide for the purchase of 2 replacement buses that have met their useful life. | Local | 20 | 0 | 0 | 20 |
| Williamsport Bureau of Transportation | State | 146 | 0 | 16 | 162 |
| PURCHASE BUSES: This project will provide for the purchase of three (3) vehicles to replace three (3), which have met their useful life. | Fed. | 780 | 0 | 0 | 780 |
| | Local | 33 | 0 | 0 | 33 |
| Williamsport Bureau of Transportation | State | 150 | 0 | 17 | 167 |
| GARAGE & OFFICE IMPROVEMENTS: This project will provide for the improvements to the garage and office to provide additional maintenance and fleet storage space. | Fed. | 800 | 0 | 0 | 800 |
| | Local | 33 | 0 | 0 | 33 |
| Southeastern Pennsylvania Transportation Authority | State | 42,300 | 0 | 4,700 | 47,000 |
| F.Y. 2006-2007 VEHICLE OVERHAUL PROGRAM: | Fed. | 0 | 0 | 0 | 0 |
| This project will provide for F.Y. 2006-2007 Vehicle Overhaul Program which provides for the major overhaul of SEPTA's rolling stock. | Local | 0 | 0 | 0 | 0 |
| Southeastern Pennsylvania Transportation Authority | State | 29,700 | 0 | 3,300 | 33,000 |
| F.Y. 2006-2007 INFRASTRUCTURE SAFETY RENEWAL PROGRAM: This project provides for the F.Y. 2006-2007 | Fed. | 0 | 0 | 0 | 0 |
| Infrastructure Safety Renewal Program which includes improvements to stations, signals, track, power, and buildings. | Local | 0 | 0 | 0 | 0 |
| Port Authority of Allegheny County | State | 3,150 | 0 | 350 | 3,500 |
| F.Y. 2007-2008 VEHICLE OVERHAUL PROGRAM: | Fed. | 0 | 0 | 0 | 0 |
| This project will provide for F.Y. 2007-2008 Vehicle Overhaul Program which provides for the major overhaul of PAAC's rolling stock. | Local | 0 | 0 | 0 | 0 |

Capital Budget

Department of Transportation 2006-07 Projects

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost | | | | |
|---|-------------------------|----------------|---------------------------|--------------------------|-----------|---------------|-----------|----------------|
| FROM CAPITAL FACILITIES BOND FUNDS | | | | | | | | |
| TRANSPORTATION ASSISTANCE PROJECTS (continued) | | | | | | | | |
| Program: Urban Mass Transportation (continued) | | | | | | | | |
| Port Authority of Allegheny County | State | \$ 15,300 | \$ 0 | \$ 1,700 | \$ 17,000 | | | |
| F.Y. 2007-2008 INFRASTRUCTURE SAFETY RENEWAL | Fed. | 0 | 0 | 0 | 0 | | | |
| PROGRAM: This project provides for the F.Y. 2007-2008 | Local | 0 | 0 | 0 | 0 | | | |
| Infrastructure Safety Renewal Program which includes | | | | | | | | |
| improvements to stations, signals, track, power, and buildings. | | | | | | | | |
| Southeastern Pennsylvania Transportation Authority | State | 3,240 | 0 | 360 | 3,600 | | | |
| F.F.Y. 2007 BUS PURCHASE PROGRAM: This project will | Fed. | 17,280 | 0 | 0 | 17,280 | | | |
| provide for the F.F.Y. 2007 project to acquire 400 accessible | Local | 720 | 0 | 0 | 720 | | | |
| forty foot low-floor buses which have exceeded their maximum life. | | | | | | | | |
| Southeastern Pennsylvania Transportation Authority | State | 751 | 0 | 83 | 834 | | | |
| F.F.Y. 2007 FEDERAL HIGHWAY FLEX PROJECTS: | Fed. | 4,003 | 0 | 0 | 4,003 | | | |
| This project will provide for F.F.Y. 2007 Federal | Local | 167 | 0 | 0 | 167 | | | |
| Highway Flex Projects, which includes Congestion | | | | | | | | |
| Management Systems, Railroad/Highway grade crossings, | | | | | | | | |
| purchase of hybrid buses and emission control devices. | | | | | | | | |
| Port Authority of Allegheny County | State | 1,800 | 0 | 200 | 2,000 | | | |
| F.F.Y. 2007 FEDERAL HIGHWAY FLEX PROJECTS: | Fed. | 9,600 | 0 | 0 | 9,600 | | | |
| This project will provide for F.F.Y. 2007 Federal | Local | 400 | 0 | 0 | 400 | | | |
| Highway Flex Projects, which includes replacement buses, new | | | | | | | | |
| service initiatives, and other capital needs of PAT. | | | | | | | | |
| Beaver County Transit Authority | State | 735 | 0 | 82 | 817 | | | |
| CONSTRUCT PARK AND RIDE LOT: This project provides for the design, | Fed. | 800 | 0 | 0 | 800 | | | |
| land acquisition, demolition, and construction of a park and ride lot | Local | 34 | 0 | 0 | 34 | | | |
| Erie Metropolitan Transportation Authority | State | 697 | 0 | 77 | 774 | | | |
| PURCHASE REPLACEMENT VEHICLES: This project will | Fed. | 4,687 | 0 | 0 | 4,687 | | | |
| provide for the purchase of 4 replacement buses 35 foot transit buses, | Local | 188 | 0 | 0 | 188 | | | |
| 2 less than 30 foot expansion trolleys, shop & miscellaneous equipment. | | | | | | | | |
| TOTAL STATE FUNDS..... | \$ | 258,098 | \$ | 0 | \$ | 28,681 | \$ | 286,779 |
| TOTAL FEDERAL FUNDS..... | | 493,296 | | 0 | | 0 | | 493,296 |
| TOTAL LOCAL FUNDS..... | | 20,537 | | 0 | | 0 | | 20,537 |
| PROGRAM TOTAL..... | \$ | 771,931 | \$ | 0 | \$ | 28,681 | \$ | 800,612 |

Capital Budget

Department of Transportation 2006-07 Projects

(Dollar Amounts in Thousands)

| Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|-------------------------|--------------|---------------------------|--------------------------|
|-------------------------|--------------|---------------------------|--------------------------|

FROM CAPITAL FACILITIES BOND FUNDS

TRANSPORTATION ASSISTANCE PROJECTS (continued)

Program: Rural and Intercity Rail

| | | | | | |
|---|-------|--------|----------|-------|----------|
| ES3 LLC's Rail Freight Intermodal | State | \$ 870 | \$ 2,100 | \$ 30 | \$ 3,000 |
| YORK RAILWAY: This project will provide for the engineering, land acquisition, construction, and reconstruction of a rail freight intermodal facility in York County. | Fed. | 0 | 0 | 0 | 0 |
| | Local | 870 | 2,100 | 30 | 3,000 |
| DP Advisors, LLC d/b/a DP Partners Rail Construction Project | State | 1,600 | 0 | 0 | 1,600 |
| RAIL CONSTRUCTION: This project will provide for the construction of a 3,200 foot raiing siding including installation of switches, a rail/highway grade crossing, and site preparation to serve warehousing facilities at the Logistic-Center in Allentown. | Fed. | 0 | 0 | 0 | 0 |
| | Local | 686 | 0 | 0 | 686 |
| Susquehanna County Railroad Authority | State | 2,000 | 0 | 0 | 2,000 |
| RAIL ACQUISITION & CONSTRUCTION: This project will provide for the acquisition of property and reconstruction of track to establish a new industrial park including track construction, siding construction, switch installation, land acquisition and related work | Fed. | 0 | 0 | 0 | 0 |
| | Local | 857 | 0 | 0 | 857 |
| Union Railroad | State | 580 | 0 | 0 | 580 |
| UPGRADE YARD & TRACK: This project will provide for the upgrade of rail infrastructure within the Curry Hollow "B" Yard to include but not limited to rebuilding of track, replacement of switches and associated work. | Fed. | 0 | 0 | 0 | 0 |
| | Local | 249 | 0 | 0 | 249 |
| Norfolk Southern Railroad | State | 14,000 | 0 | 0 | 14,000 |
| KEYSTONE CORRIDOR DOUBLE STACK CLEARANCE: This project will provide for clearance improvement work at various locations on the Keystone corridor to accommodate double stack requirements between Harrisburg and Philadelphia. | Fed. | 0 | 0 | 0 | 0 |
| | Local | 6,000 | 0 | 0 | 6,000 |
| Lehigh Coal & Navigation Company | State | 2,500 | 0 | 0 | 2,500 |
| BULK TRANSFER FACILITY: This project will provide for construction of bulk transfer facility to include loading and unloading equipment, asphalt pad, unloading bridges, drainage, rail spur sidings, switches, and track. | Fed. | 0 | 0 | 0 | 0 |
| | Local | 1,071 | 0 | 0 | 1,071 |
| Wheeling & Lake Erie Railroad | State | 420 | 0 | 0 | 420 |
| TRACK CONSTRUCTION PROJECT: This project will provide for construction of a new connection to the Allegheny Valley Railroad at Bruceton including track, switch, site and related work. | Fed. | 0 | 0 | 0 | 0 |
| | Local | 180 | 0 | 0 | 180 |
| Pittsburgh & Ohio Central Railroad | State | 910 | 0 | 0 | 910 |
| BRIDGE REHABILITATION PROJECT: This project will provide for the rehabilitation of railroad bridges in McKees Rocks, Kirwan Heights, Bridgeville and Mayview including masonry abutments, approach spans, main spans, deck replacement and related work. | Fed. | 0 | 0 | 0 | 0 |
| | Local | 390 | 0 | 0 | 390 |
| Westmoreland Industrial Development Corporation | State | 1,766 | 0 | 0 | 1,766 |
| RAIL REHABILITATION PROJECT: This project will provide for the rehabilitation of the Radebaugh Branch including but limited to rail replacement and any associated work. | Fed. | 0 | 0 | 0 | 0 |
| | Local | 757 | 0 | 0 | 757 |

Capital Budget

Department of Transportation 2006-07 Projects

(Dollar Amounts in Thousands)

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost | | | | |
|---|-------------------------|--------------|---------------------------|--------------------------|----------|-----|----|--------|
| FROM CAPITAL FACILITIES BOND FUNDS | | | | | | | | |
| TRANSPORTATION ASSISTANCE PROJECTS (continued) | | | | | | | | |
| Program: Rural and Intercity Rail | | | | | | | | |
| Norfolk Southern Railroad | State | \$ 7,000 | \$ 0 | \$ 0 | \$ 7,000 | | | |
| MON-LINE STABILIZATION PROJECT: This project will provide for the stabilization of the embankment at milepost 4.3 on the Norfolk Southern Mon-Line. | Fed. | 0 | 0 | 0 | 0 | | | |
| | Local | 3,000 | 0 | 0 | 3,000 | | | |
| Norfolk Southern Railroad | State | 9,240 | 0 | 0 | 9,240 | | | |
| HARRISBURG TRACK CONSTRUCTION PROJECT: This project will provide for the construction of 5 miles of additional mainline track between CP Harris and CP Rockville on the mainline. | Fed. | 0 | 0 | 0 | 0 | | | |
| | Local | 3,960 | 0 | 0 | 3,960 | | | |
| Allegheny Valley Railroad | State | 4,200 | 0 | 420 | 4,620 | | | |
| GLENWOOD YARD EXPANSION PROJECT: This project will provide for the expanded rail-truck and rail-barge transfer market in connection with the new Mon-Fayette Expressway Interchange. | Fed. | 0 | 0 | 0 | 0 | | | |
| | Local | 1,800 | 0 | 180 | 1,980 | | | |
| Allegheny & Eastern Railroad | State | 3,300 | 0 | 0 | 3,300 | | | |
| RAIL REHABILITATION PROJECT: This project will provide for the rail rehabilitation from Erie to St. Mary's, including but not limited to rail, ties, bridge deck repairs, surfacing and road crossing improvements. | Fed. | 0 | 0 | 0 | 0 | | | |
| | Local | 1,414 | 0 | 0 | 1,414 | | | |
| Monroe County Rail Authority | State | 1,800 | 0 | 0 | 1,800 | | | |
| RAIL ACQUISITION & REHABILITATION PROJECT: This project will provide for the acquisition and rail rehabilitation of the 10 mile former Erie-Lackawanna main line track. | Fed. | 0 | 0 | 0 | 0 | | | |
| | Local | 771 | 0 | 0 | 771 | | | |
| Norfolk Southern Railroad | State | 3,500 | 0 | 0 | 3,500 | | | |
| PORT ROAD BRANCH SIDING EXTENSION PROJECT: This project will provide for the construction of an additional 6,500 feet of track to extend two passing sidings near Safe Harbor Dam. | Fed. | 0 | 0 | 0 | 0 | | | |
| | Local | 1,500 | 0 | 0 | 1,500 | | | |
| TOTAL STATE FUNDS..... | \$ | 53,686 | \$ | 2,100 | \$ | 450 | \$ | 56,236 |
| TOTAL FEDERAL FUNDS..... | | 0 | | 0 | | 0 | | 0 |
| TOTAL LOCAL FUNDS..... | | 23,505 | | 2,100 | | 210 | | 25,815 |
| PROGRAM TOTAL..... | \$ | 77,191 | \$ | 4,200 | \$ | 660 | \$ | 82,051 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Allegheny County | State | \$ 1,089 | \$ 0 | \$ 10 | \$ 1,099 |
| 2037/Pt Perry - Electric Tri-boro Expressway | Federal | 4,353 | 0 | 40 | 4,393 |
| N. Versailles Township & E. Pittsburgh Borough | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 5,442 | 0 | 50 | 5,492 |
| Allegheny County | State | 400 | 0 | 0 | 400 |
| SR 22 Seg 170 to Seg 221 | Federal | 1,600 | 0 | 0 | 1,600 |
| Collier & Robinson Townships | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 2,000 | 0 | 0 | 2,000 |
| Allegheny County | State | 460 | 0 | 10 | 470 |
| SR 60 Seg 240 to Seg 283 Parkway West | Federal | 1,840 | 0 | 40 | 1,880 |
| Moon, N. Fayette, & Robinson Townships | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 2,300 | 0 | 50 | 2,350 |
| Allegheny County | State | 540 | 0 | 0 | 540 |
| SR 8 Seg 410 to Seg 461 | Federal | 2,160 | 0 | 0 | 2,160 |
| Richland Township | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 2,700 | 0 | 0 | 2,700 |
| Allegheny County | State | 304 | 0 | 0 | 304 |
| SR 4003 Seg 10 and Seg 11, McKnight Rd. | Federal | 1,216 | 0 | 0 | 1,216 |
| City of Pittsburgh | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 1,520 | 0 | 0 | 1,520 |
| Allegheny County | State | 560 | 0 | 10 | 570 |
| 4265/California Ave-Marshall | Federal | 2,240 | 0 | 40 | 2,280 |
| City of Pittsburgh | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 2,800 | 0 | 50 | 2,850 |
| Allegheny County | State | 324 | 0 | 0 | 324 |
| SR 48 Seg 350 to Seg 401 | Federal | 1,296 | 0 | 0 | 1,296 |
| Monroeville Borough | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 1,620 | 0 | 0 | 1,620 |
| Allegheny County | State | 320 | 0 | 0 | 320 |
| SR 19 Seg 60 to Seg 91 | Federal | 1,280 | 0 | 0 | 1,280 |
| Mt. Lebanon, Upper St. Clair Townships, & Bethel Park Borough | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 1,600 | 0 | 0 | 1,600 |
| Allegheny County | State | 368 | 0 | 0 | 368 |
| SR 837 Seg 170 to Seg 210 | Federal | 1,472 | 0 | 0 | 1,472 |
| City of Clairton, West Mifflin & Dravosburg Boroughs | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 1,840 | 0 | 0 | 1,840 |
| Allegheny County | State | 400 | 50 | 100 | 550 |
| Washington Road /McFarland - Dormont | Federal | 1,600 | 0 | 0 | 1,600 |
| Dormont Borough & Mt. Lebanon Township | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 2,000 | 50 | 100 | 2,150 |
| Allegheny County | State | 636 | 0 | 0 | 636 |
| SR 3160 Seg 10 to Seg 61 | Federal | 2,544 | 0 | 0 | 2,544 |
| Moon Township | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 3,180 | 0 | 0 | 3,180 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Allegheny County | State | \$ 510 | \$ 0 | \$ 0 | \$ 510 |
| SR 50 Seg 140 to Seg 212 | Federal | 2,042 | 0 | 0 | 2,042 |
| Collier & Scott Townships and Carnegie & Heidelberg Boroughs | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 2,552 | 0 | 0 | 2,552 |
| Allegheny County | State | 370 | 0 | 0 | 370 |
| SR 910 Seg 390 to Seg 444 | Federal | 1,478 | 0 | 0 | 1,478 |
| Harmar & Indiana Townships | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 1,848 | 0 | 0 | 1,848 |
| Allegheny County | State | 80 | 0 | 0 | 80 |
| SR 2028 Seg 80 to Seg 90 | Federal | 320 | 0 | 0 | 320 |
| City of Clairton, St. Claire Ave. | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 400 | 0 | 0 | 400 |
| Armstrong County | State | 600 | 300 | 100 | 1,000 |
| Goheenville Dip | Federal | 2,400 | 1,200 | 400 | 4,000 |
| Boggs/Wayne Townships | Local | 0 | 0 | 0 | 0 |
| Highway reconstruction | Total | 3,000 | 1,500 | 500 | 5,000 |
| Beaver County | State | 320 | 0 | 0 | 320 |
| SR 588/Eastvale Borough-Mercer Bennett Run | Federal | 1,280 | 0 | 0 | 1,280 |
| North Sewickley Twp. | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 1,600 | 0 | 0 | 1,600 |
| Beaver County | State | 500 | 0 | 0 | 500 |
| 18/Wallace Run Rd./SR 351, Big Beaver Blvd. | Federal | 2,000 | 0 | 0 | 2,000 |
| Homewood & Koppel Townships | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 2,500 | 0 | 0 | 2,500 |
| Beaver County | State | 400 | 0 | 0 | 400 |
| 151/Brodhead Rd Rt. 51 | Federal | 1,600 | 0 | 0 | 1,600 |
| Hopewell Township & South Heights Borough | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 2,000 | 0 | 0 | 2,000 |
| Beaver County | State | 1,800 | 0 | 10 | 1,810 |
| 51/Franklin Ave bridge/Ambridge Aliquippa 2 | Federal | 7,200 | 0 | 40 | 7,240 |
| City of Aliquippa & Hopewell Township | Local | 0 | 0 | 0 | 0 |
| Highway reconstruction | Total | 9,000 | 0 | 50 | 9,050 |
| Beaver County | State | 800 | 0 | 30 | 830 |
| 3017/SR 60 - Brodhead Rd | Federal | 3,200 | 0 | 120 | 3,320 |
| Center Township | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 4,000 | 0 | 150 | 4,150 |
| Beaver County | State | 310 | 0 | 10 | 320 |
| 4051/Buffalo - Gypsy Glen | Federal | 1,240 | 0 | 40 | 1,280 |
| Beaver Borough | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 1,550 | 0 | 50 | 1,600 |
| Beaver County | State | 310 | 0 | 5 | 315 |
| 4028/SR 68 - Third Street | Federal | 1,240 | 0 | 29 | 1,269 |
| Beaver Borough & Vanport Township | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 1,550 | 0 | 34 | 1,584 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Beaver County | State | \$ 310 | \$ 0 | \$ 0 | \$ 310 |
| SR 288 Seg 0100 to 0120 | Federal | 1,240 | 0 | 0 | 1,240 |
| Franklin Township | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 1,550 | 0 | 0 | 1,550 |
| Beaver County | State | 310 | 0 | 0 | 310 |
| SR 288 Seg 0130 to 0150 | Federal | 1,240 | 0 | 0 | 1,240 |
| Franklin Township | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 1,550 | 0 | 0 | 1,550 |
| Beaver County | State | 700 | 0 | 0 | 700 |
| SR 0151 Seg 0010 to Seg 0050 | Federal | 2,800 | 0 | 0 | 2,800 |
| Greene, Independence, Hanover, & Raccoon Townships | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 3,500 | 0 | 0 | 3,500 |
| Beaver County | State | 310 | 0 | 0 | 310 |
| SR 4035 Seg 0020 TO Seg 0050 | Federal | 1,240 | 0 | 0 | 1,240 |
| Brighton Township | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 1,550 | 0 | 0 | 1,550 |
| Bedford County | State | 125 | 2 | 28 | 155 |
| Sunnyside Rd Signal Improvements | Federal | 500 | 8 | 112 | 620 |
| Bedford Borough | Local | 0 | 0 | 0 | 0 |
| Safety improvements | Total | 625 | 10 | 140 | 775 |
| Berks County | State | 70 | 200 | 30 | 300 |
| SR 73 / 1010 | Federal | 0 | 0 | 0 | 0 |
| Maiden Creek Township | Local | 0 | 0 | 0 | 0 |
| Radius flattening/safety improvements | Total | 70 | 200 | 30 | 300 |
| Berks County | State | 100 | 0 | 10 | 110 |
| Berks Guide rail upgrade | Federal | 400 | 0 | 40 | 440 |
| Various Municipalities | Local | 0 | 0 | 0 | 0 |
| Guide rail/safety improvements | Total | 500 | 0 | 50 | 550 |
| Berks County | State | 400 | 0 | 125 | 525 |
| 222 Business CCIP | Federal | 1,600 | 0 | 500 | 2,100 |
| City of Reading & Muhlenberg Township | Local | 0 | 0 | 0 | 0 |
| Congestion reduction | Total | 2,000 | 0 | 625 | 2,625 |
| Berks County | State | 1,400 | 200 | 500 | 2,100 |
| SR 183 / 4016 | Federal | 5,600 | 800 | 2,000 | 8,400 |
| Jefferson Township | Local | 0 | 0 | 0 | 0 |
| Intersection improvement | Total | 7,000 | 1,000 | 2,500 | 10,500 |
| Bucks County | State | 670 | 0 | 0 | 670 |
| PA 263: County line to Bristol | Federal | 2,680 | 0 | 0 | 2,680 |
| Warminster Township | Local | 0 | 0 | 0 | 0 |
| Widening, channelization, signalization, and lighting | Total | 3,350 | 0 | 0 | 3,350 |
| Butler County | State | 650 | 200 | 35 | 885 |
| Rochester Road | Federal | 0 | 0 | 0 | 0 |
| Cranberry Township | Local | 650 | 200 | 35 | 885 |
| Highway reconstruction | Total | 1,300 | 400 | 70 | 1,770 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Cambria County | State | \$ 125 | \$ 2 | \$ 28 | \$ 155 |
| Phoebe Court Curves | Federal | 500 | 8 | 112 | 620 |
| City of Johnstown | Local | 0 | 0 | 0 | 0 |
| Safety improvement - flatten curve | Total | 625 | 10 | 140 | 775 |
| Cameron County | State | 3,200 | 120 | 240 | 3,560 |
| Road Resurfacing | Federal | 800 | 30 | 60 | 890 |
| Grove Township | Local | 0 | 0 | 0 | 0 |
| Restoration/rehabilitation | Total | 4,000 | 150 | 300 | 4,450 |
| Centre County | State | 2,600 | 0 | 0 | 2,600 |
| I-99 | Federal | 10,400 | 0 | 0 | 10,400 |
| Port Matilda to I-80 | Local | 0 | 0 | 0 | 0 |
| Intelligent transportation system installation | Total | 13,000 | 0 | 0 | 13,000 |
| Chester County | State | 1,900 | 400 | 650 | 2,950 |
| PA 29 Phase III | Federal | 0 | 0 | 0 | 0 |
| East Whiteland & Charlestown Townships | Local | 0 | 0 | 0 | 0 |
| Additional right and left turning lanes | Total | 1,900 | 400 | 650 | 2,950 |
| Chester County | State | 14,200 | 0 | 0 | 14,200 |
| US 202: Exton Bypass-Route 29 | Federal | 56,800 | 0 | 0 | 56,800 |
| East Whiteland Township | Local | 0 | 0 | 0 | 0 |
| Roadway and bridge reconstruction | Total | 71,000 | 0 | 0 | 71,000 |
| Chester County | State | 1,020 | 0 | 0 | 1,020 |
| Eagle Loop Rd. - S. Link | Federal | 2,000 | 0 | 0 | 2,000 |
| Upper Uwchlan Township | Local | 0 | 0 | 0 | 0 |
| Construct 2-3 Lane Highway on new alignment | Total | 3,020 | 0 | 0 | 3,020 |
| Chester County | State | 160 | 0 | 0 | 160 |
| Swedesford at Valley Road | Federal | 640 | 0 | 0 | 640 |
| Tredyffrin Township | Local | 0 | 0 | 0 | 0 |
| Intersection improvements including additional left turn lanes | Total | 800 | 0 | 0 | 800 |
| Clarion County | State | 580 | 85 | 120 | 785 |
| PA 368\T-310 Intersection | Federal | 2,320 | 340 | 480 | 3,140 |
| Licking Township | Local | 0 | 0 | 0 | 0 |
| Intersection improvements | Total | 2,900 | 425 | 600 | 3,925 |
| Clearfield County | State | 100 | 2 | 70 | 172 |
| Interstate 80 | Federal | 400 | 8 | 630 | 1,038 |
| DuBois Area, Sandy Township | Local | 0 | 0 | 0 | 0 |
| Runoff Study | Total | 500 | 10 | 700 | 1,210 |
| Clearfield County | State | 100 | 10 | 20 | 130 |
| T-384 Intersection | Federal | 400 | 40 | 80 | 520 |
| Woodward Township | Local | 0 | 0 | 0 | 0 |
| Safety improvements | Total | 500 | 50 | 100 | 650 |
| Clearfield County | State | 70 | 10 | 10 | 90 |
| Tyler Intersection | Federal | 280 | 40 | 40 | 360 |
| Huston Township | Local | 0 | 0 | 0 | 0 |
| Safety improvements | Total | 350 | 50 | 50 | 450 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--------------------------------------|---------|-------------------------|--------------|---------------------------|--------------------------|
| Clearfield County | State | \$ 160 | \$ 10 | \$ 65 | \$ 235 |
| SR 3011 Intersection (Irishtown Rd.) | Federal | 640 | 40 | 260 | 940 |
| Bloom Township | Local | 0 | 0 | 0 | 0 |
| Safety improvements | Total | 800 | 50 | 325 | 1,175 |
| Clearfield County | State | 900 | 0 | 0 | 900 |
| Intersection Improvements | Federal | 3,600 | 0 | 0 | 3,600 |
| Sandy Township | Local | 0 | 0 | 0 | 0 |
| Additional Lane | Total | 4,500 | 0 | 0 | 4,500 |
| Clearfield County | State | 294 | 0 | 0 | 294 |
| Rockton Mountain | Federal | 1,176 | 0 | 0 | 1,176 |
| Union Township | Local | 0 | 0 | 0 | 0 |
| Restoration/rehabilitation | Total | 1,470 | 0 | 0 | 1,470 |
| Clearfield County | State | 600 | 2 | 60 | 662 |
| Luthersburg to Anderson Creek | Federal | 2,400 | 8 | 240 | 2,648 |
| Brady and Bloom Township | Local | 0 | 0 | 0 | 0 |
| Restoration/rehabilitation | Total | 3,000 | 10 | 300 | 3,310 |
| Clearfield County | State | 600 | 2 | 70 | 672 |
| Intersection Improvements | Federal | 2,400 | 8 | 280 | 2,688 |
| Bell Township | Local | 0 | 0 | 0 | 0 |
| SAMI | Total | 3,000 | 10 | 350 | 3,360 |
| Clearfield County | State | 600 | 2 | 60 | 662 |
| Woodland to Shawville | Federal | 2,400 | 8 | 245 | 2,653 |
| Bradford and Goshen Townships | Local | 0 | 0 | 0 | 0 |
| Restoration/rehabilitation | Total | 3,000 | 10 | 305 | 3,315 |
| Clearfield County | State | 140 | 10 | 60 | 210 |
| Liberty Boulevard | Federal | 560 | 40 | 240 | 840 |
| City of DuBois | Local | 0 | 0 | 0 | 0 |
| SAMI | Total | 700 | 50 | 300 | 1,050 |
| Clearfield County | State | 270 | 0 | 0 | 270 |
| Brady Street Turning Lane | Federal | 1,080 | 0 | 0 | 1,080 |
| City of DuBois | Local | 0 | 0 | 0 | 0 |
| Restoration/rehabilitation | Total | 1,350 | 0 | 0 | 1,350 |
| Clearfield County | State | 200 | 40 | 100 | 340 |
| Regional Traffic Study | Federal | 800 | 160 | 400 | 1,360 |
| City of DuBois/ Sandy Township | Local | 0 | 0 | 0 | 0 |
| Safety improvements | Total | 1,000 | 200 | 500 | 1,700 |
| Clearfield County | State | 180 | 20 | 80 | 280 |
| Road Resurfacing | Federal | 720 | 80 | 320 | 1,120 |
| Huston Township | Local | 0 | 0 | 0 | 0 |
| Safety improvements | Total | 900 | 100 | 400 | 1,400 |
| Columbia County | State | 1,000 | 100 | 200 | 1,300 |
| Intersection of 42 and 4009 | Federal | 4,000 | 400 | 800 | 5,200 |
| Mount Pleasant Township | Local | 0 | 0 | 0 | 0 |
| Intersection improvements | Total | 5,000 | 500,000 | 1,000 | 6,500 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Columbia County | State | \$ 50 | \$ 0 | \$ 20 | \$ 70 |
| Low Head Dam Removal | Federal | 200 | 0 | 80 | 280 |
| Mount Pleasant Township & Scott Township | Local | 0 | 0 | 0 | 0 |
| Safety improvements | Total | 250 | 0 | 100 | 350 |
| Columbia County | State | 100,000 | 0 | 0 | 100,000 |
| SEDA-COG | Federal | 0 | 0 | 0 | 0 |
| Various Locations | Local | 0 | 0 | 0 | 0 |
| Wetlands monitoring analysis | Total | 100,000 | 0 | 0 | 100,000 |
| Crawford County | State | 50 | 20 | 60 | 130 |
| PA8/PA 27:Barber to Schwartz/ Geale to 2nd Street | Federal | 450 | 80 | 240 | 770 |
| City of Titusville | Local | 0 | 0 | 0 | 0 |
| Update of existing traffic signals | Total | 500 | 100 | 300 | 900 |
| Crawford County | State | 300 | 10 | 40 | 350 |
| SR 89 : SEG 60 (3 miles N. of Titusville) | Federal | 1,200 | 40 | 160 | 1,400 |
| Oil Creek Township | Local | 0 | 0 | 0 | 0 |
| Realignment of "S" curve | Total | 1,500 | 50 | 200 | 1,750 |
| Delaware County | State | 1,122 | 0 | 0 | 1,122 |
| Baltimore Avenue/Pike | Federal | 0 | 0 | 0 | 0 |
| Media Borough & Nether Providence Township | Local | 0 | 0 | 0 | 0 |
| Safety improvements | Total | 1,122 | 0 | 0 | 1,122 |
| Delaware County | State | 35,000 | 0 | 0 | 35,000 |
| I95/322 Waterfront Access | Federal | 0 | 0 | 0 | 0 |
| City of Chester | Local | 0 | 0 | 0 | 0 |
| Construct on/off ramps - US 322 at Commodore Barry Bridge to PA 291 | Total | 35,000 | 0 | 0 | 35,000 |
| Elk County | State | 100 | 2 | 100 | 202 |
| Million Dollar Highway | Federal | 2,800 | 8 | 400 | 3,208 |
| City of St Mary's | Local | 0 | 0 | 0 | 0 |
| Restoration/rehabilitation | Total | 2,900 | 10 | 500 | 3,410 |
| Erie County | State | 1,600 | 100 | 100 | 1,800 |
| 12th Street: Peninsula Drive to Asbury Road | Federal | 6,400 | 400 | 400 | 7,200 |
| City of Erie | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 8,000 | 500 | 500 | 9,000 |
| Erie County | State | 50 | 20 | 60 | 130 |
| N. Center Street: South St. to Bond St. | Federal | 450 | 80 | 240 | 770 |
| City of Corry | Local | 0 | 0 | 0 | 0 |
| Update of existing traffic signals | Total | 500 | 100 | 300 | 900 |
| Fayette County | State | 200 | 30 | 75 | 305 |
| SR 119 at Technology Drive | Federal | 800 | 120 | 300 | 1,220 |
| North Union Township | Local | 0 | 0 | 0 | 0 |
| Intersection improvement | Total | 1,000 | 150 | 375 | 1,525 |
| Fayette County | State | 600 | 200 | 170 | 970 |
| SR 4020-03R | Federal | 2,400 | 400 | 0 | 2,800 |
| Luzerne Township | Local | 0 | 0 | 0 | 0 |
| Widening, realignment, drainage, & resurface | Total | 3,000 | 600 | 170 | 3,770 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Fayette County | State | \$ 3,360 | \$ 700 | \$ 420 | \$ 4,480 |
| SR 21/SR 166 Intersection | Federal | 13,440 | 2,800 | 1,680 | 17,920 |
| German Township | Local | 0 | 0 | 0 | 0 |
| Widen to 48 feet | Total | 16,800 | 3,500 | 2,100 | 22,400 |
| Fayette County | State | 3,440 | 600 | 480 | 4,520 |
| SR 21/S&T Dr Intersection | Federal | 13,760 | 2,400 | 1,920 | 18,080 |
| German Township | Local | 0 | 0 | 0 | 0 |
| Widen to 48 feet | Total | 17,200 | 3,000 | 2,400 | 22,600 |
| Fayette County | State | 2,300 | 1,416 | 260 | 3,976 |
| S&T Dr. to Thompson Crossing | Federal | 9,200 | 5,664 | 1,040 | 15,904 |
| German, Menallen & South Union Townships | Local | 0 | 0 | 0 | 0 |
| Widen to 48 Feet | Total | 11,500 | 7,080 | 1,300 | 19,880 |
| Fayette County | State | 2,668 | 1,827 | 320 | 4,815 |
| S&T Dr. to Thompson Crossing | Federal | 10,672 | 7,308 | 1,280 | 19,260 |
| German, Menallen & South Union Townships | Local | 0 | 0 | 0 | 0 |
| Widen to 48 Feet | Total | 13,340 | 9,135 | 1,600 | 24,075 |
| Fayette County | State | 1,046 | 477 | 140 | 1,663 |
| SR 21-Mall Entry to SR 40 | Federal | 4,184 | 0 | 560 | 4,744 |
| City of Uniontown & South Union Township | Local | 0 | 0 | 0 | 0 |
| Widen and upgrade | Total | 5,230 | 477 | 700 | 6,407 |
| Fayette County | State | 2,000 | 750 | 300 | 3,050 |
| SR 40 Safety | Federal | 8,000 | 3,000 | 1,200 | 12,200 |
| Menallen & Wharton Townships | Local | 0 | 0 | 0 | 0 |
| Safety improvements | Total | 10,000 | 3,750 | 1,500 | 15,250 |
| Fayette County | State | 2,000 | 100 | 300 | 2,400 |
| SR 40 and 119 Interchange | Federal | 8,000 | 400 | 1,200 | 9,600 |
| South Union and North Union Townships, & City of Uniontown | Local | 0 | 0 | 0 | 0 |
| Widen SR 40; redesign/construct 119/40 interchange | Total | 10,000 | 500 | 1,500 | 12,000 |
| Fayette County | State | 300 | 60 | 140 | 500 |
| SR 40 from 166 to Morgan St | Federal | 1,200 | 240 | 560 | 2,000 |
| Redstone Township | Local | 0 | 0 | 0 | 0 |
| Safety improvements - center turn lane | Total | 1,500 | 300 | 700 | 2,500 |
| Fayette County | State | 2,000 | 100 | 300 | 2,400 |
| Morgantown Rd. Interchange | Federal | 8,000 | 400 | 1,200 | 9,600 |
| South Union Township | Local | 0 | 0 | 0 | 0 |
| Interchange reconstruction at SR 40/119 and 3019 | Total | 10,000 | 500 | 1,500 | 12,000 |
| Greene County | State | 4,300 | 0 | 0 | 4,300 |
| I-79 Greene | Federal | 0 | 0 | 0 | 0 |
| Perry & Whitley Townships | Local | 0 | 0 | 0 | 0 |
| Resurfacing, shoulder milled rumble strips, and raised pavement markers | Total | 4,300 | 0 | 0 | 4,300 |
| Greene County | State | 80 | 0 | 0 | 80 |
| SR 2026 Intersection Improvements | Federal | 320 | 0 | 0 | 320 |
| Franklin, Jefferson, Greene & Whitley Townships | Local | 0 | 0 | 0 | 0 |
| Intersection improvements | Total | 400 | 0 | 0 | 400 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---------------------------------------|---------|-------------------------|--------------|---------------------------|--------------------------|
| Indiana County | State | \$ 2,000 | \$ 600 | \$ 400 | \$ 3,000 |
| Indiana County 422 | Federal | 8,000 | 2,400 | 1,600 | 12,000 |
| Indiana Borough | Local | 0 | 0 | 0 | 0 |
| Highway reconstruction | Total | 10,000 | 3,000 | 2,000 | 15,000 |
| Indiana County | State | 1,200 | 400 | 280 | 1,880 |
| Wake Robin Curve | Federal | 4,800 | 1,600 | 1,120 | 7,520 |
| Rayne Township | Local | 0 | 0 | 0 | 0 |
| Highway reconstruction | Total | 6,000 | 2,000 | 1,400 | 9,400 |
| Indiana County | State | 0 | 0 | 0 | 0 |
| Philadelphia St. Signals | Federal | 700 | 0 | 0 | 700 |
| Indiana Borough | Local | 0 | 0 | 150 | 150 |
| Safety improvement | Total | 700 | 0 | 150 | 850 |
| Indiana County | State | 0 | 0 | 0 | 0 |
| PA 954/Wayne/Church Signal | Federal | 120 | 0 | 0 | 120 |
| Indiana Borough | Local | 0 | 0 | 0 | 0 |
| Safety improvement | Total | 120 | 0 | 0 | 120 |
| Jefferson County | State | 1,800 | 400 | 920 | 3,120 |
| Punxsy Narrows | Federal | 7,200 | 1,600 | 3,680 | 12,480 |
| Bell & Henderson Townships | Local | 0 | 0 | 0 | 0 |
| Realignment and reconstruction | Total | 9,000 | 2,000 | 4,600 | 15,600 |
| Jefferson County | State | 0 | 0 | 50 | 50 |
| Punxsutawney Traffic Study | Federal | 0 | 0 | 200 | 200 |
| Punxsutawney Borough | Local | 0 | 0 | 0 | 0 |
| Traffic study | Total | 0 | 0 | 250 | 250 |
| Jefferson County | State | 400 | 150 | 100 | 650 |
| Old Clay Plant Road | Federal | 1,600 | 600 | 400 | 2,600 |
| Brockway Borough | Local | 0 | 0 | 0 | 0 |
| Highway construction | Total | 2,000 | 750 | 500 | 3,250 |
| Lackawanna County | State | 320 | 0 | 320 | 640 |
| Robert P. Casey Hwy. & SR 6006 | Federal | 80 | 0 | 80 | 160 |
| Carbondale Township | Local | 0 | 0 | 0 | 0 |
| Improve existing exit | Total | 400 | 0 | 400 | 800 |
| Lackawanna County | State | 160 | 0 | 40 | 200 |
| Birney Ave. & Rocky Glen Road | Federal | 40 | 0 | 10 | 50 |
| Moosic Borough | Local | 0 | 0 | 0 | 0 |
| Intersection improvement - new signal | Total | 200 | 0 | 50 | 250 |
| Lackawanna County | State | 160 | 0 | 40 | 200 |
| Keyser Ave. & Oak St. | Federal | 40 | 0 | 10 | 50 |
| Old Forge Borough | Local | 0 | 0 | 0 | 0 |
| Intersection improvement - new signal | Total | 200 | 0 | 50 | 250 |
| Lackawanna County | State | 460 | 0 | 40 | 500 |
| Main St. & Third St. | Federal | 40 | 0 | 10 | 50 |
| Moosic Borough | Local | 0 | 0 | 0 | 0 |
| Intersection improvement - new signal | Total | 500 | 0 | 50 | 550 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Lackawanna County | State | \$ 800 | \$ 80 | \$ 400 | \$ 1,280 |
| US 6,11, and Exit 57 | Federal | 200 | 20 | 100 | 320 |
| Scranton City & Dickson City Borough | Local | 0 | 0 | 0 | 0 |
| Install concrete barrier | Total | 1,000 | 100 | 500 | 1,600 |
| Lawrence County | State | 200 | 400 | 200 | 800 |
| Millennium Park Access | Federal | 1,600 | 1,600 | 800 | 4,000 |
| Neshannock Township | Local | 0 | 0 | 0 | 0 |
| Construction of access ramps | Total | 1,800 | 2,000 | 1,000 | 4,800 |
| Lawrence County | State | 800 | 0 | 10 | 810 |
| Ben Franklin Hwy. SR 60 & SR 422 | Federal | 3,200 | 0 | 40 | 3,240 |
| Neshannock & Union Townships | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 4,000 | 0 | 50 | 4,050 |
| Lawrence County | State | 520 | 0 | 10 | 530 |
| 208/Means-Volant at Pearson | Federal | 2,080 | 0 | 40 | 2,120 |
| Volant Borough, Washington & Wilmington Townships | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 2,600 | 0 | 50 | 2,650 |
| Lawrence County | State | 423 | 0 | 10 | 433 |
| 18/SR 108 - E. Washington | Federal | 1,692 | 0 | 40 | 1,732 |
| City of New Castle | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 2,115 | 0 | 50 | 2,165 |
| Lawrence County | State | 500 | 0 | 0 | 500 |
| 19/Butler County - SR 108 | Federal | 2,000 | 0 | 0 | 2,000 |
| Scott & Slippery Rock Townships | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 2,500 | 0 | 0 | 2,500 |
| Lawrence County | State | 630 | 0 | 0 | 630 |
| SR 0422 Seg 0010 to 0060 | Federal | 2,522 | 0 | 0 | 2,522 |
| Pulaski Township | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 3,152 | 0 | 0 | 3,152 |
| Lawrence County | State | 630 | 0 | 0 | 630 |
| SR 0422 Seg 0070 to 0120 | Federal | 2,522 | 0 | 0 | 2,522 |
| Mahoning & Pulaski Townships | Local | 0 | 0 | 0 | 0 |
| Highway restoration | Total | 3,152 | 0 | 0 | 3,152 |
| Lehigh County | State | 400 | 40 | 100 | 540 |
| South 4th Street CCIP | Federal | 1,600 | 160 | 400 | 2,160 |
| City of Allentown | Local | 0 | 0 | 0 | 0 |
| Congestion reduction | Total | 2,000 | 200 | 500 | 2,700 |
| Luzerne County | State | 1,200 | 80 | 640 | 1,920 |
| Route 415 | Federal | 300 | 20 | 160 | 480 |
| Dallas Borough | Local | 0 | 0 | 0 | 0 |
| Intersection improvement to address congestion | Total | 1,500 | 100 | 800 | 2,400 |
| Luzerne County | State | 8,800 | 800 | 2,000 | 11,600 |
| SR 424 | Federal | 2,200 | 200 | 500 | 2,900 |
| Hazleton Township | Local | 0 | 0 | 0 | 0 |
| Extension of SR 424 (Hazleton Beltway) to SR 924 | Total | 11,000 | 1,000 | 2,500 | 14,500 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Luzerne County | State | \$ 800 | \$ 80 | \$ 160 | \$ 1,040 |
| Lafalin Rd. to Old Boston Rd. | Federal | 200 | 20 | 40 | 260 |
| Lafalin Borough to Jenkins Township | Local | 0 | 0 | 0 | 0 |
| Signal Improvement | Total | 1,000 | 100 | 200 | 1,300 |
| Lycoming County | State | 100,000 | 0 | 0 | 100,000 |
| SEDA-COG | Federal | 0 | 0 | 0 | 0 |
| Various Locations | Local | 0 | 0 | 0 | 0 |
| Wetlands monitoring analysis | Total | 100,000 | 0 | 0 | 100,000 |
| McKean County | State | 700 | 2 | 80 | 782 |
| Lewis Run to Custer City | Federal | 2,800 | 8 | 220 | 3,028 |
| Lafayette and Sergeant Township | Local | 0 | 0 | 0 | 0 |
| Restoration/Rehabilitation | Total | 3,500 | 10 | 300 | 3,810 |
| Mercer County | State | 60 | 30 | 40 | 130 |
| Countywide Wetland Banking | Federal | 240 | 120 | 160 | 520 |
| Various Municipalities in Mercer County | Local | 0 | 0 | 0 | 0 |
| Construct and Monitor Wetlands | Total | 300 | 150 | 200 | 650 |
| Mifflin County | State | 400 | 0 | 100 | 500 |
| Concrete Rehabilitation | Federal | 1,600 | 0 | 400 | 2,000 |
| Lewistown Borough to Derry Township | Local | 0 | 0 | 0 | 0 |
| Restoration/rehabilitation | Total | 2,000 | 0 | 500 | 2,500 |
| Monroe County | State | 3,000 | 0 | 0 | 3,000 |
| Bartonsville Interchange HOP | Federal | 0 | 0 | 0 | 0 |
| Stroud Township | Local | 0 | 0 | 0 | 0 |
| Highway and ramps reconstruction | Total | 3,000 | 0 | 0 | 3,000 |
| Monroe County | State | 500 | 0 | 0 | 500 |
| 5 Point HOP | Federal | 0 | 0 | 0 | 0 |
| Borough of Mount Pocono | Local | 0 | 0 | 0 | 0 |
| Intersection improvements/highway reconstruction | Total | 500 | 0 | 0 | 500 |
| Montgomery County | State | 800 | 0 | 0 | 800 |
| Old Betzwood Bridge - Bike/ Pedestrian Trail | Federal | 0 | 0 | 0 | 0 |
| West Norriton Township | Local | 0 | 0 | 0 | 0 |
| Widen replacement bridge | Total | 800 | 0 | 0 | 800 |
| Montgomery County | State | 32,700 | 0 | 0 | 32,700 |
| US 202: Morris Rd. to PA 63 | Federal | | 0 | 0 | 0 |
| Montgomery, Upper & Lower Gwynedd, Upper Dublin & Whitpain Twps. | Local | 0 | 0 | 0 | 0 |
| Reconstruction and widening | Total | 32,700 | 0 | 0 | 32,700 |
| Montgomery County | State | 15,000 | 0 | 0 | 15,000 |
| Cheltenham Ave. to PA 63 and the link from PA 63 to US 202 | Federal | 0 | 0 | 0 | 0 |
| Cheltenham, Springfield, Upper Dublin & Whitmarsh Townships | Local | 0 | 0 | 0 | 0 |
| Intelligent transportation system integration | Total | 15,000 | 0 | 0 | 15,000 |
| Montgomery County | State | 2,000 | 0 | 0 | 2,000 |
| Pottstown Signal System | Federal | 0 | 0 | 0 | 0 |
| Pottstown Borough & N. Coventry Township | Local | 0 | 0 | 0 | 0 |
| Replace signal controller equipment. Install signal pre-emption equipment | Total | 2,000 | 0 | 0 | 2,000 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Northampton County | State | \$ 125 | \$ 0 | \$ 75 | \$ 200 |
| 33 Park & Ride Expansion | Federal | 500 | 0 | 300 | 800 |
| Bethlehem Township | Local | 0 | 0 | 0 | 0 |
| Intermodal service/congestion reduction | Total | 625 | 0 | 375 | 1,000 |
| Northampton County | State | 470 | 0 | 0 | 470 |
| INTELLIGENT TRANSPORTATION SYSTEM CCTV Project Phase 1 | Federal | 1,880 | 0 | 0 | 1,880 |
| Various Municipalities | Local | 0 | 0 | 0 | 0 |
| Closed circuit camera installations | Total | 2,350 | 0 | 0 | 2,350 |
| Philadelphia County | State | 1,000 | 0 | 0 | 1,000 |
| Sedgley Avenue Bridge | Federal | 0 | 0 | 0 | 0 |
| City of Philadelphia | Local | 0 | 0 | 0 | 0 |
| Sedgley Avenue bridge removal | Total | 1,000 | 0 | 0 | 1,000 |
| Philadelphia County | State | 375 | 0 | 0 | 375 |
| Island Ave. Gateway Landscaping | Federal | 0 | 0 | 0 | 0 |
| City of Philadelphia | Local | 0 | 0 | 0 | 0 |
| Island Avenue - installation of gateway treatment & landscaping planting | Total | 375 | 0 | 0 | 375 |
| Philadelphia County | State | 40,000 | 0 | 0 | 40,000 |
| I-95/Vine St. Interchange | Federal | 0 | 0 | 0 | 0 |
| City of Philadelphia | Local | 0 | 0 | 0 | 0 |
| Rehabilitation, reconstruction/operational improvements | Total | 40,000 | 0 | 0 | 40,000 |
| Philadelphia County | State | 700 | 0 | 0 | 700 |
| 15th Street and Arch Street | Federal | 0 | 0 | 0 | 0 |
| City of Philadelphia | Local | 0 | 0 | 0 | 0 |
| Miscellaneous roadway work | Total | 700 | 0 | 0 | 700 |
| Potter County | State | 125 | 2 | 125 | 252 |
| Coudersport Area | Federal | 5,000 | 8 | 500 | 5,508 |
| Coudersport Borough & Eulalia Township | Local | 0 | 0 | 0 | 0 |
| Restoration/rehabilitation | Total | 5,125 | 10 | 625 | 5,760 |
| Susquehanna County | State | 3,200 | 80 | 320 | 3,600 |
| SR 11 & 171 | Federal | 800 | 20 | 80 | 900 |
| Great Bend Township | Local | 0 | 0 | 0 | 0 |
| SR 11 & 171 Corridor Improvement | Total | 4,000 | 100 | 400 | 4,500 |
| Tioga County | State | 180,000 | 0 | 0 | 180,000 |
| Approx. 2.6 Miles North of Blossburd-Covington Township | Federal | 0 | 0 | 0 | 0 |
| Covington Township | Local | 0 | 0 | 0 | 0 |
| Wetlands monitoring analysis | Total | 180,000 | 0 | 0 | 180,000 |
| Washington County | State | 400 | 150 | 110 | 660 |
| US 40: I-70 to PA 18 | Federal | 3,600 | 1,350 | 640 | 5,590 |
| City of Washington | Local | 0 | 0 | 0 | 0 |
| Add lane | Total | 4,000 | 1,500 | 750 | 6,250 |
| Washington County | State | 3,000 | 700 | 250 | 3,950 |
| Bentleyville Interchange | Federal | 27,000 | 6,300 | 2,250 | 35,550 |
| Bentleyville Borough | Local | 0 | 0 | 0 | 0 |
| New interchange | Total | 30,000 | 7,000 | 2,500 | 39,500 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|---------------|---------------------------|--------------------------|
| Washington County | State | \$ 2,500 | \$ 200 | \$ 200 | \$ 2,900 |
| I-70 from I-79S to I-79 N | Federal | 22,500 | 1,800 | 1,800 | 26,100 |
| South Strabane | Local | 0 | 0 | 0 | 0 |
| Add lane and restoration | Total | 25,000 | 2,000 | 2,000 | 29,000 |
| Washington County | State | 900 | 200 | 500 | 1,600 |
| Intersection SR 88 and 837 | Federal | 100 | 0 | 0 | 100 |
| New Eagle Borough | Local | 0 | 0 | 0 | 0 |
| Add a turning lane and a traffic signal | Total | 1,000 | 200 | 500 | 1,700 |
| Westmoreland County | State | 160 | 225 | 525 | 910 |
| SR 66/Beaver Run Road | Federal | 640 | 0 | 0 | 640 |
| Washington Township | Local | 0 | 0 | 0 | 0 |
| Intersection and approaches - signal improvement and additional lane | Total | 800 | 225 | 525 | 1,550 |
| Westmoreland County | State | 200 | 500 | 450 | 1,150 |
| Georges Station Road | Federal | 800 | 0 | 0 | 800 |
| Hempfield Township | Local | 0 | 0 | 0 | 0 |
| Widen and restoration | Total | 1,000 | 500 | 450 | 1,950 |
| Westmoreland County | State | 300 | 70 | 0 | 370 |
| SR 3011 - Finley Road | Federal | 1,200 | 0 | 0 | 1,200 |
| Rostraver Township | Local | 0 | 0 | 0 | 0 |
| Intersection - safety and drainage improvements | Total | 1,500 | 70 | 0 | 1,570 |
| Westmoreland County | State | 3,000 | 30 | 100 | 3,130 |
| US 30 Corridor Safety Improvements | Federal | 12,000 | 120 | 400 | 12,520 |
| Hempfield, Irwin and North Huntingdon Townships | Local | 0 | 0 | 0 | 0 |
| Corridor safety, congestion reduction. | Total | 15,000 | 150 | 500 | 15,650 |
| Westmoreland County | State | 200 | 150 | 200 | 550 |
| SR 31 at Braddock Avenue | Federal | 800 | 0 | 0 | 800 |
| Mount Pleasant Borough | Local | 0 | 0 | 0 | 0 |
| Intersection improvement | Total | 1,000 | 150 | 200 | 1,350 |
| Westmoreland County | State | 750 | 30 | 84 | 864 |
| Jeannette Truck Route | Federal | 5,000 | 200 | 560 | 5,760 |
| City of Jeannette | Local | 500 | 20 | 280 | 800 |
| New roadway, congestion reduction | Total | 6,250 | 250 | 924 | 7,424 |
| Westmoreland County | State | 480 | 125 | 62 | 667 |
| Westmoreland County Traffic Signal Enhancement | Federal | 1,920 | 0 | 250 | 2,170 |
| Various Municipalities | Local | 0 | 0 | 0 | 0 |
| Signal enhancements and miscellaneous roadway work | Total | 2,400 | 125 | 312 | 2,837 |
| Warren, Forest, Venango & Crawford Counties | State | 60 | 30 | 40 | 130 |
| Countywide Wetland Banking | Federal | 240 | 120 | 160 | 520 |
| Various Municipalities | Local | 0 | 0 | 0 | 0 |
| Construct and monitor wetlands | Total | 300 | 150 | 200 | 650 |
| Total State | | 623,319 | 13,733 | 15,112 | 652,164 |
| Total Federal | | 380,049 | 44,824 | 36,998 | 461,871 |
| Total Local | | 1,150 | 220 | 465 | 1,835 |
| PROGRAM TOTAL | | 1,004,518 | 58,777 | 52,575 | 1,115,870 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Allegheny County SR 837 | State | \$ 371 | \$ 0 | \$ 115 | \$ 486 |
| CT03-Corrigan/Catfish | Federal | 0 | 0 | 0 | 0 |
| South Park Township | Local | 93 | 0 | 29 | 122 |
| Bridge Replacement | Total | 464 | 0 | 144 | 608 |
| Allegheny County SR 2085 | State | 212 | 16 | 160 | 388 |
| PG03-Pangburn Hollow Bridge #3 | Federal | 0 | 0 | 0 | 0 |
| Forward Township | Local | 53 | 4 | 40 | 97 |
| Bridge Rehabilitation | Total | 265 | 20 | 200 | 485 |
| Allegheny County SR 4011 | State | 292 | 17 | 172 | 481 |
| PG04-Pangburn Hollow Bridge #4 | Federal | 0 | 0 | 0 | 0 |
| Forward Township | Local | 73 | 4 | 43 | 120 |
| Bridge Replacement | Total | 365 | 21 | 215 | 601 |
| Allegheny County SR 0028 | State | 224 | 0 | 160 | 384 |
| P137-Pine Creek Bridge #37, Old Hemlock Dr. | Federal | 0 | 0 | 0 | 0 |
| Hampton Township | Local | 56 | 0 | 40 | 96 |
| Bridge Replacement | Total | 280 | 0 | 200 | 480 |
| Allegheny County SR 279 | State | 1,120 | 0 | 480 | 1,600 |
| TS05-Homeville Road Viaduct Bridge #5 | Federal | 0 | 0 | 0 | 0 |
| West Mifflin Borough | Local | 280 | 0 | 120 | 400 |
| Bridge Rehabilitation | Total | 1,400 | 0 | 600 | 2,000 |
| Allegheny County SR 885 | State | 420 | 0 | 204 | 624 |
| DW02-Deer Creek #2, McIntyre Road | Federal | 0 | 0 | 0 | 0 |
| Richland Township | Local | 105 | 0 | 51 | 156 |
| Bridge Replacement | Total | 525 | 0 | 255 | 780 |
| Allegheny County SR 885 | State | 436 | 0 | 210 | 646 |
| PN06-Pine Creek Bridge #6, Kummer Road | Federal | 0 | 0 | 0 | 0 |
| Pine Township | Local | 109 | 0 | 52 | 161 |
| Bridge Replacement | Total | 545 | 0 | 262 | 807 |
| Allegheny County SR 1010 | State | 548 | 10 | 132 | 690 |
| XC01-Scotia Hollow Bridge #1 | Federal | 0 | 0 | 0 | 0 |
| Jefferson Hills Borough | Local | 137 | 2 | 33 | 172 |
| Bridge Replacement | Total | 685 | 12 | 165 | 862 |
| Allegheny County SR 2010 | State | 540 | 12 | 284 | 836 |
| PS01-Pine Creek, South Branch Bridge #1 | Federal | 0 | 0 | 0 | 0 |
| Ross Township | Local | 135 | 3 | 71 | 209 |
| Bridge Replacement | Total | 675 | 15 | 355 | 1,045 |
| Allegheny County SR 2010 | State | 308 | 10 | 118 | 436 |
| LC09-Licks Run Bridge #9 | Federal | 0 | 0 | 0 | 0 |
| South Park Township | Local | 77 | 2 | 30 | 109 |
| Bridge Replacement | Total | 385 | 12 | 148 | 545 |
| Allegheny County | State | 1,780 | 69 | 336 | 2,185 |
| SR 837/Homestead Bridge Ramps | Federal | 7,120 | 276 | 1,344 | 8,740 |
| City of Pittsburgh, West Homestead | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 8,900 | 345 | 1,680 | 10,925 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Allegheny County | State | \$ 1,300 | \$ 0 | \$ 0 | \$ 1,300 |
| Birmingham Bridge | Federal | 5,200 | 0 | 0 | 5,200 |
| City of Pittsburgh | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 6,500 | 0 | 0 | 6,500 |
| Allegheny County | State | 421 | 40 | 50 | 511 |
| Rochester Road Bridge over 1021-I79,I279 | Federal | 1,687 | 160 | 200 | 2,047 |
| Franklin Park Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 2,108 | 200 | 250 | 2,558 |
| Allegheny County | State | 86 | 40 | 50 | 176 |
| SR 0028 over Yutes Run | Federal | 346 | 160 | 200 | 706 |
| Springdale Township | Local | 0 | 0 | 0 | 0 |
| Bridge Preservation | Total | 432 | 200 | 250 | 882 |
| Allegheny County | State | 235 | 20 | 25 | 280 |
| Raymond Shaffer HW over I-279 SB | Federal | 2,121 | 180 | 225 | 2,526 |
| Franklin Park | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 2,356 | 200 | 250 | 2,806 |
| Allegheny County | State | 59 | 40 | 50 | 149 |
| Mifflin Road over Branch of Streets Run | Federal | 235 | 160 | 200 | 595 |
| City of Pittsburgh | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 294 | 200 | 250 | 744 |
| Allegheny County | State | 37 | 40 | 50 | 127 |
| Lebanon Road over Branch Streets Run | Federal | 147 | 160 | 200 | 507 |
| City of Pittsburgh & W. Mifflin Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 184 | 200 | 250 | 634 |
| Allegheny County | State | 12 | 40 | 50 | 102 |
| Harts Run Road over Little Pine Creek | Federal | 51 | 160 | 200 | 411 |
| Indiana Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 63 | 200 | 250 | 513 |
| Allegheny County | State | 17 | 40 | 50 | 107 |
| Lovedale Road Bridge over Branch Wylie Run | Federal | 67 | 160 | 200 | 427 |
| Lincoln Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 84 | 200 | 250 | 534 |
| Allegheny County | State | 24 | 40 | 50 | 114 |
| Lovedale Road Bridge over Branch Wylie Run Seg 40 | Federal | 96 | 160 | 200 | 456 |
| Elizabeth Township & Lincoln Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 120 | 200 | 250 | 570 |
| Allegheny County | State | 146 | 40 | 50 | 236 |
| Streets Run Road Bridge Seg 30/0580 | Federal | 582 | 160 | 200 | 942 |
| Baldwin Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 728 | 200 | 250 | 1,178 |
| Allegheny County | State | 22 | 40 | 50 | 112 |
| Streets Run Road Bridge Seg 40/1678 | Federal | 90 | 160 | 200 | 450 |
| Baldwin Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 112 | 200 | 250 | 562 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Allegheny County | State | \$ 35 | \$ 40 | \$ 50 | \$ 125 |
| Streets Run Road Bridge Seg 60/0897 | Federal | 138 | 160 | 200 | 498 |
| West Mifflin & Baldwin Boroughs | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 173 | 200 | 250 | 623 |
| Allegheny County | State | 20 | 40 | 50 | 110 |
| Streets Run Road Br. Seg 80/1088 | Federal | 79 | 160 | 200 | 439 |
| West Mifflin & Baldwin Boroughs | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 99 | 200 | 250 | 549 |
| Allegheny County | State | 83 | 40 | 50 | 173 |
| Castle Shannon over Saw Mill Run | Federal | 331 | 160 | 200 | 691 |
| Castle Shannon Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 414 | 200 | 250 | 864 |
| Allegheny County | State | 9 | 40 | 50 | 99 |
| Noblestown Road over Branch Robinson Run | Federal | 36 | 160 | 200 | 396 |
| North Fayette Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 45 | 200 | 250 | 495 |
| Allegheny County | State | 84 | 40 | 50 | 174 |
| Pine Creek Road. over Little Pine Creek | Federal | 334 | 160 | 200 | 694 |
| Shaler Township | Local | 0 | 0 | 0 | 0 |
| Bridge replacement | Total | 418 | 200 | 250 | 868 |
| Allegheny County | State | 6 | 40 | 50 | 96 |
| Noblestown Road over Branch of Chartiers Creek | Federal | 23 | 160 | 200 | 383 |
| Collier Township & Carnegie Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 29 | 200 | 250 | 479 |
| Allegheny County | State | 433 | 40 | 50 | 523 |
| SR 0022 over Potato Garden Road | Federal | 1,731 | 160 | 200 | 2,091 |
| North Fayette Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 2,163 | 200 | 250 | 2,613 |
| Allegheny County | State | 368 | 20 | 25 | 413 |
| Penn Lincoln Parkway over Poplar Avenue | Federal | 3,312 | 180 | 225 | 3,717 |
| Greentree Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 3,680 | 200 | 250 | 4,130 |
| Allegheny County | State | 134 | 20 | 25 | 179 |
| Raymond P. Shafer Highway over SR 4051 Mingo Road | Federal | 1,206 | 180 | 225 | 1,611 |
| Marshall Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,340 | 200 | 250 | 1,790 |
| Allegheny County | State | 122 | 20 | 25 | 167 |
| Raymond P. Shafer Highway over Mingo Road | Federal | 1,101 | 180 | 225 | 1,506 |
| Marshall Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,223 | 200 | 250 | 1,673 |
| Allegheny County | State | 282 | 20 | 25 | 327 |
| Raymond P. Shafer Highway over Warrendale Bayne Road | Federal | 2,542 | 180 | 225 | 2,947 |
| Marshall Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 2,825 | 200 | 250 | 3,275 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Allegheny County | State | \$ 240 | \$ 20 | \$ 25 | \$ 285 |
| Raymond P. Shafer Highway over Warrendale Bayne Road | Federal | 2,156 | 180 | 225 | 2,561 |
| Marshall Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 2,395 | 200 | 250 | 2,845 |
| Allegheny County | State | 139 | 20 | 25 | 184 |
| Raymond P Shafer Highway over I76, PA Turnpike | Federal | 1,253 | 180 | 225 | 1,658 |
| Marshall Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,392 | 200 | 250 | 1,842 |
| Allegheny County | State | 897 | 20 | 25 | 942 |
| Parkway East HW over Old William Penn Highway | Federal | 8,075 | 180 | 225 | 8,480 |
| Municipality of Monroeville | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 8,973 | 200 | 250 | 9,423 |
| Allegheny County | State | 161 | 20 | 25 | 206 |
| Parkway East 227+84 over LR 187 - Business Route 22 | Federal | 1,445 | 180 | 225 | 1,850 |
| Municipality of Monroeville | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,606 | 200 | 250 | 2,056 |
| Allegheny County | State | 913 | 40 | 50 | 1,003 |
| Lincoln Highway over LR 639 - Electric Avenue | Federal | 3,652 | 160 | 200 | 4,012 |
| North Braddock Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 4,565 | 200 | 250 | 5,015 |
| Allegheny County | State | 409 | 40 | 50 | 499 |
| Nicholson Road over I-79 NB & SB | Federal | 1,637 | 160 | 200 | 1,997 |
| Franklin Park Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 2,047 | 200 | 250 | 2,497 |
| Allegheny County | State | 119 | 40 | 50 | 209 |
| Bigelow Blvd. over 7th Avenue | Federal | 477 | 160 | 200 | 837 |
| Monroeville | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 597 | 200 | 250 | 1,047 |
| Allegheny County | State | 467 | 40 | 50 | 557 |
| Bayne Wexford Road over Interstate 79 | Federal | 1,867 | 160 | 200 | 2,227 |
| Franklin Park Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 2,334 | 200 | 250 | 2,784 |
| Allegheny County | State | 170 | 40 | 50 | 260 |
| Ramp A Road over Parkway West | Federal | 679 | 160 | 200 | 1,039 |
| Rosslyn Farms Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 849 | 200 | 250 | 1,299 |
| Allegheny County | State | 126 | 40 | 50 | 216 |
| SR 0028 over LR 02169 - Yutes Run Road | Federal | 504 | 160 | 200 | 864 |
| Springdale Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 630 | 200 | 250 | 1,080 |
| Allegheny County | State | 24 | 40 | 50 | 114 |
| Bull Creek Road over Branch of Bull Creek | Federal | 96 | 160 | 200 | 456 |
| Harrison Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 120 | 200 | 250 | 570 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Allegheny County | State | \$ 128 | \$ 40 | \$ 50 | \$ 218 |
| Grant Street over Robinson Run | Federal | 513 | 160 | 200 | 873 |
| Findlay Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 642 | 200 | 250 | 1,092 |
| Allegheny County | State | 1,132 | 40 | 50 | 1,222 |
| Greentree Road over Chartiers Creek | Federal | 4,526 | 160 | 200 | 4,886 |
| Scott Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 5,658 | 200 | 250 | 6,108 |
| Allegheny County | State | 20 | 40 | 50 | 110 |
| Potato Garden Road over Potato Garden Run | Federal | 82 | 160 | 200 | 442 |
| Findlay Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 102 | 200 | 250 | 552 |
| Allegheny County | State | 8 | 40 | 50 | 98 |
| Potato Garden Road over Branch of Potato Garden Run | Federal | 33 | 160 | 200 | 393 |
| Findlay Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 42 | 200 | 250 | 492 |
| Allegheny County | State | 422 | 40 | 50 | 512 |
| Rochester Road over LR 1021 - I79, I279 | Federal | 1,687 | 160 | 200 | 2,047 |
| Franklin Park Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 2,109 | 200 | 250 | 2,559 |
| Allegheny County | State | 38 | 40 | 50 | 128 |
| William Flynn HW over Small Stream | Federal | 154 | 160 | 200 | 514 |
| Hampton Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 192 | 200 | 250 | 642 |
| Allegheny County | State | 44 | 40 | 50 | 134 |
| William Flynn HW over West Branch of Deer Creek | Federal | 175 | 160 | 200 | 535 |
| Richland Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 218 | 200 | 250 | 668 |
| Allegheny County | State | 263 | 40 | 50 | 353 |
| State Rt. 22 over SR 3041 - McMichael Road | Federal | 1,052 | 160 | 200 | 1,412 |
| Robinson & Collier Townships | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,314 | 200 | 250 | 1,764 |
| Allegheny County | State | 162 | 40 | 50 | 252 |
| State Rt. 28 over LR 02244 - Guys Run Road, B1 | Federal | 647 | 160 | 200 | 1,007 |
| Harmer Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 809 | 200 | 250 | 1,259 |
| Allegheny County | State | 162 | 40 | 50 | 252 |
| State Rt. 28 over LR 02244 - Guys Run Road, B2 | Federal | 647 | 160 | 200 | 1,007 |
| Harmer Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 809 | 200 | 250 | 1,259 |
| Allegheny County | State | 231 | 40 | 50 | 321 |
| State Rt. 28 over Deer Creek | Federal | 924 | 160 | 200 | 1,284 |
| Harmer Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,155 | 200 | 250 | 1,605 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Allegheny County | State | \$ 198 | \$ 40 | \$ 50 | \$ 288 |
| State Rt. 28 over Deer Creek | Federal | 791 | 160 | 200 | 1,151 |
| Harmer Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 988 | 200 | 250 | 1,438 |
| Allegheny County | State | 214 | 40 | 50 | 304 |
| State Rt. 28 over LR679-TR910 | Federal | 856 | 160 | 200 | 1,216 |
| Harmer Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,070 | 200 | 250 | 1,520 |
| Allegheny County | State | 12 | 40 | 50 | 102 |
| Scenery Drive over Douglas Run | Federal | 50 | 160 | 200 | 410 |
| Forward Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 62 | 200 | 250 | 512 |
| Allegheny County | State | 8 | 40 | 50 | 98 |
| Boston Hollow Road over Wylie Run | Federal | 31 | 160 | 200 | 391 |
| Elizabeth Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 39 | 200 | 250 | 489 |
| Allegheny County | State | 9 | 40 | 50 | 99 |
| Boston Hollow Road over Wylie Run | Federal | 35 | 160 | 200 | 395 |
| North Versailles Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 44 | 200 | 250 | 494 |
| Allegheny County | State | 51 | 40 | 50 | 141 |
| Saw Mill Run . Over Weyman Run | Federal | 205 | 160 | 200 | 565 |
| City of Pittsburgh | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 256 | 200 | 250 | 706 |
| Allegheny County | State | 117 | 40 | 50 | 207 |
| Island Avenue over Filled in Spandrel Arch | Federal | 468 | 160 | 200 | 828 |
| Stowe Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 585 | 200 | 250 | 1,035 |
| Allegheny County | State | 1,150 | 40 | 50 | 1,240 |
| Coraopolis Blvd. over Township. Road. 142 & Montour Run | Federal | 4,601 | 160 | 200 | 4,961 |
| Robinson Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 5,751 | 200 | 250 | 6,201 |
| Allegheny County | State | 16 | 40 | 50 | 106 |
| Fourth Street over McMabe Run | Federal | 65 | 160 | 200 | 425 |
| Coraopolis Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 81 | 200 | 250 | 531 |
| Allegheny County | State | 225 | 40 | 50 | 315 |
| Stoops Ferry Road over Flaugherty Run | Federal | 900 | 160 | 200 | 1,260 |
| Moon Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,125 | 200 | 250 | 1,575 |
| Allegheny County | State | 51 | 40 | 50 | 141 |
| Steubenville Pike over Branch of Chartiers Creek | Federal | 204 | 160 | 200 | 564 |
| Robinson Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 255 | 200 | 250 | 705 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Allegheny County | State | \$ 9 | \$ 40 | \$ 50 | \$ 99 |
| Steubenville Pike over Branch of Chartiers Creek | Federal | 37 | 160 | 200 | 397 |
| Robinson Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 46 | 200 | 250 | 496 |
| Allegheny County | State | 114 | 40 | 50 | 204 |
| Ohio River Blvd. Over Toms Run | Federal | 454 | 160 | 200 | 814 |
| Kibuck Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 568 | 200 | 250 | 1,018 |
| Allegheny County | State | 246 | 40 | 50 | 336 |
| Allegheny River Blvd. over Abandoned Railroad | Federal | 985 | 160 | 200 | 1,345 |
| City of Pittsburgh | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,231 | 200 | 250 | 1,681 |
| Allegheny County | State | 268 | 40 | 50 | 358 |
| Allegheny River Blvd. over Abandoned Railroad | Federal | 1,071 | 160 | 200 | 1,431 |
| City of Pittsburgh | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,339 | 200 | 250 | 1,789 |
| Allegheny County | State | 36 | 40 | 50 | 126 |
| Beulah Road over Chalfont Run | Federal | 143 | 160 | 200 | 503 |
| Penn Hills Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 179 | 200 | 250 | 629 |
| Allegheny County | State | 13 | 40 | 50 | 103 |
| Broadway Blvd. over Branch of Turtle Creek | Federal | 53 | 160 | 200 | 413 |
| Monroeville Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 66 | 200 | 250 | 516 |
| Allegheny County | State | 21 | 40 | 50 | 111 |
| Monongahela Road over Becketts Run | Federal | 85 | 160 | 200 | 445 |
| Forward Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 106 | 200 | 250 | 556 |
| Allegheny County | State | 594 | 20 | 25 | 639 |
| Penn Lincoln over Whiskey Run and Bell Road | Federal | 5,349 | 180 | 225 | 5,754 |
| Scott Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 5,943 | 200 | 250 | 6,393 |
| Allegheny County | State | 46 | 20 | 25 | 91 |
| Parkway West over Branch of Whiskey Run | Federal | 418 | 180 | 225 | 823 |
| Greentree Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 465 | 200 | 250 | 915 |
| Allegheny County | State | 508 | 20 | 25 | 553 |
| I-279 SB over SR 4003, 4009, and Ramp J | Federal | 4,576 | 180 | 225 | 4,981 |
| City of Pittsburgh | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 5,085 | 200 | 250 | 5,535 |
| Allegheny County | State | 197 | 20 | 25 | 242 |
| Parkway East over LR 763 Ramp B | Federal | 1,771 | 180 | 225 | 2,176 |
| City of Pittsburgh | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,968 | 200 | 250 | 2,418 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Allegheny County | State | \$ 90 | \$ 20 | \$ 25 | \$ 135 |
| Parkway East over LR 187, Ramp A, WB | Federal | 808 | 180 | 225 | 1,213 |
| Churchill Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 897 | 200 | 250 | 1,347 |
| Allegheny County | State | 22 | 40 | 50 | 112 |
| Saltsburgh Road over Plum Creek | Federal | 87 | 160 | 200 | 447 |
| Plum Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 109 | 200 | 250 | 559 |
| Allegheny County | State | 7 | 40 | 50 | 97 |
| Rodi Road over Branch of Chalfont Run | Federal | 29 | 160 | 200 | 389 |
| Penn Hills Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 36 | 200 | 250 | 486 |
| Allegheny County | State | 7 | 40 | 50 | 97 |
| Rodi Road over Branch of Chalfont Run | Federal | 26 | 160 | 200 | 386 |
| Penn Hills Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 33 | 200 | 250 | 483 |
| Allegheny County | State | 24 | 40 | 50 | 114 |
| Eighth Ave. over Homestead Run | Federal | 96 | 160 | 200 | 456 |
| Munhall Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 120 | 200 | 250 | 570 |
| Allegheny County | State | 9 | 40 | 50 | 99 |
| Bayne Wexford Run | Federal | 37 | 160 | 200 | 397 |
| Pine Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 47 | 200 | 250 | 497 |
| Allegheny County | State | 72 | 40 | 50 | 162 |
| Salem Hollow Road over North Fork Pine Creek | Federal | 287 | 160 | 200 | 647 |
| Pine Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 358 | 200 | 250 | 808 |
| Allegheny County | State | 18 | 40 | 50 | 108 |
| Gibsonia Road over Branch of Deer Creek | Federal | 72 | 160 | 200 | 432 |
| West Deer Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 90 | 200 | 250 | 540 |
| Allegheny County | State | 40 | 40 | 50 | 130 |
| Miller's Run Road over Fishing Run | Federal | 161 | 160 | 200 | 521 |
| South Fayette Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 202 | 200 | 250 | 652 |
| Allegheny County | State | 23 | 40 | 50 | 113 |
| Battle Ridge Road over Dolphin Run | Federal | 92 | 160 | 200 | 452 |
| South Fayette Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 115 | 200 | 250 | 565 |
| Allegheny County | State | 38 | 40 | 50 | 128 |
| Freeport Road over Squaw Run | Federal | 150 | 160 | 200 | 510 |
| O'Hara Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 188 | 200 | 250 | 638 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Allegheny County | State | \$ 339 | \$ 40 | \$ 50 | \$ 429 |
| Freeport Road over Barge Basin | Federal | 1,357 | 160 | 200 | 1,717 |
| Harmer Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,697 | 200 | 250 | 2,147 |
| Allegheny County | State | 10 | 40 | 50 | 100 |
| Freeport Road over Riddle Run | Federal | 39 | 160 | 200 | 399 |
| East Deer Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 49 | 200 | 250 | 499 |
| Allegheny County | State | 20 | 40 | 50 | 110 |
| SR 0028 over tributary to Allegheny River | Federal | 82 | 160 | 200 | 442 |
| O'Hara Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 102 | 200 | 250 | 552 |
| Allegheny County | State | 16 | 40 | 50 | 106 |
| Saxonburg Blvd. over Branch of Little Pine Creek | Federal | 66 | 160 | 200 | 426 |
| Indiana Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 82 | 200 | 250 | 532 |
| Allegheny County | State | 81 | 40 | 50 | 171 |
| Guys Run Road over Guys Run | Federal | 323 | 160 | 200 | 683 |
| Harmer Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 403 | 200 | 250 | 853 |
| Allegheny County | State | 41 | 40 | 50 | 131 |
| Guys Run Road over Guys Run | Federal | 164 | 160 | 200 | 524 |
| Harmer Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 205 | 200 | 250 | 655 |
| Allegheny County | State | 85 | 40 | 50 | 175 |
| Saxonburg Blvd. over Little Pine Creek | Federal | 340 | 160 | 200 | 700 |
| Shaler Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 426 | 200 | 250 | 876 |
| Allegheny County | State | 65 | 40 | 50 | 155 |
| Saxonburg Blvd. over Little Pine Creek | Federal | 260 | 160 | 200 | 620 |
| O'Hara Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 325 | 200 | 250 | 775 |
| Allegheny County | State | 30 | 40 | 50 | 120 |
| Saxonburg Blvd. over Branch of Little Pine Creek | Federal | 121 | 160 | 200 | 481 |
| O'Hara Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 152 | 200 | 250 | 602 |
| Allegheny County | State | 1,659 | 40 | 50 | 1,749 |
| Hite Road over Allegheny Valley Express | Federal | 6,634 | 160 | 200 | 6,994 |
| Harmer Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 8,293 | 200 | 250 | 8,743 |
| Allegheny County | State | 129 | 40 | 50 | 219 |
| Cove Run Road over Deer Creek | Federal | 517 | 160 | 200 | 877 |
| Indiana Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 646 | 200 | 250 | 1,096 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Allegheny County | State | \$ 1,060 | \$ 40 | \$ 50 | \$ 1,150 |
| Alpha Dr. over SR 0028 | Federal | 4,240 | 160 | 200 | 4,600 |
| O'Hara Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 5,300 | 200 | 250 | 5,750 |
| Allegheny County | State | 432 | 40 | 50 | 522 |
| Butler Logan Road over Allegheny Valley Exp. | Federal | 1,726 | 160 | 200 | 2,086 |
| Frazer Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 2,158 | 200 | 250 | 2,608 |
| Allegheny County | State | 22 | 40 | 50 | 112 |
| Days Run Road over Days Run | Federal | 87 | 160 | 200 | 447 |
| East Deer Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 109 | 200 | 250 | 559 |
| Allegheny County | State | 72 | 40 | 50 | 162 |
| Oak Road over Dawson Run | Federal | 287 | 160 | 200 | 647 |
| West Deer Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 358 | 200 | 250 | 808 |
| Allegheny County | State | 24 | 40 | 50 | 114 |
| Bakerstown Road over Branch of Deer Creek | Federal | 96 | 160 | 200 | 456 |
| Richland Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 120 | 200 | 250 | 570 |
| Allegheny County | State | 134 | 40 | 50 | 224 |
| Bakerstown Road over Bull Creek | Federal | 538 | 160 | 200 | 898 |
| Fawn Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 672 | 200 | 250 | 1,122 |
| Allegheny County | State | 18 | 40 | 50 | 108 |
| Bakerstown Road over Little Bull Creek | Federal | 71 | 160 | 200 | 431 |
| Fawn Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 88 | 200 | 250 | 538 |
| Allegheny County | State | 48 | 40 | 50 | 138 |
| Lardington Road over Bull Creek | Federal | 193 | 160 | 200 | 553 |
| Fawn Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 241 | 200 | 250 | 691 |
| Allegheny County | State | 25 | 40 | 50 | 115 |
| Lardington Road over Lardington Run | Federal | 102 | 160 | 200 | 462 |
| Fawn Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 127 | 200 | 250 | 577 |
| Allegheny County | State | 22 | 40 | 50 | 112 |
| Bull Creek Road over Branch of Bull Creek | Federal | 90 | 160 | 200 | 450 |
| Fawn Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 112 | 200 | 250 | 562 |
| Allegheny County | State | 204 | 40 | 50 | 294 |
| Bull Creek Road over Branch of Bull Creek | Federal | 817 | 160 | 200 | 1,177 |
| Fawn Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,021 | 200 | 250 | 1,471 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Allegheny County | State | \$ 9 | \$ 40 | \$ 50 | \$ 99 |
| Saxonburg Road over Branch of Little Bull Creek | Federal | 35 | 160 | 200 | 395 |
| Harrison Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 44 | 200 | 250 | 494 |
| Allegheny County | State | 26 | 40 | 50 | 116 |
| Elizabeth Road over branch of Becketts Run | Federal | 105 | 160 | 200 | 465 |
| Forward Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 131 | 200 | 250 | 581 |
| Allegheny County | State | 106 | 40 | 50 | 196 |
| Buena Vista Road over Wildcat Run | Federal | 424 | 160 | 200 | 784 |
| Elizabeth Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 530 | 200 | 250 | 980 |
| Allegheny County | State | 15 | 40 | 50 | 105 |
| West Smithfield Road over Creek | Federal | 61 | 160 | 200 | 421 |
| Elizabeth Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 76 | 200 | 250 | 526 |
| Allegheny County | State | 52 | 40 | 50 | 142 |
| Lincoln Way over Long Run | Federal | 210 | 160 | 200 | 570 |
| White Oak Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 262 | 200 | 250 | 712 |
| Allegheny County | State | 9 | 40 | 50 | 99 |
| Verona Road over Branch of Sandy Creek | Federal | 36 | 160 | 200 | 396 |
| Penn Hills Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 45 | 200 | 250 | 495 |
| Allegheny County | State | 35 | 40 | 50 | 125 |
| Verona Road over Sandy Creek | Federal | 139 | 160 | 200 | 499 |
| Penn Hills Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 174 | 200 | 250 | 624 |
| Allegheny County | State | 155 | 40 | 50 | 245 |
| Hulton Road over Plum Creek | Federal | 618 | 160 | 200 | 978 |
| Penn Hills Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 773 | 200 | 250 | 1,223 |
| Allegheny County | State | 12 | 40 | 50 | 102 |
| Hulton Road over Branch of Plum Creek | Federal | 47 | 160 | 200 | 407 |
| Plum Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 58 | 200 | 250 | 508 |
| Allegheny County | State | 29 | 40 | 50 | 119 |
| Long Road over Chalfont Run | Federal | 118 | 160 | 200 | 478 |
| Penn Hills Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 147 | 200 | 250 | 597 |
| Allegheny County | State | 13 | 40 | 50 | 103 |
| Lime Hollow Road over Lime Hollow Run | Federal | 52 | 160 | 200 | 412 |
| Penn Hills Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 66 | 200 | 250 | 516 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Allegheny County | State | \$ 7 | \$ 40 | \$ 50 | \$ 97 |
| Indiana Dr. over Small Stream | Federal | 29 | 160 | 200 | 389 |
| Penn Hills Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 36 | 200 | 250 | 486 |
| Allegheny County | State | 10 | 40 | 50 | 100 |
| New Texas Road over Branch of Little Plum Creek | Federal | 40 | 160 | 200 | 400 |
| Plum Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 49 | 200 | 250 | 499 |
| Allegheny County | State | 44 | 40 | 50 | 134 |
| Old Leechburg Road over Little Plum Creek | Federal | 177 | 160 | 200 | 537 |
| Plum Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 221 | 200 | 250 | 671 |
| Allegheny County | State | 38 | 40 | 50 | 128 |
| Electric Ave. over Falls Run | Federal | 154 | 160 | 200 | 514 |
| City of Pittsburgh | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 192 | 200 | 250 | 642 |
| Allegheny County | State | 23 | 40 | 50 | 113 |
| Miller's Run Road over Branch of Miller's Run | Federal | 92 | 160 | 200 | 452 |
| South Fayette Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 115 | 200 | 250 | 565 |
| Allegheny County | State | 70 | 40 | 50 | 160 |
| Country Club Drive over SR 0019 | Federal | 282 | 160 | 200 | 642 |
| Upper Saint Clair Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 352 | 200 | 250 | 802 |
| Allegheny County | State | 8 | 40 | 50 | 98 |
| Mayview Road over Branch of Chartiers Creek | Federal | 32 | 160 | 200 | 392 |
| Upper Saint Clair Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 41 | 200 | 250 | 491 |
| Allegheny County | State | 71 | 40 | 50 | 161 |
| Walton Road over Lobbs Run | Federal | 283 | 160 | 200 | 643 |
| Jefferson Hills Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 354 | 200 | 250 | 804 |
| Allegheny County | State | 22 | 40 | 50 | 112 |
| Presto Sygan Road over Thoms Run | Federal | 89 | 160 | 200 | 449 |
| Collier Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 112 | 200 | 250 | 562 |
| Allegheny County | State | 172 | 40 | 50 | 262 |
| Presley Road over Chartiers Creek | Federal | 690 | 160 | 200 | 1,050 |
| Collier Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 862 | 200 | 250 | 1,312 |
| Allegheny County | State | 32 | 40 | 50 | 122 |
| McMillan Road over Branch of McLaughlin Run | Federal | 129 | 160 | 200 | 489 |
| Upper Saint Clair Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 161 | 200 | 250 | 611 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Allegheny County | State | \$ 26 | \$ 40 | \$ 50 | \$ 116 |
| Noblestown Road over Branch of Robinson Run | Federal | 106 | 160 | 200 | 466 |
| North Fayette Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 132 | 200 | 250 | 582 |
| Allegheny County | State | 9 | 40 | 50 | 99 |
| Donaldson Road over Fork Robinson Run | Federal | 37 | 160 | 200 | 397 |
| North Fayette Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 47 | 200 | 250 | 497 |
| Allegheny County | State | 8 | 40 | 50 | 98 |
| Potato Garden Road over Branch of Potato Garden Run | Federal | 33 | 160 | 200 | 393 |
| Findlay Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 42 | 200 | 250 | 492 |
| Allegheny County | State | 164 | 40 | 50 | 254 |
| Beaver Grade Road over Montour Trail & Montour Road. | Federal | 654 | 160 | 200 | 1,014 |
| Robinson Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 818 | 200 | 250 | 1,268 |
| Allegheny County | State | 38 | 40 | 50 | 128 |
| Brodhead Road over Flaugherty Run | Federal | 152 | 160 | 200 | 512 |
| Moon Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 190 | 200 | 250 | 640 |
| Allegheny County | State | 27 | 40 | 50 | 117 |
| Brodhead Road over Boggs Run | Federal | 106 | 160 | 200 | 466 |
| Moon Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 133 | 200 | 250 | 583 |
| Allegheny County | State | 12 | 40 | 50 | 102 |
| Murdocksville Road. over Br. Raccoon Creek | Federal | 49 | 160 | 200 | 409 |
| Independence Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 62 | 200 | 250 | 512 |
| Allegheny County | State | 308 | 40 | 50 | 398 |
| Spring Run Road. over LR 1023-TR 60 | Federal | 1,233 | 160 | 200 | 1,593 |
| Findlay Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,541 | 200 | 250 | 1,991 |
| Allegheny County | State | 33 | 40 | 50 | 123 |
| North Branch Road. over North Branch Robinson Run | Federal | 134 | 160 | 200 | 494 |
| North Fayette Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 167 | 200 | 250 | 617 |
| Allegheny County | State | 37 | 40 | 50 | 127 |
| North Branch Road over North Branch Robinson Run | Federal | 150 | 160 | 200 | 510 |
| North Fayette Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 187 | 200 | 250 | 637 |
| Allegheny County | State | 9 | 40 | 50 | 99 |
| Sugar Grove Road over Shouse Run | Federal | 37 | 160 | 200 | 397 |
| Crescent Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 46 | 200 | 250 | 496 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Allegheny County | State | \$ 345 | \$ 40 | \$ 50 | \$ 435 |
| Robinson Town C over Airport Parkway | Federal | 1,382 | 160 | 200 | 1,742 |
| Robinson Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,727 | 200 | 250 | 2,177 |
| Allegheny County | State | 115 | 40 | 50 | 205 |
| McKnight Road over Pine Creek | Federal | 461 | 160 | 200 | 821 |
| McCandless Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 577 | 200 | 250 | 1,027 |
| Allegheny County | State | 48 | 40 | 50 | 138 |
| Evergreen Road over Girtys Run | Federal | 192 | 160 | 200 | 552 |
| Millvale Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 240 | 200 | 250 | 690 |
| Allegheny County | State | 51 | 40 | 50 | 141 |
| New Brighton Road over Spruce Run | Federal | 205 | 160 | 200 | 565 |
| Avalon Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 256 | 200 | 250 | 706 |
| Allegheny County | State | 14 | 40 | 50 | 104 |
| Red Gate over Hays Run | Federal | 56 | 160 | 200 | 416 |
| Haysville Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 70 | 200 | 250 | 520 |
| Allegheny County | State | 9 | 40 | 50 | 99 |
| Fern Hollow Road over Little Sewickley Creek | Federal | 38 | 160 | 200 | 398 |
| Sewickley Heights Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 47 | 200 | 250 | 497 |
| Allegheny County | State | 50 | 40 | 50 | 140 |
| Big Sewickley Creek Road over Big Sewickley Creek | Federal | 198 | 160 | 200 | 558 |
| Bell Acres Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 248 | 200 | 250 | 698 |
| Allegheny County | State | 31 | 40 | 50 | 121 |
| Big Sewickley Creek Road over Big Sewickley Creek | Federal | 125 | 160 | 200 | 485 |
| Economy Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 156 | 200 | 250 | 606 |
| Allegheny County | State | 15 | 40 | 50 | 105 |
| Big Sewickley Creek Road over Big Sewickley Creek | Federal | 62 | 160 | 200 | 422 |
| Economy Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 77 | 200 | 250 | 527 |
| Allegheny County | State | 138 | 40 | 50 | 228 |
| Big Sewickley Creek Road over Big Sewickley Creek | Federal | 553 | 160 | 200 | 913 |
| Economy Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 691 | 200 | 250 | 1,141 |
| Allegheny County | State | 46 | 40 | 50 | 136 |
| Big Sewickley Creek Road over Big Sewickley Creek | Federal | 184 | 160 | 200 | 544 |
| Economy Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 230 | 200 | 250 | 680 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Allegheny County | State | \$ 31 | \$ 40 | \$ 50 | \$ 121 |
| L Sewickley Creek Road over Little Sewickley Creek | Federal | 125 | 160 | 200 | 485 |
| Franklin Park Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 156 | 200 | 250 | 606 |
| Allegheny County | State | 47 | 40 | 50 | 137 |
| Camp Meeting Road over Rippling Run | Federal | 188 | 160 | 200 | 548 |
| Franklin Park Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 236 | 200 | 250 | 686 |
| Allegheny County | State | 36 | 40 | 50 | 126 |
| Camp Meeting Road over Rippling Run | Federal | 143 | 160 | 200 | 503 |
| Franklin Park Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 179 | 200 | 250 | 629 |
| Allegheny County | State | 9 | 40 | 50 | 99 |
| Shenot Road over Branch Brush Creek | Federal | 37 | 160 | 200 | 397 |
| Marshall Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 47 | 200 | 250 | 497 |
| Allegheny County | State | 7 | 40 | 50 | 97 |
| Wexford Run Road over Branch Brush Creek | Federal | 28 | 160 | 200 | 388 |
| Marshall Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 35 | 200 | 250 | 485 |
| Allegheny County | State | 13 | 40 | 50 | 103 |
| SR 4059 over Breakneck Creek | Federal | 53 | 160 | 200 | 413 |
| Pine Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 66 | 200 | 250 | 516 |
| Allegheny County | State | 65 | 40 | 50 | 155 |
| Peebles Road over Little Pine Creek | Federal | 258 | 160 | 200 | 618 |
| McCandless Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 323 | 200 | 250 | 773 |
| Allegheny County | State | 481 | 40 | 50 | 571 |
| Wildwood Road over CSX RR, Creek, Private Road | Federal | 1,924 | 160 | 200 | 2,284 |
| Hampton Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 2,405 | 200 | 250 | 2,855 |
| Allegheny County | State | 18 | 40 | 50 | 108 |
| Township Road over Little Pine Creek | Federal | 73 | 160 | 200 | 433 |
| Shaler Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 91 | 200 | 250 | 541 |
| Allegheny County | State | 1,544 | 40 | 50 | 1,634 |
| LR 1026 HOV ST25+45 over CSX Railway | Federal | 6,177 | 160 | 200 | 6,537 |
| City of Pittsburgh | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 7,721 | 200 | 250 | 8,171 |
| Allegheny County | State | 348 | 40 | 50 | 438 |
| Ramp A Road over 736 Ext. SB-TR 837 | Federal | 1,393 | 160 | 200 | 1,753 |
| City of Duquesne | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,741 | 200 | 250 | 2,191 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Allegheny County | State | \$ 156 | \$ 40 | \$ 50 | \$ 246 |
| Mall Entrance & Exit over LR 187-Business Rt. 22 | Federal | 625 | 160 | 200 | 985 |
| Municipality of Monroeville | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 782 | 200 | 250 | 1,232 |
| Allegheny County | State | 882 | 40 | 50 | 972 |
| Ramp F Road over 1066, 392, & Local Streets | Federal | 3,529 | 160 | 200 | 3,889 |
| City of McKeesport | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 4,411 | 200 | 250 | 4,861 |
| Allegheny County | State | 50 | 40 | 50 | 140 |
| Ramp H Road over Local Street | Federal | 200 | 160 | 200 | 560 |
| City of McKeesport | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 250 | 200 | 250 | 700 |
| Allegheny County | State | 203 | 40 | 50 | 293 |
| Ramp BU Road over Mon Wharf | Federal | 811 | 160 | 200 | 1,171 |
| City of Pittsburgh | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,014 | 200 | 250 | 1,464 |
| Allegheny County | State | 405 | 40 | 50 | 495 |
| Ramp F Road over Ramps C, D, & Ft. Pitt Blvd. | Federal | 1,620 | 160 | 200 | 1,980 |
| City of Pittsburgh | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 2,024 | 200 | 250 | 2,474 |
| Armstrong County | State | 140 | 14 | 28 | 182 |
| Polka Hollow Bridge | Federal | 560 | 56 | 112 | 728 |
| Burrell Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 700 | 70 | 140 | 910 |
| Armstrong County | State | 100 | 10 | 20 | 130 |
| Sugar Hollow Run Culvert | Federal | 400 | 40 | 80 | 520 |
| Apollo Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 50 | 100 | 650 |
| Armstrong County | State | 138 | 14 | 28 | 179 |
| Taylor Run Bridge | Federal | 552 | 55 | 110 | 718 |
| Bethel Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 690 | 69 | 138 | 897 |
| Armstrong County | State | 214 | 21 | 43 | 278 |
| Garretts Run Bridge No. 7 | Federal | 856 | 86 | 171 | 1,113 |
| Manor Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,070 | 107 | 214 | 1,391 |
| Armstrong County | State | 62 | 6 | 12 | 81 |
| Queenstown Road Bridge | Federal | 248 | 25 | 50 | 322 |
| Perry Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 310 | 31 | 62 | 403 |
| Armstrong County | State | 1,250 | 125 | 250 | 1,625 |
| Crooked Creek Bridge | Federal | 5,000 | 500 | 1,000 | 6,500 |
| Burrell Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 6,250 | 625 | 1,250 | 8,125 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---------------------------------|---------|-------------------------|--------------|---------------------------|--------------------------|
| Armstrong County | State | \$ 90 | \$ 9 | \$ 18 | \$ 117 |
| Roaring Run Bridge | Federal | 360 | 36 | 72 | 468 |
| Kiskiminetas Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 450 | 45 | 90 | 585 |
| Armstrong County | State | 60 | 6 | 12 | 78 |
| South Bryan Bridge | Federal | 240 | 24 | 48 | 312 |
| Cowanshannock Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 300 | 30 | 60 | 390 |
| Armstrong County | State | 105 | 11 | 21 | 137 |
| Bryan Bridge | Federal | 420 | 42 | 84 | 546 |
| Cowanshannock Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 525 | 53 | 105 | 683 |
| Armstrong County | State | 70 | 7 | 14 | 91 |
| Echo Church Bridge | Federal | 280 | 28 | 56 | 364 |
| Wayne Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 350 | 35 | 70 | 455 |
| Armstrong County | State | 114 | 11 | 23 | 148 |
| Booher Road Bridge | Federal | 456 | 46 | 91 | 593 |
| East Franklin Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 570 | 57 | 114 | 741 |
| Armstrong County | State | 152 | 15 | 30 | 198 |
| Pony Farm Road Bridge | Federal | 608 | 61 | 122 | 790 |
| North Buffalo Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 760 | 76 | 152 | 988 |
| Armstrong County | State | 60 | 6 | 12 | 78 |
| Calhoun School Road Bridge | Federal | 240 | 24 | 48 | 312 |
| Wayne Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 300 | 30 | 60 | 390 |
| Armstrong County | State | 60 | 6 | 12 | 78 |
| Bowers Cross Roads Bridge No. 1 | Federal | 240 | 24 | 48 | 312 |
| Kittanning Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 300 | 30 | 60 | 390 |
| Armstrong County | State | 108 | 11 | 22 | 140 |
| Dock Run Bridge | Federal | 432 | 43 | 86 | 562 |
| South Buffalo Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 540 | 54 | 108 | 702 |
| Armstrong County | State | 60 | 6 | 12 | 78 |
| Allison Run Box No. 1 | Federal | 240 | 24 | 48 | 312 |
| West Kittanning Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 300 | 30 | 60 | 390 |
| Armstrong County | State | 60 | 6 | 12 | 78 |
| Allison Run Box No. 2 | Federal | 240 | 24 | 48 | 312 |
| West Kittanning Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 300 | 30 | 60 | 390 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---------------------------------------|---------|-------------------------|--------------|---------------------------|--------------------------|
| Armstrong County | State | \$ 162 | \$ 16 | \$ 32 | \$ 211 |
| Baum Bridge | Federal | 648 | 65 | 130 | 842 |
| Boggs Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 810 | 81 | 162 | 1,053 |
| Armstrong County | State | 30 | 3 | 6 | 39 |
| Harts Run Bridge | Federal | 120 | 12 | 24 | 156 |
| Bradys Bend Township | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 150 | 15 | 30 | 195 |
| Armstrong County | State | 30 | 3 | 6 | 39 |
| Whisky Run Bridge | Federal | 120 | 12 | 24 | 156 |
| Bradys Bend Township | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 150 | 15 | 30 | 195 |
| Armstrong County | State | 30 | 3 | 6 | 39 |
| Sugar Creek Bridge No. 2 | Federal | 120 | 12 | 24 | 156 |
| Bradys Bend Township | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 150 | 15 | 30 | 195 |
| Armstrong County | State | 200 | 20 | 40 | 260 |
| Freeport Bridge | Federal | 800 | 80 | 160 | 1,040 |
| Freeport Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 1,000 | 100 | 200 | 1,300 |
| Armstrong County | State | 20 | 2 | 4 | 26 |
| Branch of Sugar Creek | Federal | 80 | 8 | 16 | 104 |
| Bradys Bend Township | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 100 | 10 | 20 | 130 |
| Armstrong County | State | 20 | 2 | 4 | 26 |
| Sugar Creek Bridge No. 3 | Federal | 80 | 8 | 16 | 104 |
| Bradys Bend Township | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 100 | 10 | 20 | 130 |
| Beaver County | State | 140 | 40 | 50 | 230 |
| Beaver Valley Expressway over SR 4008 | Federal | 558 | 160 | 200 | 918 |
| Chippewa Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 698 | 200 | 250 | 1,148 |
| Beaver County | State | 27 | 40 | 50 | 117 |
| Tuscarwas Road over Brush Run | Federal | 107 | 160 | 200 | 467 |
| Ohioville Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 133 | 200 | 250 | 583 |
| Beaver County | State | 46 | 40 | 50 | 136 |
| Bocktown Road over Raredon Run | Federal | 185 | 160 | 200 | 545 |
| Independence Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 231 | 200 | 250 | 681 |
| Beaver County | State | 33 | 40 | 50 | 123 |
| Fairview Road over Upper Dry Run | Federal | 131 | 160 | 200 | 491 |
| Green Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 164 | 200 | 250 | 614 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Beaver County | State | \$ 350 | \$ 0 | \$ 10 | \$ 360 |
| 51/Bridge over Franklin Av2 | Federal | 1,400 | 0 | 40 | 1,440 |
| Aliquippa Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,750 | 0 | 50 | 1,800 |
| Beaver County | State | 42 | 40 | 50 | 132 |
| Frankfort Road over Traverse Creek | Federal | 170 | 160 | 200 | 530 |
| Hanover Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 212 | 200 | 250 | 662 |
| Beaver County | State | 15 | 40 | 50 | 105 |
| Frankfort Road over Little Traverse Creek | Federal | 58 | 160 | 200 | 418 |
| Raccoon Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 73 | 200 | 250 | 523 |
| Beaver County | State | 63 | 40 | 50 | 153 |
| Constitution Blvd. over Creek | Federal | 251 | 160 | 200 | 611 |
| City of Aliquippa | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 314 | 200 | 250 | 764 |
| Beaver County | State | 31 | 40 | 50 | 121 |
| Constitution Blvd. over Elkhorn Run | Federal | 124 | 160 | 200 | 484 |
| Monaca Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 155 | 200 | 250 | 605 |
| Beaver County | State | 12 | 40 | 50 | 102 |
| Pennsylvania Ave over Branch Small Run | Federal | 47 | 160 | 200 | 407 |
| Darlington Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 58 | 200 | 250 | 508 |
| Beaver County | State | 6 | 40 | 50 | 96 |
| Mercer Road over Connoquenessing Creek | Federal | 22 | 160 | 200 | 382 |
| North Sewickley Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 28 | 200 | 250 | 478 |
| Beaver County | State | 21 | 40 | 50 | 111 |
| Bocktown Road over Branch Raredon Run | Federal | 82 | 160 | 200 | 442 |
| Independence Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 103 | 200 | 250 | 553 |
| Beaver County | State | 8 | 40 | 50 | 98 |
| Fairview Road over Upper Dry Run | Federal | 33 | 160 | 200 | 393 |
| Ohioville Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 42 | 200 | 250 | 492 |
| Beaver County | State | 51 | 40 | 50 | 141 |
| Blackhawk Road over Brush Run | Federal | 205 | 160 | 200 | 565 |
| South Beaver Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 256 | 200 | 250 | 706 |
| Beaver County | State | 6 | 40 | 50 | 96 |
| Fairlane Blvd over Stockman Run | Federal | 23 | 160 | 200 | 383 |
| Big Beaver Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 29 | 200 | 250 | 479 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Beaver County | State | \$ 31 | \$ 40 | \$ 50 | \$ 121 |
| Bennett Run Road over Bennett Run | Federal | 123 | 160 | 200 | 483 |
| North Sewickley Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 153 | 200 | 250 | 603 |
| Beaver County | State | 13 | 40 | 50 | 103 |
| Chapel Drive over Connequenessing Creek | Federal | 52 | 160 | 200 | 412 |
| North Sewickley Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 66 | 200 | 250 | 516 |
| Beaver County | State | 170 | 40 | 50 | 260 |
| Chapel Dr over Brush Creek | Federal | 679 | 160 | 200 | 1,039 |
| North Sewickley Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 849 | 200 | 250 | 1,299 |
| Beaver County | State | 16 | 40 | 50 | 106 |
| Deer Lane over Small Creek | Federal | 64 | 160 | 200 | 424 |
| Rochester Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 80 | 200 | 250 | 530 |
| Beaver County | State | 130 | 40 | 50 | 220 |
| Kennedy Blvd over Logtown Run | Federal | 521 | 160 | 200 | 881 |
| City of Alquippa | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 651 | 200 | 250 | 1,101 |
| Beaver County | State | 21 | 40 | 50 | 111 |
| Raccoon Creek Road over Fish Pot Run | Federal | 84 | 160 | 200 | 444 |
| Raccoon Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 106 | 200 | 250 | 556 |
| Beaver County | State | 13 | 40 | 50 | 103 |
| Georgetown Road over Branch of Mill Creek | Federal | 51 | 160 | 200 | 411 |
| Green Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 64 | 200 | 250 | 514 |
| Beaver County | State | 103 | 40 | 50 | 193 |
| Georgetown Road over Mill Creek | Federal | 412 | 160 | 200 | 772 |
| Green Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 515 | 200 | 250 | 965 |
| Beaver County | State | 32 | 40 | 50 | 122 |
| Georgetown Road over Mill Creek | Federal | 130 | 160 | 200 | 490 |
| Green Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 162 | 200 | 250 | 612 |
| Beaver County | State | 20 | 40 | 50 | 110 |
| Kendall Harshav Road over Little Service Run | Federal | 82 | 160 | 200 | 442 |
| Hanover Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 102 | 200 | 250 | 552 |
| Beaver County | State | 1,020 | 40 | 50 | 1,110 |
| Gringo Independence Road over Beaver Valley Expressway | Federal | 4,080 | 160 | 200 | 4,440 |
| Hopewell Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 5,100 | 200 | 250 | 5,550 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Beaver County | State | \$ 16 | \$ 40 | \$ 50 | \$ 106 |
| Anderson Road over Small Run | Federal | 65 | 160 | 200 | 425 |
| Darlington Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 81 | 200 | 250 | 531 |
| Beaver County | State | 16 | 40 | 50 | 106 |
| Cannelton Road over Coalbank Run | Federal | 62 | 160 | 200 | 422 |
| Darlington Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 78 | 200 | 250 | 528 |
| Beaver County | State | 25 | 40 | 50 | 115 |
| Cannelton Road over Dilworth Run | Federal | 101 | 160 | 200 | 461 |
| Darlington Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 126 | 200 | 250 | 576 |
| Beaver County | State | 173 | 40 | 50 | 263 |
| New Galilee Road over North Fork Little Beaver Creek | Federal | 693 | 160 | 200 | 1,053 |
| Darlington Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 866 | 200 | 250 | 1,316 |
| Beaver County | State | 9 | 40 | 50 | 99 |
| Elmbrook Road over Branch Small Run | Federal | 38 | 160 | 200 | 398 |
| South Beaver Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 47 | 200 | 250 | 497 |
| Beaver County | State | 176 | 40 | 50 | 266 |
| Bradys Run Road over Bradys Run | Federal | 705 | 160 | 200 | 1,065 |
| Patterson Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 881 | 200 | 250 | 1,331 |
| Beaver County | State | 25 | 40 | 50 | 115 |
| Shenango Road over Wallace Run | Federal | 101 | 160 | 200 | 461 |
| Chippewa Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 126 | 200 | 250 | 576 |
| Beaver County | State | 5 | 40 | 50 | 95 |
| Wildwood Road over Brady Run Branch | Federal | 18 | 160 | 200 | 378 |
| Brighton Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 23 | 200 | 250 | 473 |
| Beaver County | State | 25 | 40 | 50 | 115 |
| Westwood Road over Upper Dry Run | Federal | 99 | 160 | 200 | 459 |
| Ohioville Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 123 | 200 | 250 | 573 |
| Beaver County | State | 40 | 40 | 50 | 130 |
| Wolf Run Road over Wolf Run | Federal | 162 | 160 | 200 | 522 |
| Industry Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 202 | 200 | 250 | 652 |
| Beaver County | State | 34 | 40 | 50 | 124 |
| Wolf Run Road over Wolf Run | Federal | 135 | 160 | 200 | 495 |
| Industry Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 168 | 200 | 250 | 618 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Beaver County | State | \$ 6 | \$ 40 | \$ 50 | \$ 96 |
| Middle Road over Wallace Run | Federal | 23 | 160 | 200 | 383 |
| Chippewa Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 29 | 200 | 250 | 479 |
| Beaver County | State | 11 | 40 | 50 | 101 |
| Riverside Dr over Tributary to Beaver River | Federal | 46 | 160 | 200 | 406 |
| Bridgewater Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 57 | 200 | 250 | 507 |
| Bedford County | State | 258 | 10 | 68 | 336 |
| Segment 0500/1424 Bridge over Bloody Run | Federal | 1,032 | 40 | 272 | 1,344 |
| Everett Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,290 | 50 | 340 | 1,680 |
| Bedford County | State | 500 | 25 | 175 | 700 |
| Segment 0660/0257 Bridge over tributary to Yellow Creek | Federal | 0 | 0 | 0 | 0 |
| Hopewell Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 175 | 700 |
| Bedford County | State | 500 | 25 | 175 | 700 |
| Segment 0660/0826 Bridge over tributary to Yellow Creek | Federal | 0 | 0 | 0 | 0 |
| Hopewell Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 175 | 700 |
| Bedford County | State | 120 | 5 | 55 | 180 |
| Segment 0640/1480 Bridge over Raystown Branch of Juniata River | Federal | 0 | 0 | 0 | 0 |
| East Providence Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 120 | 5 | 55 | 180 |
| Bedford County | State | 270 | 25 | 125 | 420 |
| Segment 0280/3409 Bridge over tributary to Dunning Creek | Federal | 0 | 0 | 0 | 0 |
| East St. Clair Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 270 | 25 | 125 | 420 |
| Bedford County | State | 30 | 1 | 13 | 44 |
| Segment 0330/0000 Bridge over Brush Run | Federal | 120 | 4 | 52 | 176 |
| Bedford Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 150 | 5 | 65 | 220 |
| Bedford County | State | 80 | 5 | 35 | 120 |
| Segment 0350/0000 Bridge over tributary to Buffalo Run | Federal | 0 | 0 | 0 | 0 |
| Harrison Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 80 | 5 | 35 | 120 |
| Bedford County | State | 38 | 1 | 17 | 56 |
| Segment 0180/0000 Bridge over Sweet Root Creek | Federal | 152 | 4 | 68 | 224 |
| Southampton Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 190 | 5 | 85 | 280 |
| Bedford County | State | 210 | 25 | 105 | 340 |
| Segment 0210/0000 Bridge over tributary to Halter Creek | Federal | 0 | 0 | 0 | 0 |
| Bloomfield Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 210 | 25 | 105 | 340 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Bedford County | State | \$ 170 | \$ 25 | \$ 85 | \$ 280 |
| Segment 0260/2417 Bridge over Trout Run | Federal | 0 | 0 | 0 | 0 |
| King Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 170 | 25 | 85 | 280 |
| Bedford County | State | 106 | 5 | 37 | 148 |
| Segment 0050/2170 Bridge over Crawfords Run | Federal | 424 | 20 | 148 | 592 |
| Bedford Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 530 | 25 | 185 | 740 |
| Bedford County | State | 12 | 1 | 5 | 18 |
| Segment 0170/2845 Bridge over tributary to Dunnings Creek | Federal | 48 | 4 | 30 | 82 |
| Bedford Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 60 | 5 | 35 | 100 |
| Bedford County | State | 40 | 5 | 15 | 60 |
| Segment 0220/0000 Bridge over tributary to Yellow Creek | Federal | 0 | 0 | 0 | 0 |
| South Woodbury Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 40 | 5 | 15 | 60 |
| Bedford County | State | 50 | 5 | 25 | 80 |
| Segment 0080/0000 Bridge over tributary to Tub Mill Run | Federal | 0 | 0 | 0 | 0 |
| East Providence Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 50 | 5 | 25 | 80 |
| Bedford County | State | 70 | 5 | 33 | 108 |
| Segment 0060/0810 Bridge over tributary to Three Springs Run | Federal | 280 | 20 | 132 | 432 |
| South Woodbury Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 350 | 25 | 165 | 540 |
| Bedford County | State | 300 | 25 | 135 | 460 |
| Segment 0010/0000 Bridge over tributary to Dunnings Creek | Federal | 0 | 0 | 0 | 0 |
| Bedford Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 300 | 25 | 135 | 460 |
| Bedford County | State | 16 | 1 | 7 | 24 |
| Segment 0020/0000 Bridge over tributary to Pipers Run | Federal | 64 | 4 | 28 | 96 |
| Hopewell Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 80 | 5 | 35 | 120 |
| Bedford County | State | 270 | 25 | 125 | 420 |
| Segment 0090/0000 Bridge over tributary to Shoups Run | Federal | 0 | 0 | 0 | 0 |
| Broad Top Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 270 | 25 | 125 | 420 |
| Bedford County | State | 40 | 5 | 15 | 60 |
| Segment 0020/0000 Bridge over Dudley Run | Federal | 0 | 0 | 0 | 0 |
| Broad Top Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 40 | 5 | 15 | 60 |
| Bedford County | State | 40 | 5 | 15 | 60 |
| Segment 0110/0000 Bridge over Johnson Branch | Federal | 0 | 0 | 0 | 0 |
| Mann Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 40 | 5 | 15 | 60 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Bedford County | State | \$ 65 | \$ 5 | \$ 30 | \$ 100 |
| Segment 0080/0000 Bridge over Coffee Run | Federal | 0 | 0 | 0 | 0 |
| Mann Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 65 | 5 | 30 | 100 |
| Bedford County | State | 300 | 25 | 135 | 460 |
| Segment 0170/0000 Bridge over tributary to Cove Creek | Federal | 0 | 0 | 0 | 0 |
| Snake Spring Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 300 | 25 | 135 | 460 |
| Bedford County | State | 70 | 5 | 25 | 100 |
| Segment 0050/0000 Bridge over Greys Run | Federal | 280 | 20 | 100 | 400 |
| West Providence Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 350 | 25 | 125 | 500 |
| Bedford County | State | 80 | 5 | 35 | 120 |
| Segment 0030/0000 Bridge over tributary to Evitts Creek | Federal | 0 | 0 | 0 | 0 |
| Cumberland Valley Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 80 | 5 | 35 | 120 |
| Bedford County | State | 50 | 1 | 21 | 72 |
| Segment 0060/3374 Bridge over Bentz Run | Federal | 200 | 4 | 84 | 288 |
| Napier Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 250 | 5 | 105 | 360 |
| Bedford County | State | 80 | 5 | 35 | 120 |
| Segment 0020/0000 Bridge over Cumberland Valley Run | Federal | 0 | 0 | 0 | 0 |
| Bedford Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 80 | 5 | 35 | 120 |
| Bedford County | State | 120 | 5 | 55 | 180 |
| Segment 0220/1974 Bridge over tributary to Dunnings Creek | Federal | 0 | 0 | 0 | 0 |
| Bedford Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 120 | 5 | 55 | 180 |
| Bedford County | State | 200 | 1 | 67 | 268 |
| Segment 0280/0000 Bridge over Dunning Creek | Federal | 800 | 4 | 268 | 1,072 |
| Bedford Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,000 | 5 | 335 | 1,340 |
| Bedford County | State | 248 | 10 | 86 | 344 |
| Segment 0060/0528 Bridge over Cumberland Valley Run | Federal | 992 | 40 | 344 | 1,376 |
| Bedford Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,240 | 50 | 430 | 1,720 |
| Bedford County | State | 145 | 2 | 49 | 196 |
| Segment 0080/1535 Bridge over Shobers Run | Federal | 580 | 8 | 196 | 784 |
| Bedford Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 725 | 10 | 245 | 980 |
| Bedford County | State | 118 | 2 | 40 | 160 |
| Segment 0090/2738 Bridge over Bobs Creek | Federal | 472 | 8 | 160 | 640 |
| East St. Clair Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 590 | 10 | 200 | 800 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Bedford County | State | \$ 74 | \$ 1 | \$ 25 | \$ 100 |
| Segment 0030/1005 Bridge over Dunnings Creek | Federal | 296 | 4 | 100 | 400 |
| New Paris Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 370 | 5 | 125 | 500 |
| Bedford County | State | 40 | 5 | 15 | 60 |
| Segment 0070/0000 Bridge over tributary to Scrubgrass Creek | Federal | 0 | 0 | 0 | 0 |
| Pavia Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 40 | 5 | 15 | 60 |
| Bedford County | State | 52 | 1 | 23 | 76 |
| Segment 0160/1407 Bridge over Beaver Dam Creek | Federal | 208 | 4 | 92 | 304 |
| Kimmel Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 260 | 5 | 115 | 380 |
| Bedford County | State | 505 | 20 | 131 | 656 |
| Segment 0030/0000 Bridge over Sinking Run | Federal | 2,020 | 80 | 524 | 2,624 |
| East St. Clair Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 2,525 | 100 | 655 | 3,280 |
| Bedford County | State | 1,000 | 25 | 105 | 1,130 |
| Segment 0500/0000 Bridge over I99/US220 | Federal | 4,000 | 0 | 0 | 4,000 |
| Bedford Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 5,000 | 25 | 105 | 5,130 |
| Blair County | State | 100 | 5 | 35 | 140 |
| Segment 0110/0440 Bridge over Sinking Run | Federal | 400 | 20 | 140 | 560 |
| Tyrone Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 175 | 700 |
| Blair County | State | 105 | 5 | 50 | 160 |
| Segment 0110/1379 Bridge over Sinking Run | Federal | 0 | 0 | 0 | 0 |
| Tyrone Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 105 | 5 | 50 | 160 |
| Blair County | State | 40 | 5 | 15 | 60 |
| Segment 0070/0000 Bridge over Elk Run | Federal | 0 | 0 | 0 | 0 |
| Tyrone Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 40 | 5 | 15 | 60 |
| Blair County | State | 380 | 25 | 135 | 540 |
| Segment 0040/0000 Bridge over Kettle Run | Federal | 0 | 0 | 0 | 0 |
| Logan Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 380 | 25 | 135 | 540 |
| Blair County | State | 58 | 1 | 25 | 84 |
| Segment 0250/0868 Bridge over Sinking Run | Federal | 232 | 4 | 100 | 336 |
| Tyrone Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 290 | 5 | 125 | 420 |
| Blair County | State | 80 | 5 | 35 | 120 |
| Segment 0140/0000 Bridge over Elk Run | Federal | 0 | 0 | 0 | 0 |
| Tyrone Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 80 | 5 | 35 | 120 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Blair County | State | \$ 215 | \$ 25 | \$ 100 | \$ 340 |
| Segment 0110/1868 Bridge over Yellow Spring Run | Federal | 0 | 0 | 0 | 0 |
| Catherine Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 215 | 25 | 100 | 340 |
| Blair County | State | 80 | 5 | 35 | 120 |
| Segment 0160/0000 Bridge over Fox Run | Federal | 0 | 0 | 0 | 0 |
| Catherine Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 80 | 5 | 35 | 120 |
| Blair County | State | 24 | 1 | 11 | 36 |
| Segment 0160/0875 Bridge over Fox Run | Federal | 96 | 4 | 44 | 144 |
| Catherine Township | Local | 120 | 5 | 55 | 180 |
| Bridge Rehabilitation | Total | 240 | 10 | 110 | 360 |
| Blair County | State | 152 | 20 | 44 | 216 |
| Segment 0110/0000 Bridge over Sugar Run | Federal | 608 | 80 | 176 | 864 |
| Allegheny Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 760 | 100 | 220 | 1,080 |
| Blair County | State | 107 | 10 | 39 | 156 |
| Segment 0020/0490 Bridge over tributary to Mill Run | Federal | 428 | 40 | 156 | 624 |
| City of Altoona | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 535 | 50 | 195 | 780 |
| Blair County | State | 156 | 20 | 44 | 220 |
| Segment 0080/0000 Bridge over Homers Gap Run | Federal | 624 | 80 | 176 | 880 |
| Logan Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 780 | 100 | 220 | 1,100 |
| Blair County | State | 152 | 20 | 44 | 216 |
| Segment 0010/0827 Bridge over McFarlands Run | Federal | 608 | 80 | 176 | 864 |
| Antis Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 760 | 100 | 220 | 1,080 |
| Blair County | State | 160 | 25 | 105 | 290 |
| Segment 0270/0772 Bridge over Little Juniata River | Federal | 640 | 0 | 0 | 640 |
| Antis Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 800 | 25 | 105 | 930 |
| Bradford County | State | 162 | 6 | 40 | 208 |
| Bridge over Beckwith Creek, Village of Mosherville | Federal | 647 | 24 | 160 | 831 |
| Wells Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 809 | 30 | 200 | 1,039 |
| Bradford County | State | 211 | 6 | 30 | 247 |
| Bridge over Bullards Creek | Federal | 842 | 24 | 120 | 986 |
| Rome Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,053 | 30 | 150 | 1,233 |
| Bradford County | State | 44 | 6 | 30 | 80 |
| Bridge over Ladds Creek | Federal | 174 | 24 | 120 | 318 |
| New Albany Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 218 | 30 | 150 | 398 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Bradford County | State | \$ 36 | \$ 6 | \$ 30 | \$ 72 |
| Bridge over Beckwith Creek | Federal | 144 | 24 | 120 | 288 |
| Wells Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 180 | 30 | 150 | 360 |
| Butler County | State | 520 | 52 | 104 | 676 |
| South Monroe Street Bridge over B&P Railroad | Federal | 2,080 | 208 | 416 | 2,704 |
| Butler City | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 2,600 | 260 | 520 | 3,380 |
| Butler County | State | 720 | 72 | 144 | 936 |
| Freedom Road Bridge over PA Turnpike | Federal | 2,880 | 288 | 576 | 3,744 |
| Cranberry Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 3,600 | 360 | 720 | 4,680 |
| Butler County | State | 2,980 | 298 | 596 | 3,874 |
| Harmony Junction over Connoque Creek | Federal | 11,920 | 1,192 | 2,384 | 15,496 |
| Jackson Township | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 14,900 | 1,490 | 2,980 | 19,370 |
| Butler County | State | 220 | 22 | 44 | 286 |
| Petrolia No. 1 over South Branch of Bear Creek | Federal | 880 | 88 | 176 | 1,144 |
| Petrolia Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,100 | 110 | 220 | 1,430 |
| Butler County | State | 420 | 42 | 84 | 546 |
| Sedwicks Mills over South Fork of Lower Scrubgrass Creek | Federal | 1,680 | 168 | 336 | 2,184 |
| Allegheny Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 2,100 | 210 | 420 | 2,730 |
| Butler County | State | 960 | 96 | 192 | 1,248 |
| SR 19 Bridge over US 422 | Federal | 3,840 | 384 | 768 | 4,992 |
| Muddy Creek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 4,800 | 480 | 960 | 6,240 |
| Butler County | State | 664 | 66 | 133 | 863 |
| Christleys Mills Bridge No. 2 | Federal | 2,656 | 266 | 531 | 3,453 |
| Slippery Rock Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 3,320 | 332 | 664 | 4,316 |
| Butler County | State | 212 | 21 | 42 | 276 |
| Harbor Acres Bridge | Federal | 848 | 85 | 170 | 1,102 |
| Concord Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,060 | 106 | 212 | 1,378 |
| Butler County | State | 160 | 16 | 32 | 208 |
| Lake Oneida Bridge | Federal | 640 | 64 | 128 | 832 |
| Oakland Township | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 800 | 80 | 160 | 1,040 |
| Butler County | State | 240 | 24 | 48 | 312 |
| West Park Road No. 1 | Federal | 960 | 96 | 192 | 1,248 |
| Muddy Creek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 1,200 | 120 | 240 | 1,560 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Butler County | State | \$ 100 | \$ 10 | \$ 20 | \$ 130 |
| Atwells Crossings Bridge | Federal | 400 | 40 | 80 | 520 |
| Marion Township | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 500 | 50 | 100 | 650 |
| Butler County | State | 90 | 9 | 18 | 117 |
| Ribold Bridge | Federal | 360 | 36 | 72 | 468 |
| Forward Township | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 450 | 45 | 90 | 585 |
| Butler County | State | 44 | 4 | 9 | 57 |
| Hooker Road Bridge No. 2 | Federal | 176 | 18 | 35 | 229 |
| Concord Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 220 | 22 | 44 | 286 |
| Butler County | State | 40 | 4 | 8 | 52 |
| Cherry Valley Bridge No. 4 | Federal | 160 | 16 | 32 | 208 |
| Cherry Valley Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 200 | 20 | 40 | 260 |
| Butler County | State | 40 | 4 | 8 | 52 |
| Cherry Valley Bridge No. 5 | Federal | 160 | 16 | 32 | 208 |
| Cherry Valley Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 200 | 20 | 40 | 260 |
| Butler County | State | 44 | 4 | 9 | 57 |
| Bruin Bridge No. 6 | Federal | 176 | 18 | 35 | 229 |
| Parker Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 220 | 22 | 44 | 286 |
| Cambria County | State | 54 | 3 | 3 | 60 |
| Pine Street Bridge over Little Conemaugh River | Federal | 288 | 16 | 16 | 320 |
| Lilly Borough | Local | 18 | 1 | 1 | 20 |
| Bridge Replacement | Total | 360 | 20 | 20 | 400 |
| Cambria County | State | 54 | 3 | 3 | 60 |
| Hunt Road over Hinckston Run | Federal | 288 | 16 | 16 | 320 |
| East Taylor/Middle Taylor | Local | 18 | 1 | 1 | 20 |
| Bridge Replacement | Total | 360 | 20 | 20 | 400 |
| Cambria County | State | 402 | 20 | 106 | 528 |
| Segment 0230/0785 Bridge over Chest Creek | Federal | 1,608 | 80 | 424 | 2,112 |
| Patton Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 2,010 | 100 | 530 | 2,640 |
| Cambria County | State | 101 | 10 | 37 | 148 |
| Segment 0230/2476 Bridge over Burgoon Run | Federal | 404 | 40 | 148 | 592 |
| Lilly Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 505 | 50 | 185 | 740 |
| Cambria County | State | 245 | 50 | 125 | 420 |
| Segment 0540/0928 Bridge over tributary to Clearfield Creek | Federal | 0 | 0 | 0 | 0 |
| Dean Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 245 | 50 | 125 | 420 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Cambria County | State | \$ 135 | \$ 5 | \$ 60 | \$ 200 |
| Segment 0620/0000 Bridge over Laurel Run | Federal | 0 | 0 | 0 | 0 |
| Reade Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 135 | 5 | 60 | 200 |
| Cambria County | State | 95 | 5 | 40 | 140 |
| Segment 0700/0000 Bridge over Fox Run | Federal | 0 | 0 | 0 | 0 |
| West Carroll Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 95 | 5 | 40 | 140 |
| Cambria County | State | 245 | 50 | 125 | 420 |
| Segment 0880/1261 Bridge over West Branch Susquehanna River | Federal | 0 | 0 | 0 | 0 |
| Susquehanna Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 245 | 50 | 125 | 420 |
| Cambria County | State | 415 | 50 | 155 | 620 |
| Segment 0090/1084 Bridge over Little Mill Creek | Federal | 0 | 0 | 0 | 0 |
| Upper Yoder Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 415 | 50 | 155 | 620 |
| Cambria County | State | 180 | 50 | 90 | 320 |
| Segment 0050/0756 Bridge over tributary to Chest Creek | Federal | 0 | 0 | 0 | 0 |
| Allegheny Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 180 | 50 | 90 | 320 |
| Cambria County | State | 104 | 10 | 38 | 152 |
| Segment 0050/0000 Bridge over tributary to Beaver Dam Run | Federal | 416 | 40 | 152 | 608 |
| Allegheny Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 520 | 50 | 190 | 760 |
| Cambria County | State | 40 | 5 | 15 | 60 |
| Segment 0010/0635 Bridge over Branch of Paint Creek | Federal | 0 | 0 | 0 | 0 |
| Adams Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 40 | 5 | 15 | 60 |
| Cambria County | State | 80 | 5 | 35 | 120 |
| Segment 0030/0679 Bridge over tributary to Otto Run | Federal | 0 | 0 | 0 | 0 |
| Adams Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 80 | 5 | 35 | 120 |
| Cambria County | State | 235 | 2 | 59 | 296 |
| Segment 0010/0000 Bridge over US 22 | Federal | 940 | 8 | 236 | 1,184 |
| Cambria Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,175 | 10 | 295 | 1,480 |
| Cambria County | State | 65 | 5 | 30 | 100 |
| Segment 0130/0000 Bridge over Clapboard Run | Federal | 0 | 0 | 0 | 0 |
| Richland Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 65 | 5 | 30 | 100 |
| Cambria County | State | 415 | 50 | 155 | 620 |
| Segment 0020/0000 Bridge over Wildcat Run | Federal | 0 | 0 | 0 | 0 |
| West Taylor Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 415 | 50 | 155 | 620 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Cambria County | State | \$ 86 | \$ 1 | \$ 29 | \$ 116 |
| Segment 0050/2875 Bridge over South Branch Blacklick Creek | Federal | 344 | 4 | 116 | 464 |
| Blacklick Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 430 | 5 | 145 | 580 |
| Cambria County | State | 13 | 1 | 6 | 20 |
| Segment 0040/0292 Bridge over Findley Run | Federal | 52 | 4 | 24 | 80 |
| Blacklick Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 65 | 5 | 30 | 100 |
| Cambria County | State | 22 | 1 | 9 | 32 |
| Segment 0120/0000 Bridge over tributary to California Run | Federal | 88 | 4 | 36 | 128 |
| Cambria Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 110 | 5 | 45 | 160 |
| Cambria County | State | 22 | 1 | 9 | 32 |
| Segment 0140/2821 Bridge over Branch Blacklick Creek | Federal | 88 | 4 | 36 | 128 |
| Cambria Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 110 | 5 | 45 | 160 |
| Cameron County | State | 164 | 3 | 62 | 229 |
| Bridge over Cowley Run | Federal | 656 | 13 | 250 | 919 |
| Portage Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 820 | 16 | 312 | 1,148 |
| Cameron County | State | 150 | 20 | 60 | 230 |
| Bridge over West Creek | Federal | 600 | 80 | 240 | 920 |
| Shippen Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 750 | 100 | 300 | 1,150 |
| Cameron County | State | 200 | 10 | 70 | 280 |
| Bridge over West Creek | Federal | 0 | 0 | 0 | 0 |
| Shippen Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement - Box Culvert | Total | 200 | 10 | 70 | 280 |
| Centre County | State | 120 | 0 | 5 | 125 |
| Linn Street | Federal | 0 | 0 | 0 | 0 |
| Bellefonte | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement - Box Culvert | Total | 120 | 0 | 5 | 125 |
| Centre County | State | 3,209 | 0 | 0 | 3,209 |
| Railroad to Whiterock Quarry | Federal | 0 | 0 | 0 | 0 |
| Spring Township | Local | 0 | 0 | 0 | 0 |
| New Bridge | Total | 3,209 | 0 | 0 | 3,209 |
| Centre County | State | 38 | 0 | 5 | 43 |
| Bridge over Laurel Run | Federal | 0 | 0 | 0 | 0 |
| Gregg Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement - Box Culvert | Total | 38 | 0 | 5 | 43 |
| Centre County | State | 200 | 10 | 50 | 260 |
| Bridge over Moose Run | Federal | 0 | 0 | 0 | 0 |
| Boggs Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement - Box Culvert | Total | 200 | 10 | 50 | 260 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|----------------------------------|---------|-------------------------|--------------|---------------------------|--------------------------|
| Chester County | State | \$ 600 | \$ 0 | \$ 0 | \$ 600 |
| Route 322 Bypass over Route 100 | Federal | 0 | 0 | 0 | 0 |
| West Goshen Township | Local | 60 | 0 | 0 | 60 |
| Bridge Rehabilitation | Total | 660 | 0 | 0 | 660 |
| Clarion County | State | 120 | 12 | 24 | 156 |
| Beaver Creek Bridge | Federal | 480 | 48 | 96 | 624 |
| Salem Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 60 | 120 | 780 |
| Clarion County | State | 40 | 4 | 8 | 52 |
| Stratten Run Bridge | Federal | 160 | 16 | 32 | 208 |
| Clarion Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 200 | 20 | 40 | 260 |
| Clarion County | State | 140 | 14 | 28 | 182 |
| South Leatherwood Bridge | Federal | 560 | 56 | 112 | 728 |
| Porter Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 700 | 70 | 140 | 910 |
| Clarion County | State | 872 | 87 | 174 | 1,134 |
| Mayport Bridge | Federal | 3,488 | 349 | 698 | 4,534 |
| Redbank Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 4,360 | 436 | 872 | 5,668 |
| Clarion County | State | 668 | 67 | 134 | 868 |
| Lawsonham Bridge No. 1 | Federal | 2,672 | 267 | 534 | 3,474 |
| Madison Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 3,340 | 334 | 668 | 4,342 |
| Clarion County | State | 60 | 6 | 12 | 78 |
| Groce Hill Bridge | Federal | 240 | 24 | 48 | 312 |
| Beaver Township | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 300 | 30 | 60 | 390 |
| Clarion County | State | 60 | 6 | 12 | 78 |
| Potter Road Bridge | Federal | 240 | 24 | 48 | 312 |
| Beaver Township | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 300 | 30 | 60 | 390 |
| Clearfield County | State | 150 | 20 | 50 | 220 |
| Bridge over Bilger Run | Federal | 0 | 0 | 0 | 0 |
| Pike Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement - Box Culvert | Total | 150 | 20 | 50 | 220 |
| Clearfield County | State | 150 | 20 | 50 | 220 |
| Bridge over Bell Run | Federal | 0 | 0 | 0 | 0 |
| Penn Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement - Box Culvert | Total | 150 | 20 | 50 | 220 |
| Clearfield County | State | 170 | 5 | 70 | 245 |
| Bridge over East Branch Creek | Federal | 0 | 0 | 0 | 0 |
| Brady Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement - Box Culvert | Total | 170 | 5 | 70 | 245 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Clinton County | State | \$ 150 | \$ 10 | \$ 86 | \$ 246 |
| Bridge over Laurel Run | Federal | 600 | 40 | 344 | 984 |
| Lock Haven Borough & Bald Eagle Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 750 | 50 | 430 | 1,230 |
| Clinton County | State | 160 | 5 | 50 | 215 |
| Bridge over Bitner Run | Federal | 0 | 0 | 0 | 0 |
| Beech Creek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement - Box Culvert | Total | 160 | 5 | 50 | 215 |
| Clinton County | State | 150 | 10 | 50 | 210 |
| Bridge over Love Run | Federal | 0 | 0 | 0 | 0 |
| Wayne Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement - Box Culvert | Total | 150 | 10 | 50 | 210 |
| Columbia County | State | 75 | 6 | 40 | 121 |
| 3.5 Miles NW of Benton over West Creek | Federal | 302 | 24 | 160 | 486 |
| Sugarloaf Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 377 | 30 | 200 | 607 |
| Columbia County | State | 32 | 6 | 30 | 68 |
| 1 Mile W of Mifflinville over Ten Mile Run | Federal | 128 | 24 | 120 | 272 |
| Mifflin Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 160 | 30 | 150 | 340 |
| Columbia County | State | 66 | 6 | 30 | 102 |
| 0.5 MI S of Fisherdale over Mugser Run | Federal | 265 | 24 | 120 | 409 |
| Cleveland Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 331 | 30 | 150 | 511 |
| Columbia County | State | 85 | 6 | 30 | 121 |
| 1.5 MI NE of Sereno over Little Fishing Creek | Federal | 339 | 24 | 120 | 483 |
| Greenwood & Pine Townships | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 424 | 30 | 150 | 604 |
| Crawford County | State | 80 | 10 | 30 | 120 |
| SR 1002 over Dry Run | Federal | 320 | 40 | 120 | 480 |
| Woodcock Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Crawford County | State | 80 | 10 | 30 | 120 |
| SR 198 over Babe Run | Federal | 320 | 40 | 120 | 480 |
| Hayfield Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Crawford County | State | 70 | 10 | 30 | 110 |
| SR 4010 over Stone Run Branch | Federal | 280 | 40 | 120 | 440 |
| Beaver Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 350 | 50 | 150 | 550 |
| Crawford County | State | 80 | 10 | 30 | 120 |
| SR 4008 over Conneaut Ck. E. Branch | Federal | 320 | 40 | 120 | 480 |
| Beaver Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|------------------------------------|---------|-------------------------|--------------|---------------------------|--------------------------|
| Crawford County | State | \$ 70 | \$ 10 | \$ 30 | \$ 110 |
| SR 4010 over Crazy Run | Federal | 280 | 40 | 120 | 440 |
| Springboro Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 350 | 50 | 150 | 550 |
| Crawford County | State | 80 | 10 | 30 | 120 |
| SR 27 over Lake Creek tributary #1 | Federal | 320 | 40 | 120 | 480 |
| Randolph Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Crawford County | State | 80 | 10 | 30 | 120 |
| SR 27 over Oil Creek tributary | Federal | 320 | 40 | 120 | 480 |
| Oil Creek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Crawford County | State | 80 | 10 | 30 | 120 |
| SR 1024 over Oil Creek tributary | Federal | 320 | 40 | 120 | 480 |
| Bloomfield Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Crawford County | State | 80 | 10 | 30 | 120 |
| SR 3019 over Little Sandy Creek | Federal | 320 | 40 | 120 | 480 |
| Greenwood Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Crawford County | State | 80 | 10 | 30 | 120 |
| SR 6 over Bennehoof Creek | Federal | 320 | 40 | 120 | 480 |
| West Mead Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Crawford County | State | 80 | 10 | 30 | 120 |
| SR 1016 over Little Federal Run | Federal | 320 | 40 | 120 | 480 |
| Bloomfield Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Crawford County | State | 80 | 10 | 30 | 120 |
| SR 89 over Church Run | Federal | 320 | 40 | 120 | 480 |
| City of Titusville | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Crawford County | State | 80 | 10 | 30 | 120 |
| SR 2007 over Mud Run | Federal | 320 | 40 | 120 | 480 |
| East Fairfield Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Crawford County | State | 80 | 10 | 30 | 120 |
| SR 6 over Van Horne Creek | Federal | 320 | 40 | 120 | 480 |
| Vernon Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Crawford County | State | 100 | 10 | 30 | 140 |
| SR 285 over Adsit Run | Federal | 400 | 40 | 120 | 560 |
| Sadsbury Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 500 | 50 | 150 | 700 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Crawford County | State | \$ 100 | \$ 10 | \$ 30 | \$ 140 |
| SR 2012 over Hunter Run | Federal | 400 | 40 | 120 | 560 |
| East Mead Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 500 | 50 | 150 | 700 |
| Crawford County | State | 90 | 10 | 30 | 130 |
| SR 1019 over Coulter Run | Federal | 360 | 40 | 120 | 520 |
| Venango Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 450 | 50 | 150 | 650 |
| Crawford County | State | 90 | 10 | 40 | 140 |
| SR 1019 over Boles Run | Federal | 360 | 40 | 160 | 560 |
| Venango Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 450 | 50 | 200 | 700 |
| Crawford County | State | 90 | 10 | 30 | 130 |
| Watson Run #2 | Federal | 360 | 40 | 120 | 520 |
| Vernon Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 450 | 50 | 150 | 650 |
| Crawford County | State | 200 | 10 | 10 | 220 |
| SR 2005 over Conneaut Creek | Federal | 800 | 40 | 40 | 880 |
| Union Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,000 | 50 | 50 | 1,100 |
| Crawford County | State | 240 | 10 | 10 | 260 |
| SR 79 over SR 198 SB | Federal | 960 | 40 | 40 | 1,040 |
| Hayfield Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,200 | 50 | 50 | 1,300 |
| Crawford County | State | 60 | 10 | 30 | 100 |
| SR 4004 over Summit Run | Federal | 240 | 40 | 120 | 400 |
| Conneaut Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 300 | 50 | 150 | 500 |
| Crawford County | State | 80 | 10 | 30 | 120 |
| SR 408 over French Creek Branch | Federal | 320 | 40 | 120 | 480 |
| Rockdale Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Cumberland County | State | 100 | 50 | 90 | 240 |
| Pine Grove Road over Mountain Creek | Federal | 400 | 0 | 320 | 720 |
| Cook Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 50 | 410 | 960 |
| Cumberland County | State | 100 | 50 | 90 | 240 |
| Ritner Highway over Alexander Spring Creek | Federal | 400 | 0 | 320 | 720 |
| Dickinson & W. Pennsboro Townships | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 50 | 410 | 960 |
| Cumberland County | State | 100 | 50 | 130 | 280 |
| Walnut Bottom Road over Yellow Breeches | Federal | 400 | 0 | 320 | 720 |
| Penn & Newton Townships | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 50 | 450 | 1,000 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Cumberland County | State | \$ 140 | \$ 0 | \$ 90 | \$ 230 |
| Market Street over Yellow Breeches Creek | Federal | 560 | 0 | 320 | 880 |
| Upper Allen Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 700 | 0 | 410 | 1,110 |
| Cumberland County | State | 260 | 50 | 90 | 400 |
| Mountain Road over Conodoguinet Creek | Federal | 1,040 | 0 | 320 | 1,360 |
| N. Newton & Upper Mifflin Townships | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,300 | 50 | 410 | 1,760 |
| Cumberland County | State | 100 | 50 | 90 | 240 |
| Roxbury Road over Doubling Gap Creek | Federal | 400 | 0 | 320 | 720 |
| Lower Mifflin Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 50 | 410 | 960 |
| Cumberland County | State | 100 | 50 | 90 | 240 |
| Montsera Road over Yellow Breeches Creek | Federal | 400 | 0 | 320 | 720 |
| Dickinson Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 50 | 410 | 960 |
| Cumberland County | State | 100 | 50 | 90 | 240 |
| Lebo Road over Yellow Breeches Creek | Federal | 400 | 0 | 320 | 720 |
| Penn Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 50 | 410 | 960 |
| Cumberland County | State | 100 | 25 | 90 | 215 |
| Green Springs Road over Bulls Head Creek | Federal | 400 | 0 | 320 | 720 |
| N. Newton Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 410 | 935 |
| Cumberland County | State | 100 | 25 | 90 | 215 |
| Green Springs Road over Green Springs Creek | Federal | 400 | 0 | 320 | 720 |
| N Newton Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 410 | 935 |
| Cumberland County | State | 100 | 25 | 90 | 215 |
| Pine Road over Beetem Hollow Run | Federal | 400 | 0 | 320 | 720 |
| Penn Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 410 | 935 |
| Cumberland County | State | 100 | 25 | 90 | 215 |
| Centerville Road over Beetem Hollow Run | Federal | 400 | 0 | 320 | 720 |
| Penn Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 410 | 935 |
| Dauphin County | State | 150 | 10 | 90 | 250 |
| Manada Bottom Road over Manada Creek | Federal | 600 | 0 | 320 | 920 |
| East Hanover Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 750 | 10 | 410 | 1,170 |
| Dauphin County | State | 150 | 15 | 130 | 295 |
| Herr Street over Paxton Creek | Federal | 600 | 0 | 400 | 1,000 |
| City of Harrisburg | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 750 | 15 | 530 | 1,295 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Dauphin County | State | \$ 100 | \$ 10 | \$ 90 | \$ 200 |
| Manada Bottom Road over Manada Creek | Federal | 400 | 0 | 320 | 720 |
| East Hanover Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 10 | 410 | 920 |
| Dauphin County | State | 100 | 10 | 90 | 200 |
| Bachmanville Road over Spring Creek | Federal | 400 | 0 | 320 | 720 |
| Derry Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 10 | 410 | 920 |
| Dauphin County | State | 200 | 20 | 80 | 300 |
| Harrisburg Pike over Swatara Creek | Federal | 800 | 0 | 240 | 1,040 |
| Londonderry Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,000 | 20 | 320 | 1,340 |
| Dauphin County | State | 880 | 20 | 150 | 1,050 |
| Paxton Street over Norfolk Southern Railroad | Federal | 3,520 | 0 | 400 | 3,920 |
| City of Harrisburg | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 4,400 | 20 | 550 | 4,970 |
| Dauphin County | State | 1,800 | 20 | 150 | 1,970 |
| McClay Street over Norfolk Southern Railroad | Federal | 7,200 | 0 | 400 | 7,600 |
| City of Harrisburg | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 9,000 | 20 | 550 | 9,570 |
| Dauphin County | State | 100 | 10 | 90 | 200 |
| Powells Valley Road over Rattling Creek | Federal | 400 | 0 | 320 | 720 |
| Jackson Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 10 | 410 | 920 |
| Dauphin County | State | 160 | 10 | 90 | 260 |
| Clarks Valley Road over Clark's Creek | Federal | 640 | 0 | 320 | 960 |
| Middle Paxton Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 800 | 10 | 410 | 1,220 |
| Delaware County | State | 240 | 0 | 0 | 240 |
| Gradyville Road: PA 252-Bishop Hollow Road | Federal | 0 | 0 | 0 | 0 |
| Newtown Township | Local | 60 | 0 | 0 | 60 |
| Culvert Replacement | Total | 300 | 0 | 0 | 300 |
| Elk County | State | 160 | 5 | 70 | 235 |
| Bridge over Crow Run | Federal | 0 | 0 | 0 | 0 |
| Spring Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement - Box Culvert | Total | 160 | 5 | 70 | 235 |
| Erie County | State | 140 | 20 | 60 | 220 |
| Platea Railroad Bridge | Federal | 560 | 80 | 240 | 880 |
| Platea Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 700 | 100 | 300 | 1,100 |
| Erie County | State | 340 | 10 | 50 | 400 |
| SR 90 over PA 97 eastbound | Federal | 1,360 | 40 | 200 | 1,600 |
| Summit Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,700 | 50 | 250 | 2,000 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---------------------------------------|---------|-------------------------|--------------|---------------------------|--------------------------|
| Erie County | State | \$ 820 | \$ 20 | \$ 120 | \$ 960 |
| Ramp B over I-79 | Federal | 3,280 | 80 | 480 | 3,840 |
| City of Erie | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 4,100 | 100 | 600 | 4,800 |
| Erie County | State | 160 | 10 | 30 | 200 |
| SR 90 over Walnut Creek tributary #5 | Federal | 640 | 40 | 120 | 800 |
| Summit Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 800 | 50 | 150 | 1,000 |
| Erie County | State | 80 | 10 | 30 | 120 |
| SR 18 over Conneaut Creek | Federal | 320 | 40 | 120 | 480 |
| Conneaut Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Erie County | State | 120 | 10 | 30 | 160 |
| SR 90 over Turkey Creek tributary #1 | Federal | 480 | 40 | 120 | 640 |
| Springfield Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 600 | 50 | 150 | 800 |
| Erie County | State | 80 | 10 | 40 | 130 |
| SR 8 over Mill Creek | Federal | 320 | 40 | 160 | 520 |
| Millcreek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 200 | 650 |
| Erie County | State | 80 | 10 | 30 | 120 |
| SR 20 over Turkey Creek Branch | Federal | 320 | 40 | 120 | 480 |
| Springfield Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Erie County | State | 80 | 10 | 30 | 120 |
| SR 3015 over Conneaut Creek tributary | Federal | 320 | 40 | 120 | 480 |
| E. Fallowfield Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Erie County | State | 80 | 10 | 30 | 120 |
| SR 20 over Cascade Creek | Federal | 320 | 40 | 120 | 480 |
| Millcreek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Erie County | State | 160 | 10 | 30 | 200 |
| SR 20 over Crooked Creek | Federal | 640 | 40 | 120 | 800 |
| Girard Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 800 | 50 | 150 | 1,000 |
| Erie County | State | 80 | 10 | 30 | 120 |
| SR 3013 over Conneaut Creek | Federal | 320 | 40 | 120 | 480 |
| Conneaut Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Erie County | State | 80 | 10 | 30 | 120 |
| Cummings Creek Bridge | Federal | 320 | 40 | 120 | 480 |
| Washington Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 400 | 50 | 150 | 600 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---------------------------------------|---------|-------------------------|--------------|---------------------------|--------------------------|
| Erie County | State | \$ 80 | \$ 10 | \$ 30 | \$ 120 |
| SR 505 over Mill Creek Branch | Federal | 320 | 40 | 120 | 480 |
| Millcreek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Erie County | State | 90 | 10 | 30 | 130 |
| SR 3025 over Little Conneauttee Creek | Federal | 360 | 40 | 120 | 520 |
| Washington Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 450 | 50 | 150 | 650 |
| Fayette County | State | 120 | 5 | 70 | 195 |
| Stony Run | Federal | 480 | 20 | 280 | 780 |
| Wharton Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Fayette County | State | 1,000 | 150 | 680 | 1,830 |
| Indian Creek Reservoir | Federal | 4,000 | 0 | 0 | 4,000 |
| Springfield Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 5,000 | 150 | 680 | 5,830 |
| Fayette County | State | 417 | 5 | 70 | 492 |
| Youghiogheny River - Bike Trail | Federal | 1,668 | 20 | 280 | 1,968 |
| Dunbar Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 2,085 | 25 | 350 | 2,460 |
| Fayette County | State | 120 | 5 | 70 | 195 |
| Mill Run | Federal | 480 | 20 | 280 | 780 |
| Springfield Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Fayette County | State | 120 | 5 | 70 | 195 |
| Laurel Run | Federal | 480 | 20 | 280 | 780 |
| Springfield Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Fayette County | State | 120 | 5 | 70 | 195 |
| Whites Run | Federal | 480 | 20 | 280 | 780 |
| Connellsville & Bullskin Townships | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Fayette County | State | 120 | 5 | 70 | 195 |
| Branch of Galley Run | Federal | 480 | 20 | 280 | 780 |
| Upper Tyrone Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Fayette County | State | 500 | 25 | 350 | 875 |
| Branch of Dickerson Run | Federal | 0 | 0 | 0 | 0 |
| Dunbar Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 350 | 875 |
| Fayette County | State | 120 | 5 | 70 | 195 |
| Mounts Creek | Federal | 480 | 20 | 280 | 780 |
| Bullskin Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|------------------------------|---------|-------------------------|--------------|---------------------------|--------------------------|
| Fayette County | State | \$ 120 | \$ 5 | \$ 70 | \$ 195 |
| Break Run | Federal | 480 | 20 | 280 | 780 |
| Bullskin Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Fayette County | State | 130 | 5 | 80 | 215 |
| Opossum Run | Federal | 520 | 20 | 320 | 860 |
| Dunbar Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 650 | 25 | 400 | 1,075 |
| Fayette County | State | 120 | 5 | 70 | 195 |
| Mill Run | Federal | 480 | 20 | 280 | 780 |
| Wharton Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Fayette County | State | 140 | 5 | 80 | 225 |
| Feik Run | Federal | 560 | 20 | 320 | 900 |
| Wharton Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 700 | 25 | 400 | 1,125 |
| Fayette County | State | 120 | 5 | 70 | 195 |
| Meadow Run | Federal | 480 | 20 | 280 | 780 |
| Wharton Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Fayette County | State | 120 | 5 | 70 | 195 |
| Grassy Run | Federal | 480 | 20 | 280 | 780 |
| Springhill Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Fayette County | State | 120 | 5 | 70 | 195 |
| Jacobs Creek | Federal | 480 | 20 | 280 | 780 |
| Nicholson Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Fayette County | State | 140 | 5 | 80 | 225 |
| George Creek | Federal | 560 | 20 | 320 | 900 |
| Springhill Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 700 | 25 | 400 | 1,125 |
| Fayette County | State | 120 | 5 | 70 | 195 |
| Cats Creek | Federal | 480 | 20 | 280 | 780 |
| Nicholson & German Townships | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Fayette County | State | 140 | 5 | 80 | 225 |
| Middle Run | Federal | 560 | 20 | 320 | 900 |
| German Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 700 | 25 | 400 | 1,125 |
| Fayette County | State | 120 | 5 | 70 | 195 |
| Saltlick Run | Federal | 480 | 20 | 280 | 780 |
| Menallen Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|------------------------------|---------|-------------------------|--------------|---------------------------|--------------------------|
| Fayette County | State | \$ 120 | \$ 5 | \$ 70 | \$ 195 |
| Lamb Lick Run | Federal | 480 | 20 | 280 | 780 |
| Washington Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Fayette County | State | 4,000 | 200 | 400 | 4,600 |
| Youghiogheny River/Trail | Federal | 16,000 | 800 | 1,600 | 18,400 |
| Layton Bridge | Local | 0 | 0 | 0 | 0 |
| Bridge Deck Replacement | Total | 20,000 | 1,000 | 2,000 | 23,000 |
| Fayette County | State | 140 | 5 | 80 | 225 |
| Over Dunlap Creek | Federal | 560 | 20 | 320 | 900 |
| Redstone & Luzerne Townships | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 700 | 25 | 400 | 1,125 |
| Fayette County | State | 1,200 | 10 | 200 | 1,410 |
| Crawford Avenue Bridge | Federal | 4,800 | 20 | 800 | 5,620 |
| City of Connellsville | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 6,000 | 30 | 1,000 | 7,030 |
| Fayette County | State | 500 | 25 | 350 | 875 |
| Over Branch of Dunlap Creek | Federal | 0 | 0 | 0 | 0 |
| Menallen Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 350 | 875 |
| Fayette County | State | 200 | 10 | 100 | 310 |
| SR 2040 over Redstone Creek | Federal | 800 | 40 | 400 | 1,240 |
| City of Uniontown | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,000 | 50 | 500 | 1,550 |
| Fayette County | State | 300 | 5 | 120 | 425 |
| Over Jacobs Creek | Federal | 1,200 | 20 | 480 | 1,700 |
| Upper Tyrone Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,500 | 25 | 600 | 2,125 |
| Fayette County | State | 120 | 5 | 70 | 195 |
| Over Lamb Lick Run | Federal | 480 | 20 | 280 | 780 |
| Fayette City Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Fayette County | State | 200 | 5 | 120 | 325 |
| Cast Iron Bridge | Federal | 800 | 20 | 480 | 1,300 |
| Brownsville Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,000 | 25 | 600 | 1,625 |
| Fayette County | State | 700 | 30 | 350 | 1,080 |
| Over Four Mile Run | Federal | 0 | 0 | 0 | 0 |
| Redstone Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 700 | 30 | 350 | 1,080 |
| Fayette County | State | 120 | 5 | 70 | 195 |
| Over Galley Run | Federal | 480 | 20 | 280 | 780 |
| Upper Tyrone Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Fayette County | State | \$ 120 | \$ 5 | \$ 70 | \$ 195 |
| Over Branch of Galley Run | Federal | 480 | 20 | 280 | 780 |
| Upper Tyrone & Connellsville Townships | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Fayette County | State | 140 | 5 | 80 | 225 |
| Allen Run | Federal | 560 | 20 | 320 | 900 |
| Franklin Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 700 | 25 | 400 | 1,125 |
| Forest County | State | 80 | 10 | 30 | 120 |
| SR 62 over Tubbs Run | Federal | 320 | 40 | 120 | 480 |
| Tionesta Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Forest County | State | 100 | 10 | 30 | 140 |
| SR 666 over Beaver Run | Federal | 400 | 40 | 120 | 560 |
| Hickory Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 500 | 50 | 150 | 700 |
| Forest County | State | 110 | 10 | 10 | 130 |
| SR 3004 over Coon Creek | Federal | 440 | 40 | 40 | 520 |
| Green Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 550 | 50 | 50 | 650 |
| Forest County | State | 600 | 20 | 420 | 1,040 |
| SR 36 over Tionesta Creek | Federal | 2,400 | 80 | 1,680 | 4,160 |
| Tionesta Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 3,000 | 100 | 2,100 | 5,200 |
| Forest County | State | 1,600 | 40 | 420 | 2,060 |
| SR 62 - Tionesta River Bridge | Federal | 6,400 | 160 | 1,680 | 8,240 |
| Tionesta Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 8,000 | 200 | 2,100 | 10,300 |
| Fulton County | State | 158 | 2 | 40 | 200 |
| Segment 1522/1846 Bridge over T-390, Lodge Road | Federal | 632 | 8 | 160 | 800 |
| Brush Creek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 790 | 10 | 200 | 1,000 |
| Fulton County | State | 475 | 50 | 95 | 620 |
| Segment 1686/0894 Bridge over tributary to Little Tonoloway Creek | Federal | 0 | 0 | 0 | 0 |
| Brush Creek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 475 | 50 | 95 | 620 |
| Fulton County | State | 164 | 2 | 42 | 208 |
| Segment 0120/0080 Bridge over Licking Creek | Federal | 656 | 8 | 168 | 832 |
| Thompson Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 820 | 10 | 210 | 1,040 |
| Fulton County | State | 24 | 1 | 11 | 36 |
| Segment 0220/0000 Bridge over Esther Run | Federal | 96 | 4 | 44 | 144 |
| Ayr Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 120 | 5 | 55 | 180 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Fulton County | State | \$ 21 | \$ 1 | \$ 10 | \$ 32 |
| Segment 0020/0000 Bridge over tributary to Spring Run | Federal | 84 | 4 | 40 | 128 |
| Ayr Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 105 | 5 | 50 | 160 |
| Fulton County | State | 40 | 5 | 15 | 60 |
| Segment 0080/0000 Bridge over South Branch Little Aughwick Creek | Federal | 0 | 0 | 0 | 0 |
| Todd Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 40 | 5 | 15 | 60 |
| Fulton County | State | 150 | 10 | 40 | 200 |
| Segment 0190/0000 Bridge over South Branch Little Aughwick Creek | Federal | 600 | 40 | 160 | 800 |
| Todd Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 750 | 50 | 200 | 1,000 |
| Fulton County | State | 161 | 2 | 41 | 204 |
| Segment 0010/1254 Bridge over Licking Creek | Federal | 644 | 8 | 164 | 816 |
| Licking Creek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 805 | 10 | 205 | 1,020 |
| Fulton County | State | 19 | 1 | 8 | 28 |
| Segment 0050/0000 Bridge over tributary to Bear Creek | Federal | 76 | 4 | 32 | 112 |
| Union Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 95 | 5 | 40 | 140 |
| Fulton County | State | 232 | 2 | 58 | 292 |
| Segment 0020/1216 Bridge over Interstate 70 | Federal | 928 | 8 | 232 | 1,168 |
| Bethel Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,160 | 10 | 290 | 1,460 |
| Fulton County | State | 63 | 5 | 28 | 96 |
| Segment 0010/1429 Bridge over White Oak Run | Federal | 252 | 20 | 112 | 384 |
| Bethel Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 315 | 25 | 140 | 480 |
| Fulton County | State | 125 | 1 | 42 | 168 |
| Segment 0010/0154 Bridge over Little Tonoloway Creek | Federal | 500 | 4 | 168 | 672 |
| Bethel Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 625 | 5 | 210 | 840 |
| Fulton County | State | 16 | 1 | 7 | 24 |
| Segment 0010/0183 Bridge over Sindeldecker Run | Federal | 64 | 4 | 28 | 96 |
| Licking Creek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 80 | 5 | 35 | 120 |
| Greene County | State | 400 | 160 | 160 | 720 |
| T-586 County Bridge | Federal | 0 | 0 | 0 | 0 |
| Morgan Township | Local | 100 | 40 | 40 | 180 |
| Bridge Replacement | Total | 500 | 200 | 200 | 900 |
| Greene County | State | 400 | 160 | 160 | 720 |
| T-454 County Bridge | Federal | 0 | 0 | 0 | 0 |
| Center Township | Local | 100 | 40 | 40 | 180 |
| Bridge Replacement | Total | 500 | 200 | 200 | 900 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---------------------------------|---------|-------------------------|--------------|---------------------------|--------------------------|
| Greene County | State | \$ 500 | \$ 75 | \$ 300 | \$ 875 |
| Branch of Browns Creek | Federal | 0 | 0 | 0 | 0 |
| Morris Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 75 | 300 | 875 |
| Greene County | State | 1,400 | 0 | 140 | 1,540 |
| SR 2009 | Federal | 5,600 | 0 | 560 | 6,160 |
| Perry Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 7,000 | 0 | 700 | 7,700 |
| Greene County | State | 800 | 0 | 100 | 900 |
| Township Road 513 | Federal | 3,200 | 0 | 400 | 3,600 |
| Whitely Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 4,000 | 0 | 500 | 4,500 |
| Greene County | State | 3,000 | 0 | 300 | 3,300 |
| SR 0188, SF 10 MI CK, RR | Federal | 12,000 | 0 | 1,200 | 13,200 |
| Franklin Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 15,000 | 0 | 1,500 | 16,500 |
| Greene County | State | 120 | 5 | 70 | 195 |
| Pumpkin Run | Federal | 480 | 20 | 280 | 780 |
| Jefferson Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Greene County | State | 500 | 25 | 350 | 875 |
| Branch of Smith Creek | Federal | 0 | 0 | 0 | 0 |
| Franklin Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 350 | 875 |
| Greene County | State | 130 | 5 | 80 | 215 |
| Ruff Creek | Federal | 520 | 20 | 320 | 860 |
| Morgan Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 650 | 25 | 400 | 1,075 |
| Greene County | State | 600 | 10 | 100 | 710 |
| Ten Mile Creek | Federal | 2,400 | 40 | 400 | 2,840 |
| Clarksville Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 3,000 | 50 | 500 | 3,550 |
| Greene County | State | 200 | 5 | 100 | 305 |
| Castile Run | Federal | 800 | 20 | 400 | 1,220 |
| Morgan Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,000 | 25 | 500 | 1,525 |
| Greene County | State | 120 | 5 | 70 | 195 |
| Muddy Creek | Federal | 480 | 20 | 280 | 780 |
| Cumberland/ Jefferson Townships | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Greene County | State | 500 | 25 | 350 | 875 |
| Clawson Run | Federal | 0 | 0 | 0 | 0 |
| Gilmore Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 350 | 875 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Greene County | State | \$ 500 | \$ 25 | \$ 350 | \$ 875 |
| Branch of Toms Run | Federal | 0 | 0 | 0 | 0 |
| Jackson Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 350 | 875 |
| Greene County | State | 120 | 5 | 70 | 195 |
| Hargus Creek | Federal | 480 | 20 | 280 | 780 |
| Center Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Greene County | State | 140 | 5 | 80 | 225 |
| Hargus Creek | Federal | 560 | 20 | 320 | 900 |
| Center Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 700 | 25 | 400 | 1,125 |
| Greene County | State | 120 | 5 | 70 | 195 |
| Scott Run | Federal | 480 | 20 | 280 | 780 |
| Center Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Greene County | State | 120 | 5 | 70 | 195 |
| Fonner Run | Federal | 480 | 20 | 280 | 780 |
| Morris Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Greene County | State | 160 | 5 | 100 | 265 |
| Roberts Run | Federal | 640 | 20 | 400 | 1,060 |
| Wayne Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 800 | 25 | 500 | 1,325 |
| Greene County | State | 800 | 0 | 100 | 900 |
| Over Township Road 513 | Federal | 3,200 | 0 | 400 | 3,600 |
| Whiteley Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 4,000 | 0 | 500 | 4,500 |
| Huntingdon County | State | 130 | 2 | 44 | 176 |
| Segment 0230/0000 Bridge over PA 26 | Federal | 520 | 8 | 176 | 704 |
| Smithfield Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 650 | 10 | 220 | 880 |
| Huntingdon County | State | 44 | 1 | 19 | 64 |
| Segment 0190/1800 Bridge - Trough Spring Branch Tuscarora Creek | Federal | 176 | 4 | 76 | 256 |
| Tell Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 220 | 5 | 95 | 320 |
| Huntingdon County | State | 50 | 5 | 25 | 80 |
| Segment 0020/0919 Bridge over Derry Run | Federal | 0 | 0 | 0 | 0 |
| Alexandria Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 50 | 5 | 25 | 80 |
| Huntingdon County | State | 50 | 5 | 25 | 80 |
| Segment 0260/1192 Bridge over Garner Run | Federal | 0 | 0 | 0 | 0 |
| West Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 50 | 5 | 25 | 80 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Huntingdon County | State | \$ 80 | \$ 5 | \$ 35 | \$ 120 |
| Segment 0270/0000 Bridge over Branch Garner Run | Federal | 0 | 0 | 0 | 0 |
| West Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 80 | 5 | 35 | 120 |
| Huntingdon County | State | 65 | 5 | 30 | 100 |
| Segment 0120/1794 Bridge over Henrys Run | Federal | 0 | 0 | 0 | 0 |
| Barree Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 65 | 5 | 30 | 100 |
| Huntingdon County | State | 52 | 1 | 23 | 76 |
| Segment 0060/0000 Bridge over East Branch Standing Stone Creek | Federal | 208 | 4 | 92 | 304 |
| Jackson Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 260 | 5 | 115 | 380 |
| Huntingdon County | State | 82 | 5 | 29 | 116 |
| Segment 0030/0000 Bridge over Phantom Run | Federal | 328 | 20 | 116 | 464 |
| West Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 410 | 25 | 145 | 580 |
| Huntingdon County | State | 270 | 25 | 125 | 420 |
| Segment 0410/0000 Bridge over tributary to Tuscarora Creek | Federal | 0 | 0 | 0 | 0 |
| Tell Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 270 | 25 | 125 | 420 |
| Huntingdon County | State | 32 | 1 | 15 | 48 |
| Segment 0220/0000 Bridge over Spruce Run | Federal | 128 | 4 | 60 | 192 |
| Shirley Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 160 | 5 | 75 | 240 |
| Huntingdon County | State | 70 | 5 | 25 | 100 |
| Segment 0010/2349 Bridge over tributary to Shoups Run | Federal | 280 | 20 | 100 | 400 |
| Coalmont Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 350 | 25 | 125 | 500 |
| Huntingdon County | State | 47 | 1 | 20 | 68 |
| Segment 0260/0000 Bridge over Hares Valley Creek | Federal | 188 | 4 | 80 | 272 |
| Mapleton Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 235 | 5 | 100 | 340 |
| Huntingdon County | State | 315 | 25 | 140 | 480 |
| Segment 0080/0354 Bridge over Branch Crooked Creek | Federal | 0 | 0 | 0 | 0 |
| Porter Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 315 | 25 | 140 | 480 |
| Huntingdon County | State | 65 | 5 | 30 | 100 |
| Segment 0020/0000 Bridge over tributary to Juniata River | Federal | 0 | 0 | 0 | 0 |
| Smithfield Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 65 | 5 | 30 | 100 |
| Huntingdon County | State | 85 | 5 | 30 | 120 |
| Segment 0010/0000 Bridge over tributary to Robinson Run | Federal | 340 | 20 | 120 | 480 |
| Porter Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 425 | 25 | 150 | 600 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Huntingdon County | State | \$ 25 | \$ 5 | \$ 10 | \$ 40 |
| Segment 0070/1169 Bridge over Shavers Creek | Federal | 0 | 0 | 0 | 0 |
| West Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 25 | 5 | 10 | 40 |
| Indiana County | State | 173 | 17 | 35 | 225 |
| East Brush Valley Bridge | Federal | 692 | 69 | 138 | 900 |
| Brush Valley Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 865 | 87 | 173 | 1,125 |
| Indiana County | State | 72 | 7 | 14 | 94 |
| Hillsdale Bridge | Federal | 288 | 29 | 58 | 374 |
| Montgomery Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 360 | 36 | 72 | 468 |
| Indiana County | State | 56 | 6 | 11 | 73 |
| Hooverhurst Bridge | Federal | 224 | 22 | 45 | 291 |
| Montgomery Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 280 | 28 | 56 | 364 |
| Indiana County | State | 80 | 8 | 16 | 104 |
| Muller Road Bridge | Federal | 320 | 32 | 64 | 416 |
| White Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 400 | 40 | 80 | 520 |
| Indiana County | State | 992 | 99 | 198 | 1,290 |
| South Two Lick Bridge | Federal | 3,968 | 397 | 794 | 5,158 |
| Center Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 4,960 | 496 | 992 | 6,448 |
| Indiana County | State | 318 | 32 | 64 | 413 |
| Five Points Road Bridge | Federal | 1,272 | 127 | 254 | 1,654 |
| Center Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,590 | 159 | 318 | 2,067 |
| Indiana County | State | 654 | 65 | 131 | 850 |
| Smicksburg Bridge | Federal | 2,616 | 262 | 523 | 3,401 |
| West Mahoning Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 3,270 | 327 | 654 | 4,251 |
| Indiana County | State | 40 | 4 | 8 | 52 |
| Hawk Road Bridge | Federal | 160 | 16 | 32 | 208 |
| Rayne Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 200 | 20 | 40 | 260 |
| Indiana County | State | 1,200 | 120 | 240 | 1,560 |
| Tunnelton Bridge | Federal | 4,800 | 480 | 960 | 6,240 |
| Conemaugh Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 6,000 | 600 | 1,200 | 7,800 |
| Indiana County | State | 110 | 11 | 22 | 143 |
| Gypsy Bridge | Federal | 440 | 44 | 88 | 572 |
| Montgomery Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 550 | 55 | 110 | 715 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|----------------------------|---------|-------------------------|--------------|---------------------------|--------------------------|
| Indiana County | State | \$ 60 | \$ 6 | \$ 12 | \$ 78 |
| Cherry Tree Bridge | Federal | 240 | 24 | 48 | 312 |
| Cherry Tree Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 300 | 30 | 60 | 390 |
| Indiana County | State | 70 | 7 | 14 | 91 |
| Wehrum Bridge | Federal | 280 | 28 | 56 | 364 |
| Buffington Township | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 350 | 35 | 70 | 455 |
| Indiana County | State | 80 | 8 | 16 | 104 |
| Hamill Bridge No. 1 | Federal | 320 | 32 | 64 | 416 |
| White Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 400 | 40 | 80 | 520 |
| Indiana County | State | 20 | 2 | 4 | 26 |
| Rowley Cemetery Bridge | Federal | 80 | 8 | 16 | 104 |
| Montgomery Township | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 100 | 10 | 20 | 130 |
| Indiana County | State | 80 | 8 | 16 | 104 |
| SR 422 Bridge over SR 8016 | Federal | 320 | 32 | 64 | 416 |
| Cherry Hill Township | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 400 | 40 | 80 | 520 |
| Jefferson County | State | 184 | 18 | 37 | 239 |
| Sykesville Bridge No. 2 | Federal | 736 | 74 | 147 | 957 |
| Sykesville Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 920 | 92 | 184 | 1,196 |
| Jefferson County | State | 62 | 6 | 12 | 81 |
| Mill Creek Bridge No. 4 | Federal | 248 | 25 | 50 | 322 |
| Snyder Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 310 | 31 | 62 | 403 |
| Jefferson County | State | 80 | 8 | 16 | 104 |
| Warsaw Bridge | Federal | 320 | 32 | 64 | 416 |
| Warsaw Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 400 | 40 | 80 | 520 |
| Jefferson County | State | 222 | 22 | 44 | 289 |
| Graffius Avenue Bridge | Federal | 888 | 89 | 178 | 1,154 |
| Punxsutawney Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,110 | 111 | 222 | 1,443 |
| Jefferson County | State | 64 | 6 | 13 | 83 |
| Cortez Bridge | Federal | 256 | 26 | 51 | 333 |
| McCalmont Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 320 | 32 | 64 | 416 |
| Jefferson County | State | 56 | 6 | 11 | 73 |
| No. 8 Road Bridge | Federal | 224 | 22 | 45 | 291 |
| Young Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 280 | 28 | 56 | 364 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|-----------------------------|---------|-------------------------|--------------|---------------------------|--------------------------|
| Jefferson County | State | \$ 58 | \$ 6 | \$ 12 | \$ 75 |
| South Colon Bridge | Federal | 232 | 23 | 46 | 302 |
| Knox Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 290 | 29 | 58 | 377 |
| Jefferson County | State | 58 | 6 | 12 | 75 |
| Paradise Church Bridge | Federal | 232 | 23 | 46 | 302 |
| Henderson Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 290 | 29 | 58 | 377 |
| Jefferson County | State | 358 | 36 | 72 | 465 |
| Langville Bridge | Federal | 1,432 | 143 | 286 | 1,862 |
| Ringold Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,790 | 179 | 358 | 2,327 |
| Jefferson County | State | 100 | 10 | 20 | 130 |
| Harmony Bridge No. 1 | Federal | 400 | 40 | 80 | 520 |
| McCalmont Township | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 500 | 50 | 100 | 650 |
| Jefferson County | State | 80 | 8 | 16 | 104 |
| Harmony Bridge No. 2 | Federal | 320 | 32 | 64 | 416 |
| Young Township | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 400 | 40 | 80 | 520 |
| Jefferson County | State | 150 | 15 | 30 | 195 |
| Bradford Street Bridge | Federal | 600 | 60 | 120 | 780 |
| Reynoldsville Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 750 | 75 | 150 | 975 |
| Jefferson County | State | 150 | 15 | 30 | 195 |
| Trout Run Bridge | Federal | 600 | 60 | 120 | 780 |
| Winslow Township | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 750 | 75 | 150 | 975 |
| Jefferson County | State | 200 | 20 | 40 | 260 |
| Sandy Lick Point Bridge | Federal | 800 | 80 | 160 | 1,040 |
| Pine Creek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 1,000 | 100 | 200 | 1,300 |
| Jefferson County | State | 76 | 8 | 15 | 99 |
| East Dora Bridge No. 1 | Federal | 304 | 30 | 61 | 395 |
| Ringold Township | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 380 | 38 | 76 | 494 |
| Jefferson County | State | 60 | 6 | 12 | 78 |
| Indiana Hill Bridge Removal | Federal | 240 | 24 | 48 | 312 |
| Young Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 300 | 30 | 60 | 390 |
| Jefferson County | State | 70 | 7 | 14 | 91 |
| Margiotti Bridge | Federal | 280 | 28 | 56 | 364 |
| Punxsutawney Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Restoration | Total | 350 | 35 | 70 | 455 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Juniata County | State | \$ 160 | \$ 5 | \$ 70 | \$ 235 |
| Bridge over tributary to Mahantango Creek | Federal | 0 | 0 | 0 | 0 |
| Susquehanna Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement - Box Culvert | Total | 160 | 5 | 70 | 235 |
| Juniata County | State | 160 | 5 | 70 | 235 |
| Bridge over tributary to Hunters Creek | Federal | 0 | 0 | 0 | 0 |
| Turbett Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement - Box Culvert | Total | 160 | 5 | 70 | 235 |
| Lackawanna County | State | 550 | 20 | 110 | 680 |
| Wayne County Line over the Lehigh River | Federal | 0 | 0 | 0 | 0 |
| Clifton Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 550 | 20 | 110 | 680 |
| Lackawanna County | State | 700 | 20 | 140 | 860 |
| 0.1 Miles South of Keyser Ave. over Leach Creek | Federal | 0 | 0 | 0 | 0 |
| City of Scranton | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 700 | 20 | 140 | 860 |
| Lackawanna County | State | 2,464 | 4 | 492 | 2,960 |
| 200 ft. East of SR 3013 over the Lackawanna River | Federal | 9,856 | 16 | 1,968 | 11,840 |
| Taylor Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 12,320 | 20 | 2,460 | 14,800 |
| Lackawanna County | State | 4,000 | 4 | 800 | 4,804 |
| 0.3 miles south of TR 435 over Roaring Brook | Federal | 15,000 | 16 | 3,000 | 18,016 |
| Roaring Brook Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 19,000 | 20 | 3,800 | 22,820 |
| Lackawanna County | State | 1,286 | 4 | 258 | 1,548 |
| Over TR 502 | Federal | 5,144 | 16 | 1,032 | 6,192 |
| Moosic Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 6,430 | 20 | 1,290 | 7,740 |
| Lackawanna County | State | 2,170 | 20 | 430 | 2,620 |
| Over Township Road 442 | Federal | 0 | 0 | 0 | 0 |
| South Abington Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 2,170 | 20 | 430 | 2,620 |
| Lackawanna County | State | 2,170 | 20 | 430 | 2,620 |
| Over Township Road 442 | Federal | 0 | 0 | 0 | 0 |
| South Abington Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 2,170 | 20 | 430 | 2,620 |
| Lackawanna County | State | 2,110 | 20 | 420 | 2,550 |
| Over SR 4028 (Fairview Road) | Federal | 0 | 0 | 0 | 0 |
| South Abington Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 2,110 | 20 | 420 | 2,550 |
| Lackawanna County | State | 2,110 | 20 | 420 | 2,550 |
| Over 4028 (Fairview Road) | Federal | 0 | 0 | 0 | 0 |
| South Abington Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 2,110 | 20 | 420 | 2,550 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Lackawanna County | State | \$ 900 | \$ 20 | \$ 180 | \$ 1,100 |
| 0.1 miles S of Exit 194 over Hall Creek | Federal | 0 | 0 | 0 | 0 |
| South Abington Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 900 | 20 | 180 | 1,100 |
| Lackawanna County | State | 490 | 20 | 100 | 610 |
| 185 feet west of I-81 over a Tributary to the Lackawanna River | Federal | 0 | 0 | 0 | 0 |
| City of Scranton | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 490 | 20 | 100 | 610 |
| Lackawanna County | State | 500 | 0 | 50 | 550 |
| 0.2 miles south of TR 502 over Springbrook Creek | Federal | 2,000 | 0 | 200 | 2,200 |
| Moosic Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 2,500 | 0 | 250 | 2,750 |
| Lackawanna County | State | 140 | 0 | 14 | 154 |
| 0.2 miles east of SR 4011 over Canadian Pacific Railroad | Federal | 560 | 0 | 56 | 616 |
| Clarks Summit Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 700 | 0 | 70 | 770 |
| Lackawanna County | State | 350 | 0 | 35 | 385 |
| 0.5 miles south of TR 6 over Canadian Pacific Railroad | Federal | 1,400 | 0 | 140 | 1,540 |
| Clarks Summit Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,750 | 0 | 175 | 1,925 |
| Lackawanna County | State | 200 | 0 | 20 | 220 |
| Over TR 11 | Federal | 800 | 0 | 80 | 880 |
| South Abington Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,000 | 0 | 100 | 1,100 |
| Lackawanna County | State | 681 | 4 | 136 | 821 |
| Over I-81 SB & NB | Federal | 2,723 | 16 | 545 | 3,284 |
| Scott Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 3,404 | 20 | 681 | 4,105 |
| Lackawanna County | State | 2,140 | 20 | 430 | 2,590 |
| Over TR 107 | Federal | 0 | 0 | 0 | 0 |
| Scott Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 2,140 | 20 | 430 | 2,590 |
| Lackawanna County | State | 1,620 | 20 | 320 | 1,960 |
| 400 ft S of TR 107 over South Branch of Tunkhannock Creek | Federal | 0 | 0 | 0 | 0 |
| Scott Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,620 | 20 | 320 | 1,960 |
| Lackawanna County | State | 2,140 | 20 | 430 | 2,590 |
| Over TR 107 | Federal | 0 | 0 | 0 | 0 |
| Scott Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 2,140 | 20 | 430 | 2,590 |
| Lackawanna County | State | 1,840 | 20 | 370 | 2,230 |
| 1500 ft South of Exit 199 over Kennedy Creek | Federal | 0 | 0 | 0 | 0 |
| Scott Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,840 | 20 | 370 | 2,230 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Lackawanna County | State | \$ 440 | \$ 20 | \$ 90 | \$ 550 |
| Junction of SR 2019 over Unknown Stream | Federal | 0 | 0 | 0 | 0 |
| Springbrook Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 440 | 20 | 90 | 550 |
| Lackawanna County | State | 550 | 20 | 110 | 680 |
| 0.3 Miles west of TR 247 over South Branch of Tunkhannock Creek | Federal | 0 | 0 | 0 | 0 |
| Scott Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 550 | 20 | 110 | 680 |
| Lackawanna County | State | 3,000 | 20 | 600 | 3,620 |
| 0.3 Miles East of TR 11 over Spring Brook | Federal | 0 | 0 | 0 | 0 |
| Moosic Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 3,000 | 20 | 600 | 3,620 |
| Lackawanna County | State | 440 | 20 | 90 | 550 |
| 1.1 Miles West of TR 307 over Roadway Drainage | Federal | 0 | 0 | 0 | 0 |
| Springbrook Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 440 | 20 | 90 | 550 |
| Lackawanna County | State | 280 | 20 | 60 | 360 |
| 0.1 Miles West of SR 1017 over Heart Lake Creek | Federal | 0 | 0 | 0 | 0 |
| Scott Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 280 | 20 | 60 | 360 |
| Lackawanna County | State | 380 | 20 | 80 | 480 |
| 0.2 Miles East of TR over a Branch of Tunkhannock | Federal | 0 | 0 | 0 | 0 |
| Benton Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 380 | 20 | 80 | 480 |
| Lackawanna County | State | 190 | 20 | 40 | 250 |
| 0.2 Miles west of TR 407 over a Branch of Ackerly Creek | Federal | 0 | 0 | 0 | 0 |
| Abington Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 190 | 20 | 40 | 250 |
| Lackawanna County | State | 894 | 20 | 179 | 1,093 |
| 1.2 miles E of TR 247 over a Recreational Trail | Federal | 0 | 0 | 0 | 0 |
| Jefferson Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 894 | 20 | 179 | 1,093 |
| Lackawanna County | State | 525 | 0 | 63 | 588 |
| I-81 Northbound over SR 3031 | Federal | 2,101 | 0 | 0 | 2,101 |
| Moosic Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 2,627 | 0 | 63 | 2,690 |
| Lackawanna County | State | 494 | 0 | 59 | 553 |
| I-81 Southbound over SR 3031 | Federal | 1,976 | 0 | 237 | 2,213 |
| Moosic Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 2,470 | 0 | 296 | 2,767 |
| Lackawanna County | State | 1,071 | 0 | 128 | 1,199 |
| I-81 Northbound over SR 6006 | Federal | 4,283 | 0 | 514 | 4,797 |
| Scranton City | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 5,354 | 0 | 642 | 5,996 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Lackawanna County | State | \$ 44 | \$ 0 | \$ 5 | \$ 49 |
| 1 Miles West of SR 0307 | Federal | 175 | 0 | 21 | 196 |
| Scranton City | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 219 | 0 | 26 | 245 |
| Lackawanna County | State | 1,500 | 10 | 410 | 1,920 |
| I-84 Eastbound Over Roaring Brook & Erie RR Bridge | Federal | 0 | 0 | 0 | 0 |
| Bridge Replacement | Local | 0 | 0 | 0 | 0 |
| | Total | 1,500 | 10 | 410 | 1,920 |
| Lackawanna County | State | 1,500 | 10 | 410 | 1,920 |
| I-84 Westbound Over Roaring Brook & Erie RR Bridge | Federal | 0 | 0 | 0 | 0 |
| Bridge Replacement | Local | 0 | 0 | 0 | 0 |
| | Total | 1,500 | 10 | 410 | 1,920 |
| Lawrence County | State | 102 | 40 | 50 | 192 |
| Mount Jackson Road over Hickory Run | Federal | 407 | 160 | 200 | 767 |
| North Beaver Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 509 | 200 | 250 | 959 |
| Lawrence County | State | 10 | 40 | 50 | 100 |
| Eastbrook Road over Branch of Neshannock Creek | Federal | 39 | 160 | 200 | 399 |
| Hickory Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 49 | 200 | 250 | 499 |
| Lawrence County | State | 27 | 40 | 50 | 117 |
| Eastbrook Road over Hottenbaugh Run | Federal | 108 | 160 | 200 | 468 |
| Hickory Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 135 | 200 | 250 | 585 |
| Lawrence County | State | 7 | 40 | 50 | 97 |
| Eastbrook Road over Small Stream | Federal | 28 | 160 | 200 | 388 |
| Hickory Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 35 | 200 | 250 | 485 |
| Lawrence County | State | 7 | 40 | 50 | 97 |
| Eastbrook Road over Branch of Neshannock Creek | Federal | 27 | 160 | 200 | 387 |
| Hickory Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 34 | 200 | 250 | 484 |
| Lawrence County | State | 7 | 40 | 50 | 97 |
| Eastbrook Road over Neshannock Creek | Federal | 29 | 160 | 200 | 389 |
| Wilmington Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 36 | 200 | 250 | 486 |
| Lawrence County | State | 30 | 40 | 50 | 120 |
| Pulaski Road over Branch Deer Creek | Federal | 119 | 160 | 200 | 479 |
| Pulaski Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 149 | 200 | 250 | 599 |
| Lawrence County | State | 17 | 40 | 50 | 107 |
| Youngstown Pola Road over Swamp | Federal | 68 | 160 | 200 | 428 |
| Mahoning Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 85 | 200 | 250 | 535 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Lawrence County | State | \$ 12 | \$ 40 | \$ 50 | \$ 102 |
| Youngstown Pola Road over Branch of Mahoning River | Federal | 48 | 160 | 200 | 408 |
| Mahoning Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 60 | 200 | 250 | 510 |
| Lawrence County | State | 325 | 40 | 50 | 415 |
| Ben Franklin Highway over PA 60 Northbound Toll & Ramp N Southbound | Federal | 1,298 | 160 | 200 | 1,658 |
| Union Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,623 | 200 | 250 | 2,073 |
| Lawrence County | State | 1,465 | 40 | 50 | 1,555 |
| Ben Franklin Highway over TR 18 & Cedar Street | Federal | 5,861 | 160 | 200 | 6,221 |
| City of New Castle | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 7,327 | 200 | 250 | 7,777 |
| Lawrence County | State | 1,472 | 40 | 50 | 1,562 |
| Ben Franklin HW over RT 18 & Cedar St. | Federal | 5,889 | 160 | 200 | 6,249 |
| City of New Castle | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 7,361 | 200 | 250 | 7,811 |
| Lawrence County | State | 9 | 40 | 50 | 99 |
| Portersville Road over Morrison Run | Federal | 38 | 160 | 200 | 398 |
| Perry Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 47 | 200 | 250 | 497 |
| Lawrence County | State | 28 | 40 | 50 | 118 |
| Main Street over Sugar Creek | Federal | 110 | 160 | 200 | 470 |
| North Beaver Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 138 | 200 | 250 | 588 |
| Lawrence County | State | 7 | 40 | 50 | 97 |
| Main Street over small stream | Federal | 30 | 160 | 200 | 390 |
| North Beaver Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 37 | 200 | 250 | 487 |
| Lawrence County | State | 7 | 40 | 50 | 97 |
| SR 0551 over Shenango River | Federal | 27 | 160 | 200 | 387 |
| Pulaski Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 34 | 200 | 250 | 484 |
| Lawrence County | State | 12 | 40 | 50 | 102 |
| Neshannock Falls Road over Neshannock Creek | Federal | 47 | 160 | 200 | 407 |
| Wilmington Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 59 | 200 | 250 | 509 |
| Lawrence County | State | 130 | 40 | 50 | 220 |
| Neshannock Falls Road over Neshannock Creek | Federal | 521 | 160 | 200 | 881 |
| Wilmington Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 651 | 200 | 250 | 1,101 |
| Lawrence County | State | 6 | 40 | 50 | 96 |
| Neshannock Falls Road over Little Neshannock Falls Creek | Federal | 24 | 160 | 200 | 384 |
| Wilmington Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 30 | 200 | 250 | 480 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Lawrence County | State | \$ 21 | \$ 40 | \$ 50 | \$ 111 |
| Neshannock Falls Road over Little Neshannock Creek | Federal | 85 | 160 | 200 | 445 |
| Wilmington Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 106 | 200 | 250 | 556 |
| Lawrence County | State | 26 | 40 | 50 | 116 |
| Maitland Lane over Neshannock Creek | Federal | 106 | 160 | 200 | 466 |
| Neshannock Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 132 | 200 | 250 | 582 |
| Lawrence County | State | 5 | 40 | 50 | 95 |
| Neshannock Falls over Little Neshannock | Federal | 21 | 160 | 200 | 381 |
| Hickory Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 26 | 200 | 250 | 476 |
| Lawrence County | State | 31 | 40 | 50 | 121 |
| Neshannock Fall Road over Branch Neshannock Creek | Federal | 123 | 160 | 200 | 483 |
| Wilmington Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 154 | 200 | 250 | 604 |
| Lawrence County | State | 208 | 40 | 50 | 298 |
| North Liberty Drive over I-79 | Federal | 831 | 160 | 200 | 1,191 |
| Plain Grove Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,039 | 200 | 250 | 1,489 |
| Lawrence County | State | 4 | 40 | 50 | 94 |
| McKee Run over Savannah Road | Federal | 15 | 160 | 200 | 375 |
| Shenango Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 19 | 200 | 250 | 469 |
| Lawrence County | State | 22 | 40 | 50 | 112 |
| Wallace Road over Branch of Honey Creek | Federal | 90 | 160 | 200 | 450 |
| North Beaver Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 112 | 200 | 250 | 562 |
| Lawrence County | State | 5 | 40 | 50 | 95 |
| Darlington Road over Wampum Run | Federal | 20 | 160 | 200 | 380 |
| New Beaver Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 25 | 200 | 250 | 475 |
| Lawrence County | State | 347 | 40 | 50 | 437 |
| Covert Road over US 422 Eastbound & Westbound | Federal | 1,388 | 160 | 200 | 1,748 |
| Union Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,735 | 200 | 250 | 2,185 |
| Lawrence County | State | 107 | 40 | 50 | 197 |
| Thompson Road over North Fork Little Beaver | Federal | 429 | 160 | 200 | 789 |
| Little Beaver Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 536 | 200 | 250 | 986 |
| Lawrence County | State | 9 | 40 | 50 | 99 |
| Garbon-Micco Road over tributary to Mahoning River | Federal | 34 | 160 | 200 | 394 |
| Mahoning Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 43 | 200 | 250 | 493 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Lawrence County | State | \$ 11 | \$ 40 | \$ 50 | \$ 101 |
| Evergreen Road over Coffee Run | Federal | 43 | 160 | 200 | 403 |
| Pulaski Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 54 | 200 | 250 | 504 |
| Lawrence County | State | 11 | 40 | 50 | 101 |
| Pulaski Road over Deer Creek. | Federal | 46 | 160 | 200 | 406 |
| Pulaski Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 57 | 200 | 250 | 507 |
| Lawrence County | State | 4 | 40 | 50 | 94 |
| Sharon-Bedford Road over Small Stream | Federal | 17 | 160 | 200 | 377 |
| Pulaski Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 21 | 200 | 250 | 471 |
| Lawrence County | State | 16 | 40 | 50 | 106 |
| Pulaski Road over Camp Run | Federal | 66 | 160 | 200 | 426 |
| Neshannock Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 82 | 200 | 250 | 532 |
| Lawrence County | State | 25 | 40 | 50 | 115 |
| Pulaski Road over Shenango River | Federal | 102 | 160 | 200 | 462 |
| Pulaski Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 127 | 200 | 250 | 577 |
| Lawrence County | State | 51 | 40 | 50 | 141 |
| Sky Hill Road over Branch Mahoning River | Federal | 13 | 160 | 200 | 373 |
| Mahoning Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 64 | 200 | 250 | 514 |
| Lawrence County | State | 11 | 40 | 50 | 101 |
| High Hill Road over Deer Creek | Federal | 42 | 160 | 200 | 402 |
| Pulaski Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 53 | 200 | 250 | 503 |
| Lawrence County | State | 22 | 40 | 50 | 112 |
| High Hill Road over Branch Deer Creek | Federal | 86 | 160 | 200 | 446 |
| Pulaski Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 108 | 200 | 250 | 558 |
| Lawrence County | State | 7 | 40 | 50 | 97 |
| High Hill Road over Deer Creek Branch | Federal | 30 | 160 | 200 | 390 |
| Pulaski Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 37 | 200 | 250 | 487 |
| Lawrence County | State | 941 | 40 | 50 | 1,031 |
| Bypass-Falls Street over Shenango River | Federal | 3,766 | 160 | 200 | 4,126 |
| City of New Castle | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 4,707 | 200 | 250 | 5,157 |
| Lawrence County | State | 34 | 40 | 50 | 124 |
| Township 0324 RT over Traffic Route 224 | Federal | 134 | 160 | 200 | 494 |
| Mahoning Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 168 | 200 | 250 | 618 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Lawrence County | State | \$ 10 | \$ 40 | \$ 50 | \$ 100 |
| Pulaski Road over Fisher Run | Federal | 42 | 160 | 200 | 402 |
| Neshannock Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 52 | 200 | 250 | 502 |
| Lawrence County | State | 180 | 50 | 30 | 260 |
| Old Butler Road Bridge | Federal | 960 | 0 | 160 | 1,120 |
| Shenango Township | Local | 60 | 0 | 10 | 70 |
| Bridge Replacement | Total | 1,200 | 50 | 200 | 1,450 |
| Lawrence County | State | 68 | 3 | 53 | 124 |
| Big Run Bridge | Federal | 360 | 16 | 280 | 656 |
| Slippery Rock Township | Local | 23 | 1 | 18 | 42 |
| Bridge Replacement | Total | 451 | 20 | 351 | 822 |
| Lebanon County | State | 160 | 4 | 28 | 192 |
| Creamery Street Bridge over Tulpehocken Creek | Federal | 0 | 0 | 0 | 0 |
| Jackson Township | Local | 40 | 1 | 0 | 41 |
| Bridge Replacement | Total | 200 | 5 | 28 | 233 |
| Luzerne County | State | 80 | 4 | 16 | 100 |
| 1.0 mile East of TR 309 over Laurel Run Creek | Federal | 320 | 16 | 64 | 400 |
| Plains Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 400 | 20 | 80 | 500 |
| Luzerne County | State | 1,300 | 0 | 130 | 1,430 |
| Over SR 2022 | Federal | 5,200 | 0 | 520 | 5,720 |
| City of Wilkes-Barre | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 6,500 | 0 | 650 | 7,150 |
| Luzerne County | State | 201 | 20 | 40 | 261 |
| 0.3 miles North of SR 4005 over water runoff | Federal | 0 | 0 | 0 | 0 |
| Ross Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 201 | 20 | 40 | 261 |
| Luzerne County | State | 374 | 20 | 75 | 469 |
| 0.3 miles East of SR 4005 | Federal | 0 | 0 | 0 | 0 |
| Fairmont Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 374 | 20 | 75 | 469 |
| Luzerne County | State | 374 | 20 | 75 | 469 |
| 144 feet East of SR 4015 over Huntington Creek | Federal | 0 | 0 | 0 | 0 |
| Fairmont Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 374 | 20 | 75 | 469 |
| Luzerne County | State | 350 | 20 | 70 | 440 |
| 175 feet East of SR 3007 over Little Wapwallopen Creek | Federal | 0 | 0 | 0 | 0 |
| Dorrance Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 350 | 20 | 70 | 440 |
| Luzerne County | State | 1,108 | 20 | 222 | 1,350 |
| Junction of TR 239 over Shickshinny Creek | Federal | 0 | 0 | 0 | 0 |
| Shickshinny Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,108 | 20 | 222 | 1,350 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Luzerne County | State | \$ 200 | \$ 0 | \$ 30 | \$ 230 |
| 0.4 miles South of SR 0309 | Federal | 800 | 0 | 120 | 920 |
| Plains Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,000 | 0 | 150 | 1,150 |
| Luzerne County | State | 45 | 4 | 7 | 56 |
| 600 feet North of SR 2035 over Mill Creek | Federal | 179 | 16 | 27 | 222 |
| Dupont Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 224 | 20 | 34 | 278 |
| Luzerne County | State | 450 | 4 | 68 | 522 |
| Over SR 0315 | Federal | 1,800 | 16 | 270 | 2,086 |
| Dupont Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 2,250 | 20 | 338 | 2,608 |
| Luzerne County | State | 319 | 4 | 48 | 371 |
| Over SR 2103 | Federal | 1,276 | 16 | 191 | 1,483 |
| Dupont Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,595 | 20 | 239 | 1,854 |
| Luzerne County | State | 6,600 | 0 | 0 | 6,600 |
| Junction to SR 0011 | Federal | 0 | 0 | 0 | 0 |
| Hanover Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 6,600 | 0 | 0 | 6,600 |
| Luzerne County | State | 600 | 40 | 330 | 970 |
| 175 feet East of SR 3007 | Federal | 0 | 0 | 0 | 0 |
| Dorrance Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 40 | 330 | 970 |
| Lycoming County | State | 554 | 6 | 40 | 600 |
| Village of Trout Run northbound lanes over SR 14 | Federal | 2,218 | 24 | 160 | 2,402 |
| Cogan House & Lewis Townships | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 2,772 | 30 | 200 | 3,002 |
| Lycoming County | State | 502 | 6 | 40 | 548 |
| Village of Trout Run southbound lanes over SR 14 | Federal | 2,006 | 24 | 160 | 2,190 |
| Cogan House & Lewis Townships | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 2,508 | 30 | 200 | 2,738 |
| Lycoming County | State | 112 | 6 | 40 | 158 |
| 1.75 miles West of Linden over Pine Run | Federal | 449 | 24 | 160 | 633 |
| Woodward Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 561 | 30 | 200 | 791 |
| Lycoming County | State | 100 | 6 | 30 | 136 |
| 2 Miles Southeast of Calvert over Wallis Run | Federal | 400 | 24 | 120 | 544 |
| Gamble Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 30 | 150 | 680 |
| Lycoming County | State | 49 | 6 | 30 | 85 |
| 2 miles West of Proctor over Wallis Run | Federal | 195 | 24 | 120 | 339 |
| Cascade Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 244 | 30 | 150 | 424 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Lycoming County | State | \$ 36 | \$ 6 | \$ 30 | \$ 72 |
| Village of Proctor over Ingles Mill Run | Federal | 145 | 24 | 120 | 289 |
| Plunketts Creek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 181 | 30 | 150 | 361 |
| Lycoming County | State | 73 | 6 | 30 | 109 |
| 3 Miles South of Montoursville over Twin Run | Federal | 293 | 24 | 120 | 437 |
| Muncy Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 366 | 30 | 150 | 546 |
| Lycoming County | State | 43 | 6 | 30 | 79 |
| 7 Miles E of Clarkstown over German Run | Federal | 171 | 24 | 120 | 315 |
| Franklin Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 214 | 30 | 150 | 394 |
| Lycoming County | State | 55 | 6 | 30 | 91 |
| 2.5 Miles East of Lairdsville over Little Muncy Creek | Federal | 221 | 24 | 120 | 365 |
| Franklin Township/Jordan Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 276 | 30 | 150 | 456 |
| McKean County | State | 105 | 8 | 56 | 169 |
| Bridge over Kings Run | Federal | 560 | 40 | 296 | 896 |
| Ceres Township | Local | 35 | 2 | 18 | 55 |
| Bridge Replacement | Total | 700 | 50 | 370 | 1,120 |
| McKean County | State | 150 | 20 | 80 | 250 |
| Bridge over Knapp Creek | Federal | 600 | 80 | 320 | 1,000 |
| Prentisvale, Otto Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 750 | 100 | 400 | 1,250 |
| McKean County | State | 120 | 5 | 70 | 195 |
| Bridge over Branch of Kendall Creek | Federal | 0 | 0 | 0 | 0 |
| Foster Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement - Box Culvert | Total | 120 | 5 | 70 | 195 |
| McKean County | State | 120 | 5 | 70 | 195 |
| Bridge over Pratt Hollow | Federal | 0 | 0 | 0 | 0 |
| Foster Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement - Box Culvert | Total | 120 | 5 | 70 | 195 |
| Mercer County | State | 70 | 10 | 30 | 110 |
| SR 158 over Beaver Run | Federal | 280 | 40 | 120 | 440 |
| East Lackwannock Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 350 | 50 | 150 | 550 |
| Mercer County | State | 70 | 10 | 30 | 110 |
| SR 4019 over Shenango River tributary | Federal | 280 | 40 | 120 | 440 |
| Hempfield Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 350 | 50 | 150 | 550 |
| Mercer County | State | 160 | 10 | 30 | 200 |
| SR 79 over Black Run tributary | Federal | 640 | 40 | 120 | 800 |
| Springfield Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 800 | 50 | 150 | 1,000 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Mercer County | State | \$ 70 | \$ 10 | \$ 30 | \$ 110 |
| SR 2014 over Wolf Creek | Federal | 230 | 40 | 120 | 390 |
| Wolf Creek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 300 | 50 | 150 | 500 |
| Mercer County | State | 80 | 10 | 30 | 120 |
| SR 2011 over Beaver Creek | Federal | 320 | 40 | 120 | 480 |
| E. Lackawannock Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 400 | 50 | 150 | 600 |
| Mercer County | State | 80 | 10 | 30 | 120 |
| SR 79 over Black Run | Federal | 320 | 40 | 120 | 480 |
| Deer Creek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Mercer County | State | 80 | 10 | 30 | 120 |
| SR 1001 over Little Shenango tributary | Federal | 320 | 40 | 120 | 480 |
| Perry Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Mercer County | State | 80 | 10 | 40 | 130 |
| SR 258 over Nelson Run | Federal | 320 | 40 | 160 | 520 |
| Springfield Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 400 | 50 | 200 | 650 |
| Mercer County | State | 80 | 10 | 30 | 120 |
| SR 2022 over Wolf Creek Branch | Federal | 320 | 40 | 120 | 480 |
| Worth Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Mercer County | State | 80 | 10 | 30 | 120 |
| SR 3011 over Hogback Run | Federal | 320 | 40 | 120 | 480 |
| City of Hermitage | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Mercer County | State | 80 | 10 | 30 | 120 |
| SR 4003 over Big Run tributary | Federal | 320 | 40 | 120 | 480 |
| West Salem Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Mercer County | State | 80 | 10 | 40 | 130 |
| Baker Hill Road over Sugar Run | Federal | 320 | 40 | 160 | 520 |
| Delaware Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 200 | 650 |
| Mercer County | State | 160 | 10 | 30 | 200 |
| SR 80 over Harthegegig Run #2 | Federal | 640 | 40 | 120 | 800 |
| Lackawannock Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 800 | 50 | 150 | 1,000 |
| Mercer County | State | 160 | 10 | 30 | 200 |
| SR 80 over Harthegegig Run #1 | Federal | 640 | 40 | 120 | 800 |
| Lackawannock Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 800 | 50 | 150 | 1,000 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Mercer County | State | \$ 80 | \$ 10 | \$ 30 | \$ 120 |
| SR 3043 over Shenango Reservoir tributary | Federal | 320 | 40 | 120 | 480 |
| South Pymatuning Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Mercer County | State | 80 | 10 | 30 | 120 |
| SR 4001 over Sugar Run Tributary #1 | Federal | 320 | 40 | 120 | 480 |
| Green Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Mercer County | State | 100 | 10 | 30 | 140 |
| SR 3039 over Lackawannock Creek | Federal | 400 | 40 | 120 | 560 |
| Jefferson Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 500 | 50 | 150 | 700 |
| Mercer County | State | 120 | 10 | 40 | 170 |
| Perry Hwy over Black Run | Federal | 480 | 40 | 160 | 680 |
| Sandy Creek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 600 | 50 | 200 | 850 |
| Mercer County | State | 90 | 10 | 30 | 130 |
| SR 358 over Big Run | Federal | 360 | 40 | 120 | 520 |
| West Salem Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 450 | 50 | 150 | 650 |
| Mercer County | State | 90 | 10 | 40 | 140 |
| SR 58 over Swamp Run Branch | Federal | 360 | 40 | 160 | 560 |
| Pine Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 450 | 50 | 200 | 700 |
| Mercer County | State | 90 | 10 | 30 | 130 |
| SR 358 over Little Shenango River | Federal | 360 | 40 | 120 | 520 |
| Perry Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 450 | 50 | 150 | 650 |
| Mercer County | State | 100 | 10 | 30 | 140 |
| SR 2014 over Wolf Creek | Federal | 400 | 40 | 120 | 560 |
| Wolf Creek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 500 | 50 | 150 | 700 |
| Mercer County | State | 120 | 10 | 40 | 170 |
| Kennard Road Bridge | Federal | 480 | 40 | 160 | 680 |
| Sugar Grove Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 600 | 50 | 200 | 850 |
| Mercer County | State | 150 | 10 | 40 | 200 |
| SR 18 over Hogback Run | Federal | 600 | 40 | 160 | 800 |
| Shenango Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 750 | 50 | 200 | 1,000 |
| Mercer County | State | 240 | 10 | 10 | 260 |
| SR 80 Eastbound over SR 3007 | Federal | 960 | 40 | 40 | 1,040 |
| East Lackawannock Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,200 | 50 | 50 | 1,300 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Mercer County | State | \$ 280 | \$ 10 | \$ 10 | \$ 300 |
| SR 80 Westbound over SR 3007 | Federal | 1,120 | 40 | 40 | 1,200 |
| East Lackawannock Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,400 | 50 | 50 | 1,500 |
| Mercer County | State | 240 | 10 | 10 | 260 |
| SR 258 over Magaree Run | Federal | 960 | 40 | 40 | 1,040 |
| Clark Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,200 | 50 | 50 | 1,300 |
| Mercer County | State | 320 | 20 | 90 | 430 |
| SR 4012 over Shenango River | Federal | 1,280 | 80 | 360 | 1,720 |
| Pymatuning Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,600 | 100 | 450 | 2,150 |
| Mercer County | State | 420 | 20 | 160 | 600 |
| SR 3012 over Shenango River | Federal | 1,680 | 80 | 640 | 2,400 |
| City of Sharon | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 2,100 | 100 | 800 | 3,000 |
| Mercer County | State | 400 | 10 | 80 | 490 |
| Hartwick Road over SR 80 | Federal | 1,600 | 40 | 320 | 1,960 |
| Findley Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 2,000 | 50 | 400 | 2,450 |
| Mercer County | State | 700 | 10 | 120 | 830 |
| SR 79 WB over I-80 | Federal | 2,800 | 40 | 480 | 3,320 |
| Findley Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 3,500 | 50 | 600 | 4,150 |
| Mifflin County | State | 575 | 50 | 400 | 1,025 |
| Bridge over Little Kish Extension | Federal | 0 | 0 | 0 | 0 |
| Union Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 575 | 50 | 400 | 1,025 |
| Mifflin County | State | 150 | 20 | 80 | 250 |
| Bridge over Kishacoquillas Creek | Federal | 600 | 80 | 320 | 1,000 |
| Lewistown Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 750 | 100 | 400 | 1,250 |
| Montour County | State | 17 | 5 | 23 | 45 |
| T-414 over Kase Run | Federal | 89 | 24 | 120 | 233 |
| West Hemlock Township | Local | 6 | 2 | 8 | 16 |
| Bridge Replacement | Total | 112 | 31 | 151 | 294 |
| Montour County | State | 65 | 6 | 30 | 101 |
| 7 miles Northeast of Washingtonville over Branch of Chillisquaque Creek | Federal | 258 | 24 | 120 | 402 |
| Anthony Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 323 | 30 | 150 | 503 |
| Northumberland County | State | 154 | 24 | 120 | 298 |
| T-361 over tributary to Beaver Run | Federal | 0 | 0 | 0 | 0 |
| Lewis Township | Local | 38 | 6 | 30 | 74 |
| Bridge Replacement | Total | 192 | 30 | 150 | 372 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Northumberland County | State | \$ 34 | \$ 6 | \$ 30 | \$ 70 |
| 0.5 Miles West of Turbotville over Muddy Run | Federal | 137 | 24 | 120 | 281 |
| Lewis Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 171 | 30 | 150 | 351 |
| Perry County | State | 140 | 20 | 130 | 290 |
| Market Street over Little Juniata Creek | Federal | 560 | | 320 | 880 |
| Duncannon Borough | Local | | | | 0 |
| Bridge Replacement | Total | 700 | 20 | 450 | 1,170 |
| Perry County | State | 100 | 10 | 90 | 200 |
| SR 74 over Branch Panther Creek | Federal | 400 | | 320 | 720 |
| Saville Township | Local | | | | 0 |
| Bridge Replacement | Total | 500 | 10 | 410 | 920 |
| Perry County | State | 240 | 20 | 110 | 370 |
| SR 3009 over Shermans Creek | Federal | 960 | | 400 | 1,360 |
| Southwest Madison Township | Local | | | | 0 |
| Bridge Replacement | Total | 1,200 | 20 | 510 | 1,730 |
| Perry County | State | 80 | 20 | 100 | 200 |
| Front Street over Wildcat Creek | Federal | 320 | 0 | 400 | 720 |
| Liverpool Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 400 | 20 | 500 | 920 |
| Potter County | State | 60 | 2 | 20 | 82 |
| Bridge over Genesee River Branch | Federal | 400 | 8 | 80 | 488 |
| Genesee Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement Feasibility Study | Total | 460 | 10 | 100 | 570 |
| Potter County | State | 120 | 5 | 70 | 195 |
| Bridge over Drainage Area | Federal | 0 | 0 | 0 | 0 |
| Sweden Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement - Box Culvert | Total | 120 | 5 | 70 | 195 |
| Snyder County | State | 194 | 6 | 40 | 240 |
| 2 Mi West of Selinsgrove over tributary to Middle Creek | Federal | 778 | 24 | 160 | 962 |
| Penn, Washington Townships, & Freeburg Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 972 | 30 | 200 | 1,202 |
| Somerset County | State | 65 | 5 | 30 | 100 |
| Segment 0320/0696 Bridge over tributary to Stony Creek | Federal | 0 | 0 | 0 | 0 |
| Quemahoning Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 65 | 5 | 30 | 100 |
| Somerset County | State | 270 | 25 | 125 | 420 |
| Segment 0270/1651 Bridge over tributary to Buffalo Creek | Federal | 0 | 0 | 0 | 0 |
| Brothers Valley Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 270 | 25 | 125 | 420 |
| Somerset County | State | 18 | 1 | 9 | 28 |
| Segment 0100/2165 Bridge over Dixie Run | Federal | 72 | 4 | 36 | 112 |
| Hooversville Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 90 | 5 | 45 | 140 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Somerset County | State | \$ 298 | \$ 10 | \$ 76 | \$ 384 |
| Segment 0120/0901 Bridge over Wilber Coal Company Mine Railroad | Federal | 1,192 | 40 | 304 | 1,536 |
| Quemahoning Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,490 | 50 | 380 | 1,920 |
| Somerset County | State | 215 | 25 | 100 | 340 |
| Segment 0080/1065 Bridge over tributary to Whites Creek | Federal | 0 | 0 | 0 | 0 |
| Addison Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 215 | 25 | 100 | 340 |
| Somerset County | State | 13 | 1 | 6 | 20 |
| Segment 0150/0000 Bridge over Buck Run | Federal | 52 | 4 | 24 | 80 |
| Stonycreek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 65 | 5 | 30 | 100 |
| Somerset County | State | 300 | 25 | 135 | 460 |
| Segment 0060/0000 Bridge over Bens Run | Federal | 0 | 0 | 0 | 0 |
| Stonycreek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 300 | 25 | 135 | 460 |
| Somerset County | State | 185 | 25 | 90 | 300 |
| Segment 0120/0000 Bridge over tributary to Stony Creek | Federal | 0 | 0 | 0 | 0 |
| Stonycreek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 185 | 25 | 90 | 300 |
| Somerset County | State | 55 | 5 | 20 | 80 |
| Segment 0080/0000 Bridge over Oven Run | Federal | 0 | 0 | 0 | 0 |
| Shade Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 55 | 5 | 20 | 80 |
| Somerset County | State | 97 | 5 | 34 | 136 |
| Segment 0050/0583 Bridge over tributary to Wells Creek | Federal | 388 | 20 | 136 | 544 |
| Bridge Replacement | Local | 0 | 0 | 0 | 0 |
| | Total | 485 | 25 | 170 | 680 |
| Somerset County | State | 65 | 5 | 30 | 100 |
| Segment 0130/0000 Bridge over Miller Run | Federal | 0 | 0 | 0 | 0 |
| Shade Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 65 | 5 | 30 | 100 |
| Somerset County | State | 27 | 1 | 12 | 40 |
| Segment 0050/0000 Bridge over Sandy Run | Federal | 108 | 4 | 48 | 160 |
| Paint Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 135 | 5 | 60 | 200 |
| Somerset County | State | 164 | 2 | 42 | 208 |
| Segment 0440/0000 Bridge over Casselman River | Federal | 656 | 8 | 168 | 832 |
| Meyersdale Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 820 | 10 | 210 | 1,040 |
| Somerset County | State | 27 | 1 | 12 | 40 |
| Segment 0030/0000 Bridge over Elk Lick Creek | Federal | 108 | 4 | 48 | 160 |
| Summit Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 135 | 5 | 60 | 200 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Somerset County | State | \$ 18 | \$ 1 | \$ 9 | \$ 28 |
| Segment 0130/0000 Bridge over Little Piney Run | Federal | 72 | 4 | 36 | 112 |
| Greenville Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 90 | 5 | 45 | 140 |
| Somerset County | State | 100 | 5 | 35 | 140 |
| Segment 0090/0000 Bridge over Gladdens Run | Federal | 400 | 20 | 140 | 560 |
| Southampton Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 175 | 700 |
| Somerset County | State | 80 | 5 | 35 | 120 |
| Segment 0120/0000 Bridge over tributary to Wills Creek | Federal | 0 | 0 | 0 | 0 |
| Northampton Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 80 | 5 | 35 | 120 |
| Somerset County | State | 24 | 1 | 11 | 36 |
| Segment 0050/0000 Bridge over Rhodes Creek | Federal | 96 | 4 | 44 | 144 |
| Black Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 120 | 5 | 55 | 180 |
| Somerset County | State | 65 | 5 | 30 | 100 |
| Segment 0060/0000 Bridge over tributary to Rhodes Creek | Federal | 0 | 0 | 0 | 0 |
| Black Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 65 | 5 | 30 | 100 |
| Somerset County | State | 18 | 1 | 9 | 28 |
| Segment 0130/1325 Bridge over Bear Run | Federal | 72 | 4 | 36 | 112 |
| Northampton Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 90 | 5 | 45 | 140 |
| Somerset County | State | 18 | 1 | 9 | 28 |
| Segment 0140/0000 Bridge over Poorbaugh Run | Federal | 72 | 4 | 36 | 112 |
| Northampton Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 90 | 5 | 45 | 140 |
| Somerset County | State | 65 | 5 | 30 | 100 |
| Segment 0034/0000 Bridge over Shaffers Run | Federal | 0 | 0 | 0 | 0 |
| Fairhope Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 65 | 5 | 30 | 100 |
| Somerset County | State | 40 | 5 | 15 | 60 |
| Segment 0010/0471 Bridge over tributary to Whites Creek | Federal | 0 | 0 | 0 | 0 |
| Addison Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 40 | 5 | 15 | 60 |
| Somerset County | State | 109 | 5 | 38 | 152 |
| Segment 0050/0000 Bridge over Cucumber Run | Federal | 436 | 20 | 152 | 608 |
| Addison Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 545 | 25 | 190 | 760 |
| Somerset County | State | 65 | 5 | 30 | 100 |
| Segment 0080/0000 Bridge over tributary to Casselman River | Federal | 0 | 0 | 0 | 0 |
| Addison Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 65 | 5 | 30 | 100 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Somerset County | State | \$ 215 | \$ 25 | \$ 100 | \$ 340 |
| Segment 0140/0000 Bridge over tributary to Casselman River | Federal | 0 | 0 | 0 | 0 |
| Upper Turkey Foot Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 215 | 25 | 100 | 340 |
| Somerset County | State | 24 | 1 | 11 | 36 |
| Segment 0060/0000 Bridge over Smith Run | Federal | 96 | 4 | 44 | 144 |
| Lower Turkey Foot Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 120 | 5 | 55 | 180 |
| Somerset County | State | 18 | 1 | 9 | 28 |
| Segment 0280/0000 Bridge over Tub Run | Federal | 72 | 4 | 36 | 112 |
| Brothers Valley Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 90 | 5 | 45 | 140 |
| Somerset County | State | 18 | 1 | 9 | 28 |
| Segment 0060/0000 Bridge over Lost Run | Federal | 72 | 4 | 36 | 112 |
| Middlecreek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 90 | 5 | 45 | 140 |
| Somerset County | State | 18 | 1 | 9 | 28 |
| Segment 0080/1529 Bridge over Wilson Creek | Federal | 72 | 4 | 36 | 112 |
| Black Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 90 | 5 | 45 | 140 |
| Somerset County | State | 82 | 5 | 29 | 116 |
| Segment 0200/0000 Bridge over tributary to Quemahoning Creek | Federal | 328 | 20 | 116 | 464 |
| Lincoln Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 410 | 25 | 145 | 580 |
| Somerset County | State | 300 | 25 | 135 | 460 |
| Segment 0036/0000 Bridge over tributary to Quemahoning Creek | Federal | 0 | 0 | 0 | 0 |
| Lincoln Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 300 | 25 | 135 | 460 |
| Somerset County | State | 55 | 5 | 20 | 80 |
| Segment 0030/2196 Bridge over tributary to Quemahoning Creek | Federal | 0 | 0 | 0 | 0 |
| Lincoln Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 55 | 5 | 20 | 80 |
| Somerset County | State | 185 | 25 | 90 | 300 |
| Segment 0020/0000 Bridge over tributary to Roaring Run | Federal | 0 | 0 | 0 | 0 |
| Jenner Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 185 | 25 | 90 | 300 |
| Somerset County | State | 232 | 2 | 58 | 292 |
| Segment 0050/0000 Bridge over US 219 | Federal | 928 | 8 | 232 | 1,168 |
| Conemaugh Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,160 | 10 | 290 | 1,460 |
| Somerset County | State | 70 | 5 | 25 | 100 |
| Segment 0120/2813 Bridge over South Fork Bens Creek | Federal | 280 | 20 | 100 | 400 |
| Jenner Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 350 | 25 | 125 | 500 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Somerset County | State | \$ 172 | \$ 10 | \$ 46 | \$ 228 |
| Segment 0120/0000 Bridge over North Fork Bens Creek | Federal | 688 | 40 | 184 | 912 |
| Conemaugh Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 860 | 50 | 230 | 1,140 |
| Somerset County | State | 106 | 5 | 37 | 148 |
| Segment 0100/0119 Bridge over Kaufman Run | Federal | 424 | 20 | 148 | 592 |
| Conemaugh Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 530 | 25 | 185 | 740 |
| Susquehanna County | State | 51 | 4 | 10 | 65 |
| 0.1 miles South of SR 1001 over Branch of Starrucca Creek | Federal | 203 | 16 | 41 | 260 |
| Thompson Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 254 | 20 | 51 | 325 |
| Susquehanna County | State | 179 | 20 | 36 | 235 |
| 0.1 miles West of TR 29 over Branch of Pond Brook | Federal | 0 | 0 | 0 | 0 |
| Springville Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 179 | 20 | 36 | 235 |
| Susquehanna County | State | 894 | 20 | 179 | 1,093 |
| 200 feet North of SR 2010 over Lackawanna River | Federal | 0 | 0 | 0 | 0 |
| Clifford Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 894 | 20 | 179 | 1,093 |
| Susquehanna County | State | 360 | 20 | 72 | 452 |
| 0.5 miles West of TR 848 over Branch of Butler Creek | Federal | 0 | 0 | 0 | 0 |
| Gibson Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 360 | 20 | 72 | 452 |
| Susquehanna County | State | 340 | 20 | 68 | 428 |
| 150 feet West of TR 247 over Dundaff Creek | Federal | 0 | 0 | 0 | 0 |
| Clifford Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 340 | 20 | 68 | 428 |
| Susquehanna County | State | 340 | 20 | 68 | 428 |
| 200 ft West of SR 2014 over East Branch of Tunkhannock Creek | Federal | 0 | 0 | 0 | 0 |
| Clifford Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 340 | 20 | 68 | 428 |
| Susquehanna County | State | 388 | 20 | 78 | 486 |
| 0.5 miles South of SR 2020 over Tower Creek | Federal | 0 | 0 | 0 | 0 |
| Lenox Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 388 | 20 | 78 | 486 |
| Susquehanna County | State | 440 | 20 | 90 | 550 |
| Bridge Over an Unknown Stream | Federal | 0 | 0 | 0 | 0 |
| Harford Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 440 | 20 | 90 | 550 |
| Susquehanna County | State | 600 | 40 | 330 | 970 |
| 0.1 Miles South of SR 706 | Federal | 0 | 0 | 0 | 0 |
| Rush Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 40 | 330 | 970 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Tioga County | State | \$ 20 | \$ 5 | \$ 23 | \$ 48 |
| Village of Hoytville over Harrison Run | Federal | 108 | 24 | 120 | 252 |
| Morris Township T-496 | Local | 7 | 2 | 8 | 17 |
| Bridge Replacement | Total | 135 | 31 | 151 | 317 |
| Tioga County | State | 127 | 5 | 23 | 155 |
| County Bridge No. 4 (Knox Bridge) T-402 over Cowanesque River | Federal | 676 | 24 | 120 | 820 |
| Deerfield Township | Local | 42 | 2 | 8 | 52 |
| Bridge Replacement | Total | 845 | 31 | 151 | 1,027 |
| Tioga County | State | 57 | 6 | 40 | 103 |
| 1 Mile S of Lawrenceville over Harts Run | Federal | 230 | 24 | 160 | 414 |
| Lawrence Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 287 | 30 | 200 | 517 |
| Tioga County | State | 125 | 6 | 40 | 171 |
| 4 Miles NE of Mansfield over Elk Run | Federal | 499 | 24 | 160 | 683 |
| Richmond, Rutland, Sullivan Townships & Roseville Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 624 | 30 | 200 | 854 |
| Tioga County | State | 47 | 6 | 40 | 93 |
| 2 Miles Southwest of Roseville over tributary to Mill Creek | Federal | 187 | 24 | 160 | 371 |
| Richmond, Rutland, Sullivan Townships & Roseville Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 234 | 30 | 200 | 464 |
| Tioga County | State | 149 | 6 | 40 | 195 |
| 1 Mile N of Jobs Corners over Seely Creek | Federal | 596 | 24 | 160 | 780 |
| Jackson & Rutland Townships | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 745 | 30 | 200 | 975 |
| Tioga County | State | 339 | 6 | 30 | 375 |
| Osceola Bridge over Cowanesque River | Federal | 1,354 | 24 | 120 | 1,498 |
| Osceola Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,693 | 30 | 150 | 1,873 |
| Union County | State | 333 | 6 | 30 | 369 |
| 1 MI W Buffalo Crossroads over Buffalo Creek | Federal | 1,331 | 24 | 120 | 1,475 |
| Buffalo Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,664 | 30 | 150 | 1,844 |
| Union County | State | 76 | 6 | 30 | 112 |
| Village of Laurelton over Laurel Run | Federal | 302 | 24 | 120 | 446 |
| Hartley Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 378 | 30 | 150 | 558 |
| Union County | State | 35 | 6 | 30 | 71 |
| Replace Wing Walls over Black Run | Federal | 138 | 24 | 120 | 282 |
| Gregg Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 173 | 30 | 150 | 353 |
| Venango County | State | 60 | 10 | 30 | 100 |
| SR 1009 over Benninghoff Run #1 | Federal | 240 | 40 | 120 | 400 |
| Cherrytree Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 300 | 50 | 150 | 500 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|------------------------------------|---------|-------------------------|--------------|---------------------------|--------------------------|
| Venango County | State | \$ 80 | \$ 10 | \$ 30 | \$ 120 |
| SR 4002 over Galloway Run | Federal | 320 | 40 | 120 | 480 |
| Sugarcreek Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Venango County | State | 80 | 10 | 30 | 120 |
| SR 8 over Cornplanter Run | Federal | 320 | 40 | 120 | 480 |
| City of Oil City | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Venango County | State | 80 | 10 | 30 | 120 |
| SR 3015 over Sandy Creek Tributary | Federal | 320 | 40 | 120 | 480 |
| Mineral Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Venango County | State | 80 | 10 | 30 | 120 |
| SR 3024 over Doyle Run | Federal | 320 | 40 | 120 | 480 |
| Sandycreek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Venango County | State | 80 | 10 | 30 | 120 |
| SR 8 over Morrison Run | Federal | 320 | 40 | 120 | 480 |
| Sandycreek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Venango County | State | 160 | 10 | 30 | 200 |
| SR 80 over Little Scrubgrass Creek | Federal | 640 | 40 | 120 | 800 |
| Scrubgrass Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 800 | 50 | 150 | 1,000 |
| Venango County | State | 80 | 10 | 30 | 120 |
| SR 62 over Brannon Run | Federal | 320 | 40 | 120 | 480 |
| Sugar Creek Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Venango County | State | 80 | 10 | 40 | 130 |
| SR 4011 over Prather Creek | Federal | 320 | 40 | 160 | 520 |
| Cherrytree Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 200 | 650 |
| Venango County | State | 80 | 10 | 30 | 120 |
| SR 4020 over Kane Run | Federal | 320 | 40 | 120 | 480 |
| Oakland Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Venango County | State | 80 | 10 | 30 | 120 |
| SR 62 over Shaffer Run | Federal | 320 | 40 | 120 | 480 |
| Sugar Creek Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Venango County | State | 80 | 10 | 40 | 130 |
| SR 38 over Sugar Valley Run | Federal | 320 | 40 | 160 | 520 |
| Scrubgrass Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 200 | 650 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--------------------------------|---------|-------------------------|--------------|---------------------------|--------------------------|
| Venango County | State | \$ 360 | \$ 10 | \$ 50 | \$ 420 |
| SR 80 over SR 38 Eastbound | Federal | 1,440 | 40 | 200 | 1,680 |
| Scrubgrass Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,800 | 50 | 250 | 2,100 |
| Venango County | State | 360 | 10 | 50 | 420 |
| SR 80 over SR 38 Westbound | Federal | 1,440 | 40 | 200 | 1,680 |
| Scrubgrass Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,800 | 50 | 250 | 2,100 |
| Warren County | State | 60 | 10 | 30 | 100 |
| SR 1009 over Johnny Run | Federal | 240 | 40 | 120 | 400 |
| Pine Grove Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 300 | 50 | 150 | 500 |
| Warren County | State | 80 | 10 | 30 | 120 |
| SR 6 over Scott Run | Federal | 320 | 40 | 120 | 480 |
| Conewango Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Warren County | State | 80 | 10 | 40 | 130 |
| SR 958 over Brokenstraw Creek | Federal | 320 | 40 | 160 | 520 |
| Freehold Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 200 | 650 |
| Warren County | State | 80 | 10 | 30 | 120 |
| SR 1013 over Page Hollow Run | Federal | 320 | 40 | 120 | 480 |
| Glade Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Warren County | State | 80 | 10 | 30 | 120 |
| SR 1012 over Priest Hollow Run | Federal | 320 | 40 | 120 | 480 |
| Pine Grove Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Warren County | State | 80 | 10 | 30 | 120 |
| SR 3010 over Toms Run | Federal | 320 | 40 | 120 | 480 |
| Spring Creek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Warren County | State | 80 | 10 | 30 | 120 |
| SR 4009 over Page Hollow Run | Federal | 320 | 40 | 120 | 480 |
| Pittsfield Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Warren County | State | 80 | 10 | 40 | 130 |
| SR 426 over Brokenstraw Creek | Federal | 320 | 40 | 160 | 520 |
| Spring Creek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 200 | 650 |
| Warren County | State | 80 | 10 | 30 | 120 |
| SR 69 over Jackson Run | Federal | 320 | 40 | 120 | 480 |
| Sugar Grove Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--------------------------------|---------|-------------------------|--------------|---------------------------|--------------------------|
| Warren County | State | \$ 80 | \$ 10 | \$ 40 | \$ 130 |
| SR 3016 over Brokenstraw Creek | Federal | 320 | 40 | 160 | 520 |
| Brokenstraw Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 400 | 50 | 200 | 650 |
| Warren County | State | 100 | 10 | 40 | 150 |
| SR 426 over Brokenstraw Creek | Federal | 400 | 40 | 160 | 600 |
| Spring Creek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 500 | 50 | 200 | 750 |
| Warren County | State | 80 | 10 | 30 | 120 |
| SR 27 over Willow Brook | Federal | 320 | 40 | 120 | 480 |
| Brokenstraw Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Warren County | State | 80 | 10 | 30 | 120 |
| SR 4007 over Prosser Creek | Federal | 320 | 40 | 120 | 480 |
| Columbus Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 150 | 600 |
| Warren County | State | 80 | 10 | 40 | 130 |
| SR 6006 over Mill Race Creek | Federal | 320 | 40 | 160 | 520 |
| City of Warren | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 400 | 50 | 200 | 650 |
| Warren County | State | 100 | 10 | 30 | 140 |
| SR 62 over Valentine Creek | Federal | 400 | 40 | 120 | 560 |
| Conewango Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 500 | 50 | 150 | 700 |
| Warren County | State | 90 | 10 | 40 | 140 |
| Irvine Ramp B | Federal | 360 | 40 | 160 | 560 |
| Brokenstraw Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 450 | 50 | 200 | 700 |
| Warren County | State | 160 | 10 | 40 | 210 |
| SR 3001 over Spring Creek | Federal | 640 | 40 | 160 | 840 |
| Spring Creek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 800 | 50 | 200 | 1,050 |
| Warren County | State | 440 | 10 | 60 | 510 |
| SR 3022 over SR 6 | Federal | 1,760 | 40 | 240 | 2,040 |
| Brokenstraw Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 2,200 | 50 | 300 | 2,550 |
| Washington County | State | 360 | 5 | 100 | 465 |
| SR 0519 | Federal | 1,440 | 20 | 400 | 1,860 |
| North Strabane Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,800 | 25 | 500 | 2,325 |
| Washington County | State | 200 | 0 | 80 | 280 |
| SR 4005 | Federal | 800 | 0 | 320 | 1,120 |
| Hanover Township | Local | 0 | 0 | 0 | 0 |
| Bridge Resurfacing | Total | 1,000 | 0 | 400 | 1,400 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|------------------------------------|---------|-------------------------|--------------|---------------------------|--------------------------|
| Washington County | State | \$ 1,800 | \$ 0 | \$ 400 | \$ 2,200 |
| Branch of Chartiers Creek | Federal | 0 | 0 | 0 | 0 |
| North Franklin Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,800 | 0 | 400 | 2,200 |
| Washington County | State | 1,200 | 0 | 400 | 1,600 |
| Bridge over Little Chartiers Creek | Federal | 0 | 0 | 0 | 0 |
| South Strabane Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,200 | 0 | 400 | 1,600 |
| Washington County | State | 400 | 0 | 100 | 500 |
| Montgomery Run | Federal | 1,600 | 0 | 400 | 2,000 |
| Amwell Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 2,000 | 0 | 500 | 2,500 |
| Washington County | State | 1,200 | 0 | 400 | 1,600 |
| Branch of Ten Mile Creek | Federal | 0 | 0 | 0 | 0 |
| Amwell Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,200 | 0 | 400 | 1,600 |
| Washington County | State | 800 | 10 | 120 | 930 |
| SR 0070 | Federal | 3,200 | 40 | 480 | 3,720 |
| South Strabane Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 4,000 | 50 | 600 | 4,650 |
| Washington County | State | 560 | 5 | 200 | 765 |
| SR 0079 | Federal | 2,240 | 20 | 600 | 2,860 |
| North Strabane Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 2,800 | 25 | 800 | 3,625 |
| Washington County | State | 120 | 5 | 70 | 195 |
| Branch of Pigeon Creek | Federal | 480 | 20 | 280 | 780 |
| Somerset Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Washington County | State | 120 | 5 | 70 | 195 |
| Barrs Run | Federal | 480 | 20 | 280 | 780 |
| West Bethlehem Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Washington County | State | 130 | 5 | 80 | 215 |
| Barrs Run | Federal | 520 | 20 | 320 | 860 |
| West Bethlehem Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 650 | 25 | 400 | 1,075 |
| Washington County | State | 120 | 5 | 70 | 195 |
| Tributary to Monongahela | Federal | 480 | 20 | 280 | 780 |
| Centerville Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Washington County | State | 130 | 5 | 80 | 215 |
| Pike Run | Federal | 520 | 20 | 320 | 860 |
| West Pike Run Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 650 | 25 | 400 | 1,075 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|-------------------------------|---------|-------------------------|--------------|---------------------------|--------------------------|
| Washington County | State | \$ 130 | \$ 5 | \$ 80 | \$ 215 |
| Pike Run | Federal | 520 | 20 | 320 | 860 |
| West Pike Run Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 650 | 25 | 400 | 1,075 |
| Washington County | State | 120 | 5 | 70 | 195 |
| Branch of Pike Run | Federal | 480 | 20 | 280 | 780 |
| West Pike Run Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Washington County | State | 130 | 5 | 80 | 215 |
| Buffalo Creek | Federal | 520 | 20 | 320 | 860 |
| East Finley Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 650 | 25 | 400 | 1,075 |
| Washington County | State | 130 | 5 | 80 | 215 |
| Middle Wheeling Creek | Federal | 520 | 20 | 320 | 860 |
| West Finley Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 650 | 25 | 400 | 1,075 |
| Washington County | State | 360 | 5 | 120 | 485 |
| Raccoon Creek | Federal | 1,440 | 20 | 480 | 1,940 |
| Hanover Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,800 | 25 | 600 | 2,425 |
| Washington County | State | 130 | 5 | 80 | 215 |
| Kings Creek | Federal | 520 | 20 | 320 | 860 |
| Hanover Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 650 | 25 | 400 | 1,075 |
| Washington County | State | 140 | 5 | 80 | 225 |
| Harmon Creek | Federal | 560 | 20 | 320 | 900 |
| Jefferson & Hanover Townships | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 700 | 25 | 400 | 1,125 |
| Washington County | State | 130 | 5 | 80 | 215 |
| Harmon Creek | Federal | 520 | 20 | 320 | 860 |
| Hanover & Smith Townships | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 650 | 25 | 400 | 1,075 |
| Washington County | State | 130 | 5 | 80 | 215 |
| Raccoon Creek | Federal | 520 | 20 | 320 | 860 |
| Smith Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 650 | 25 | 400 | 1,075 |
| Washington County | State | 120 | 5 | 70 | 195 |
| Branch of Buffalo Creek | Federal | 480 | 20 | 280 | 780 |
| Buffalo Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Washington County | State | 500 | 0 | 100 | 600 |
| SR 0022 | Federal | 0 | 0 | 0 | 0 |
| Robinson Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 0 | 100 | 600 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|----------------------------------|---------|-------------------------|--------------|---------------------------|--------------------------|
| Washington County | State | \$ 240 | \$ 5 | \$ 100 | \$ 345 |
| North Fork Cross Creek | Federal | 960 | 20 | 400 | 1,380 |
| Cross Creek Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,200 | 25 | 500 | 1,725 |
| Washington County | State | 140 | 5 | 80 | 225 |
| Over Chartiers Creek | Federal | 560 | 20 | 320 | 900 |
| North Franklin Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 700 | 25 | 400 | 1,125 |
| Washington County | State | 120 | 5 | 70 | 195 |
| Over Dutch Fork Buffalo Creek | Federal | 480 | 20 | 280 | 780 |
| Donegal Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 600 | 25 | 350 | 975 |
| Washington County | State | 1,200 | 10 | 160 | 1,370 |
| Over I-79 | Federal | 4,800 | 40 | 640 | 5,480 |
| Amwell Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 6,000 | 50 | 800 | 6,850 |
| Washington County | State | 700 | 0 | 120 | 820 |
| Over South Branch of Maple Creek | Federal | 2,800 | 0 | 480 | 3,280 |
| Twilight Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 3,500 | 0 | 600 | 4,100 |
| Washington County | State | 600 | 0 | 250 | 850 |
| Belle Vernon Bridge Repair | Federal | 0 | 0 | 0 | 0 |
| Speers Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 600 | 0 | 250 | 850 |
| Washington County | State | 120 | 5 | 70 | 195 |
| Over Opossum Run | Federal | 480 | 20 | 280 | 780 |
| Somerset Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Washington County | State | 500 | 25 | 350 | 875 |
| Over Millers Run | Federal | 0 | 0 | 0 | 0 |
| Cecil Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 350 | 875 |
| Washington County | State | 120 | 5 | 70 | 195 |
| Over Gorby Run | Federal | 480 | 20 | 280 | 780 |
| California Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Washington County | State | 500 | 25 | 350 | 875 |
| Over Branch of Brush Run | Federal | 0 | 0 | 0 | 0 |
| Independence Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 350 | 875 |
| Wayne County | State | 380 | 20 | 80 | 480 |
| Over unknown stream | Federal | 0 | 0 | 0 | 0 |
| Buckingham Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 380 | 20 | 80 | 480 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Wayne County | State | \$ 36 | \$ 20 | \$ 70 | \$ 126 |
| 0.1 miles east of the County Line over East Branch of Lackawanna River | Federal | 0 | 0 | 0 | 0 |
| Preston Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 36 | 20 | 70 | 126 |
| Wayne County | State | 310 | 20 | 62 | 392 |
| 0.3 miles East of the County Line over East Branch of Lackawanna River | Federal | 0 | 0 | 0 | 0 |
| Preston Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 310 | 20 | 62 | 392 |
| Wayne County | State | 201 | 20 | 40 | 261 |
| 0.4 miles East of SR 4037 over Tarbox Brook | Federal | 0 | 0 | 0 | 0 |
| Scott Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 201 | 20 | 40 | 261 |
| Wayne County | State | 614 | 20 | 123 | 757 |
| 0.1 miles West of SR 4007 over Branch of Equinunk Creek | Federal | 0 | 0 | 0 | 0 |
| Buckingham Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 614 | 20 | 123 | 757 |
| Wayne County | State | 340 | 20 | 68 | 428 |
| 171 feet East of SR 4012 over Branch of Starlight Creek | Federal | 0 | 0 | 0 | 0 |
| Scott Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 340 | 20 | 68 | 428 |
| Wayne County | State | 374 | 20 | 75 | 469 |
| Over unknown stream | Federal | 0 | 0 | 0 | 0 |
| Dreher Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 374 | 20 | 75 | 469 |
| Wayne County | State | 510 | 20 | 100 | 630 |
| Over unknown stream | Federal | 0 | 0 | 0 | 0 |
| Dreher Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 510 | 20 | 100 | 630 |
| Wayne County | State | 319 | 20 | 64 | 403 |
| 0.1 miles North of SR 3009 over Stevens Creek | Federal | 0 | 0 | 0 | 0 |
| Sterling Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 319 | 20 | 64 | 403 |
| Wayne County | State | 380 | 20 | 80 | 480 |
| Over unknown stream | Federal | 0 | 0 | 0 | 0 |
| Lake Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 380 | 20 | 80 | 480 |
| Wayne County | State | 4,834 | 20 | 967 | 5,821 |
| TR-325 0.5 miles East of the County Line over Wilcox Creek | Federal | 0 | 0 | 0 | 0 |
| Sterling Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 4,834 | 20 | 967 | 5,821 |
| Wayne County | State | 409 | 20 | 82 | 511 |
| 113 feet East of SR 3015 over Inlet to Finn Swamp | Federal | 0 | 0 | 48 | 48 |
| Paupack Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 409 | 20 | 130 | 559 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Wayne County | State | \$ 530 | \$ 0 | \$ 50 | \$ 580 |
| 0.1 miles South of SR 3024 over Middle Creek | Federal | 2,100 | 0 | 210 | 2,310 |
| Cherry Ridge Township | Local | 0 | 0 | 0 | 0 |
| Rehabilitation | Total | 2,630 | 0 | 260 | 2,890 |
| Wayne County | State | 240 | 0 | 20 | 260 |
| 300 feet south of SR 3032 over Lackawaxen River | Federal | 960 | 0 | 100 | 1,060 |
| Texas Township | Local | 0 | 0 | 0 | 0 |
| Rehabilitation | Total | 1,200 | 0 | 120 | 1,320 |
| Wayne County | State | 240 | 20 | 50 | 310 |
| 0.2 miles south of SR 3028 over Collins Brook | Federal | 0 | 0 | 0 | 0 |
| Cherry Ridge Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 240 | 20 | 50 | 310 |
| Westmoreland County | State | 400 | 10 | 120 | 530 |
| Little Pucketa Creek | Federal | 1,600 | 40 | 480 | 2,120 |
| City of New Kensington | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 2,000 | 50 | 600 | 2,650 |
| Westmoreland County | State | 500 | 25 | 350 | 875 |
| Webster Hollow Run | Federal | 0 | 0 | 0 | 0 |
| Rostraver Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 350 | 875 |
| Westmoreland County | State | 900 | 35 | 380 | 1,315 |
| Loyalhanna Creek | Federal | 3,600 | 140 | 300 | 4,040 |
| Derry Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 4,500 | 175 | 680 | 5,355 |
| Westmoreland County | State | 100 | 5 | 70 | 175 |
| Branch of Hanna's Run | Federal | 400 | 20 | 280 | 700 |
| Ligonier Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 350 | 875 |
| Westmoreland County | State | 120 | 5 | 70 | 195 |
| Coalpit Run | Federal | 480 | 20 | 280 | 780 |
| Ligonier Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Westmoreland County | State | 80 | 5 | 70 | 155 |
| Furnace Run | Federal | 420 | 20 | 280 | 720 |
| Ligonier Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 350 | 875 |
| Westmoreland County | State | 500 | 25 | 350 | 875 |
| Branch of Whitehorn Creek | Federal | 0 | 0 | 0 | 0 |
| Salem Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 350 | 875 |
| Westmoreland County | State | 120 | 5 | 70 | 195 |
| Township Line Run | Federal | 480 | 20 | 280 | 780 |
| Salem Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| Westmoreland County | State | \$ 2,000 | \$ 20 | \$ 200 | \$ 2,220 |
| Derry Borough Bridge | Federal | 8,000 | 80 | 800 | 8,880 |
| Derry Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 10,000 | 100 | 1,000 | 11,100 |
| Westmoreland County | State | 120 | 5 | 70 | 195 |
| Two Mile Run | Federal | 480 | 20 | 280 | 780 |
| Ligonier Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Westmoreland County | State | 120 | 5 | 70 | 195 |
| Two Mile Run | Federal | 480 | 20 | 280 | 780 |
| Ligonier Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Westmoreland County | State | 300 | 5 | 100 | 405 |
| Sewickley Creek | Federal | 1,200 | 20 | 400 | 1,620 |
| Sewickley & South Huntingdon Townships | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,500 | 25 | 500 | 2,025 |
| Westmoreland County | State | 500 | 25 | 350 | 875 |
| Tributary - Monongahela River | Federal | 0 | 0 | 0 | 0 |
| Rostraver Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 350 | 875 |
| Westmoreland County | State | 130 | 5 | 80 | 215 |
| Pollock Run | Federal | 520 | 20 | 320 | 860 |
| Rostraver Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 650 | 25 | 400 | 1,075 |
| Westmoreland County | State | 130 | 5 | 80 | 215 |
| Pollock Run | Federal | 520 | 20 | 320 | 860 |
| Rostraver Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 650 | 25 | 400 | 1,075 |
| Westmoreland County | State | 80 | 5 | 70 | 155 |
| Barren Run | Federal | 420 | 20 | 280 | 720 |
| South Huntingdon Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 350 | 875 |
| Westmoreland County | State | 130 | 5 | 80 | 215 |
| Possum Hollow Run | Federal | 520 | 20 | 320 | 860 |
| North Huntingdon Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 650 | 25 | 400 | 1,075 |
| Westmoreland County | State | 120 | 5 | 70 | 195 |
| Branch of Brush Creek | Federal | 480 | 20 | 280 | 780 |
| Hempfield Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Westmoreland County | State | 500 | 25 | 350 | 875 |
| Brush Creek | Federal | 0 | 0 | 0 | 0 |
| Penn Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 350 | 875 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|-----------------------------|---------|-------------------------|--------------|---------------------------|--------------------------|
| Westmoreland County | State | \$ 120 | \$ 5 | \$ 70 | \$ 195 |
| Turtle Creek | Federal | 480 | 20 | 280 | 780 |
| Borough of Murrysville | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Westmoreland County | State | 140 | 10 | 80 | 230 |
| Haymakers Run | Federal | 560 | 40 | 320 | 920 |
| Borough of Murrysville | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 700 | 50 | 400 | 1,150 |
| Westmoreland County | State | 500 | 25 | 350 | 875 |
| Branch of Chartiers Run | Federal | 0 | 0 | 0 | 0 |
| Allegheny Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 350 | 875 |
| Westmoreland County | State | 500 | 25 | 350 | 875 |
| Buffalo Run | Federal | 0 | 0 | 0 | 0 |
| East Huntingdon Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 350 | 875 |
| Westmoreland County | State | 120 | 5 | 70 | 195 |
| Pucketa Creek | Federal | 480 | 20 | 280 | 780 |
| Borough of Murrysville | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Westmoreland County | State | 340 | 5 | 120 | 465 |
| Pucketa Creek | Federal | 1,360 | 20 | 480 | 1,860 |
| Borough of Murrysville | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,700 | 25 | 600 | 2,325 |
| Westmoreland County | State | 160 | 5 | 80 | 245 |
| Pucketa Creek | Federal | 640 | 20 | 320 | 980 |
| Washington Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 800 | 25 | 400 | 1,225 |
| Westmoreland County | State | 260 | 5 | 100 | 365 |
| Beaver Run | Federal | 1,040 | 20 | 500 | 1,560 |
| Washington & Bell Townships | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,300 | 25 | 600 | 1,925 |
| Westmoreland County | State | 120 | 5 | 70 | 195 |
| Pollock Run Bridge | Federal | 480 | 20 | 280 | 780 |
| Rostraver Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 600 | 25 | 350 | 975 |
| Westmoreland County | State | 650 | 25 | 350 | 1,025 |
| Haymakers Run Bridge | Federal | 0 | 0 | 0 | 0 |
| Borough of Murrysville | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 650 | 25 | 350 | 1,025 |
| Westmoreland County | State | 280 | 5 | 100 | 385 |
| Larimer Bridge | Federal | 1,120 | 20 | 400 | 1,540 |
| North Huntingdon Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,400 | 25 | 500 | 1,925 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Westmoreland County | State | \$ 240 | \$ 5 | \$ 100 | \$ 345 |
| SR 4018 over Turtle Creek | Federal | 960 | 20 | 400 | 1,380 |
| Trafford Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 1,200 | 25 | 500 | 1,725 |
| Westmoreland County | State | 100 | 5 | 70 | 175 |
| Welty Run Bridge | Federal | 400 | 20 | 280 | 700 |
| Mount Pleasant Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 25 | 350 | 875 |
| Westmoreland County | State | 150 | 5 | 90 | 245 |
| Little Sewickley Creek | Federal | 600 | 20 | 360 | 980 |
| Arona Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 750 | 25 | 450 | 1,225 |
| Westmoreland County | State | 600 | 40 | 140 | 780 |
| Over I-70 | Federal | 2,400 | 160 | 560 | 3,120 |
| New Stanton Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 3,000 | 200 | 700 | 3,900 |
| Westmoreland County | State | 140 | 5 | 80 | 225 |
| Jacks Run | Federal | 560 | 20 | 320 | 900 |
| South Greensburg Borough & Hempfield Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 700 | 25 | 400 | 1,125 |
| Westmoreland County | State | 340 | 5 | 120 | 465 |
| McGee Run | Federal | 1,360 | 20 | 480 | 1,860 |
| Derry Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 1,700 | 25 | 600 | 2,325 |
| Wyoming County | State | 280 | 20 | 60 | 360 |
| 1 Mile West of TR 87 over Little Mehoopany Creek | Federal | 0 | 0 | 0 | 0 |
| Mehoopany Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 280 | 20 | 60 | 360 |
| Wyoming County | State | 374 | 20 | 75 | 469 |
| 0.1 miles West of TR 6 over Branch of Susquehanna River | Federal | 0 | 0 | 0 | 0 |
| Meshoppen Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 374 | 20 | 75 | 469 |
| Wyoming County | State | 374 | 20 | 75 | 469 |
| 42 feet East of TR 307 over Branch of Beaver Creek | Federal | 0 | 0 | 0 | 0 |
| Falls Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 374 | 20 | 75 | 469 |
| Wyoming County | State | 630 | 20 | 130 | 780 |
| Over an Unknown Stream | Federal | 0 | 0 | 0 | 0 |
| Meshoppen Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 630 | 20 | 130 | 780 |
| Wyoming County | State | 390 | 20 | 80 | 490 |
| 0.5 miles South of TR 29 over South Run Creek | Federal | 0 | 0 | 0 | 0 |
| Monroe Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 390 | 20 | 80 | 490 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| Wyoming County | State | \$ 60 | \$ 4 | \$ 12 | \$ 76 |
| 2.2 Miles west of TR 29 over Stone Run | Federal | 240 | 16 | 48 | 304 |
| Noxen Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 300 | 20 | 60 | 380 |
| Wyoming County | State | 500 | 50 | 250 | 800 |
| 0.4 Miles West of SR 0292 | Federal | 0 | 0 | 0 | 0 |
| Exeter Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 50 | 250 | 800 |
| York County | State | 100 | 50 | 90 | 240 |
| Snyder Corner Road Bridge | Federal | 400 | 0 | 320 | 720 |
| Lower Windsor Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 50 | 410 | 960 |
| York County | State | 100 | 50 | 90 | 240 |
| Springwood Road Bridge | Federal | 400 | 0 | 320 | 720 |
| York Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 50 | 410 | 960 |
| York County | State | 416 | 50 | 110 | 576 |
| York Road Bridge | Federal | 1,664 | 0 | 400 | 2,064 |
| North Codorus Township & Spring Grove Borough | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 2,080 | 50 | 510 | 2,640 |
| York County | State | 100 | 0 | 90 | 190 |
| South Salem Church Bridge | Federal | 400 | 0 | 320 | 720 |
| Dover Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 500 | 0 | 410 | 910 |
| York County | State | 150 | 0 | 90 | 240 |
| Bridge Street Bridge | Federal | 600 | 0 | 320 | 920 |
| New Cumberland Borough & Fairview Township | Local | 0 | 0 | 0 | 0 |
| Bridge Rehabilitation | Total | 750 | 0 | 410 | 1,160 |
| York County | State | 150 | 50 | 90 | 290 |
| East Berlin Road Over Paradise Creek | Federal | 600 | 0 | 320 | 920 |
| Jackson Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 750 | 50 | 410 | 1,210 |
| York County | State | 100 | 50 | 90 | 240 |
| Fissels Church Road Bridge | Federal | 400 | 0 | 320 | 720 |
| Codorus & Shrewsbury Townships | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 50 | 410 | 960 |
| York County | State | 140 | 50 | 100 | 290 |
| North George Street Bridge | Federal | 560 | 0 | 360 | 920 |
| Manchester Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 700 | 50 | 460 | 1,210 |
| York County | State | 100 | 50 | 90 | 240 |
| Furman's Mill Road Bridge | Federal | 400 | 0 | 320 | 720 |
| West Manheim Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | 500 | 50 | 410 | 960 |

Capital Budget

Department of Transportation 2006-07 Projects

FROM CURRENT REVENUES

(Dollar Amounts in Thousands)

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

| | Base Project Cost | Land Cost | Design & Contingencies | Total Project Cost | |
|----------------------|-------------------------|-----------------------|---------------------------|--------------------------|-------------------------|
| York County | State | \$ 100 | \$ 50 | \$ 90 | \$ 240 |
| Gum Tree Road Bridge | Federal | 400 | 0 | 320 | 720 |
| Windsor Township | Local | 0 | 0 | 0 | 0 |
| Bridge Replacement | Total | <u>500</u> | <u>50</u> | <u>410</u> | <u>960</u> |
| Total State | State | 227,933 | 18,145 | 65,326 | 311,403 |
| Total Federal | Federal | 577,549 | 56,282 | 155,360 | 788,790 |
| Total Local | Local | 1,845 | 118 | 746 | 2,709 |
| PROGRAM TOTAL | Total | <u><u>807,326</u></u> | <u><u>74,545</u></u> | <u><u>221,432</u></u> | <u><u>1,102,903</u></u> |

FORECAST OF FUTURE NEW PROJECT AUTHORIZATIONS State Funds

This table provides a summary of the estimated level of future authorizations by department from bond funds and current revenue sources.

(Dollar Amounts in Thousands)

| | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| Agriculture..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Conservation and Natural Resources..... | 109,050 | 99,000 | 99,000 | 93,500 |
| Corrections..... | 30,000 | 30,000 | 30,000 | 30,000 |
| Education..... | 90,560 | 92,500 | 92,750 | 94,000 |
| Emergency Management Agency..... | 0 | 0 | 0 | 0 |
| Environmental Protection..... | 5,200 | 10,800 | 9,600 | 7,400 |
| Fish and Boat Commission..... | 2,000 | 1,500 | 1,000 | 1,000 |
| Game Commission..... | 2,000 | 1,000 | 1,000 | 1,000 |
| General Services..... | 0 | 0 | 0 | 0 |
| Historical and Museum Commission..... | 12,165 | 12,800 | 10,140 | 0 |
| Military and Veterans Affairs..... | 0 | 0 | 0 | 0 |
| Public Welfare..... | 25,604 | 25,932 | 25,618 | 26,089 |
| State Police..... | 0 | 0 | 0 | 0 |
| Transportation..... | 450,000 | 450,000 | 450,000 | 450,000 |
| TOTAL..... | <u>\$ 726,579</u> | <u>\$ 723,532</u> | <u>\$ 719,108</u> | <u>\$ 702,989</u> |

Forecast of Future Projects

This section contains estimated authorizations (State funds only) for future Capital Budgets from 2007-08 through 2010-11. Amounts in this section are grouped by department, along with the general types of projects involved, and are identified by capital project category

(Dollar Amounts in Thousands)

| | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|----------------------|----------------------|----------------------|----------------------|
| FROM CAPITAL FACILITIES BOND FUNDS | | | | |
| Agriculture | | | | |
| PUBLIC IMPROVEMENT PROJECTS: Provides for improvements at the Farm Show Complex and the laborator | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Conservation and Natural Resources | | | | |
| PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of support, day use, camping facilities and utility systems at the State parks; construction of district offices, central garages, radio communications systems and rehabilitation of forest roads in forest districts. Also may include original furniture and equipment authorizations | 69,050 | 58,000 | 57,000 | 50,500 |
| Corrections | | | | |
| PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of administrative, industrial, educational and housing facilities, and utilities at the State-owned correctional institution. Also may include original furniture and equipment authorization | 30,000 | 30,000 | 30,000 | 30,000 |
| Education | | | | |
| PUBLIC IMPROVEMENT PROJECTS: Provides for construction expansion, renovation and conversion of classroom and auxiliary buildings, utilities and recreational facilities for the State System Higher Education, State-Owned Schools and for the State-Related Universities. Also may include furniture and equipment authorization | 90,560 | 92,500 | 92,750 | 94,000 |
| Emergency Management Agency | | | | |
| PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovations at the State Fire Academy, Emergency Operations Center around the State and other emergency facilities | 0 | 0 | 0 | 0 |
| Environmental Protection | | | | |
| PUBLIC IMPROVEMENT PROJECTS: Provides for construction and improvement projects to protect the environment and the health and safety of citizens using State lands and waterways. These projects include flood protection construction. Also may include original furniture and equipment authorizations | 1,600 | 2,400 | 2,400 | 2,400 |
| Environmental Protection | | | | |
| FLOOD CONTROL PROJECTS: Provides for the State share of Federal flood control projects including the construction and improvement of levees, dikes, walls, revetments, dams, lake reservoirs and other works deemed necessary to control floods. Also will control, preserve, and regulate the flow of rivers and streams | 3,600 | 8,400 | 7,200 | 5,000 |
| General Services | | | | |
| PUBLIC IMPROVEMENT PROJECTS: Provides for the construction, renovation and improvements to State office buildings and facilities | 0 | 0 | 0 | 0 |

Capital Budget

Forecast of Future Projects

(Dollar Amounts in Thousands)

| | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|----------------------|----------------------|----------------------|----------------------|
| FROM CAPITAL FACILITIES BOND FUNDS (continued) | | | | |
| Historical and Museum Commission | \$ 12,165 | \$ 12,800 | \$ 10,140 | \$ 0 |
| PUBLIC IMPROVEMENT PROJECTS: Provides for restoration and renovation of historic facilities, installation of fire and security systems, development of fixed exhibits and miscellaneous building and utility improvements at Commonwealth owned museums and historic sites. Also may include furniture and equipment authorization | | | | |
| Military and Veterans Affairs | 0 | 0 | 0 | 0 |
| PUBLIC IMPROVEMENT PROJECTS: Provides for land acquisition renovations, additions and replacement at the State armories and veterans' homes. Also may include original furniture and equipment authorizations | | | | |
| Public Welfare | 25,604 | 25,932 | 25,618 | 26,089 |
| PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of patient buildings, support facilities and utilities at the State institutions for the mentally ill and mentally retarded, restoration centers and youth development centers. Also may include original furniture and equipment authorizations | | | | |
| State Police | 0 | 0 | 0 | 0 |
| PUBLIC IMPROVEMENT PROJECTS: Provides for renovation expansion and construction of troop headquarters/station facilities and driver examination facilities. Also may include original furniture and equipment authorizations | | | | |
| Transportation | 0 | 0 | 0 | 0 |
| PUBLIC IMPROVEMENT PROJECTS: Provides for construction of and additions to highway maintenance and district office building driver examination facilities, welcome centers and State-owned airport facilities. Also may include original furniture and equipment authorizations | | | | |
| Transportation | 150,000 | 150,000 | 150,000 | 150,000 |
| TRANSPORTATION ASSISTANCE PROJECTS: Provides for the purchase/rehabilitation of rolling stock and equipment and for construction/renovation of facilities operated by local mass transportation agencies. Also includes the purchase and improvement of rail lines | | | | |
| CAPITAL FACILITIES BOND FUNDS | | | | |
| Total — Public Improvement Program..... | \$ 228,979 | \$ 221,632 | \$ 217,908 | \$ 202,989 |
| Total — Flood Control Program..... | 3,600 | 8,400 | 7,200 | 5,000 |
| Total — Transportation Assistance Program..... | 150,000 | 150,000 | 150,000 | 150,000 |
| SUBTOTAL— CAPITAL FACILITIES BOND FUNDS..... | \$ 382,579 | \$ 380,032 | \$ 375,108 | \$ 357,989 |

Capital Budget

Forecast of Future Projects

(Dollar Amounts in Thousands)

| | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|----------------------|----------------------|----------------------|----------------------|
| FROM CURRENT REVENUES | | | | |
| Conservation and Natural Resources | \$ 15,000 | \$ 16,000 | \$ 17,000 | \$ 18,000 |
| PUBLIC IMPROVEMENT PROJECTS — KEYSTONE RECREATION, PARK AND CONSERVATION FUND: Provides for the rehabilitation repair and development of State park and forest facilities which a critical for visitor safety and environmental protection or essent for facility operation. | | | | |
| Conservation and Natural Resources | 25,000 | 25,000 | 25,000 | 25,000 |
| PUBLIC IMPROVEMENT PROJECTS — ENVIRONMENTAL STEWARDSHIP FUND: Provides for the acquisition, rehabilitation and development of open space, forests, parks and scenic environment | | | | |
| Fish and Boat Commission | 2,000 | 1,500 | 1,000 | 1,000 |
| PUBLIC IMPROVEMENT PROJECTS — FISH AND BOAT FUND: Provides for acquisition of property, construction of new capital asset and renovation of existing facilities for the development of fisheries at recreational boating facilities | | | | |
| Game Commission | 2,000 | 1,000 | 1,000 | 1,000 |
| PUBLIC IMPROVEMENT PROJECTS — GAME FUND: Provides for acquisition of additional State game land: | | | | |
| Transportation | 300,000 | 300,000 | 300,000 | 300,000 |
| HIGHWAY PROJECTS — MOTOR LICENSE FUND: Provides for the purchase of right-of-way, construction, and reconstruction c highways and bridges on the Commonwealth road system and maj Federally designated safety projects | | | | |
| CURRENT REVENUES | | | | |
| Total – Public Improvement Program..... | \$ 44,000 | \$ 43,500 | \$ 44,000 | \$ 45,000 |
| Total – Highway Program..... | 300,000 | 300,000 | 300,000 | 300,000 |
| SUBTOTAL – CURRENT REVENUES..... | \$ 344,000 | \$ 343,500 | \$ 344,000 | \$ 345,000 |
| TOTAL – ALL PROGRAMS..... | \$ 726,579 | \$ 723,532 | \$ 719,108 | \$ 702,989 |

ESTIMATED CAPITAL PROJECT EXPENDITURES BY DEPARTMENT

This table provides a summary of total estimated capital expenditures for State funds by department.

(Dollar Amounts in Thousands)

| Department | 2006-07 Estimated | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Executive Offices..... | \$ 7,264 | \$ 7,907 | \$ 4,046 | \$ 369 | \$ 369 |
| Agriculture..... | 2,160 | 4,762 | 5,582 | 5,955 | 5,955 |
| Conservation and Natural Resources..... | 49,515 | 57,082 | 52,439 | 63,487 | 79,369 |
| Community and Economic Development..... | 267,463 | 346,709 | 333,606 | 295,348 | 236,985 |
| Corrections..... | 45,005 | 27,788 | 30,385 | 36,991 | 44,491 |
| Education..... | 134,223 | 237,848 | 185,378 | 186,014 | 186,330 |
| Emergency Management Agency..... | 1,082 | 2,516 | 2,726 | 2,992 | 2,992 |
| Environmental Protection..... | 17,732 | 20,464 | 22,081 | 27,623 | 27,153 |
| Fish and Boat Commission..... | 750 | 750 | 750 | 750 | 750 |
| General Services..... | 174,523 | 333,393 | 315,541 | 206,289 | 89,539 |
| Historical and Museum Commission..... | 11,290 | 20,129 | 22,578 | 26,156 | 28,809 |
| Military and Veterans Affairs..... | 9,941 | 17,156 | 17,225 | 18,917 | 18,917 |
| Public Welfare..... | 10,899 | 11,122 | 12,338 | 17,138 | 23,565 |
| State Police..... | 1,880 | 4,090 | 4,211 | 4,682 | 4,682 |
| Transportation..... | 563,771 | 563,108 | 563,568 | 565,814 | 566,635 |
| TOTAL - ALL STATE FUNDS..... | \$ 1,297,498 | \$ 1,654,823 | \$ 1,572,454 | \$ 1,458,525 | \$ 1,316,540 |

Totals may not add due to rounding.

Capital Budget

Estimate of Capital Expenditures

This table provides estimated capital expenditures by department for currently authorized capital projects, projects recommended in this budget and potential future authorizations.

(Dollar Amounts in Thousands)

| | <u>2006-07</u> <u>Estimated</u> | <u>2007-08</u> <u>Estimated</u> | <u>2008-09</u> <u>Estimated</u> | <u>2009-10</u> <u>Estimated</u> | <u>2010-11</u> <u>Estimated</u> |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| CAPITAL FACILITIES BOND FUNDS | | | | | |
| Executive Offices | | | | | |
| Public Improvement Projects | | | | | |
| Projects Currently Authorized | | | | | |
| Buildings and Structures..... | \$ 148 | \$ 322 | \$ 332 | \$ 369 | \$ 369 |
| Furniture and Equipment..... | 7,116 | 7,585 | 3,714 | 0 | 0 |
| Projects in 2006-07 Budget | | | | | |
| Buildings and Structures..... | 0 | 0 | 0 | 0 | 0 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| Future Projects (2007-11) | | | | | |
| Buildings and Structures..... | 0 | 0 | 0 | 0 | 0 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| TOTAL - EXECUTIVE OFFICES..... | \$ 7,264 | \$ 7,907 | \$ 4,046 | \$ 369 | \$ 369 |
| Agriculture | | | | | |
| Public Improvement Projects | | | | | |
| Projects Currently Authorized | | | | | |
| Buildings and Structures..... | \$ 2,010 | \$ 3,412 | \$ 3,332 | \$ 3,705 | \$ 3,705 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| Projects in 2006-07 Budget | | | | | |
| Buildings and Structures..... | 150 | 1,350 | 2,250 | 2,250 | 2,250 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| Future Projects (2007-11) | | | | | |
| Buildings and Structures..... | 0 | 0 | 0 | 0 | 0 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| TOTAL - AGRICULTURE..... | \$ 2,160 | \$ 4,762 | \$ 5,582 | \$ 5,955 | \$ 5,955 |
| Conservation and Natural Resources | | | | | |
| Public Improvement Projects | | | | | |
| Projects Currently Authorized | | | | | |
| Buildings and Structures..... | \$ 19,788 | \$ 19,044 | \$ 14,092 | \$ 15,668 | \$ 15,668 |
| Furniture and Equipment..... | 1,001 | 885 | 295 | 0 | 0 |
| Projects in 2006-07 Budget | | | | | |
| Buildings and Structures..... | 15 | 135 | 225 | 225 | 225 |
| Furniture and Equipment..... | 2,124 | 6,375 | 0 | 0 | 0 |
| Future Projects (2007-11) | | | | | |
| Buildings and Structures..... | 0 | 691 | 6,795 | 16,148 | 31,598 |
| Furniture and Equipment..... | 0 | 1 | 3 | 0 | 0 |
| TOTAL - CONSERVATION AND NATURAL RESOURCES..... | \$ 22,928 | \$ 27,131 | \$ 21,410 | \$ 32,041 | \$ 47,491 |
| Community and Economic Development | | | | | |
| Public Improvement Projects | | | | | |
| Projects Currently Authorized | | | | | |
| Buildings and Structures..... | \$ 18,211 | \$ 39,040 | \$ 40,057 | \$ 44,538 | \$ 44,538 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| Projects in 2006-07 Budget | | | | | |
| Buildings and Structures..... | 0 | 0 | 0 | 0 | 0 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| Future Projects (2007-11) | | | | | |
| Buildings and Structures..... | 0 | 0 | 0 | 0 | 0 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| Subtotal..... | <u>\$ 18,211</u> | <u>\$ 39,040</u> | <u>\$ 40,057</u> | <u>\$ 44,538</u> | <u>\$ 44,538</u> |
| Redevelopment Assistance Projects | | | | | |
| Projects Currently Authorized | | | | | |
| Acquisition and Construction..... | \$ 249,252 | \$ 307,669 | \$ 293,549 | \$ 250,810 | \$ 192,447 |
| TOTAL - COMMUNITY AND ECONOMIC DEVELOPMENT..... | \$ 267,463 | \$ 346,709 | \$ 333,606 | \$ 295,348 | \$ 236,985 |

Capital Budget

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

| | <u>2006-07</u> Estimated | <u>2007-08</u> Estimated | <u>2008-09</u> Estimated | <u>2009-10</u> Estimated | <u>2010-11</u> Estimated |
|---------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Corrections | | | | | |
| Public Improvement Projects | | | | | |
| Projects Currently Authorized | | | | | |
| Buildings and Structures..... | \$ 43,434 | \$ 22,478 | \$ 19,199 | \$ 21,346 | \$ 21,346 |
| Furniture and Equipment..... | 1,028 | 123 | 41 | 0 | 0 |
| Projects in 2006-07 Budget | | | | | |
| Buildings and Structures..... | 543 | 4,887 | 8,145 | 8,145 | 8,145 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| Future Projects (2007-11) | | | | | |
| Buildings and Structures..... | 0 | 300 | 3,000 | 7,500 | 15,000 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| TOTAL - CORRECTIONS..... | <u>\$ 45,005</u> | <u>\$ 27,788</u> | <u>\$ 30,385</u> | <u>\$ 36,991</u> | <u>\$ 44,491</u> |
| Education | | | | | |
| Public Improvement Projects | | | | | |
| Projects Currently Authorized | | | | | |
| Buildings and Structures..... | \$ 131,200 | \$ 216,914 | \$ 163,203 | \$ 153,740 | \$ 131,090 |
| Furniture and Equipment..... | 1,269 | 10,990 | 3,663 | 0 | 0 |
| Projects in 2006-07 Budget | | | | | |
| Buildings and Structures..... | 629 | 5,662 | 9,437 | 9,437 | 9,437 |
| Furniture and Equipment..... | 1,125 | 3,376 | 0 | 0 | 0 |
| Future Projects (2007-11) | | | | | |
| Buildings and Structures..... | 0 | 906 | 9,075 | 22,837 | 45,803 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| TOTAL - EDUCATION..... | <u>\$ 134,223</u> | <u>\$ 237,848</u> | <u>\$ 185,378</u> | <u>\$ 186,014</u> | <u>\$ 186,330</u> |
| Emergency Management Agency | | | | | |
| Public Improvement Projects | | | | | |
| Projects Currently Authorized | | | | | |
| Buildings and Structures..... | \$ 1,058 | \$ 2,302 | \$ 2,370 | \$ 2,636 | \$ 2,636 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| Projects in 2006-07 Budget | | | | | |
| Buildings and Structures..... | 24 | 214 | 356 | 356 | 356 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| Future Projects (2007-11) | | | | | |
| Buildings and Structures..... | 0 | 0 | 0 | 0 | 0 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| TOTAL - EMERGENCY MANAGEMENT..... | <u>\$ 1,082</u> | <u>\$ 2,516</u> | <u>\$ 2,726</u> | <u>\$ 2,992</u> | <u>\$ 2,992</u> |
| Environmental Protection | | | | | |
| Public Improvement Projects | | | | | |
| Projects Currently Authorized | | | | | |
| Buildings and Structures..... | \$ 9,815 | \$ 16,393 | \$ 16,879 | \$ 18,767 | \$ 18,767 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| Projects in 2006-07 Budget | | | | | |
| Buildings and Structures..... | 66 | 594 | 990 | 990 | 990 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| Future Projects (2007-11) | | | | | |
| Buildings and Structures..... | 0 | 16 | 168 | 480 | 1,000 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| Subtotal | <u>\$ 9,881</u> | <u>\$ 17,003</u> | <u>\$ 18,037</u> | <u>\$ 20,237</u> | <u>\$ 20,757</u> |
| Flood Control Projects | | | | | |
| Projects Currently Authorized | | | | | |
| Structures and Improvements..... | \$ 7,819 | \$ 2,753 | \$ 292 | \$ 114 | \$ 0 |
| Projects in 2006-07 Budget | | | | | |
| Structures and Improvements..... | 32 | 132 | 32 | 0 | 0 |
| Future Projects (2007-11) | | | | | |
| Structures and Improvements..... | 0 | 576 | 3,720 | 7,272 | 6,396 |
| Subtotal | <u>\$ 7,851</u> | <u>\$ 3,461</u> | <u>\$ 4,044</u> | <u>\$ 7,386</u> | <u>\$ 6,396</u> |
| TOTAL - ENVIRONMENTAL PROTECTION..... | <u>\$ 17,732</u> | <u>\$ 20,464</u> | <u>\$ 22,081</u> | <u>\$ 27,623</u> | <u>\$ 27,153</u> |

Capital Budget

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

| | <u>2006-07</u> <u>Estimated</u> | <u>2007-08</u> <u>Estimated</u> | <u>2008-09</u> <u>Estimated</u> | <u>2009-10</u> <u>Estimated</u> | <u>2010-11</u> <u>Estimated</u> |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| General Services | | | | | |
| Public Improvement Projects | | | | | |
| Projects Currently Authorized | | | | | |
| Buildings and Structures..... | \$ 174,493 | \$ 328,864 | \$ 314,031 | \$ 206,289 | \$ 89,539 |
| Furniture and Equipment..... | 30 | 4,529 | 1,510 | 0 | 0 |
| Projects in 2006-07 Budget | | | | | |
| Buildings and Structures..... | 0 | 0 | 0 | 0 | 0 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| Future Projects (2007-11) | | | | | |
| Buildings and Structures..... | 0 | 0 | 0 | 0 | 0 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| TOTAL - GENERAL SERVICES..... | <u>\$ 174,523</u> | <u>\$ 333,393</u> | <u>\$ 315,541</u> | <u>\$ 206,289</u> | <u>\$ 89,539</u> |
| Historical and Museum Commission | | | | | |
| Public Improvement Projects | | | | | |
| Projects Currently Authorized | | | | | |
| Buildings and Structures..... | \$ 11,151 | \$ 18,812 | \$ 19,082 | \$ 21,216 | \$ 21,216 |
| Furniture and Equipment..... | 3 | 31 | 10 | 0 | 0 |
| Projects in 2006-07 Budget | | | | | |
| Buildings and Structures..... | 64 | 572 | 954 | 954 | 954 |
| Furniture and Equipment..... | 72 | 228 | 0 | 0 | 0 |
| Future Projects (2007-11) | | | | | |
| Buildings and Structures..... | 0 | 122 | 1,223 | 3,078 | 5,874 |
| Furniture and Equipment..... | 0 | 364 | 1,309 | 908 | 765 |
| TOTAL - HISTORICAL AND MUSEUM | <u>\$ 11,290</u> | <u>\$ 20,129</u> | <u>\$ 22,578</u> | <u>\$ 26,156</u> | <u>\$ 28,809</u> |
| Military and Veterans Affairs | | | | | |
| Public Improvement Projects | | | | | |
| Projects Currently Authorized | | | | | |
| Buildings and Structures..... | \$ 9,936 | \$ 16,524 | \$ 17,014 | \$ 18,917 | \$ 18,917 |
| Furniture and Equipment..... | 5 | 632 | 211 | 0 | 0 |
| Projects in 2006-07 Budget | | | | | |
| Buildings and Structures..... | 0 | 0 | 0 | 0 | 0 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| Future Projects (2007-11) | | | | | |
| Buildings and Structures..... | 0 | 0 | 0 | 0 | 0 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| TOTAL - MILITARY AFFAIRS..... | <u>\$ 9,941</u> | <u>\$ 17,156</u> | <u>\$ 17,225</u> | <u>\$ 18,917</u> | <u>\$ 18,917</u> |
| Public Welfare | | | | | |
| Public Improvement Projects | | | | | |
| Projects Currently Authorized | | | | | |
| Buildings and Structures..... | \$ 10,803 | \$ 9,998 | \$ 8,328 | \$ 9,260 | \$ 9,260 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| Projects in 2006-07 Budget | | | | | |
| Buildings and Structures..... | 96 | 868 | 1,447 | 1,447 | 1,447 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| Future Projects (2007-11) | | | | | |
| Buildings and Structures..... | 0 | 256 | 2,563 | 6,431 | 12,858 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| TOTAL - PUBLIC WELFARE..... | <u>\$ 10,899</u> | <u>\$ 11,122</u> | <u>\$ 12,338</u> | <u>\$ 17,138</u> | <u>\$ 23,565</u> |

Capital Budget

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

| | <u>2006-07</u> Estimated | <u>2007-08</u> Estimated | <u>2008-09</u> Estimated | <u>2009-10</u> Estimated | <u>2010-11</u> Estimated |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| State Police | | | | | |
| Public Improvement Projects | | | | | |
| Projects Currently Authorized | | | | | |
| Buildings and Structures..... | \$ 1,880 | \$ 4,090 | \$ 4,211 | \$ 4,682 | \$ 4,682 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| Projects in 2006-07 Budget | | | | | |
| Buildings and Structures..... | 0 | 0 | 0 | 0 | 0 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| Future Projects (2007-11) | | | | | |
| Buildings and Structures..... | 0 | 0 | 0 | 0 | 0 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| TOTAL - STATE POLICE | \$ 1,880 | \$ 4,090 | \$ 4,211 | \$ 4,682 | \$ 4,682 |
| Transportation | | | | | |
| Public Improvement Projects | | | | | |
| Projects Currently Authorized | | | | | |
| Buildings and Structures..... | \$ 7,449 | \$ 13,225 | \$ 12,890 | \$ 14,332 | \$ 14,332 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| Projects in 2006-07 Budget | | | | | |
| Buildings and Structures..... | 0 | 0 | 0 | 0 | 0 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| Future Projects (2007-11) | | | | | |
| Buildings and Structures..... | 0 | 0 | 0 | 0 | 0 |
| Furniture and Equipment..... | 0 | 0 | 0 | 0 | 0 |
| Subtotal..... | \$ 7,449 | \$ 13,225 | \$ 12,890 | \$ 14,332 | \$ 14,332 |
| Transportation Assistance Projects | | | | | |
| Projects Currently Authorized | | | | | |
| Mass Transit, Rail and Air..... | \$ 150,000 | \$ 115,000 | \$ 93,000 | \$ 61,000 | \$ 82,000 |
| Projects in 2006-07 Budget | | | | | |
| Mass Transit, Rail and Air..... | 0 | 35,000 | 52,000 | 70,000 | 35,000 |
| Future Projects (2007-11) | | | | | |
| Mass Transit, Rail and Air..... | 0 | 0 | 5,000 | 19,000 | 33,000 |
| Subtotal..... | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 |
| TOTAL - TRANSPORTATION..... | \$ 157,449 | \$ 163,225 | \$ 162,890 | \$ 164,332 | \$ 164,332 |
| TOTAL - CAPITAL FACILITIES BOND FUNDS | | | | | |
| Public Improvement Projects | | | | | |
| Buildings and Structures..... | \$ 442,963 | \$ 727,991 | \$ 681,648 | \$ 615,743 | \$ 532,002 |
| Furniture and Equipment..... | 13,773 | 35,119 | 10,756 | 908 | 765 |
| Redevelopment Assistance Projects | | | | | |
| Acquisition and Construction..... | 249,252 | 307,669 | 293,549 | 250,810 | 192,447 |
| Flood Control Projects | | | | | |
| Structures and Improvements..... | 7,851 | 3,461 | 4,044 | 7,386 | 6,396 |
| Transportation Assistance Projects..... | | | | | |
| Mass Transit, Rail and Air..... | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| TOTAL..... | \$ 863,839 | \$ 1,224,240 | \$ 1,139,997 | \$ 1,024,847 | \$ 881,610 |

Capital Budget

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

| | <u>2006-07</u> <u>Estimated</u> | <u>2007-08</u> <u>Estimated</u> | <u>2008-09</u> <u>Estimated</u> | <u>2009-10</u> <u>Estimated</u> | <u>2010-11</u> <u>Estimated</u> |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| CURRENT REVENUES | | | | | |
| FISH AND BOAT FUND | | | | | |
| Fish and Boat Commission | | | | | |
| Public Improvement Projects | | | | | |
| Projects Currently Authorized..... | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 |
| Projects in 2006-07 Budget | 0 | 0 | 0 | 0 | 0 |
| Future Projects (2007-11) | 0 | 0 | 0 | 0 | 0 |
| TOTAL - FISH AND BOAT COMMISSION..... | <u>\$ 750</u> | <u>\$ 750</u> | <u>\$ 750</u> | <u>\$ 750</u> | <u>\$ 750</u> |
| KEYSTONE RECREATION, PARK AND CONSERVATION FUND | | | | | |
| Conservation and Natural Resources | | | | | |
| Keystone Recreation, Park and Conservation Projects - Acquisition, Improvements and Restoration | | | | | |
| Projects Currently Authorized..... | \$ 18,848 | \$ 13,240 | \$ 11,317 | \$ 8,718 | \$ 7,419 |
| Projects in 2006-07 Budget | 0 | 5,197 | 7,796 | 10,394 | 11,693 |
| Future Projects (2007-11) | 0 | 0 | 0 | 0 | 0 |
| Subtotal..... | <u>\$ 18,848</u> | <u>\$ 18,437</u> | <u>\$ 19,112</u> | <u>\$ 19,112</u> | <u>\$ 19,112</u> |
| ENVIRONMENTAL STEWARDSHIP FUND | | | | | |
| Conservation and Natural Resources | | | | | |
| Environmental Stewardship Projects - Acquisition, Rehabilitation and Development | | | | | |
| Projects Currently Authorized..... | \$ 7,739 | \$ 4,041 | \$ 4,444 | \$ 4,861 | \$ 5,293 |
| Projects in 2006-07 Budget | 0 | 7,473 | 7,473 | 7,473 | 7,473 |
| Future Projects (2007-11) | 0 | 0 | 0 | 0 | 0 |
| Subtotal..... | <u>\$ 7,739</u> | <u>\$ 11,514</u> | <u>\$ 11,917</u> | <u>\$ 12,334</u> | <u>\$ 12,766</u> |
| TOTAL - CONSERVATION AND NATURAL RESOURCES..... | <u>\$ 26,587</u> | <u>\$ 29,951</u> | <u>\$ 31,029</u> | <u>\$ 31,446</u> | <u>\$ 31,878</u> |
| MOTOR LICENSE FUND | | | | | |
| Transportation | | | | | |
| Highway and Bridge Projects | | | | | |
| Projects Currently Authorized..... | \$ 406,322 | \$ 379,889 | \$ 372,631 | \$ 361,334 | \$ 341,957 |
| Projects in 2006-07 Budget | 0 | 11,996 | 20,034 | 20,074 | 28,161 |
| Future Projects (2007-11) | 0 | 7,998 | 8,013 | 20,074 | 32,185 |
| TOTAL - TRANSPORTATION..... | <u>\$ 406,322</u> | <u>\$ 399,883</u> | <u>\$ 400,678</u> | <u>\$ 401,482</u> | <u>\$ 402,303</u> |

Capital Budget

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

| | <u>2006-07</u> <u>Estimated</u> | <u>2007-08</u> <u>Estimated</u> | <u>2008-09</u> <u>Estimated</u> | <u>2009-10</u> <u>Estimated</u> | <u>2010-11</u> <u>Estimated</u> |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| TOTAL - CURRENT REVENUES | | | | | |
| Public Improvement Projects | | | | | |
| Fish and Boat Fund..... | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 |
| Acquisition, Improvement and Restoration Projects | | | | | |
| Keystone Recreation, Park and Conservation Fund..... | 18,848 | 18,437 | 19,112 | 19,112 | 19,112 |
| Acquisition, Rehabilitation and Development Projects | | | | | |
| Environmental Stewardship Fund..... | 7,739 | 11,514 | 11,917 | 12,334 | 12,766 |
| Highway and Bridge Projects | | | | | |
| Motor License Fund | 406,322 | 399,883 | 400,678 | 401,482 | 402,303 |
| TOTAL - CURRENT REVENUES..... | \$ 433,659 | \$ 430,584 | \$ 432,457 | \$ 433,678 | \$ 434,931 |
| TOTAL - ALL STATE FUNDS..... | \$ 1,297,498 | \$ 1,654,823 | \$ 1,572,454 | \$ 1,458,525 | \$ 1,316,540 |

Totals may not add due to rounding.



Commonwealth of Pennsylvania

Governor's Executive Budget

PUBLIC DEBT



PUBLIC DEBT

This section presents data on the debt obligations of the Commonwealth. Debt financing is used by the Commonwealth to finance its capital programs, finance voter-approved bond referendums, and fund certain disaster relief programs. Most long-term financing by the Commonwealth is provided by the issuance of general obligation debt. Appropriation-backed debt has been used in limited instances for capital purposes. Data on such debt is included in this presentation only in the calculation of the debt ratios shown.

The Commonwealth Constitution permits debt to be issued for (i) capital projects in approved capital budgets; (ii) purposes approved by voter referendum; and (iii) response to disasters. The following items are guidelines the Commonwealth follows in executing its capital and other debt financing activities:

- Referenda to authorize additional debt should be submitted to the voters only for critical needs when sufficient other resources are not available.
- The general obligation pledge of the Commonwealth is the preferred source of security for Commonwealth debt.
- A moral obligation pledge of the Commonwealth should not be given beyond those already given.
- Revenue pledges are to be used only by independent agencies and authorities that cannot pledge the Commonwealth's general obligation.
- Lease revenue debt should be used only when budgetary restraints prohibit current revenue funding for assets that are infrequently obtained and do not meet capital project definitions.
- Debt should be structured to mature within the useful life of the projects being financed.
- All long-term financing should be sold by competitive bid.
- Short-term borrowing should not comprise a majority of outstanding debt.
- Debt service paid by the General Fund should not exceed five percent of revenues.
- Capital projects addressing health, safety and public protection receive top priority for activation. New construction projects have the lowest priority.
- Highway capital projects should be funded from current revenues of the Motor License Fund.

DEBT AUTHORIZED, ISSUED AND OUTSTANDING

The following statement reflects the debt of the Commonwealth as of December 31, 2005. Issues for which all authorized debt has been previously issued and for which said debt has been completely redeemed are not included. The Constitution permits capital budget debt to be issued without voter approval but subject to a debt limit. Except for debt issued for disaster recovery purposes, all other debt requires voter approval.

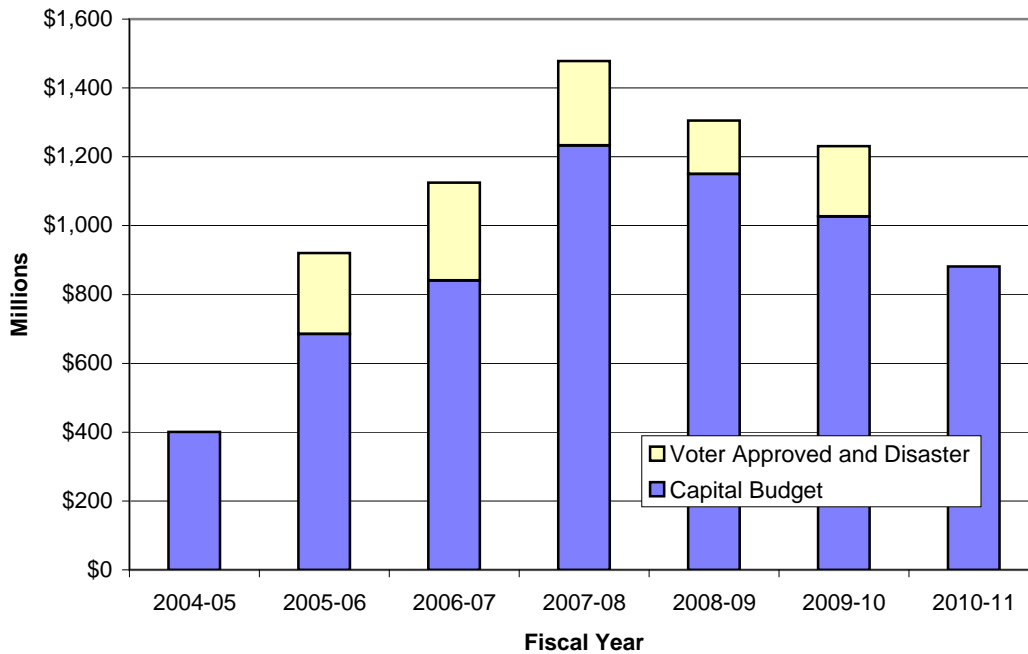
| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|-------------------------------|----------------------------|
| | Total Debt Authorized | Total Original Debt Issued | Debt Outstanding* |
| Debt Subject to Constitutional Limit | | | |
| Capital Budget..... | \$ 60,028,046 | \$ 14,722,130 | \$ 4,272,525 |
| Capital Budget Refunding Bonds Outstanding..... | ..... | ..... | 2,710,040 |
| Less: Capital Debt Fund Balance..... | ..... | ..... | 0 |
| Subtotal..... | <u>\$ 60,028,046</u> | <u>\$ 14,722,130</u> | <u>\$ 6,982,565</u> |
| Debt Not Subject to Constitutional Limit - Voter Approved and Disaster | | | |
| Disaster Relief..... | \$ 192,708 | \$ 170,800 | \$ 0 |
| Disaster Relief 1996..... | 110,000 | 26,000 | 9,580 |
| Economic Revitalization..... | 190,000 | 176,000 | 2,880 |
| Land and Water Development..... | 500,000 | 499,700 | 1,440 |
| Vietnam Veterans' Compensation..... | 65,000 | 62,000 | 0 |
| Volunteer Companies Loan..... | 100,000 | 50,000 | 1,740 |
| Water Facilities - 1981 Referendum..... | 300,000 | 288,500 | 11,300 |
| PENNVEST- 1988 & 1992 Referenda..... | 650,000 | 433,000 | 69,195 |
| Agricultural Conservation Easement..... | 100,000 | 100,000 | 10,135 |
| Local Criminal Justice..... | 200,000 | 194,500 | 5,875 |
| Nursing Home Loans..... | 100,000 | 69,000 | 0 |
| Keystone Recreation, Park and Conservation..... | 50,000 | 50,000 | 3,205 |
| Water Supply and Wastewater Infrastructure..... | 250,000 | 20,000 | 20,000 |
| Growing Greener..... | 625,000 | 50,000 | 50,000 |
| Refunding Bonds Outstanding..... | ..... | ..... | 470,620 |
| Less: Non-capital Sinking Fund Balances..... | ..... | ..... | 0 |
| Subtotal..... | <u>\$ 3,432,708</u> | <u>\$ 2,189,500</u> | <u>\$ 655,970</u> |
| TOTAL..... | <u><u>\$ 63,460,754</u></u> | <u><u>\$ 16,911,630</u></u> | <u><u>\$ 7,638,535</u></u> |

* Total of debt issued plus accreted interest on capital appreciation bonds less debt redeemed or refunded.

GENERAL OBLIGATION BOND ISSUES 2004-05 Through 2010-11

This table shows the projected amount of general obligation bonds of the Commonwealth to be issued during the prior and current fiscal year and the subsequent five fiscal years based on current projects. Refunding bonds are not included in the data.

New General Obligation Bond Issues

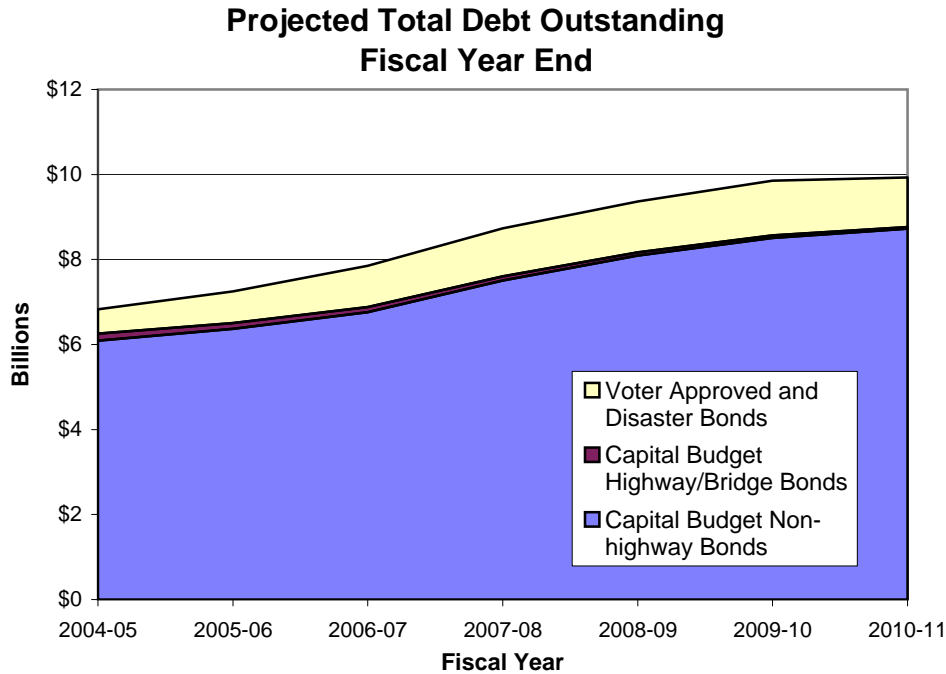


(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|--|--------------------------|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------------|
| General Obligation Bond Issues | | | | | | | |
| Capital Budget | | | | | | | |
| Buildings and Structures..... | \$ 100,000 | \$ 355,000 | \$ 445,000 | \$ 735,000 | \$ 690,000 | \$ 620,000 | \$ 530,000 |
| Flood Control..... | 1,000 | 15,000 | 10,000 | 3,000 | 4,000 | 5,000 | 6,000 |
| Furnishings and Equipment..... | 0 | 0 | 5,000 | 35,000 | 11,000 | 1,000 | 0 |
| Redevelopment Assistance..... | 150,000 | 165,000 | 230,000 | 310,000 | 295,000 | 250,000 | 195,000 |
| Transportation Assistance..... | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| Subtotal..... | <u>\$ 401,000</u> | <u>\$ 685,000</u> | <u>\$ 840,000</u> | <u>\$ 1,233,000</u> | <u>\$ 1,150,000</u> | <u>\$ 1,026,000</u> | <u>\$ 881,000</u> |
| Voter Approved and Disaster | | | | | | | |
| Disaster Relief..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Local Criminal Justice..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PENNVEST -- 1988 & 1992 Referenda..... | 0 | 80,000 | 85,000 | 85,000 | 0 | 0 | 0 |
| Water and Wastewater Referendum..... | 0 | 50,000 | 95,000 | 55,000 | 50,000 | 0 | 0 |
| Growing Greener Referendum..... | 0 | 105,000 | 105,000 | 105,000 | 105,000 | 205,000 | 0 |
| Water Facilities Loan -- 1981 Referendum.. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Subtotal..... | <u>\$ 0</u> | <u>\$ 235,000</u> | <u>\$ 285,000</u> | <u>\$ 245,000</u> | <u>\$ 155,000</u> | <u>\$ 205,000</u> | <u>\$ 0</u> |
| TOTAL..... | <u>\$ 401,000</u> | <u>\$ 920,000</u> | <u>\$ 1,125,000</u> | <u>\$ 1,478,000</u> | <u>\$ 1,305,000</u> | <u>\$ 1,231,000</u> | <u>\$ 881,000</u> |

GENERAL OBLIGATION DEBT OUTSTANDING 2004-05 Through 2010-11

Outstanding debt of the Commonwealth is projected using the proposed bond issuance contained in this budget and encompasses all general obligation debt. Sinking fund balances are excluded. Only capital budget debt is subject to the constitutional debt limit [Article VIII, Section 7(a)(4)].

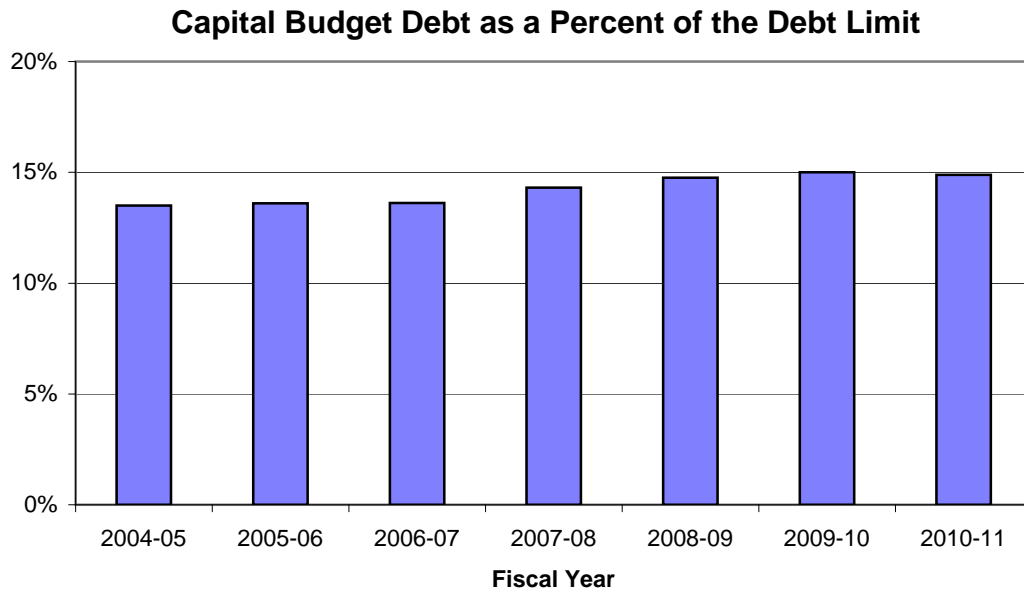


(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Estimated | 2006-07 Budget | 2007-08 Estimated | 2008-09 Estimated | 2009-10 Estimated | 2010-11 Estimated |
|---|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| Fiscal Year End Debt Outstanding | | | | | | | |
| Capital Budget Non-highway Bonds..... | \$ 6,093,840 | \$ 6,365,160 | \$ 6,760,801 | \$ 7,503,917 | \$ 8,096,234 | \$ 8,510,166 | \$ 8,721,820 |
| Capital Budget Highway/Bridge Bonds.. | 164,855 | 137,171 | 117,556 | 96,295 | 75,373 | 57,415 | 39,457 |
| Voter Approved and Disaster Bonds..... | 572,130 | 750,918 | 972,036 | 1,133,288 | 1,190,817 | 1,288,926 | 1,171,574 |
| TOTAL..... | \$ 6,830,825 | \$ 7,253,249 | \$ 7,850,393 | \$ 8,733,500 | \$ 9,362,424 | \$ 9,856,507 | \$ 9,932,851 |

CONSTITUTIONAL DEBT LIMIT 2004-05 Through 2010-11

The Commonwealth Constitution limits outstanding capital budget debt to 1.75 times the average tax revenues during the previous five (5) fiscal years. Voter approved and disaster relief debt are not subject to the constitutional debt limit. The table and chart below present actual data for one fiscal year and current projections for six fiscal years.



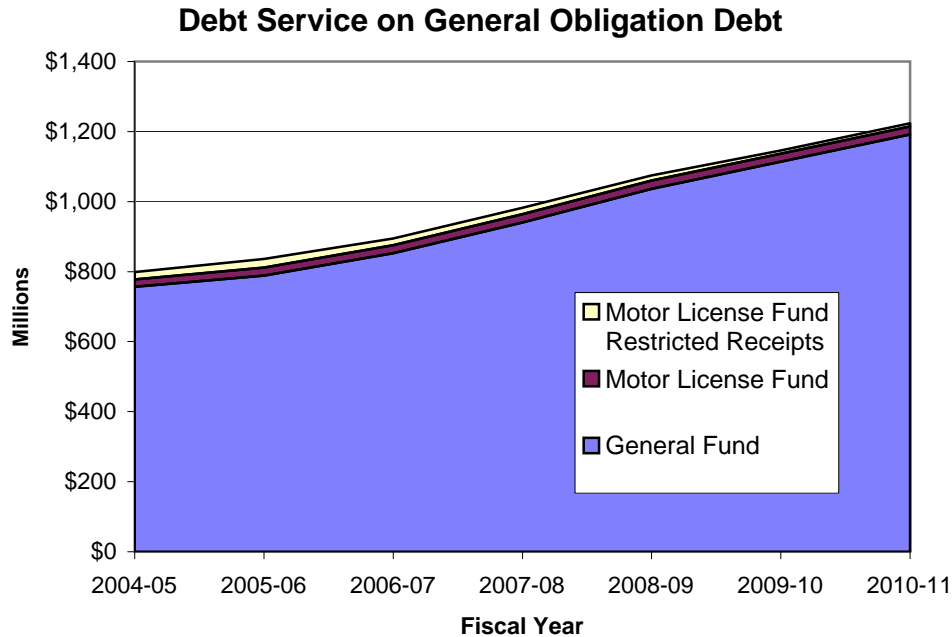
| | (Dollar Amounts in Thousands) | | | | | | |
|--|-------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
| | Actual | Estimated | Budget | Estimated | Estimated | Estimated | Estimated |
| Debt Limit Projection | | | | | | | |
| Capital Budget Debt Subject to Constitutional Debt Limit: | | | | | | | |
| Outstanding Debt | | | | | | | |
| Beginning of Fiscal Year..... | \$ 6,254,978 | \$ 6,175,384 | \$ 6,502,331 | \$ 6,878,357 | \$ 7,600,212 | \$ 8,171,607 | \$ 8,567,581 |
| Debt to be Issued..... | 401,000 | 685,000 | 840,000 | 1,233,000 | 1,150,000 | 1,026,000 | 881,000 |
| Debt to be Retired*..... | -480,594 | -358,053 | -463,974 | -511,145 | -578,605 | -630,026 | -687,304 |
| Outstanding Debt | | | | | | | |
| End of Fiscal Year**..... | <u>\$ 6,175,384</u> | <u>\$ 6,502,331</u> | <u>\$ 6,878,357</u> | <u>\$ 7,600,212</u> | <u>\$ 8,171,607</u> | <u>\$ 8,567,581</u> | <u>\$ 8,761,277</u> |
| Debt Limit (from below)..... | 45,747,158 | 47,813,636 | 50,496,559 | 53,108,946 | 55,349,157 | 57,096,465 | 58,863,053 |
| Capital Budget Debt as a percent of Debt Limit..... | 13.5% | 13.6% | 13.6% | 14.3% | 14.8% | 15.0% | 14.9% |
| Calculation of Debt Limit: | | | | | | | |
| Average Tax Revenues | | | | | | | |
| Previous Five Years..... | \$ 26,141,233 | \$ 27,322,078 | \$ 28,855,176 | \$ 30,347,969 | \$ 31,628,090 | \$ 32,626,551 | \$ 33,636,030 |
| Debt Limit (1.75 times revenues)..... | <u>45,747,158</u> | <u>47,813,636</u> | <u>50,496,559</u> | <u>53,108,946</u> | <u>55,349,157</u> | <u>57,096,465</u> | <u>58,863,053</u> |

* Net of interest accreting on capital appreciation bonds during fiscal year.

** 2004-05 amount is net of sinking fund balances.

DEBT SERVICE ON GENERAL OBLIGATION DEBT 2004-05 Through 2010-11

This table shows the estimated debt service payable by the Commonwealth on currently outstanding general obligation bonds and on projected general obligation bond issues.

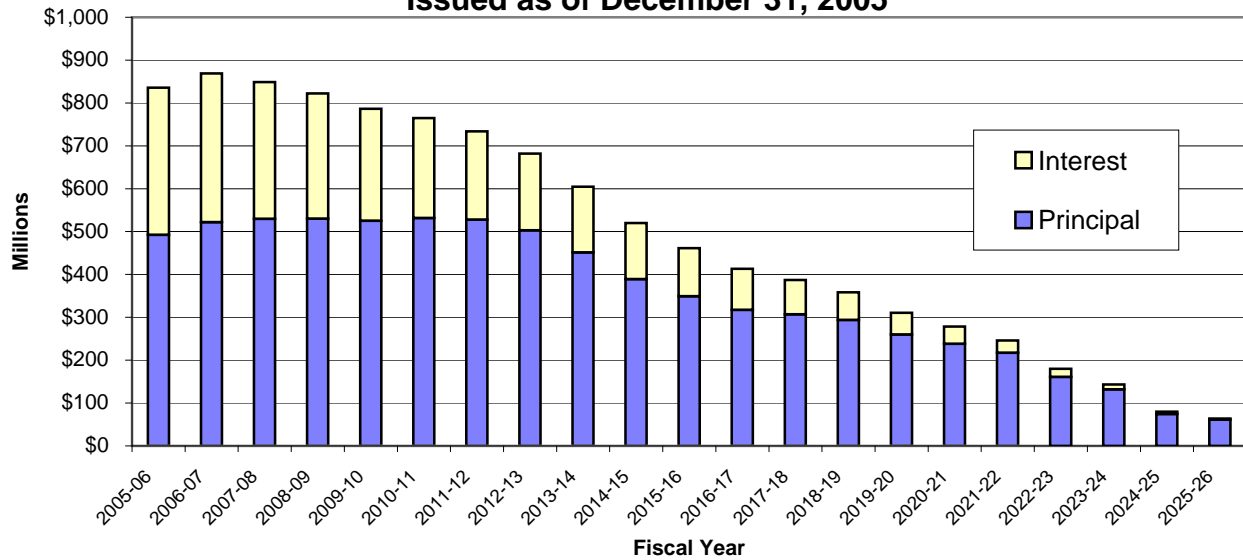


| | (Dollar Amounts in Thousands) | | | | | | | |
|---|-------------------------------|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|----------------------------|-----------|
| | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | |
| | Actual | Estimated | Budget | Estimated | Estimated | Estimated | Estimated | Estimated |
| General Fund | | | | | | | | |
| Capital Budget Non-Highway..... | \$ 667,647 | \$ 703,253 | \$ 749,706 | \$ 812,618 | \$ 892,305 | \$ 957,564 | \$ 1,024,951 | |
| Voter Approved and Disaster..... | 88,768 | 85,148 | 102,991 | 127,510 | 144,375 | 156,187 | 167,091 | |
| Subtotal..... | <u>\$ 756,415</u> | <u>\$ 788,401</u> | <u>\$ 852,697</u> | <u>\$ 940,128</u> | <u>\$ 1,036,680</u> | <u>\$ 1,113,751</u> | <u>\$ 1,192,042</u> | |
| Motor License Fund | | | | | | | | |
| Capital Budget -- Highways..... | \$ 11,571 | \$ 12,097 | \$ 11,461 | \$ 12,564 | \$ 12,318 | \$ 11,962 | \$ 11,470 | |
| Capital Budget..... | 10,037 | 11,403 | 11,372 | 11,322 | 11,322 | 11,239 | 11,239 | |
| Subtotal..... | <u>\$ 21,608</u> | <u>\$ 23,500</u> | <u>\$ 22,833</u> | <u>\$ 23,886</u> | <u>\$ 23,640</u> | <u>\$ 23,201</u> | <u>\$ 22,709</u> | |
| Motor License Fund Restricted Receipts | | | | | | | | |
| Aviation -- Capital Budget..... | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| Highway Bridge Improvement -- Capital Budget..... | 20,977 | 23,816 | 19,151 | 18,005 | 14,257 | 9,023 | 8,559 | |
| Subtotal..... | <u>\$ 20,977</u> | <u>\$ 23,816</u> | <u>\$ 19,151</u> | <u>\$ 18,005</u> | <u>\$ 14,257</u> | <u>\$ 9,023</u> | <u>\$ 8,559</u> | |
| TOTAL..... | <u><u>\$ 799,000</u></u> | <u><u>\$ 835,717</u></u> | <u><u>\$ 894,681</u></u> | <u><u>\$ 982,019</u></u> | <u><u>\$ 1,074,577</u></u> | <u><u>\$ 1,145,975</u></u> | <u><u>\$ 1,223,310</u></u> | |

ANNUAL DEBT SERVICE ON OUTSTANDING GENERAL OBLIGATION BONDS Bonds Issued as of December 31, 2005

Fiscal year principal and interest payments on general obligation bonds issued as of the end of calendar year 2005 are shown in the table below. Debt service on projected bond issues is excluded from this data.

Principal and Interest on Outstanding Bonds Issued as of December 31, 2005



General Obligation Bond Annual Debt Service

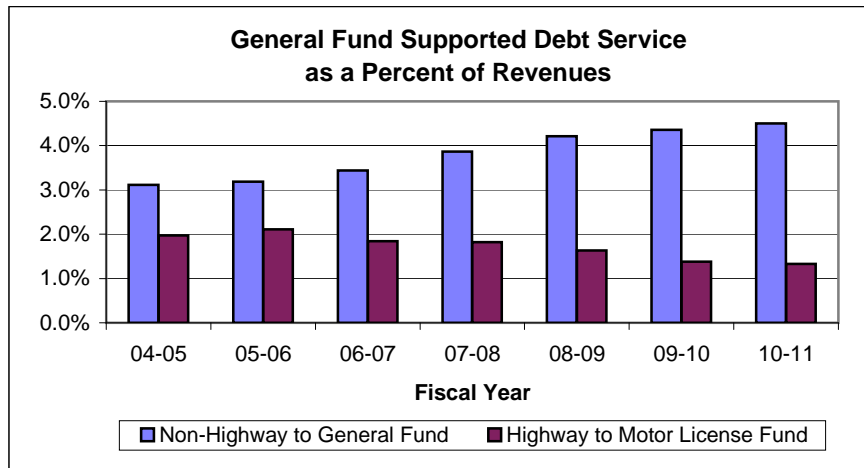
(Dollar Amounts in Thousands)

| Fiscal Year | Capital Budget (Non-highway) | | | Capital Budget (Highway) | | | Voter Approved and Disaster | | | Grand Total |
|-------------|------------------------------|------------|------------|--------------------------|-----------|-----------|-----------------------------|----------|-----------|-------------|
| | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total | |
| 2005-06 | \$ 452,510 | \$ 328,358 | \$ 780,868 | \$ 24,795 | \$ 11,118 | \$ 35,913 | \$ 15,050 | \$ 3,879 | \$ 18,929 | \$ 835,710 |
| 2006-07 | 486,275 | 329,706 | 815,981 | 22,559 | 8,052 | 30,611 | 12,940 | 9,478 | 22,418 | 869,010 |
| 2007-08 | 492,613 | 303,816 | 796,429 | 23,693 | 6,875 | 30,568 | 13,230 | 8,505 | 21,735 | 848,732 |
| 2008-09 | 496,628 | 278,689 | 775,317 | 20,922 | 5,651 | 26,573 | 12,655 | 7,784 | 20,439 | 822,329 |
| 2009-10 | 495,182 | 250,971 | 746,153 | 17,958 | 3,027 | 20,985 | 12,105 | 7,111 | 19,216 | 786,354 |
| 2010-11 | 501,746 | 224,857 | 726,603 | 17,959 | 2,069 | 20,028 | 11,680 | 6,453 | 18,133 | 764,764 |
| 2011-12 | 501,124 | 198,999 | 700,123 | 15,951 | 1,203 | 17,154 | 10,725 | 5,784 | 16,509 | 733,786 |
| 2012-13 | 482,634 | 173,356 | 655,990 | 8,945 | 565 | 9,510 | 11,170 | 5,171 | 16,341 | 681,841 |
| 2013-14 | 440,760 | 148,763 | 589,523 | 4,175 | 145 | 4,320 | 6,290 | 4,687 | 10,977 | 604,820 |
| 2014-15 | 382,225 | 126,437 | 508,662 | 775 | 20 | 795 | 6,110 | 4,348 | 10,458 | 519,915 |
| 2015-16 | 343,245 | 108,233 | 451,478 | 0 | 0 | 0 | 5,775 | 4,059 | 9,834 | 461,312 |
| 2016-17 | 311,230 | 92,115 | 403,345 | 0 | 0 | 0 | 6,120 | 3,770 | 9,890 | 413,235 |
| 2017-18 | 300,600 | 76,760 | 377,360 | 0 | 0 | 0 | 6,370 | 3,467 | 9,837 | 387,197 |
| 2018-19 | 287,155 | 61,328 | 348,483 | 0 | 0 | 0 | 6,745 | 3,148 | 9,893 | 358,376 |
| 2019-20 | 252,680 | 47,899 | 300,579 | 0 | 0 | 0 | 7,070 | 2,813 | 9,883 | 310,462 |
| 2020-21 | 230,460 | 37,677 | 268,137 | 0 | 0 | 0 | 7,770 | 2,460 | 10,230 | 278,367 |
| 2021-22 | 209,460 | 26,600 | 236,060 | 0 | 0 | 0 | 7,785 | 2,072 | 9,857 | 245,917 |
| 2022-23 | 152,835 | 17,434 | 170,269 | 0 | 0 | 0 | 8,115 | 1,685 | 9,800 | 180,069 |
| 2023-24 | 123,425 | 10,235 | 133,660 | 0 | 0 | 0 | 8,525 | 1,280 | 9,805 | 143,465 |
| 2024-25 | 65,485 | 4,907 | 70,392 | 0 | 0 | 0 | 8,750 | 897 | 9,647 | 80,039 |
| 2025-26 | 52,160 | 2,165 | 54,325 | 0 | 0 | 0 | 9,190 | 460 | 9,650 | 63,975 |

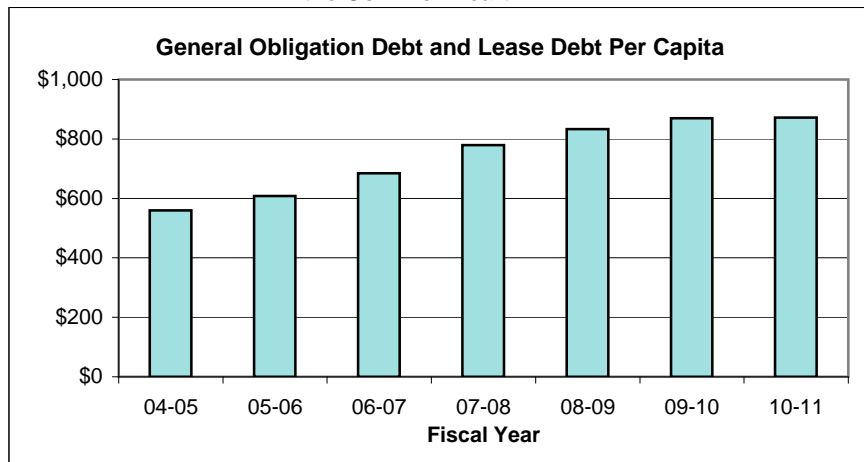
TRENDS IN DEBT SERVICE AND DEBT RATIOS 2004-05 Through 2010-11

The charts portray projections for indicators of the cost of projected annual debt service and the burden of projected debt outstanding. Debt service and outstanding debt includes general obligation debt and debt secured by lease rental payments or operating subsidies from various Commonwealth departments.

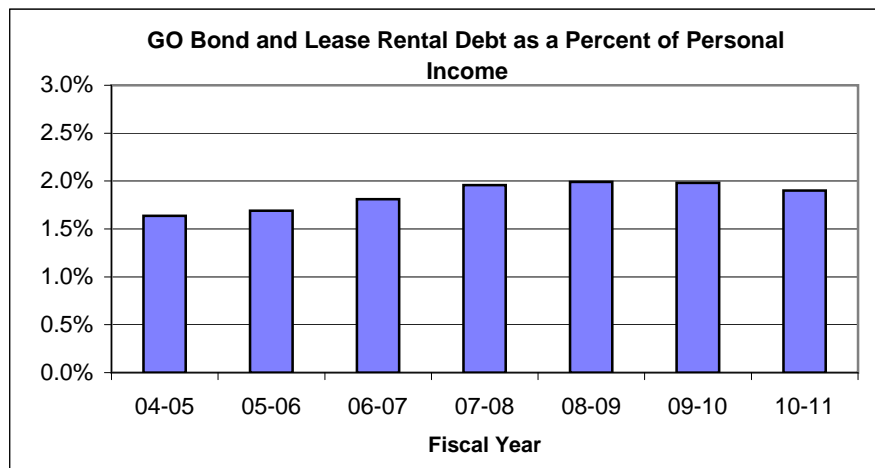
General Fund debt service as a percent of revenues remains below Standard & Poors criteria of 5% for issuers considered to have a "low debt burden."



Per capita debt levels remain relatively low, despite affects from the lack of population growth in the Commonwealth.



Growing personal income keeps the planned bond issuance affordable.



OUTSTANDING INDEBTEDNESS OF PENNSYLVANIA AGENCIES AND AUTHORITIES

The indebtedness of the following agencies and authorities is not an obligation of the Commonwealth of Pennsylvania but represents the debt of those agencies and authorities created by the Commonwealth for a public purpose. These obligations are not considered as debt under Article VIII of the State Constitution.

**Bonds and
Notes as of
06/30/05
(in millions)**

| | |
|--|--------------------|
| Delaware River Joint Toll Bridge Commission Created by Pennsylvania and New Jersey to construct, operate and maintain bridges crossing the upper Delaware River. Debt service on the bonds is paid from tolls and other revenues of the commission. | \$ 191.7 |
| Delaware River Port Authority Created by Pennsylvania and New Jersey to control and operate bridges crossing the Delaware River, it may construct or acquire other bridges, tunnels and other projects for port improvement and development. The authority operates a rapid transit system, which it constructed. Debt service on the bonds is paid from tolls, fares, rents and other revenue of the authority. | 1,245.3 |
| Pennsylvania Economic Development Financing Authority Created to offer pooled bond issues of both taxable and tax-exempt bonds on behalf of local industrial and commercial development authorities for economic development projects. Debt service on the bonds is paid by loan interest and repayments and other authority revenues. | 1,447.1 |
| Pennsylvania Energy Development Authority Makes or guarantees loans for energy projects including the conversion and technological improvement of energy systems utilizing Pennsylvania coal or renewable energy resources. Debt service on the bonds is paid from the revenues of the authority. | 28.1 |
| Pennsylvania Higher Education Assistance Agency Makes or guarantees student loans for graduate and undergraduate programs to students or parents, lending institutions or postsecondary institutions. Debt service on the bonds is paid by loan interest and repayments and by other agency revenues. | 5,525.0 |
| Pennsylvania Higher Educational Facilities Authority Acquires, constructs, improves and leases (as lessor) college facilities and makes loans to colleges and universities within the Commonwealth. Debt service on the bonds is paid from rentals and from loan repayments collected for the use of the facilities. | 4,892.6 |
| Pennsylvania Housing Finance Agency Makes construction and permanent mortgage loans to qualified borrowers for the purchase and construction of multi and single family housing for low and moderate income persons or families. Debt service on the bonds is paid from mortgage loan interest and repayments and further secured by a "moral obligation" of the Commonwealth. | 3,115.5 |
| Pennsylvania Industrial Development Authority Makes mortgage loans to local nonprofit industrial development agencies for the financing of industrial development projects. Debt service on the bonds is paid from loan interest and repayments and other authority revenues. | 478.5 |
| Pennsylvania Infrastructure Investment Authority Provides low interest rate loans and grants for constructing new and for improving existing water supply and sewage disposal systems. Loans and grants are available to local governments and, in certain circumstances, to private companies. The bonds are secured by principal repayments and interest payments on loans. | 96.8 |
| Pennsylvania Turnpike Commission Constructs, maintains and operates the Pennsylvania Turnpike. Debt service on the bonds is paid from tolls and other revenue sources of the commission. | 2,437.6 |
| Philadelphia Regional Port Authority Operates port facilities in Bucks and Delaware counties, and the City of Philadelphia. Debt service on the bonds is paid by a pledge of the authority's revenues, rentals and receipts. | 50.7 |
| State Public School Building Authority Constructs, improves, equips and makes loans to local school districts for school facilities. Debt service on the bonds is paid from rentals collected for the use of the facilities and from loan repayments. | 1,442.7 |
| TOTAL..... | <u>\$ 20,951.6</u> |



Commonwealth of Pennsylvania

Governor's Executive Budget

*OTHER
SPECIAL FUNDS*



OTHER SPECIAL FUNDS

APPENDIX

This section provides brief descriptive and financial data for Commonwealth funds not given an expanded treatment in other sections of the Governor's Budget. This information is presented to demonstrate the magnitude and complexity of the Commonwealth's financial structure as well as give some details of the various funds.

OTHER SPECIAL FUNDS

This appendix contains a brief presentation of all active Commonwealth funds not given an expanded treatment in the other sections of the budget.

In a limited number of cases certain expenditures from funds presented in this section are included in other presentations.

Generally, the Commonwealth uses a modified cash basis of accounting for financial reporting where certain revenues are reported when collected and, for certain taxes, when accrued and expenditures are reported when disbursed or committed. Unless otherwise noted in the fund description, all financial data shown herein is on a cash basis, which means that the beginning and ending balances include cash plus investments. Receipts include only those items actually received and credited to the funds by the Department of Revenue. Disbursements represent checks issued or transfers made by the Treasury Department and do not include commitments, encumbrances or vouchers payable.

Several funds carrying long-term investments show an adjustment to reflect the current market value of those investments as of June 30, 2005.

This format for displaying financial data was chosen for its simplicity and easy adaptability to all funds. As such, the data may not present the best statement of the funds' condition nor accurately describe the operating characteristics of the funds.

The vast majority of Commonwealth day-to-day activities are financed from the General Fund; however, over time a large number of other funds have been created to more closely relate specific revenue sources to specific programs or to identify particular government programs or activities. These special funds are categorized into groups to aid in identifying their purpose. These groups are defined below.

Governmental Funds: Collectively these funds account for and report activities that are associated with routine, ordinary governmental functions and are financed largely by tax and grant revenues. The

group includes the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

Special Revenue Funds — These funds are used to account for revenues from specific taxes or other earmarked revenue sources, which by law are designated to finance particular functions or activities.

Capital Project Funds — Bond Funds are used to account for the receipt and disbursement of bond sale proceeds that normally finance the construction or acquisition of designated fixed assets.

Debt Service Funds — These funds account for the accumulation of resources, principally from transfers from other funds, for the payment of general long-term debt principal and interest.

Proprietary Funds: Include Enterprise Funds and Internal Service Funds. Such funds account for and report activities the way a private business or industry would. They include such activities as sale of goods or services, and lending and other financing activities where purchasers or customers pay a charge or a user fee.

Enterprise Funds — These funds accommodate the operation of public service programs financed wholly or mostly by user charges, or where the periodic determination of net income is deemed appropriate.

Internal Service Funds — These funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the Commonwealth, or to other governmental units, on a cost-reimbursement basis.

Fiduciary Funds: These funds are used to account for assets held by the Commonwealth as trustee or agent for individuals, private organizations and other government units.

Acid Mine Drainage Abatement and Treatment Fund

This fund was created in 1992 to receive money authorized by Title IV of the Federal Surface Mining Control and Reclamation Act. This fund receives up to ten percent of the Commonwealth's Federal Title IV grant for abandoned mine reclamation. Funds are used for acid mine drainage abatement and treatment.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 20,742 | \$ 23,095 | \$ 20,002 |
| Receipts: | | | |
| Federal Funds..... | \$ 2,363 | \$ 2,500 | \$ 2,500 |
| Interest..... | 860 | 625 | 650 |
| Total Receipts..... | <u>3,223</u> | <u>3,125</u> | <u>3,150</u> |
| Total Funds Available | \$ 23,965 | \$ 26,220 | \$ 23,152 |
| Disbursements: | | | |
| Environmental Protection..... | \$ 870 | \$ 6,218 | \$ 6,312 |
| Total Disbursements..... | <u>-870</u> | <u>-6,218</u> | <u>-6,312</u> |
| Cash Balance, Ending | \$ 23,095 | \$ 20,002 | \$ 16,840 |

Administration Fund

This fund was created for the administrative costs associated with the Unemployment Compensation Law and the State system of public employment offices (Office of Employment Security). While the fund can receive funds from any source, the majority of revenue results from moneys requisitioned from the Commonwealth's account in the Federal Unemployment Trust Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 1,690 | \$ 985 | \$ 1,315 |
| Receipts: | | | |
| Federal Unemployment Trust Fund..... | \$ 199,330 | \$ 206,000 | \$ 204,000 |
| Federal — Other Funds..... | 10,167 | 1,700 | 1,700 |
| Other..... | 1,784 | 130 | 130 |
| Total Receipts..... | <u>211,281</u> | <u>207,830</u> | <u>205,830</u> |
| Total Funds Available | \$ 212,971 | \$ 208,815 | \$ 207,145 |
| Disbursements: | | | |
| Labor and Industry..... | \$ 211,986 | \$ 207,500 | \$ 206,000 |
| Total Disbursements..... | <u>-211,986</u> | <u>-207,500</u> | <u>-206,000</u> |
| Cash Balance, Ending | \$ 985 | \$ 1,315 | \$ 1,145 |

Agricultural College Land Scrip Fund

This fund was established in 1862 with \$500,000 received from the sale of lands and scrip which was donated to the Commonwealth by an Act of Congress to establish a college for the benefit of Agriculture and the Mechanical Arts (The Pennsylvania State University). The income derived from the investment of the monies in the fund plus appropriations which may be made from time to time by the General Assembly serve as revenue to the fund. Monies in this fund can be disbursed only for use by the officially designated land grant college (The Pennsylvania State University) for the benefit of Agriculture and Mechanical Arts.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 631 | \$ 633 | \$ 635 |
| Receipts: | | | |
| Interest on Securities..... | \$ 26 | \$ 27 | \$ 28 |
| Total Receipts..... | 26 | 27 | 28 |
| Total Funds Available | \$ 657 | \$ 660 | \$ 663 |
| Disbursements: | | | |
| Treasury..... | \$ 24 | \$ 25 | \$ 26 |
| Total Disbursements..... | -24 | -25 | -26 |
| Cash Balance, Ending | \$ 633 | \$ 635 | \$ 637 |

Agricultural Conservation Easement Purchase Fund

This fund was created by Act 64 of 1988 to implement the referendum approved by the electorate November 8, 1988. That referendum authorized the Commonwealth to incur indebtedness of \$100 million to be used for farmland preservation through the purchase of agricultural conservation easements. Act 23 of 1992 increased the annual ceiling on easement purchases from bond sales from \$20 to \$25 million. All bonds authorized have been issued.

Act 89 of 2002 changed the annual transfer of cigarette tax revenues from the first two thirty-firsts of the cigarette tax to \$20,485,000 to be made in two equal payments by July 15th and January 15th. Act 15 of 1999 created a supplemental program for farmland preservation, and Act 1-A of 1999 appropriated \$43 million from the General Fund for that supplemental program. Act 68 of 1999, the Environmental Stewardship and Watershed Protection Act, provided for an additional General Fund transfer in 1999-00 for the basic program and provided for transfers from the Environmental Stewardship Fund beginning on July 1, 2000, through June 30, 2004, to fund the purchase of easements. Act 232 of 2002 provided a one-time deposit of \$16,500,000 from municipal waste landfill disposal fees collected under 27 Pa. C.S. 6301. Beginning in 2005-06, Growing Greener II will provide a set percentage (14.8%) of the Environmental Stewardship Fund, for the continued purchase of agricultural easements.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 29,224 | \$ 32,365 | \$ 19,196 |
| Receipts: | | | |
| Interest on Securities..... | \$ 1,375 | \$ 1,000 | \$ 1,000 |
| Transfer of Cigarette Tax..... | 20,485 | 20,485 | 20,485 |
| Transfer from the Environmental Stewardship Fund..... | 16,500 | 10,749 | 9,521 |
| Transfer from Growing Greener Bond Fund..... | 0 | 0 | 40,000 |
| Other..... | 0 | 346 | 346 |
| Total Receipts..... | 38,360 | 32,580 | 71,352 |
| Total Funds Available | \$ 67,584 | \$ 64,945 | \$ 90,548 |
| Disbursements: | | | |
| Agriculture..... | \$ 35,219 | \$ 45,749 | \$ 90,000 |
| Total Disbursements..... | -35,219 | -45,749 | -90,000 |
| Cash Balance, Ending | \$ 32,365 | \$ 19,196 | \$ 548 |

Agricultural Conservation Easement Purchase Sinking Fund

Payment of interest and principal due on outstanding agricultural conservation easement purchase bonds is made from this fund. Revenues of this fund come from the annual appropriation from the General Fund for general obligation debt service.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 0 | \$ 0 | \$ 0 |
| Receipts: | | | |
| Transfer from General Fund..... | \$ 2,520 | \$ 1,943 | \$ 1,897 |
| Accrued Interest on Bonds Sold..... | 0 | 0 | 0 |
| Total Receipts | <u>2,520</u> | <u>1,943</u> | <u>1,897</u> |
| Total Funds Available | <u>\$ 2,520</u> | <u>\$ 1,943</u> | <u>\$ 1,897</u> |
| Disbursements: | | | |
| Treasury..... | \$ 2,520 | \$ 1,943 | \$ 1,897 |
| Total Disbursements | <u>-2,520</u> | <u>-1,943</u> | <u>-1,897</u> |
| Cash Balance, Ending | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

Anthracite Emergency Bond Fund

This fund was created by Act 171 of 1986 to provide loans for anthracite underground mine operators who cannot obtain necessary bonding or whose bonding has been cancelled due to insolvency or bankruptcy of the original bonding company. Revenues are provided by appropriation from the General Fund, a fee for each ton of coal estimated by certain mine operations and payments made by operators in lieu of a bond. Act 173 of 1992 extended the program to anthracite surface mine operators.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 398 | \$ 417 | \$ 187 |
| Receipts: | | | |
| Operator Payments..... | \$ 7 | \$ 0 | \$ 0 |
| Lapse..... | 0 | 0 | 240 |
| Interest | 16 | 20 | 20 |
| Total Receipts | <u>23</u> | <u>20</u> | <u>260</u> |
| Total Funds Available | <u>\$ 421</u> | <u>\$ 437</u> | <u>\$ 447</u> |
| Disbursements: | | | |
| Environmental Protection | \$ 4 | \$ 250 | \$ 250 |
| Total Disbursements | <u>-4</u> | <u>-250</u> | <u>-250</u> |
| Cash Balance, Ending | <u>\$ 417</u> | <u>\$ 187</u> | <u>\$ 197</u> |

Automobile Theft Prevention Trust Fund

The Automobile Theft Prevention Trust Fund was created by Act 171 of 1994. The purpose of the fund is to finance programs in the Commonwealth to prevent, combat and reduce automobile theft and to improve and support automobile theft prosecutions. Revenue to the fund consists of assessments on the insurance companies that conduct business in the Commonwealth, interest earnings, and fines and penalties.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 3,037 | \$ 3,055 | \$ 2,496 |
| Receipts: | | | |
| Assessments..... | \$ 5,894 | \$ 6,056 | \$ 6,220 |
| Returned prior year grants..... | 0 | 500 | 500 |
| Interest on Securities..... | 198 | 250 | 250 |
| Total Receipts | 6,092 | 6,806 | 6,970 |
| Total Funds Available | \$ 9,129 | \$ 9,861 | \$ 9,466 |
| Disbursements: | | | |
| Automobile Theft Prevention Authority..... | \$ 6,074 | \$ 7,365 | \$ 7,365 |
| Total Disbursements | -6,074 | -7,365 | -7,365 |
| Cash Balance, Ending | \$ 3,055 | \$ 2,496 | \$ 2,101 |

Ben Franklin Technology Development Authority Fund

Act 38 of 2001 created the Ben Franklin Technology Development Authority Fund. This fund merges the activities of the Ben Franklin Partnership and the Pennsylvania Technology Development Authority (PTIA) under one authority. The Ben Franklin component assists small and medium sized technology, research and start-up companies to do applied research and development projects and to develop and introduce new products and processes. PTIA provides high-tech financing to small and medium-sized businesses; stimulates the adoption and expansion of electronic commerce; and coordinates and expands university-based research and development in high-tech fields. Revenue to the fund includes annual transfers from the General Fund, loan repayments and interest earnings.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 24,432 | \$ 27,978 | \$ 16,420 |
| Receipts: | | | |
| Transfer from General Fund..... | \$ 63,363 | \$ 50,200 | \$ 50,200 |
| Federal Revenue..... | 1,271 | 2,000 | 2,000 |
| Transfer from Industrial Authority Loan Fund..... | 73 | 0 | 0 |
| Loan Repayments..... | 216 | 1,000 | 1,000 |
| Interest on Securities..... | 1,296 | 1,402 | 758 |
| Other..... | 1 | 0 | 0 |
| Total Receipts | 66,220 | 54,602 | 53,958 |
| Total Funds Available | \$ 90,652 | \$ 82,580 | \$ 70,378 |
| Disbursements: | | | |
| Community and Economic Development Administration..... | \$ 686 | \$ 675 | \$ 675 |
| Loans..... | 5,950 | 10,000 | 10,000 |
| Grants..... | 56,038 | 55,485 | 55,485 |
| Total Disbursements | -62,674 | -66,160 | -66,160 |
| Cash Balance, Ending | \$ 27,978 | \$ 16,420 | \$ 4,218 |

Benefit Completion Fund

This fund was created in 2003 to accumulate reserves for the payment of pensions to eligible former State employees with a statutory benefit entitlement under the State Employees' Retirement Code that exceeds the limits of Section 415(b) of the Internal Revenue Code (IRC). Reserves in this fund will be disbursed to members of the retirement system in accordance with the provision of IRC Section 415(m).

The fund receives revenue from employer contributions and interest income. Employer contributions are an actuarially determined percentage of payroll sufficient to fund the benefit payments of the forthcoming calendar year and the on-going expenses to administer the plan. Management of the fund and payment of benefits is overseen by the State Employees' Retirement Board.

Statement of Cash Receipts and Disbursements:

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
| Cash Balance, Beginning | \$ 1,655 | \$ 2,517 | \$ 2,729 |
| Receipts: | | | |
| Employer Contributions | \$ 1,259 | \$ 1,018 | \$ 1,018 |
| Interest Income..... | 31 | 37 | 37 |
| Total Receipts | 1,290 | 1,055 | 1,055 |
| Total Funds Available | \$ 2,945 | \$ 3,572 | \$ 3,784 |
| Disbursements: | | | |
| State Employees' Retirement System..... | 428 | 843 | 843 |
| Total Disbursements..... | -428 | -843 | -843 |
| Cash Balance, Ending | \$ 2,517 | \$ 2,729 | \$ 2,941 |

Broadband Outreach and Aggregation Fund

Act 183 of 2004 established the Broadband Outreach and Aggregation Fund to fund grants and outreach programs with the ultimate purpose of increasing broadband access in unserved or underserved areas. Deposits to the fund include assessments levied and collected by the Public Utility Commission on certain local exchange telecommunications companies. Up to three percent of annual proceeds can be used by the agency for administrative costs. The total amount of the fund shall not exceed \$5 million annually.

Statement of Cash Receipts and Disbursements:

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
| Cash Balance, Beginning | \$ 0 | \$ 0 | \$ 0 |
| Receipts: | | | |
| Assessments..... | \$ 0 | \$ 0 | \$ 3,000 |
| Income on Investments..... | 0 | 0 | 125 |
| Other..... | 0 | 0 | 2 |
| Total Receipts | 0 | 0 | 3,127 |
| Total Funds Available | \$ 0 | \$ 0 | \$ 3,127 |
| Disbursements: | | | |
| Treasury..... | \$ 0 | \$ 0 | \$ 5 |
| Community and Economic Development..... | 0 | 0 | 3,000 |
| Total Disbursements | 0 | 0 | -3,005 |
| Cash Balance, Ending | \$ 0 | \$ 0 | \$ 122 |

Budget Stabilization Reserve Fund

This fund was created on July 15, 2002 by Act 91 of 2002 to replace the Tax Stabilization Reserve Fund. This fund provides financial assistance to minimize future revenue shortfalls and deficits, and promote greater continuity and predictability in the funding of vital government services. It also minimizes the need to increase taxes to balance the budget of the Commonwealth during periods of economic distress. Act 91 provides revenue through an annual transfer of twenty-five percent of the General Fund's fiscal year ending surplus beginning in 2002-03. If the fund's ending balance equals or exceeds six percent of actual General Fund revenues for the fiscal year in which the surplus occurs, the General Fund transfer is reduced to ten percent. Appropriations out of the fund require approval by two-thirds of the members of the General Assembly. Act 7A of 2004 provided for a total transfer of \$190 million from the General Fund including the 25% required to be transferred under Act 91. Act 41 of 2005 adjusted the rate to 15% for the 2004-05 fiscal year; the balance transfer was \$64.4 million. This budget projects a transfer to the fund of \$68 million at the end of fiscal year 2005-06, at the statutory rate of 25% in accordance with Act 91.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 70,235 | \$ 264,512 | \$ 336,580 |
| Receipts: | | | |
| Transfer from General Fund..... | \$ 190,000 | \$ 64,380 | \$ 67,991 |
| Interest | 4,277 | 7,688 | 8,091 |
| Total Receipts | 194,277 | 72,068 | 76,082 |
| Total Funds Available | \$ 264,512 | \$ 336,580 | \$ 412,662 |
| Disbursements: | | | |
| Transfer to General Fund | \$ 0 | \$ 0 | \$ 0 |
| Total Disbursements | 0 | 0 | 0 |
| Cash Balance, Ending | \$ 264,512 | \$ 336,580 | \$ 412,662 |

Capital Debt Fund

Principal and interest payments on bonds issued for purposes of capital budget projects are paid from this fund. Annual appropriations from various funds for payment of interest and principal due on general obligation bonds is the primary source of revenue. Funds in the excess of interest and principal falling due in any one particular fiscal year may be used by the Board of Finance and Revenue to retire any other general obligation bonds issued to provide revenue to the Capital Facilities Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--|---------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 60,832 | \$ 83,311 | \$ 7,250 |
| Receipts: | | | |
| Transfer from Other Funds..... | \$ 796,504 | \$ 740,527 | \$ 874,074 |
| Rentals - State-Aided and State-Related Institutions..... | 190 | 185 | 194 |
| Interest Subsidy - Higher Education Construction Projects..... | 66 | 0 | 0 |
| Sale of Bonds- Bond Anticipation Notes Payment.... | 0 | 0 | 0 |
| Refunding Bond Maturing Escrow Funds..... | 2,219,157 | 348,001 | 202,483 |
| Accrued Interest on Bonds Sold..... | 0 | 0 | 0 |
| Interest on Securities..... | 94 | 311 | 100 |
| Total Receipts | 3,016,011 | 1,089,024 | 1,076,851 |
| Total Funds Available | \$ 3,076,843 | \$ 1,172,335 | \$ 1,084,101 |
| Disbursements: | | | |
| Treasury..... | \$ 2,993,532 | \$ 1,165,085 | \$ 1,076,557 |
| Total Disbursements | -2,993,532 | -1,165,085 | -1,076,557 |
| Cash Balance, Ending | \$ 83,311 | \$ 7,250 | \$ 7,544 |

Capital Facilities Fund

This fund is used to meet the financial costs of capital projects authorized by capital budget acts. Revenue for this fund comes principally from the sale of general obligation debt and interest earnings. Debt issued for this fund is subject to a debt limit equal to one and three quarter times the average of annual tax revenues in the preceding five fiscal years. This fund has at least one account for each category of capital projects. Interest earned on investment or deposit of monies in the fund is credited to the account in the fund to which such invested or deposited money was originally credited.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 394,011 | \$ 297,924 | \$ 224,572 |
| Receipts: | | | |
| Sale of Bonds..... | \$ 428,037 | \$ 678,150 | \$ 831,600 |
| Intra Account Transfer..... | 50,000 | 0 | 0 |
| Interest on Securities..... | 5,122 | 4,001 | 8,656 |
| Other | 67,369 | 22,794 | 15,000 |
| Total Receipts | <u>550,528</u> | <u>704,945</u> | <u>855,256</u> |
| Total Funds Available | \$ 944,539 | \$ 1,002,869 | \$ 1,079,828 |
| Disbursements: | | | |
| Community and Economic Development..... | \$ 113,320 | \$ 152,392 | \$ 250,402 |
| Environmental Protection..... | 979 | 14,752 | 7,901 |
| General Services..... | 318,564 | 463,295 | 458,986 |
| Transportation..... | 160,876 | 147,712 | 150,750 |
| Other..... | 52,876 | 146 | 0 |
| Total Disbursements | <u>-646,615</u> | <u>-778,297</u> | <u>-868,039</u> |
| Cash Balance, Ending | \$ 297,924 | \$ 224,572 | \$ 211,789 |

Capitol Restoration Trust Fund

This fund was created by Act 327 of 1982 to finance the maintenance, restoration, preservation and rehabilitation of artifacts, documents and other historical objects or resources located within and around or associated with the State Capitol Building, and the acquisition of artifacts, documents and other historical objects or resources which contribute to the historical significance of the State Capitol Building. This fund is administered by the Capitol Preservation Committee. Revenue is derived from gifts, donations and legacies of money from individuals, organizations, public or private corporations, and from the sale of commemorative medals and other items of a similar nature which promote the historic preservation and restoration of the State Capitol Building.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 196 | \$ 206 | \$ 211 |
| Receipts: | | | |
| Contributions and Sales..... | \$ 2 | \$ 2 | \$ 5 |
| Other..... | 8 | 8 | 1 |
| Total Receipts | <u>10</u> | <u>10</u> | <u>6</u> |
| Total Funds Available | \$ 206 | \$ 216 | \$ 217 |
| Disbursements: | | | |
| Capitol Preservation Committee..... | \$ 0 | \$ 5 | \$ 25 |
| Total Disbursements | <u>0</u> | <u>-5</u> | <u>-25</u> |
| Cash Balance, Ending | \$ 206 | \$ 211 | \$ 192 |

Catastrophic Loss Benefits Continuation Fund

This fund was established by Act 24 of 1989 to replace the Catastrophic Loss Trust Fund. The purpose of the Continuation Fund (CAT fund) is to pay all medical claims owed by the Catastrophic Loss Trust Fund. Monies in the former Catastrophic Loss Trust Fund were transferred to this fund effective July 1, 1989. Revenue is obtained from a surcharge on certain motor vehicle moving violations.

Act 13 of 2002 established the Medical Care Availability and Reduction of Error (Mcare) Fund. The act mandates that all surcharges levied and collected under the CAT fund will be remitted to the Mcare Fund beginning in January 2004.

This fund will continue to pay claimants from the balance and interest earnings of the fund until no further obligations exist. The most recent actuarial report estimates final expenditure in 2083.

No obligation or expense of, or claim against, the fund constitutes a debt of the Commonwealth or a charge against the General Fund or the Motor License Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 120,711 | \$ 10,982 | \$ 101,817 |
| Receipts: | | | |
| Moving Violation Surcharge..... | \$ -3,320 (a) | \$ 0 | \$ 0 |
| Repayment of Loan..... | 0 | 100,880 | 0 |
| Interest | 976 | 1,500 | 4,252 |
| Miscellaneous..... | 8 | 5 | 0 |
| Total Receipts | <u>-2,336</u> | <u>102,385</u> | <u>4,252</u> |
| Total Funds Available | \$ 118,375 | \$ 113,367 | \$ 106,069 |
| Disbursements: | | | |
| Insurance..... | \$ 10,393 | \$ 11,550 | \$ 10,259 |
| Loan to Medical Care Availability and Reduction | | | |
| of Error Fund..... | <u>97,000</u> | <u>0</u> | <u>0</u> |
| Total Disbursements | <u>-107,393</u> | <u>-11,550</u> | <u>-10,259</u> |
| Cash Balance, Ending | \$ 10,982 | \$ 101,817 | \$ 95,810 |

^(a) reflects adjustment of 2003-04 moving violation surcharge for portion of surcharge credited to Mcare Fund.

Children's Trust Fund

Act 151 of 1988 created the Children's Trust Fund. Revenue is generated by a \$10 surcharge on marriage licenses and divorce applications. Expenditures are for community-based children's programs and services to prevent child abuse and neglect.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 2,271 | \$ 1,957 | \$ 1,388 |
| Receipts: | | | |
| Marriage/Divorce Surcharge..... | \$ 1,159 | \$ 1,159 | \$ 1,159 |
| Miscellaneous Revenue..... | 122 | 122 | 122 |
| Total Receipts | <u>1,281</u> | <u>1,281</u> | <u>1,281</u> |
| Total Funds Available | \$ 3,552 | \$ 3,238 | \$ 2,669 |
| Disbursements: | | | |
| Public Welfare..... | \$ 1,595 | \$ 1,850 | \$ 1,850 |
| Total Disbursements | <u>-1,595</u> | <u>-1,850</u> | <u>-1,850</u> |
| Cash Balance, Ending | \$ 1,957 | \$ 1,388 | \$ 819 |

Clean Air Fund

This fund was created to meet the provisions of Act 787 of 1959, as amended by Act 95 of 1992, to finance the attainment of air quality standards, the administration of the rules and regulations promulgated under these acts, the reduction of interstate air pollution transport and a program to assist businesses in meeting emission standards. Fines, civil penalties and fees from air pollution emitters, as well as appropriations from the General Assembly, Federal or local governments and interest earnings are deposited in this fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 41,723 | \$ 44,111 | \$ 28,470 |
| Receipts: | | | |
| Fines and Penalties..... | \$ 6,133 | \$ 1,950 | \$ 1,950 |
| Fees..... | 19,011 | 18,700 | 18,700 |
| Interest..... | 2,191 | 1,300 | 1,300 |
| Other..... | 141 | 125 | 125 |
| Total Receipts | <u>27,476</u> | <u>22,075</u> | <u>22,075</u> |
| Total Funds Available | \$ 69,199 | \$ 66,186 | \$ 50,545 |
| Disbursements: | | | |
| Environmental Protection | \$ 25,088 | \$ 37,716 | \$ 37,983 |
| Total Disbursements | <u>-25,088</u> | <u>-37,716</u> | <u>-37,983</u> |
| Cash Balance, Ending | \$ 44,111 | \$ 28,470 | \$ 12,562 |

Coal and Clay Mine Subsidence Insurance Fund

This fund was created by Act 484 of 1961 to provide insurance to home owners in mining areas against damages resulting from subsidence. Revenue is derived from premiums paid by policyholders for subsidence insurance. Act 155 of 2002 updated this insurance program by further defining and establishing coverage by insurance providers, and requiring the Department of Environmental Protection to prepare an annual report on the program and insurance sales. Disbursements are used to cover the payment of insurance claims and commissions to insurance agents who forward insurance applications as outlined in Act 155.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 43,128 | \$ 47,645 | \$ 48,444 |
| Receipts: | | | |
| Premiums Collected..... | \$ 5,490 | \$ 5,000 | \$ 5,000 |
| Interest..... | 1,817 | 1,000 | 1,000 |
| Other..... | 0 | 30 | 30 |
| Total Receipts | <u>7,307</u> | <u>6,030</u> | <u>6,030</u> |
| Total Funds Available | \$ 50,435 | \$ 53,675 | \$ 54,474 |
| Disbursements: | | | |
| Environmental Protection | \$ 2,790 | \$ 5,231 | \$ 5,369 |
| Total Disbursements | <u>-2,790</u> | <u>-5,231</u> | <u>-5,369</u> |
| Cash Balance, Ending | \$ 47,645 | \$ 48,444 | \$ 49,105 |

Coal Lands Improvement Fund

This fund was created in 1965 to finance the restoration of land acquired by the Commonwealth through eminent domain or amicable methods which has been defaced by open pit or strip mining and has been declared a health hazard. Initially the fund was provided a \$1 million appropriation, but subsequent revenue is derived from the sale of restored land and interest on investments.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 2,266 | \$ 2,354 | \$ 2,229 |
| Receipts: | | | |
| Sale of Land..... | \$ 0 | \$ 0 | \$ 0 |
| Interest | 88 | 75 | 75 |
| Total Receipts | <u>88</u> | <u>75</u> | <u>75</u> |
| Total Funds Available | \$ 2,354 | \$ 2,429 | \$ 2,304 |
| Disbursements: | | | |
| Environmental Protection | \$ 0 | \$ 200 | \$ 200 |
| Total Disbursements | <u>0</u> | <u>-200</u> | <u>-200</u> |
| Cash Balance, Ending | \$ 2,354 | \$ 2,229 | \$ 2,104 |

Community College Capital Fund

This fund was established by Act 46 of 2005. Fund revenue consists of an appropriation in the General Fund for transfer to the Community College Capital Fund. Monies in this fund can be disbursed only for payment of the Commonwealth's annual share of approved capital debt service and lease payments to Pennsylvania's community colleges.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 0 | \$ 0 | \$ 0 |
| Receipts: | | | |
| Transfer from General Fund..... | \$ 0 | \$ 37,864 | \$ 42,006 |
| Total Receipts..... | 0 | 37,864 | 42,006 |
| Total Funds Available | \$ 0 | \$ 37,864 | \$ 42,006 |
| Disbursements: | | | |
| Treasury..... | \$ 0 | \$ 37,864 | \$ 42,006 |
| Total Disbursements..... | 0 | -37,864 | -42,006 |
| Cash Balance, Ending | \$ 0 | \$ 0 | \$ 0 |

Conrad Weiser Memorial Park Trust Fund

This fund was created to provide for control, management, supervision, restoration and improvement of the Conrad Weiser Memorial Park, Berks County. Source of revenue for the fund is interest from the \$20,000 perpetual endowment created by the estate of Colonel Conrad Weiser.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 71 | \$ 74 | \$ 77 |
| Receipts: | | | |
| Interest on Securities | \$ 3 | \$ 3 | \$ 3 |
| Total Receipts | 3 | 3 | 3 |
| Total Funds Available | \$ 74 | \$ 77 | \$ 80 |
| Disbursements: | | | |
| Historical and Museum Commission | \$ 0 | \$ 0 | \$ 0 |
| Total Disbursements | 0 | 0 | 0 |
| Cash Balance, Ending | \$ 74 | \$ 77 | \$ 80 |

Deferred Compensation Fund

Act 81 of 1987 established the Commonwealth Deferred Compensation Program. The program enables Commonwealth employees to defer a portion of their salaries into a retirement savings plan. The State Employees' Retirement System is responsible for administration of the act.

Contributions to the fund began in 1988. The disbursements shown under the Executive Offices are employee contribution funds transferred to one of the investment plan options. Those funds, together with the interest they earn, are available to employees upon retirement.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--|------------------------|------------------------|------------------------|
| Cash Balance, Beginning | \$ 21,312 | \$ 7,903 | \$ 4,135 |
| Receipts: | | | |
| Employee Contributions | \$ 136,238 | \$ 144,888 | \$ 154,090 |
| Premium on Sale of Securities..... | -221 ^a | 395 | 207 |
| Interest | 20,760 ^b | 22,837 ^b | 23,305 ^b |
| Total Receipts | <u>156,777</u> | <u>168,120</u> | <u>177,602</u> |
| Total Funds Available | \$ 178,089 | \$ 176,023 | \$ 181,737 |
| Disbursements: | | | |
| Executive Offices..... | \$ 120,387 | \$ 121,591 | \$ 122,807 |
| State Employees' Retirement System | 49,799 | 50,297 | 50,800 |
| Total Disbursements | <u>-170,186</u> | <u>-171,888</u> | <u>-173,607</u> |
| Cash Balance, Ending | <u>\$ 7,903</u> | <u>\$ 4,135</u> | <u>\$ 8,130</u> |

a Securities sold at at discount.

b Includes interest earned on funds controlled by SERS and the Treasury Department.

Deferred Compensation Fund — Short-Term Portfolio

Act 81 of 1987 established the Commonwealth Deferred Compensation Program. The program enables Commonwealth employees to defer a portion of their salaries into a retirement savings plan. Available for the employees' investment selection is the Treasury Short-Term Money Market Account. In order to maintain the identity of the investments and deferred compensation contributions, the Deferred Compensation Fund - Short-Term Portfolio was established.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--|-------------------------|-------------------------|-------------------------|
| Cash Balance, Beginning | \$ 29,922 | \$ 29,243 | \$ 29,828 |
| Receipts: | | | |
| Transfers from Deferred Compensation Fund..... | \$ 3,893 | \$ 3,970 | \$ 4,050 |
| Interest | 539 | 550 | 561 |
| Total Receipts | <u>4,432</u> | <u>4,520</u> | <u>4,611</u> |
| Total Funds Available | \$ 34,354 | \$ 33,763 | \$ 34,439 |
| Disbursements: | | | |
| State Employees' Retirement System | \$ 5,111 | \$ 3,935 | \$ 4,244 |
| Total Disbursements | <u>-5,111</u> | <u>-3,935</u> | <u>-4,244</u> |
| Cash Balance, Ending | <u>\$ 29,243</u> | <u>\$ 29,828</u> | <u>\$ 30,195</u> |

Disaster Relief Fund

Act 4 of Special Session Two of 1996 authorized a \$110 million bond issue for rehabilitation of areas affected by the blizzard of January 1996 and the resulting flood emergency. The 2005-06 total funds available were transferred to the Disaster Relief Redemption Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 365 | \$ 331 | \$ 0 |
| Receipts: | | | |
| Sale of Bonds..... | \$ 0 | \$ 0 | \$ 0 |
| Miscellaneous Revenue..... | 6 | 53 | 0 |
| Total Receipts | 6 | 53 | 0 |
| Total Funds Available | \$ 371 | \$ 384 | \$ 0 |
| Disbursements: | | | |
| Emergency Management Agency..... | \$ 40 | \$ 384 | \$ 0 |
| Total Disbursements | -40 | 384 | 0 |
| Cash Balance, Ending | \$ 331 | \$ 0 | \$ 0 |

Disaster Relief Redemption Fund

Payment of interest and principal due on bonds issued for the Disaster Relief Fund are made from this fund. An annual appropriation from the General Fund for payment of interest and principal due on general obligation bonds is the primary source of revenue. Funds in excess of the interest and principal due in any one fiscal period may be used for retirement of all or any part of such bonds issued which are still outstanding.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 0 | \$ 0 | \$ 384 |
| Receipts: | | | |
| Sale of Bonds..... | \$ 0 | \$ 0 | \$ 0 |
| Transfer from General Fund..... | 2,146 | 2,044 | 1,578 |
| Accrued Interest on Bonds Sold..... | 0 | 0 | 0 |
| Miscellaneous Revenue..... | 0 | 384 | 0 |
| Total Receipts | 2,146 | 2,428 | 1,578 |
| Total Funds Available | \$ 2,146 | \$ 2,428 | \$ 1,962 |
| Disbursements: | | | |
| Treasury..... | \$ 2,146 | \$ 2,044 | \$ 1,962 |
| Total Disbursements | -2,146 | -2,044 | -1,962 |
| Cash Balance, Ending | \$ 0 | \$ 384 | \$ 0 |

DNA Detection Fund

This fund was created by Act 14 of Special Session One of 1995 to account for the collection and processing of Deoxyribonucleic Acid (DNA) samples by State Police from individuals convicted, adjudicated delinquent, or granted accelerated rehabilitation disposition for a felony sex offense or other specified offense. Revenues are derived from mandatory fees which are assessed on sexual offenders. Expenditures are made to establish and maintain a DNA database and DNA bank. Act 57 of 2002 reestablished this fund as well as the State DNA Data Base and State DNA Data Bank. Additional requirements provide for testing and the imposition of related costs on certain offenders, while further defining the apportionment of liability and damages against defendants.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 244 | \$ 456 | \$ 393 |
| Receipts: | | | |
| Assessments..... | \$ 286 | \$ 287 | \$ 288 |
| Interest..... | 12 | 13 | 14 |
| Total Receipts | 298 | 300 | 302 |
| Total Funds Available | \$ 542 | \$ 756 | \$ 695 |
| Disbursements: | | | |
| State Police..... | \$ 86 | \$ 363 | \$ 674 |
| Total Disbursements | -86 | -363 | -674 |
| Cash Balance, Ending | \$ 456 | \$ 393 | \$ 21 |

Education Technology Fund

Act 183 of 2004 established the Education Technology Fund to increase broadband access for school entities. Up to three percent of annual proceeds can be used by the agency for administrative costs with the remaining balance to be used to provide grants to school entities. Revenues for this fund are generated from an assessment on nonrural telecommunications carriers. Additional revenues may include appropriated funds, contributions by other State agencies, Federal funds, or any public or private source. The Education Technology Fund shall terminate on June 30, 2011, and any remaining funds shall be returned on a pro rata basis to the local exchange telecommunications companies that contributed to the fund.

Statement of Cash Receipts and Disbursements:

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 0 | \$ 0 | \$ 3,000 |
| Receipts: | | | |
| Assessments..... | \$ 0 | \$ 7,000 | \$ 7,000 |
| Other..... | 0 | 3,000 | 3,000 |
| Total Receipts | 0 | 10,000 | 10,000 |
| Total Funds Available | \$ 0 | \$ 10,000 | \$ 13,000 |
| Disbursements: | | | |
| Education..... | \$ 0 | \$ 7,000 | \$ 7,000 |
| Total Disbursements | 0 | -7,000 | -7,000 |
| Cash Balance, Ending | \$ 0 | \$ 3,000 | \$ 6,000 |

Educational Assistance Program Fund

The Educational Assistance Program Fund was established in Act 212 of 2004 to deposit monies and related investment income to fund the Educational Assistance Program for members of the National Guard which is administered by the Department of Military and Veterans Affairs.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|------------------------|----------------------|
| Cash Balance, Beginning | \$ 0 | \$ 0 | \$ 7,480 |
| Receipts: | | | |
| Transfer from General Fund..... | \$ 0 | \$ 14,775 ^a | \$ 10,000 |
| Interest..... | 0 | 150 | 175 |
| Total Receipts | 0 | 14,925 | 10,175 |
| Total Funds Available | \$ 0 | \$ 14,925 | \$ 17,655 |
| Disbursements: | | | |
| Military and Veterans Affairs..... | \$ 0 | \$ 7,445 | \$ 12,800 |
| Total Disbursements | 0 | -7,445 | -12,800 |
| Cash Balance, Ending | \$ 0 | \$ 7,480 | \$ 4,855 |

^a Includes balance from prior continuing Education-National Guard appropriation.

Emergency Energy Assistance Fund

Act 81 of 2005 created the Emergency Energy Assistance Fund. The purpose of the fund is to provide for emergency energy assistance for 2005-06 when the Governor issues a declaration that either weather conditions, natural or man-made disasters, or high energy prices or a combination thereof are a threat to public health and the available Federal home energy assistance funds are not sufficient to meet this need. Revenue will be provided by transferring up to one mill of the gross receipts tax collected in 2005-06.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 0 | \$ 0 | \$ 0 |
| Receipts: | | | |
| Transfer from General Fund..... | \$ 0 | \$ 19,300 | \$ 0 |
| Miscellaneous Revenue..... | 0 | 0 | 0 |
| Total Receipts | 0 | 19,300 | 0 |
| Total Funds Available | \$ 0 | \$ 19,300 | \$ 0 |
| Disbursements: | | | |
| Public Welfare..... | \$ 0 | \$ 19,300 | \$ 0 |
| Total Disbursements | 0 | -19,300 | 0 |
| Cash Balance, Ending | \$ 0 | \$ 0 | \$ 0 |

Emergency Medical Services Operating Fund

The purpose of this fund is to assist in activities relating to the prevention and reduction of premature death and disability in the Commonwealth; to provide assistance, coordination and support of the development and maintenance of the comprehensive emergency medical services system; to determine qualifications, eligibility and certification of emergency medical services personnel; and to fund ambulance services. The fund was created by The Emergency Medical Services Act, Act 45 of 1985. Revenue is derived from a \$10 fine levied on all moving traffic violations and a \$25 fee imposed on persons admitted to programs for Accelerated Rehabilitation Disposition (ARD) related to driving under the influence of drugs and/or alcohol.

These fines are in addition to other fines imposed at the discretion of the court. This statement includes both the Emergency Medical and Catastrophic Medical and Rehabilitation components of the act.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------------|-------------------------|-------------------------|
| Cash Balance, Beginning | \$ 25,913 | \$ 25,896 | \$ 20,621 |
| Receipts: | | | |
| Fines | \$ 13,345 | \$ 13,345 | \$ 13,345 |
| Interest | 1,176 | 1,176 | 1,176 |
| Total Receipts | <u>14,521</u> | <u>14,521</u> | <u>14,521</u> |
| Total Funds Available | \$ 40,434 | \$ 40,417 | \$ 35,142 |
| Disbursements: | | | |
| Health | \$ 14,048 | \$ 19,796 | \$ 17,600 |
| Public Welfare | 490 | 0 | 0 |
| Total Disbursements | <u>-14,538</u> | <u>-19,796</u> | <u>-17,600</u> |
| Cash Balance, Ending | <u>\$ 25,896</u> | <u>\$ 20,621</u> | <u>\$ 17,542</u> |

Employment Fund for the Blind

This fund was created in 1967 to make loans to persons who are blind to purchase equipment, stock, merchandise and accessories necessary to put into operation vending or refreshment stands or other suitable business enterprises in suitable locations to be leased or arranged for by State agencies. Act 15 of 1999 transferred the authority to administer the fund from the Department of Public Welfare to the Department of Labor and Industry.

Monies credited to this fund include: (1) repayment of money advanced to persons who are blind for the purchase of merchandise, equipment, stock and accessories; (2) rental fees paid by persons who are blind for leasing equipment and accessories purchased, owned, installed and maintained by the Department of Labor and Industry; (3) a percentage of the profits from vending machines in State buildings where a restaurant or cafeteria is operated by the Department of General Services; and (4) any grants or contributions from the Federal Government.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---------------------------------------|------------------------|------------------------|------------------------|
| Cash Balance, Beginning | \$ 4,525 | \$ 4,485 | \$ 4,501 |
| Receipts: | | | |
| Vending Stand Equipment Rentals | \$ 212 | \$ 220 | \$ 225 |
| Vending Machine Receipts | 397 | 600 | 625 |
| Interest | 194 | 196 | 198 |
| Other | 210 | 60 | 70 |
| Total Receipts | <u>1,013</u> | <u>1,076</u> | <u>1,118</u> |
| Total Funds Available | \$ 5,538 | \$ 5,561 | \$ 5,619 |
| Disbursements: | | | |
| Treasury..... | \$ 0 | \$ 5 | \$ 5 |
| Labor and Industry..... | 1,053 | 1,055 | 1,060 |
| Total Disbursements | <u>-1,053</u> | <u>-1,060</u> | <u>-1,065</u> |
| | <u>\$ 4,485</u> | <u>\$ 4,501</u> | <u>\$ 4,554</u> |

Energy Conservation and Assistance Fund

This fund was created by Act 122 of 1986 to receive all oil overcharge settlements including the uncommitted balance of settlements received prior to the act. Appropriations are made from the fund for supplemental low-income weatherization and home energy assistance programs, and energy conservation activities.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|------------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 2,682 | \$ 2,767 | \$ 822 |
| Receipts: | | | |
| Interest..... | \$ 109 | \$ 155 | \$ 120 |
| Other..... | 0 | 0 | 0 |
| Total Receipts | <u>\$ 109</u> | <u>\$ 155</u> | <u>\$ 120</u> |
| Total Funds Available | \$ 2,791 | \$ 2,922 | \$ 942 |
| Disbursements: | | | |
| Environmental Protection..... | \$ 24 | \$ 500 | \$ 235 |
| Public Welfare..... | 0 | 1,600 | 707 |
| Total Disbursements | <u>-24</u> | <u>-2,100</u> | <u>-942</u> |
| Cash Balance, Ending | <u>\$ 2,767</u> | <u>\$ 822</u> | <u>\$ 0</u> |

Energy Development Fund

The Energy Development Fund was created by Act 280 of 1982. The fund provides the vehicle to accomplish the purposes of the Pennsylvania Energy Development Authority including the sale of bonds. Activities of the fund included preparation of the energy development plan, payment of administrative costs, the making of grants and loans for limited research intended to make the greatest possible contributions to energy conservation and development, and the establishment of reserves in respect to loans guaranteed or bonds issued by the authority. The fund is supported by interest earnings. Executive Order 2004-5 transferred the responsibility for managing this fund and providing services to the Pennsylvania Energy Development Authority from the Department of Community and Economic Development (DCED) to the Department of Environmental Protection (DEP). A 2004-05 transfer of \$10 million from the Alternative Fuels Incentive Grants Account funds a grant program under development in a cooperative effort between DCED and DEP.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 282 | \$ 10,296 | \$ 632 |
| Receipts: | | | |
| PEDA Application Fees..... | \$ 3 | \$ 0 | \$ 0 |
| Transfer from the Alternative Fuels Incentive Grants Account..... | 10,000 | 0 | 0 |
| Interest | 11 | 411 | 411 |
| Total Receipts | <u>10,014</u> | <u>411</u> | <u>411</u> |
| Total Funds Available | \$ 10,296 | \$ 10,707 | \$ 1,043 |
| Disbursements: | | | |
| Community and Economic Development Energy Development Loans..... | \$ 0 | \$ 1,000 | \$ 0 |
| Environmental Protection Administration..... | \$ 0 | \$ 75 | \$ 75 |
| Loans/Grants..... | 0 | 9,000 | 940 |
| Total Disbursements | <u>0</u> | <u>-10,075</u> | <u>-1,015</u> |
| Cash Balance, Ending | \$ 10,296 | \$ 632 | \$ 28 |

Environmental Education Fund

This fund was authorized by Act 24 of 1993 to provide environmental education programs and to provide grants to schools and other organizations. Funding is from the transfer of 5 percent of fines and penalties deposited in the special funds and restricted revenue accounts which are administered by the Department of Environmental Protection. Act 18 of 1995 requires that not less than 25 percent of the annual receipts of this fund shall be provided to the Department of Conservation and Natural Resources.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 992 | \$ 1,294 | \$ 1,018 |
| Receipts: | | | |
| Transfers from Other Funds..... | \$ 764 | \$ 475 | \$ 475 |
| Interest..... | 52 | 6 | 6 |
| Total Receipts | <u>816</u> | <u>481</u> | <u>481</u> |
| Total Funds Available | \$ 1,808 | \$ 1,775 | \$ 1,499 |
| Disbursements: | | | |
| Conservation and Natural Resources..... | \$ 350 | \$ 150 | \$ 370 |
| Environmental Protection | 164 | 607 | 1,120 |
| Total Disbursements | <u>-514</u> | <u>-757</u> | <u>-1,490</u> |
| Cash Balance, Ending | \$ 1,294 | \$ 1,018 | \$ 9 |

Fire Insurance Tax Fund

The revenue for the Fire Insurance Tax Fund results from the two percent tax paid upon premiums received from foreign (out-of state) fire insurance companies on business done within the Commonwealth. The funds are distributed based on the population and market value of real estate of each municipality. In addition, the distribution formula provides for differential payment for paid and volunteer firefighters. The amount to be distributed based on paid firefighters is transferred to the Municipal Pension Aid Fund for payment. This money must be paid by the local governmental organization into the relief, pension or retirement fund of the recognized fire fighting organization serving the city, town, township or borough.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 75,088 | \$ 81,663 | \$ 81,658 |
| Receipts: | | | |
| Tax Payable to Municipalities..... | \$ 81,139 | \$ 81,114 | \$ 91,000 |
| Other..... | 3 | 0 | 0 |
| Total Receipts | <u>81,142</u> | <u>81,114</u> | <u>91,000</u> |
| Total Funds Available | \$ 156,230 | \$ 162,777 | \$ 172,658 |
| Disbursements: | | | |
| Auditor General..... | \$ 74,567 | \$ 81,114 | \$ 91,000 |
| Treasury..... | 0 | 5 | 5 |
| Total Disbursements | <u>-74,567</u> | <u>-81,119</u> | <u>-91,005</u> |
| Cash Balance, Ending | \$ 81,663 | \$ 81,658 | \$ 81,653 |

Governor Robert P. Casey Memorial Organ and Tissue Donation Awareness Trust Fund

This fund was established by Act 102 of 1994 and derives revenue from private contributions, voluntary deductions from State Individual Income Tax returns, and a voluntary \$1 add-on to the fee for an original or renewal driver's license, State identification card or vehicle registration.

After the payment of initial departmental operating costs associated with the fund and in support of the Organ Donation Advisory Committee, any remaining funds are spent as prescribed by the act: 10 percent for hospital and medical expenses, funeral expenses and incidental expenses incurred by the donor or the donor's family in conjunction with making a vital organ donation; 50 percent for grants to certified organ procurement organizations for the development and implementation of organ donation awareness programs; 15 percent in cooperation with certified organ procurement organizations for the "project-make-a-choice program;" and 25 percent for the implementation of organ donation awareness programs in secondary schools.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|------------------------|------------------------|------------------------|
| Cash Balance, Beginning | \$ 2,085 | \$ 2,049 | \$ 1,815 |
| Receipts: | | | |
| Driver's License Applicants..... | \$ 217 | \$ 217 | \$ 217 |
| State Income Tax Contribution..... | 43 | 43 | 43 |
| Vehicle Registration..... | 416 | 416 | 416 |
| Interest on Securities..... | 99 | 99 | 99 |
| Total Receipts | <u>775</u> | <u>775</u> | <u>775</u> |
| Total Funds Available | \$ 2,860 | \$ 2,824 | \$ 2,590 |
| Disbursements: | | | |
| Education..... | \$ 150 | \$ 210 | \$ 150 |
| Health..... | 661 | 799 | 1,080 |
| Total Disbursements | <u>-811</u> | <u>-1,009</u> | <u>-1,230</u> |
| Cash Balance, Ending | <u>\$ 2,049</u> | <u>\$ 1,815</u> | <u>\$ 1,360</u> |

Growing Greener Bond Fund

This fund was created under the authority of Act 45 of 2005 to receive and distribute the proceeds from the sale of \$625 million in bonds. This money will be used to finance various environmental projects such as watershed protection, mine drainage remediation, advanced energy, flood protection, brownfields remediation, State parks and forests facilities, open space conservation, farmland preservation, capital improvement projects for fishing, boating and hunting, and for county environmental initiatives.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 0 | \$ 0 | \$ 56,000 |
| Receipts: | | | |
| Referendum Bonds..... | \$ 0 | \$ 105,000 | \$ 105,000 |
| Interest..... | 0 | 1,000 | 1,000 |
| Total Receipts | 0 | 106,000 | 106,000 |
| Total Funds Available | \$ 0 | \$ 106,000 | \$ 162,000 |
| Disbursements: | | | |
| Agriculture | \$ 0 | \$ 0 | \$ 40,000 |
| Community and Economic Development | 0 | 5,000 | 15,000 |
| Conservation and Natural Resources | 0 | 11,801 | 25,000 |
| Environmental Protection | 0 | 20,847 | 35,000 |
| Fish and Boat Commission | 0 | 1,655 | 4,000 |
| Game Commission | 0 | 6,000 | 8,000 |
| County Environmental Initiative Program Grants | 0 | 4,697 | 15,000 |
| Total Disbursements | 0 | -50,000 | -142,000 |
| Cash Balance, Ending | \$ 0 | \$ 56,000 | \$ 20,000 |

Growing Greener Bond Sinking Fund

Payment of interest and principal due on outstanding Growing Greener bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest on monies in the Growing Greener Bond Fund provide revenues to this fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 0 | \$ 0 | \$ 0 |
| Receipts: | | | |
| Transfer from General Fund..... | \$ 0 | \$ 0 | \$ 9,683 |
| Total Receipts | 0 | 0 | 9,683 |
| Total Funds Available | \$ 0 | \$ 0 | \$ 9,683 |
| Disbursements: | | | |
| Treasury..... | \$ 0 | \$ 0 | \$ 9,683 |
| Total Disbursements | 0 | 0 | -9,683 |
| Cash Balance, Ending | \$ 0 | \$ 0 | \$ 0 |

Hazardous Material Response Fund

This fund was created by Act 165 of 1990 and amended by Act 121 of 2000 to carry out Pennsylvania's responsibilities under Title III of the Federal Superfund Amendments and Reauthorization Act (SARA Title III). Revenue is generated from toxic chemical registration fees and toxic chemical release form fees. Expenditures are for training programs for hazardous material response teams, public education programs, grants to counties for SARA Title III activities, cost recovery grants, facility and vehicle inspections and testing and administration of the program including data collection and management.

Statement of Cash Receipts and Disbursements:

| | (Dollar Amounts in Thousands) | | |
|---------------------------------------|-------------------------------|------------------------|------------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
| Cash Balance, Beginning | \$ 4,115 | \$ 4,557 | \$ 4,637 |
| Receipts: | | | |
| Toxic Chemical Release Form Fee | \$ 1,091 | \$ 1,270 | \$ 1,270 |
| Chemical Inventory Fee | 285 | 300 | 300 |
| Interest on Securities | 204 | 75 | 75 |
| Other..... | 122 | 80 | 80 |
| Total Receipts | <u>1,702</u> | <u>1,725</u> | <u>1,725</u> |
| Total Funds Available | \$ 5,817 | \$ 6,282 | \$ 6,362 |
| Disbursements: | | | |
| Emergency Management Agency | \$ 1,130 | \$ 1,475 | \$ 1,475 |
| Labor and Industry | 130 | 170 | 170 |
| Total Disbursements | <u>-1,260</u> | <u>-1,645</u> | <u>-1,645</u> |
| Cash Balance, Ending | <u>\$ 4,557</u> | <u>\$ 4,637</u> | <u>\$ 4,717</u> |

Hazardous Sites Cleanup Fund

This fund was created by Act 58 of 1987 to finance the cleanup and restoration of abandoned hazardous waste sites in the Commonwealth. Expenditures from this fund are for cleaning up abandoned hazardous waste sites throughout the Commonwealth and restoring the land to productive use. Revenue is generated from a Hazardous Waste Fee as well as money received from parties determined responsible for site contamination. Prior to fiscal year 2002-03, the fund received one-quarter mill of the Capital Stock and Franchise Tax. Act 45 of 2005 provides for transfers to Hazardous Sites from the Environmental Stewardship Fund in 2005-06 and 2006-07.

Statement of Cash Receipts and Disbursements:

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|-------------------------|-------------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
| Cash Balance, Beginning | \$ 72,071 | \$ 32,714 | \$ 19,357 |
| Receipts: | | | |
| Transfer from Environmental Stewardship Fund..... | \$ 0 | \$ 20,000 | \$ 30,000 |
| Hazardous Waste Fee..... | 2,033 | 2,000 | 2,000 |
| Cost Recovery..... | 5,171 | 2,000 | 2,000 |
| Interest..... | 2,612 | 500 | 500 |
| Other..... | 5 | 0 | 0 |
| Total Receipts | <u>9,821</u> | <u>24,500</u> | <u>34,500</u> |
| Total Funds Available | \$ 81,892 | \$ 57,214 | \$ 53,857 |
| Disbursements: | | | |
| Environmental Protection..... | \$ 49,178 | \$ 37,857 | \$ 33,240 |
| Total Disbursements | <u>-49,178</u> | <u>-37,857</u> | <u>-33,240</u> |
| Cash Balance, Ending | <u>\$ 32,714</u> | <u>\$ 19,357</u> | <u>\$ 20,617</u> |

Higher Education Assistance Fund

This fund statement presents financial activity within the Higher Education Assistance Fund that is related only to programs funded by State and federal appropriations. The Pennsylvania Higher Education Assistance Agency (PHEAA) administers other programs through the Higher Education Assistance Fund which are not included in this presentation. Moneys in this fund are currently used primarily for the following purposes: (1) provision of grants to students; (2) provision of grants to nonsectarian private postsecondary educational institutions; (3) provision of grants to institutions of higher learning for the purpose of helping the institution secure Federal funds to provide direct financial aid to students; (4) provision of funds to institutions for College Work Study Programs; (5) provision for grants to minority students entering graduate professional schools under the Bond-Hill Program; (6) provision for loan forgiveness for graduates with agricultural degrees; (7) provision of funds to recruit gifted students to Cheyney University; (8) provision of scholarships to encourage Pennsylvania students to pursue education in science and technology fields; and (9) provision for matching funds to support student interns with emerging technology companies within Pennsylvania. Revenues to this fund are derived from General Fund appropriations by the General Assembly, Federal funds, and interest earnings. In response to a Federal statute change effective in 2000-01, PHEAA no longer includes Federal funds held for the Federal Government on this financial statement.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 59,196 | \$ 67,420 | \$ 65,585 |
| Receipts: | | | |
| Transfer from General Fund | \$ 419,473 | \$ 428,741 | \$ 451,347 |
| Investment Earnings | 5,382 | 4,117 | 4,131 |
| Federal Revenue..... | 11,323 | 6,262 | 8,572 |
| Other..... | 1,379 | 35,768 | 73,268 |
| Total Receipts | <u>437,557</u> | <u>474,888</u> | <u>537,318</u> |
| Total Funds Available | \$ 496,753 | \$ 542,308 | \$ 602,903 |
| Disbursements: | | | |
| Treasury | \$ 14 | \$ 65 | \$ 40 |
| Higher Education Assistance Agency..... | 429,319 | 476,658 | 536,768 |
| Total Disbursements | <u>-429,333</u> | <u>-476,723</u> | <u>-536,808</u> |
| Cash Balance, Ending | \$ 67,420 | \$ 65,585 | \$ 66,095 |

Highway Beautification Fund

The Highway Beautification Fund was created by Act 5 of Special Session Three of 1966. Activities include control of outdoor advertising and junkyards. Although General Fund monies were initially appropriated to establish the fund, highway beautification activities are now supported by licenses, fees, fines, penalties and interest.

Each year the Governor issues executive authorizations which establish the amount to be spent by the Department of Transportation in each of the highway beautification activities.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 1,141 | \$ 1,092 | \$ 750 |
| Receipts: | | | |
| Licenses and Fees..... | \$ 311 | \$ 325 | \$ 325 |
| Other..... | 51 | 54 | 50 |
| Total Receipts | 362 | 379 | 375 |
| Total Funds Available | \$ 1,503 | \$ 1,471 | \$ 1,125 |
| Disbursements: | | | |
| Treasury..... | \$ 0 | \$ 6 | \$ 6 |
| Transportation..... | 411 | 715 | 715 |
| Total Disbursements | -411 | -721 | -721 |
| Cash Balance, Ending | \$ 1,092 | \$ 750 | \$ 404 |

Historical Preservation Fund

This fund was created for expenditure by the Historical and Museum Commission for the preservation, care and maintenance of State historical properties, museums and records and for the financing of historical research and publication programs. Money in the fund can also be used to purchase publications and souvenirs of a historical nature for sale at commission administered properties. This fund is made up of moneys from the sale of publications by the Pennsylvania Historical and Museum Commission and all moneys received from admission fees or other sales by the commission at the State historical properties and/or museums. Act 173 of 2002 enables the commission to sell most Commonwealth publications to the public and provides that net proceeds from the publication sales and from the sale of historical properties administered by the commission shall be deposited into the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 4,086 | \$ 4,001 | \$ 3,601 |
| Receipts: | | | |
| Admission Fees..... | \$ 1,060 | \$ 1,100 | \$ 1,200 |
| Interest | 171 | 200 | 175 |
| Other..... | 1,702 | 1,800 | 2,000 |
| Total Receipts | 2,933 | 3,100 | 3,375 |
| Total Funds Available | \$ 7,019 | \$ 7,101 | \$ 6,976 |
| Disbursements: | | | |
| Treasury..... | \$ 0 | \$ 5 | \$ 5 |
| Historical and Museum Commission..... | 3,018 | 3,495 | 4,495 |
| Total Disbursements | -3,018 | -3,500 | -4,500 |
| Cash Balance, Ending | \$ 4,001 | \$ 3,601 | \$ 2,476 |

HOME Investment Trust Fund

This fund was established by Act 172 of 1992 in order to administer Pennsylvania's program under the National Affordable Housing Act of 1990. Funding is provided by the Federal Department of Housing and Urban Development on an annual basis. Expenditures are for development and support of affordable rental housing and home ownership through the acquisition, new construction, reconstruction or rehabilitation of housing.

Act 58 of 1996 transferred this program from the Department of Community Affairs to the Department of Community and Economic Development. Beginning in 2000-01 the majority of Federal funds are granted directly through the implementation of the United States Department of Housing and Urban Development Integrated Disbursement and Information System and do not flow through the Department of Community and Economic Development. Administrative funds are appropriated to the department to continue the program.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 69 | \$ 42 | \$ 23 |
| Receipts: | | | |
| Federal Revenue..... | \$ 644 | \$ 1,150 | \$ 1,000 |
| Miscellaneous..... | 29 | 31 | 31 |
| Total Receipts | <u>673</u> | <u>1,181</u> | <u>1,031</u> |
| Total Funds Available | <u>\$ 742</u> | <u>\$ 1,223</u> | <u>\$ 1,054</u> |
| Disbursements: | | | |
| Community and Economic Development | | | |
| Administration | \$ 700 | \$ 1,200 | \$ 1,000 |
| Total Disbursements | <u>-700</u> | <u>-1,200</u> | <u>-1,000</u> |
| Cash Balance, Ending | <u>\$ 42</u> | <u>\$ 23</u> | <u>\$ 54</u> |

Industrial Development Fund

Periodic General Fund appropriations made by the General Assembly to the Pennsylvania Industrial Development Authority (PIDA) are credited to this fund. From 1992 to 1994, these appropriations were replaced by an annual \$70 million transfer (\$17.5 million per quarter) of Corporate Net Income tax revenues as provided by Act 22 of 1991. This transfer ended at the close of the 1993-94 fiscal year as part of the PIDA recapitalization.

The fund makes loans to local industrial development agencies to stimulate economic activity in areas of high unemployment. Repayments of loans and other revenues, generally not credited to this fund, are used by PIDA to make additional loans.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 7 | \$ 7 | \$ 8 |
| Receipts: | | | |
| Interest on Securities..... | \$ 0 | \$ 1 | \$ 1 |
| Other..... | 0 | 0 | 0 |
| Total Receipts | <u>0</u> | <u>1</u> | <u>1</u> |
| Total Funds Available | <u>\$ 7</u> | <u>\$ 8</u> | <u>\$ 9</u> |
| Disbursements: | | | |
| Treasury..... | \$ 0 | \$ 0 | \$ 0 |
| Community and Economic Development..... | 0 | 0 | 0 |
| Total Disbursements | <u>0</u> | <u>0</u> | <u>0</u> |
| Cash Balance, Ending | <u>\$ 7</u> | <u>\$ 8</u> | <u>\$ 9</u> |

Industrial Sites Cleanup Fund

Act 2 of 1995 created the Industrial Sites Cleanup Fund to provide grants and loans to political subdivisions, local economic development agencies, and others who as part of an economic development strategy undertake voluntary cleanup of property contaminated by industrial activity. Act 6 of 2000 allows the Department of Community and Economic Development to provide performance-based loans, which may be forgiven if performance measures are met. Also, Act 6 expanded the program to include remediation of non-hazardous waste or debris. Revenue to the fund consists of transfers from the Hazardous Sites Cleanup Fund, any funds appropriated by the General Assembly, interest earnings, and loan repayments. Grants and loans are prioritized based on the benefit of the project to the public health and safety, the cost effectiveness of the project, the economic distress of the area, and the potential of the project to result in economic development.

Statement of Cash Receipts and Disbursements:

| | (Dollar Amounts in Thousands) | | |
|--------------------------------------|-------------------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
| Cash Balance, Beginning | \$ 12,121 | \$ 13,722 | \$ 8,822 |
| Receipts: | | | |
| Loan Principal and Interest..... | 4,165 | 750 | 750 |
| Interest on Securities..... | 559 | 560 | 264 |
| Total Receipts | 4,724 | 1,310 | 1,014 |
| Total Funds Available | \$ 16,845 | \$ 15,032 | \$ 9,836 |
| Disbursements: | | | |
| Community and Economic Development | | | |
| Administration..... | \$ 390 | \$ 210 | \$ 225 |
| Loans..... | 1,398 | 3,000 | 3,000 |
| Grants..... | 1,335 | 3,000 | 3,000 |
| Total Disbursements | -3,123 | -6,210 | -6,225 |
| Cash Balance, Ending | \$ 13,722 | \$ 8,822 | \$ 3,611 |

Insurance Fraud Prevention Trust Fund

The Insurance Fraud Prevention Trust Fund was created by Act 166 of 1994. The purpose of the fund is to finance activities in the Commonwealth to prevent, combat and reduce insurance fraud, and to improve and support insurance fraud law enforcement, prosecutions and prevention. The source of funds is assessments on the insurance companies that conduct business in the Commonwealth of Pennsylvania, fines and penalties, and interest earnings.

Statement of Cash Receipts and Disbursements:

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|------------------------|----------------------|
| | 2004-05 Actual | 2005-2006 Available | 2006-07 Estimated |
| Cash Balance, Beginning | \$ 2,464 | \$ 2,131 | \$ 1,601 |
| Receipts: | | | |
| Assessments..... | \$ 9,950 | \$ 10,103 | \$ 10,376 |
| Fines and Penalties Income..... | 0 | 200 | 200 |
| Returned prior year grants..... | 0 | 500 | 500 |
| Interest on Securities..... | 253 | 310 | 310 |
| Total Receipts | 10,203 | 11,113 | 11,386 |
| Total Funds Available | \$ 12,667 | \$ 13,244 | \$ 12,987 |
| Disbursements: | | | |
| Insurance Fraud Prevention Authority..... | \$ 10,536 | \$ 11,643 | \$ 11,687 |
| Total Disbursements | -10,536 | -11,643 | -11,687 |
| Cash Balance, Ending | \$ 2,131 | \$ 1,601 | \$ 1,300 |

Insurance Liquidation Fund

The Insurance Department is responsible for administering the liquidation of insolvent domestic insurance carriers pursuant to orders of Commonwealth Court under Article V of the Insurance Department Act. This fund is utilized to permit the Treasury Department to invest the assets of insolvent insurance carriers.

These assets are utilized to pay claims and expenses incurred in the administration of domestic insurance carrier insolvencies.

The net investment adjustment shown below is to reflect the current market value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 172,036 | \$ 179,279 | \$ 121,997 |
| Receipts: | | | |
| Carrier Assets..... | \$ 1,072 | \$ 23,700 | \$ 2,400 |
| Net Investment Adjustment..... | 409 | 0 | 0 |
| Interest | 5,762 | 4,818 | 2,828 |
| Total Receipts | <u>7,243</u> | <u>28,518</u> | <u>5,228</u> |
| Total Funds Available | <u>\$ 179,279</u> | <u>\$ 207,797</u> | <u>\$ 127,225</u> |
| Disbursements: | | | |
| Insurance..... | \$ 0 | \$ 85,800 | \$ 69,500 |
| Total Disbursements | <u>0</u> | <u>-85,800</u> | <u>-69,500</u> |
| Cash Balance, Ending | <u>\$ 179,279</u> | <u>\$ 121,997</u> | <u>\$ 57,725</u> |

Job Training Fund

This fund was created by Act 5 of 2005 to facilitate advances in workforce development in the Commonwealth. The Job Training Fund will award annual grants to entities in specified rural counties which run workforce education programs and services for job training assistance to incumbent workers, dislocated workers, adult and youth workers and other workforce development programs. Receipts in the fund are transfers from the Special Administration Fund and are supplemented by interest earnings and other monies appropriated to the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget |
|--------------------------------------|-------------------|----------------------|-------------------|
| Cash Balance, Beginning | \$ 0 | \$ 0 | \$ 0 |
| Receipts: | | | |
| Special Administration Fund..... | \$ 0 | \$ 3,000 | \$ 3,000 |
| Other..... | 0 | 0 | 0 |
| Total Receipts | <u>0</u> | <u>3,000</u> | <u>3,000</u> |
| Total Funds Available | <u>\$ 0</u> | <u>\$ 3,000</u> | <u>\$ 3,000</u> |
| Disbursements: | | | |
| Labor and Industry..... | \$ 0 | \$ 3,000 | \$ 3,000 |
| Total Disbursements | <u>0</u> | <u>-3,000</u> | <u>-3,000</u> |
| Cash Balance, Ending | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

Keystone Recreation, Park and Conservation Sinking Fund

Amounts in this fund are used to redeem or pay interest on bonds issued for the Keystone Recreation, Park and Conservation Fund. The annual appropriation for general obligation debt service from the General Fund provides revenues to the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 0 | \$ 0 | \$ 0 |
| Receipts: | | | |
| Transfer from General Fund | \$ 2,759 | \$ 1,976 | \$ 777 |
| Total Receipts | <u>2,759</u> | <u>1,976</u> | <u>777</u> |
| Total Funds Available | <u>\$ 2,759</u> | <u>\$ 1,976</u> | <u>\$ 777</u> |
| Disbursements: | | | |
| Treasury..... | \$ 2,759 | \$ 1,976 | \$ 777 |
| Total Disbursements | <u>-2,759</u> | <u>-1,976</u> | <u>-777</u> |
| Cash Balance, Ending | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

Land and Water Development Fund

This fund was created in 1968 to finance projects to eliminate land and water scars, air pollution and subsidence due to past coal mining operations, to aid political subdivisions in constructing or improving sewage treatment plants, to develop public outdoor recreation lands and to aid local governments in acquiring land for recreation purposes. In addition, administrative expenses incurred in support of any of these activities may be paid with monies in this fund. Initially, revenue to the fund was derived from the sale of Land and Water Development Bonds up to the \$500 million approved by the electorate on May 16, 1967. All appropriated funds from the bonds have been expended.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 1,613 | \$ 1,613 | \$ 858 |
| Receipts: | | | |
| Sale of Refuse Bank Materials..... | \$ 0 | \$ 0 | \$ 0 |
| Total Receipts | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Funds Available | <u>\$ 1,613</u> | <u>\$ 1,613</u> | <u>\$ 858</u> |
| Disbursements: | | | |
| Treasury..... | \$ 0 | \$ 5 | \$ 5 |
| Environmental Protection | 0 | 750 | 750 |
| Total Disbursements | <u>0</u> | <u>-755</u> | <u>-755</u> |
| Cash Balance, Ending | <u>\$ 1,613</u> | <u>\$ 858</u> | <u>\$ 103</u> |

Land and Water Development Sinking Fund

Payment of interest and principal due on outstanding land and water development bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest on invested balances in this fund and in the Land and Water Development Fund provide the revenues to the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 36 | \$ 89 | \$ 89 |
| Receipts: | | | |
| Transfer from General Fund..... | \$ 178 | \$ 253 | \$ 165 |
| Interest on Securities..... | 132 | 0 | 0 |
| Total Receipts | 310 | 253 | 165 |
| Total Funds Available | \$ 346 | \$ 342 | \$ 254 |
| Disbursements: | | | |
| Treasury..... | \$ 257 | \$ 253 | \$ 254 |
| Total Disbursements | -257 | -253 | -254 |
| Cash Balance, Ending | \$ 89 | \$ 89 | \$ 0 |

Liquid Fuels Tax Fund

The Liquid Fuels Tax Fund was created in 1931 by an act of the General Assembly to assist in funding the local roads system. One-half cent per gallon of gasoline and diesel fuel taxes is deposited into the fund for semi-annual distribution to county governments and to pay registration fees for vehicles operated by mass transportation systems. After payment of fees, remaining funds are allocated to the counties on a three-year average refund to total refund formula and must be used for highway purposes. Since the majority of counties have direct jurisdiction over a limited number of roads, a large portion of these funds are further allocated by the counties to their political subdivisions. To streamline payments to counties the Department of Revenue delegated the authority for these payments and attendant expenses to the Department of Transportation effective in 1999-00.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 5,638 | \$ 5,629 | \$ 6,787 |
| Receipts: | | | |
| Tax on Gasoline | \$ 25,555 | \$ 26,164 | \$ 26,200 |
| Tax on Diesel Fuel | 6,846 | 6,994 | 7,000 |
| Total Receipts | 32,401 | 33,158 | 33,200 |
| Total Funds Available | \$ 38,039 | \$ 38,787 | \$ 39,987 |
| Disbursements: | | | |
| Treasury..... | \$ 94 | \$ 500 | \$ 500 |
| Transportation..... | 32,316 | 31,500 | 38,594 |
| Total Disbursements..... | -32,410 | -32,000 | -39,094 |
| Cash Balance, Ending..... | \$ 5,629 | \$ 6,787 | \$ 893 |

Liquor License Fund

This fund serves as a pass-through account for fees for hotel, restaurant and club liquor and/or beer licenses. These fees are returned semi-annually to the municipalities in which the licenses are located. Interest earned on fund deposits is credited to the General Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 2,406 | \$ 2,432 | \$ 2,460 |
| Receipts: | | | |
| Liquor License Fees..... | \$ 4,504 | \$ 4,600 | \$ 4,600 |
| Beer License Fees..... | 109 | 110 | 110 |
| Other..... | 14 | 23 | 23 |
| Total Receipts | <u>4,627</u> | <u>4,733</u> | <u>4,733</u> |
| Total Funds Available | \$ 7,033 | \$ 7,165 | \$ 7,193 |
| Disbursements: | | | |
| Treasury..... | \$ 0 | \$ 5 | \$ 5 |
| Liquor Control Board..... | 4,601 | 4,700 | 4,700 |
| Total Disbursements | <u>-4,601</u> | <u>-4,705</u> | <u>-4,705</u> |
| Cash Balance, Ending | \$ 2,432 | \$ 2,460 | \$ 2,488 |

Local Criminal Justice Fund

This fund was created by Act 71 of 1990 which authorized the issuance of bonds to raise \$200 million for grants to counties for the repair, expansion, construction, rehabilitation and improvement of local correctional facilities or multicounty regional prison facilities or the purchase of electronic monitoring equipment for alternative sentencing programs.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 1,268 | \$ 501 | \$ 214 |
| Receipts: | | | |
| Sale of Bonds..... | \$ 0 | \$ 1,000 | \$ 2,800 |
| Interest..... | 21 | 13 | 13 |
| Total Receipts | <u>21</u> | <u>1,013</u> | <u>2,813</u> |
| Total Funds Available | \$ 1,289 | \$ 1,514 | \$ 3,027 |
| Disbursements: | | | |
| Corrections..... | \$ 788 | \$ 1,300 | \$ 2,800 |
| Total Disbursements | <u>-788</u> | <u>-1,300</u> | <u>-2,800</u> |
| Cash Balance, Ending | \$ 501 | \$ 214 | \$ 227 |

Local Criminal Justice Sinking Fund

Payment of interest and principal due on outstanding local criminal justice bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest on invested balances in this fund provide the revenues to this fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 0 | \$ 0 | \$ 0 |
| Receipts: | | | |
| Transfer from General Fund..... | \$ 3,941 | \$ 1,203 | \$ 886 |
| Accrued Interest on Bonds Sold..... | 0 | 0 | 0 |
| Total Receipts | <u>3,941</u> | <u>1,203</u> | <u>886</u> |
| Total Funds Available | <u>\$ 3,941</u> | <u>\$ 1,203</u> | <u>\$ 886</u> |
| Disbursements: | | | |
| Treasury..... | \$ 3,941 | \$ 1,203 | \$ 886 |
| Total Disbursements | <u>-3,941</u> | <u>-1,203</u> | <u>-886</u> |
| Cash Balance, Ending | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

Local Government Capital Project Loan Fund

This fund was created in 1990 to assist municipal governments in acquiring equipment and facilities by providing low-interest loans to those governments which find conventional loan costs to be prohibitive. Loans are provided at a rate of two percent for periods not to exceed ten years. Revenues received from loan repayment and interest accrual are returned to the fund on a revolving basis. Act 58 of 1996 transferred this program from the Department of Community Affairs to the Department of Community and Economic Development. Act 46 of 1997 extended this fund indefinitely.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 1,925 | \$ 2,365 | \$ 2,185 |
| Receipts: | | | |
| Loan Repayments..... | \$ 667 | \$ 715 | \$ 720 |
| Interest | 89 | 105 | 98 |
| Total Receipts | <u>756</u> | <u>820</u> | <u>818</u> |
| Total Funds Available | <u>\$ 2,681</u> | <u>\$ 3,185</u> | <u>\$ 3,003</u> |
| Disbursements: | | | |
| Community and Economic Development Loans..... | \$ 316 | \$ 1,000 | \$ 1,000 |
| Total Disbursements | <u>-316</u> | <u>-1,000</u> | <u>-1,000</u> |
| Cash Balance, Ending | <u>\$ 2,365</u> | <u>\$ 2,185</u> | <u>\$ 2,003</u> |

Low-Level Waste Fund

This fund was created by Act 12 of 1988 to finance the selection, licensing, regulation and long-term care of a low-level radioactive waste disposal facility. Revenue is derived from fees for licenses and permits to generate, store and transport waste, surcharges on the disposal of waste, and fines and penalties for violating the provisions of the Low-Level Radioactive Waste Disposal Act. The siting process was suspended in 1998 because of a dramatic reduction in the volume of low-level radioactive waste being generated in the Appalachian Compact and the availability of out-of-state disposal capacity. Expenditures reflect the continued activity by the department to oversee Pennsylvania's generation of low-level waste and to reduce the waste stream.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 2,898 | \$ 2,798 | \$ 2,581 |
| Receipts: | | | |
| Fines and Penalties (a)..... | \$ 0 | \$ 0 | \$ 0 |
| Licenses and Fees (a)..... | 0 | 0 | 0 |
| Other | 0 | 0 | 0 |
| Interest..... | 116 | 55 | 60 |
| Total Receipts | <u>116</u> | <u>55</u> | <u>60</u> |
| Total Funds Available | \$ 3,014 | \$ 2,853 | \$ 2,641 |
| Disbursements: | | | |
| Environmental Protection | \$ 216 | \$ 272 | \$ 265 |
| Total Disbursements | <u>-216</u> | <u>-272</u> | <u>-265</u> |
| Cash Balance, Ending | \$ 2,798 | \$ 2,581 | \$ 2,376 |

^a These revenues will not be received until the Commonwealth's low-level disposal site becomes operational.

Machinery and Equipment Loan Fund

This fund was established by Act 120 of 1988 to provide low-interest machinery and equipment financing for Pennsylvania businesses in order to facilitate their growth, competitiveness and value-added capacity. The fund was initially capitalized by an appropriation from the Pennsylvania Economic Revitalization Fund (PERF). It is now funded from loan repayments, transfers from the General Fund and interest earnings. Act 22 of 2004 required the Commonwealth Financing Authority to transfer \$75 million in bond proceeds to the Department of Community and Economic Development for deposit in the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 36,098 | \$ 32,585 | \$ 82,202 |
| Receipts: | | | |
| Transfer from Commonwealth Finance Authority..... | \$ 0 | \$ 70,000 | \$ 5,000 |
| Loan Repayments..... | 12,080 | 12,780 | 18,570 |
| Miscellaneous..... | 0 | 820 | 720 |
| Interest on Securities..... | 1,580 | 1,642 | 2,576 |
| Total Receipts | <u>13,660</u> | <u>85,242</u> | <u>26,866</u> |
| Total Funds Available | \$ 49,758 | \$ 117,827 | \$ 109,068 |
| Disbursements: | | | |
| Community and Economic Development | | | |
| Administration..... | \$ 348 | \$ 625 | \$ 650 |
| Loans..... | 16,825 | 35,000 | 65,000 |
| Total Disbursements | <u>-17,173</u> | <u>-35,625</u> | <u>-65,650</u> |
| Cash Balance, Ending | \$ 32,585 | \$ 82,202 | \$ 43,418 |

Manufacturing Fund

This fund, created in 1915, is a self-sustaining enterprise that provides institutionalized offenders an opportunity for vocational rehabilitation. Receipts are derived from the sale of inmate manufactured goods to government agencies or government-aided organizations. Expenditures are made for the purchase of raw materials, machinery replacement, inmate wages, and other costs related to the sale and manufacture of their products. This budget proposes legislative changes to permit a funds transfer to augment Department of Corrections operations in 2006-07.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 31,234 | \$ 36,418 | \$ 25,733 |
| Receipts: | | | |
| Sale of Products..... | \$ 38,401 | \$ 34,000 | \$ 39,500 |
| Interest..... | 1,439 | 1,200 | 1,300 |
| Other..... | 57 | 100 | 100 |
| Total Receipts | 39,897 | 35,300 | 40,900 |
| Total Funds Available | \$ 71,131 | \$ 71,718 | \$ 66,633 |
| Disbursements: | | | |
| Treasury..... | \$ 0 | \$ 5 | \$ 5 |
| Corrections..... | 34,713 | 45,980 | 62,200 |
| Total Disbursements | -34,713 | -45,985 | -62,205 |
| Cash Balance, Ending | \$ 36,418 | \$ 25,733 | \$ 4,428 |

Medical Care Availability and Reduction of Error Fund

Act 13 of 2002, the Medical Care Availability and Reduction of Error (Mcare) Act, established the Medical Care Availability and Reduction of Error Fund and transferred to it the assets, liabilities, rights and responsibilities of the Medical Professional Liability Catastrophe Loss Fund effective October 15, 2002. The Mcare Fund is used to pay claims against participating health care providers for losses or damages awarded in medical professional liability actions against them in excess of the basic insurance coverage required by the act. In addition to the transfer of assets from the Medical Professional Liability Catastrophe Loss Fund, revenue includes an assessment on health care providers. Beginning in 2004, the moving violation surcharge revenue which accrued to the Catastrophic Loss Benefits Continuation Fund accrues to this fund for a period of ten years.

Statement of Cash Receipts and Disbursements:

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
| Cash Balance, Beginning | \$ 82,214 | \$ 141,468 | \$ 118,880 |
| Receipts: | | | |
| Assessments..... | \$ 261,448 | \$ 171,500 | \$ 160,000 |
| Income on Investments..... | 5,089 | 3,500 | 3,500 |
| Reinsurance Proceeds..... | 135 | 54 | 54 |
| Moving Violation Surcharge..... | 45,534 | 44,000 | 44,000 |
| Transfer from Health Care Provider Retention | 100,674 | 230,000 | 150,000 |
| Loan Proceeds..... | 207,000 | 0 | 0 |
| Other..... | 59 | 54 | 0 |
| Total Receipts | 619,939 | 449,108 | 357,554 |
| Total Funds Available | \$ 702,153 | \$ 590,576 | \$ 476,434 |
| Disbursements: | | | |
| Treasury..... | \$ 0 | \$ 5 | \$ 5 |
| Insurance..... | 335,185 | 256,411 | 344,721 |
| Loan Repayment..... | 225,500 | 215,280 | 0 |
| Total Disbursements | -560,685 | -471,696 | -344,726 |
| Cash Balance, Ending | \$ 141,468 | \$ 118,880 | \$ 131,708 |

Medical Professional Liability Catastrophe Loss Fund

The Health Care Services Malpractice Act of 1975 created this fund to make available professional liability insurance at a reasonable cost to health care providers and to establish a system through which injured parties can obtain a prompt determination and adjudication of their claims. Revenue is derived by levying an annual surcharge on health care providers. Act 135 of 1996 amended the original act to increase the amount of basic insurance coverage maintained by health care providers annually with the last incremental increase effective January 1, 2001.

Act 13 of 2002 transferred the assets, liabilities, rights and responsibilities of the fund to the Medical Care Availability and Reduction of Error Fund in the Insurance Department effective October 1, 2002.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 663 | \$ 0 | \$ 0 |
| Receipts: | | | |
| Income on Investments..... | \$ 11 | \$ 0 | \$ 0 |
| Total Receipts | <u>11</u> | <u>0</u> | <u>0</u> |
| Total Funds Available | <u>\$ 674</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Disbursements: | | | |
| Transfer to Medical Care Availability and Reduction of Error Fund..... | \$ 674 | \$ 0 | \$ 0 |
| Total Disbursements | <u>-674</u> | <u>0</u> | <u>0</u> |
| Cash Balance, Ending | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

Military Family Relief Assistance Fund

The Military Family Relief Assistance Fund was created by Act 40 of 2005 to provide for short-term financial relief to families in need due to deployment of a family member. Act 40 provided contributions to the fund to be made through the Personal Income Tax form. These provisions for inclusion on the tax return form expire after 5 years. Act 65 of 2005 provides for the administration of the program by the Department of Military and Veterans Affairs and the specifics of the program. The department can also accept donations for the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 0 | \$ 0 | \$ 12 |
| Receipts: | | | |
| Tax return donations..... | \$ 0 | \$ 0 | \$ 105 |
| Donations..... | 0 | 12 | 10 |
| Interest..... | 0 | 0 | 5 |
| Total Receipts | <u>0</u> | <u>12</u> | <u>120</u> |
| Total Funds Available | <u>\$ 0</u> | <u>\$ 12</u> | <u>\$ 132</u> |
| Disbursements: | | | |
| Military and Veterans Affairs..... | \$ 0 | \$ 0 | \$ 100 |
| Total Disbursements | <u>0</u> | <u>0</u> | <u>-100</u> |
| Cash Balance, Ending | <u>\$ 0</u> | <u>\$ 12</u> | <u>\$ 32</u> |

Milk Marketing Fund

The Milk Marketing Fund is a special revenue fund composed of monies received from license fees, fines, penalties and permits relating to the milk industry. The purpose of this fund is to provide for the operation of the Milk Marketing Board and to serve as a depository for money due dairy farmers from underpayments by milk dealers.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|------------------------|------------------------|------------------------|
| Cash Balance, Beginning | \$ 2,830 | \$ 2,825 | \$ 2,654 |
| Receipts: | | | |
| License and Fees | \$ 2,381 | \$ 2,420 | \$ 2,420 |
| Fines and Penalties..... | 62 | 50 | 50 |
| Miscellaneous Revenue..... | 97 | 101 | 101 |
| Total Receipts | <u>2,540</u> | <u>2,571</u> | <u>2,571</u> |
| Total Funds Available | \$ 5,370 | \$ 5,396 | \$ 5,225 |
| Disbursements: | | | |
| Milk Marketing Board..... | \$ 2,545 | \$ 2,737 | \$ 2,737 |
| Treasury..... | 0 | 5 | 5 |
| Total Disbursements | <u>-2,545</u> | <u>-2,742</u> | <u>-2,742</u> |
| Cash Balance, Ending | <u>\$ 2,825</u> | <u>\$ 2,654</u> | <u>\$ 2,483</u> |

Minority Business Development Fund

This fund was created in 1974 to accommodate the operation of the Pennsylvania Minority Business Development Authority. Revenues to the fund are from loan repayments, transfer of General Fund appropriations and interest. The authority has the power to issue bonds or other obligations which would provide further revenue to the fund.

Expenditures are made for loans to minority business enterprises and for operating expenses of the authority.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---|------------------------|------------------------|------------------------|
| Cash Balance, Beginning | \$ 5,936 | \$ 6,209 | \$ 3,985 |
| Receipts: | | | |
| Transfer from General Fund | \$ 0 | \$ 0 | \$ 0 |
| Interest on Securities..... | 249 | 254 | 236 |
| Loan Principal and Interest Repayments..... | 968 | 1,285 | 1,425 |
| Other..... | 7 | 12 | 12 |
| Total Receipts | <u>1,224</u> | <u>1,551</u> | <u>1,673</u> |
| Total Funds Available | \$ 7,160 | \$ 7,760 | \$ 5,658 |
| Disbursements: | | | |
| Community and Economic Development..... | \$ 951 | \$ 3,775 | \$ 4,275 |
| Total Disbursements | <u>-951</u> | <u>-3,775</u> | <u>-4,275</u> |
| Cash Balance, Ending | <u>\$ 6,209</u> | <u>\$ 3,985</u> | <u>\$ 1,383</u> |

Motor Vehicle Transaction Recovery Fund

This fund was created by Act 83 of 1990 to provide protection from dealers or other agents who fail to forward fees and taxes pertaining to an application for titling or registration of a vehicle to the Department of Transportation. Revenues to the fund consist of assessments (or reassessments should the balance of the fund fall below \$500,000) on every applicant for motor vehicle dealer registration plates or for the authority to act as agent of the department with respect to vehicle titling and registration.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 1,225 | \$ 1,336 | \$ 1,316 |
| Receipts: | | | |
| Dealer/Agent Assessment..... | \$ 60 | \$ 88 | \$ 85 |
| Interest | 51 | 42 | 50 |
| Total Receipts | 111 | 130 | 135 |
| Total Funds Available | \$ 1,336 | \$ 1,466 | \$ 1,451 |
| Disbursements: | | | |
| Transportation..... | \$ 0 | \$ 150 | \$ 170 |
| Total Disbursements | 0 | -150 | -170 |
| Cash Balance, Ending | \$ 1,336 | \$ 1,316 | \$ 1,281 |

Municipal Pension Aid Fund

This fund was created by Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, and is administered by the Auditor General. Beginning in July 1985, this fund receives a portion of the revenues from the Foreign Casualty Insurance Premium Tax and the Foreign Fire Insurance Premium Tax. These revenues and earnings are for distribution to municipalities for various municipal, police and fire pension funds, including post-retirement adjustments mandated by Act 147 of 1988. Beginning in 2005-06, fund disbursements will include additional post-retirement adjustments according to the provisions of Act 64 of 2002.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--|-------------------|-------------------------|-------------------------|
| Cash Balance, Beginning | \$ 183,332 | \$ 191,766 | \$ 190,806 |
| Receipts: | | | |
| Foreign Casualty Insurance Premium Tax..... | \$ 183,257 | \$ 183,257 | \$ 190,000 |
| Foreign Fire Insurance Premium Tax..... | 14,172 | 15,763 | 17,000 |
| Interest | 3,984 | 1,905 | 2,000 |
| Total Receipts | 201,413 | 200,925 | 209,000 |
| Total Funds Available | \$ 384,745 | \$ 392,691 | \$ 399,806 |
| Disbursements: | | | |
| Auditor General..... ^a | \$ 192,979 | \$ 201,880 ^b | \$ 225,000 ^c |
| Treasury..... | 0 | 5 | 5 |
| Total Disbursements | -192,979 | -201,885 | -225,005 |
| Cash Balance, Ending | \$ 191,766 | \$ 190,806 | \$ 174,801 |

^aIncludes post-retirement payment of \$ 3,416,934 as authorized by Act 147 of 1988.

^bIncludes post-retirement payment of \$ 5,278,182 as authorized by Act 147 of 1988.

^cIncludes post-retirement payment of \$ 5,700,000 as authorized by Act 147 of 1988.

Municipalities Financial Recovery Revolving Aid Fund

This fund was created by Act 157 of 1988 to make loans and grants to assist municipalities that are declared financially distressed. Initial funding was provided through the transfer of unused funds remaining from a 1986-87 General Fund appropriation for Distressed Community Emergency Aid. In addition, Act 157 stipulated that all repayments on loans made from the fund should be redeposited into the fund and used to make additional loans and grants to distressed municipalities. Act 58 of 1996 transferred this program from the Department of Community Affairs to the Department of Community and Economic Development.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 5,572 | \$ 5,591 | \$ 3,766 |
| Receipts: | | | |
| Transfer from General Fund..... | \$ 2,000 | \$ 1,500 | \$ 1,500 |
| Loan Repayments..... | 328 | 450 | 450 |
| Interest | 279 | 225 | 185 |
| Total Receipts | 2,607 | 2,175 | 2,135 |
| Total Funds Available | \$ 8,179 | \$ 7,766 | \$ 5,901 |
| Disbursements: | | | |
| Community and Economic Development | | | |
| Program Fees..... | \$ 1,891 | \$ 1,500 | \$ 1,500 |
| Loans..... | 300 | 500 | 500 |
| Grants..... | 397 | 2,000 | 2,000 |
| Total Disbursements | -2,588 | -4,000 | -4,000 |
| Cash Balance, Ending | \$ 5,591 | \$ 3,766 | \$ 1,901 |

Non-Coal Surface Mining Conservation and Reclamation Fund

This fund was created by Act 219 of 1984 to finance reclamation projects on land scarred by non-coal surface mining. Projects include recontouring, terracing and planting trees, shrubs and grasses. Revenues are provided by charging non-coal surface mining operators for licenses and permits and by fining them for failing to apply for the licenses and permits as well as by forfeiture of collateral bonds, cash or securities for failure to comply with an approved reclamation plan.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 10,178 | \$ 10,837 | \$ 10,644 |
| Receipts: | | | |
| Licenses and Fees..... | \$ 253 | \$ 247 | \$ 247 |
| Penalties..... | 65 | 35 | 35 |
| Interest..... | 418 | 300 | 300 |
| Collateral..... | 42 | 0 | 0 |
| Payment in Lieu of Bonds..... | 1 | 25 | 25 |
| Forfeiture of Bond..... | 3 | 0 | 0 |
| Total Receipts | 782 | 607 | 607 |
| Total Funds Available | \$ 10,960 | \$ 11,444 | \$ 11,251 |
| Disbursements: | | | |
| Environmental Protection | \$ 123 | \$ 800 | \$ 2,200 |
| Total Disbursements | -123 | -800 | -2,200 |
| Cash Balance, Ending | \$ 10,837 | \$ 10,644 | \$ 9,051 |

Nutrient Management Fund

This fund was created under the authority of Act 6 of 1993 to fund loans and grants for the implementation of nutrient management plans by agricultural operations. Revenue comes from Commonwealth and Federal appropriations, interest, loan repayments and gifts. Act 18 of 1995 transferred some responsibilities for the Nutrient Management Program from the Department of Environmental Protection to the Department of Agriculture.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 3,639 | \$ 2,448 | \$ 707 |
| Receipts: | | | |
| Transfer from General Fund..... | \$ 3,280 | \$ 3,280 | \$ 3,280 |
| Interest..... | -16 ^a | 350 | 350 |
| Fees..... | 0 | 134 | 33 |
| Fines | 59 | 1 | 1 |
| Total Receipts | <u>3,323</u> | <u>3,765</u> | <u>3,664</u> |
| Total Funds Available | \$ 6,962 | \$ 6,213 | \$ 4,371 |
| Disbursements: | | | |
| Agriculture | \$ 3,058 | \$ 3,206 | \$ 2,220 |
| Environmental Protection | 1,456 | 2,300 | 2,087 |
| Total Disbursements | <u>-4,514</u> | <u>-5,506</u> | <u>-4,307</u> |
| Cash Balance, Ending | \$ 2,448 | \$ 707 | \$ 64 |

^a Net interest adjustment

Oil and Gas Lease Fund

Created in 1955, this fund is used to finance conservation, recreation, dams or flood control projects or to match any Federal grants made for these purposes. Revenues are derived from rents and royalties from oil and gas leases of Commonwealth owned land with the exception of rents and royalties from land owned by either the Pennsylvania Game or Fish and Boat Commissions. Those revenues are paid into the Game and Fish Funds.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 5,127 | \$ 6,125 | \$ 3,020 |
| Receipts: | | | |
| Rents and Royalties..... | \$ 3,741 | \$ 3,700 | \$ 3,700 |
| Interest..... | 280 | 300 | 300 |
| Other..... | 4 | 100 | 100 |
| Total Receipts | <u>4,025</u> | <u>4,100</u> | <u>4,100</u> |
| Total Funds Available | \$ 9,152 | \$ 10,225 | \$ 7,120 |
| Disbursements: | | | |
| Treasury..... | \$ 0 | \$ 5 | \$ 5 |
| Conservation and Natural Resources..... | 3,027 | 7,200 | 7,000 |
| Total Disbursements | <u>-3,027</u> | <u>-7,205</u> | <u>-7,005</u> |
| Cash Balance, Ending | \$ 6,125 | \$ 3,020 | \$ 115 |

Patient Safety Trust Fund

Act 13 of 2002, known as the Medical Care Availability and Reduction of Error Act, established the Patient Safety Trust Fund for the purpose of independent review of medical facilities which will result in ensuring patient safety and reducing medical errors. Revenue to the fund includes a surcharge on medical facility licensing fees. These fees are assessed by the Department of Health, deposited in the General Fund, and transferred to the Patient Safety Fund. The Patient Safety Authority established by Act 13 contracts with entities who collect, analyze and evaluate data regarding reports of serious events and incidents at medical facilities and identify patterns in frequency or severity at individual medical facilities or in certain regions of this Commonwealth. The authority and the individual facilities will be advised of changes in health care practices and procedures which are recommended for the purpose of reducing the number and severity of serious events and incidents. The authority may recommend regulatory or statutory changes which may help improve patient safety in the Commonwealth.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 5,470 | \$ 4,536 | \$ 2,324 |
| Receipts: | | | |
| Surcharges..... | \$ 2,064 | \$ 2,500 | \$ 5,000 |
| Interest | 204 | 288 | 288 |
| Total Receipts | <u>2,268</u> | <u>2,788</u> | <u>5,288</u> |
| Total Funds Available | \$ 7,738 | \$ 7,324 | \$ 7,612 |
| Disbursements: | | | |
| State..... | \$ 3,202 | \$ 5,000 | \$ 5,000 |
| Total Disbursements | <u>-3,202</u> | <u>-5,000</u> | <u>-5,000</u> |
| Cash Balance, Ending | \$ 4,536 | \$ 2,324 | \$ 2,612 |

Pennsylvania Economic Revitalization Fund

The Pennsylvania Economic Revitalization Fund (PERF) was created by Act 104 of 1984 as a three-year \$190 million program financed through a bond issue authorized by the electorate. The fund was formally established in the 1988-89 budget as an economic development fund and authorization for the fund was eliminated in 1995-96. Activity continues because of the long-term nature of existing projects. Upon completion of project activity, the remaining balance in this fund will be transferred to the General Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 168 | \$ 172 | \$ 102 |
| Receipts: | | | |
| Interest on Securities..... | \$ 1 | \$ 1 | \$ 3 |
| Other..... | 3 ^a | 2 | 0 |
| Total Receipts..... | <u>4</u> | <u>3</u> | <u>3</u> |
| Total Funds Available | \$ 172 | \$ 175 | \$ 105 |
| Disbursements: | | | |
| Agriculture..... | \$ 0 | \$ 73 | \$ 73 |
| Conservation and Natural Resources..... | 0 | 0 | 0 |
| Total Disbursements..... | <u>0</u> | <u>-73</u> | <u>-73</u> |
| Cash Balance, Ending | \$ 172 | \$ 102 | \$ 32 |

^a Net of transfers to the General Fund and the Pennsylvania Economic Revitalization Sinking Fund

Pennsylvania Economic Revitalization Sinking Fund

Payment of interest and principal due on outstanding economic revitalization bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest earned in this fund and interest earned in and transferred from the Pennsylvania Economic Revitalization Fund provide revenues to the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|--------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 0 | \$ 0 | \$ 0 |
| Receipts: | | | |
| Transfer from General Fund..... | \$ 617 | \$ 614 | \$ 507 |
| Interest on Securities..... | 3 | 0 | 0 |
| Total Receipts | <u>620</u> | <u>614</u> | <u>507</u> |
| Total Funds Available | <u>\$ 620</u> | <u>\$ 614</u> | <u>\$ 507</u> |
| Disbursements: | | | |
| Treasury..... | \$ 620 | \$ 614 | \$ 507 |
| Total Disbursements | <u>-620</u> | <u>-614</u> | <u>-507</u> |
| Cash Balance, Ending | <u><u>\$ 0</u></u> | <u><u>\$ 0</u></u> | <u><u>\$ 0</u></u> |

Pennsylvania Historical and Museum Commission Trust Fund

This fund, created in 1931, is administered by the Governor, Auditor General, State Treasurer and the Pennsylvania Historical and Museum Commission. The interest received from investment of the \$33,000 perpetual endowment to this fund in bonds of the Commonwealth or any of its political subdivisions is credited to the fund. Interest earned on investments is used for the restoration, maintenance and improvement of the Cornwall Charcoal Furnace, Cornwall Borough, Lebanon County.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---------------------------------------|----------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 132 | \$ 131 | \$ 97 |
| Receipts: | | | |
| Interest | \$ 5 | \$ 6 | \$ 6 |
| Total Receipts | <u>5</u> | <u>6</u> | <u>6</u> |
| Total Funds Available | <u>\$ 137</u> | <u>\$ 137</u> | <u>\$ 103</u> |
| Disbursements: | | | |
| Historical and Museum Commission..... | \$ 6 | \$ 40 | \$ 0 |
| Total Disbursements | <u>-6</u> | <u>-40</u> | <u>0</u> |
| Cash Balance, Ending | <u><u>\$ 131</u></u> | <u><u>\$ 97</u></u> | <u><u>\$ 103</u></u> |

Pennsylvania Infrastructure Bank

This fund was established by Act 57 of 1997 to make loans to, or enter into leases with, qualified borrowers to finance the costs of transportation projects. Acts 165 and 7A of 2004 expanded this program to include financing of rail freight infrastructure. Receipts are derived from Federal funds and the transfer of required matching State funds from the Motor License Fund, the Public Transportation Assistance Fund and the General Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 19,489 | \$ 37,092 | \$ 30,210 |
| Receipts: | | | |
| Transfer from Motor License Fund..... | \$ 15,000 | \$ 0 | \$ 0 |
| Transfer from General Fund | 1,068 | 0 | 0 |
| Federal Funds..... | 34 | 0 | 0 |
| Loan Repayments..... | 3,434 | 4,794 | 2,729 |
| Interest | 888 | 327 | 500 |
| Total Receipts | <u>20,424</u> | <u>5,121</u> | <u>3,229</u> |
| Total Funds Available | \$ 39,913 | \$ 42,213 | \$ 33,439 |
| Disbursements: | | | |
| Transportation..... | \$ 2,821 | \$ 12,003 | \$ 20,003 |
| Total Disbursements | <u>-2,821</u> | <u>-12,003</u> | <u>-20,003</u> |
| Cash Balance, Ending | \$ 37,092 | \$ 30,210 | \$ 13,436 |

Pennsylvania Municipal Retirement Fund

Act 15 of 1974 created the Pennsylvania Municipal Retirement System which replaced the Municipal Employees Retirement Law and the Municipal Police Retirement Law and combined all employees covered under both into a State-related municipal system. The fund established under Act 15 provides for payment of retirement allowances to officers, employees, firemen and police of political subdivisions (counties, cities, boroughs and townships of the first and second class). Any municipality may elect by ordinance to join the system. Revenues are generated from the contributions of the members of the system and investment earnings. The board established under Act 15 has control over the system's operation. The net investment adjustment shown below is to reflect carrying value of long-term investments as of June 30. A municipality may, upon meeting the requirements set forth in Act 15, elect to withdraw from participation in this fund. Withdrawals may substantially increase the level of disbursements reflected in this presentation.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|---------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 1,144,143 | \$ 1,247,028 | \$ 1,323,300 |
| Receipts: | | | |
| Contributions..... | \$ 33,446 | \$ 35,100 | \$ 36,900 |
| Interest on Securities | 91,264 | 50,000 | 53,000 |
| Net Investment Adjustment..... | 26,155 | 43,997 | 47,628 |
| Total Receipts | <u>150,865</u> | <u>129,097</u> | <u>137,528</u> |
| Total Funds Available | \$ 1,295,008 | \$ 1,376,125 | \$ 1,460,828 |
| Disbursements: | | | |
| Treasury..... | \$ 3 | \$ 25 | \$ 28 |
| Municipal Retirement Board..... | 47,977 | 52,800 | 58,100 |
| Total Disbursements | <u>-47,980</u> | <u>-52,825</u> | <u>-58,128</u> |
| Cash Balance, Ending | \$ 1,247,028 | \$ 1,323,300 | \$ 1,402,700 |

Pennsylvania Veterans Memorial Trust Fund

Act 60 of 1988 established this fund to be administered by the Pennsylvania Veterans Memorial Commission. Revenues come from General Fund appropriations and public or private contributions. Funds were expended to erect a monument to Pennsylvania Veterans who served in armed conflicts in which the United States was a participant. Act 63 of 2002 expanded the use of this fund to operation and maintenance of the memorial.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 458 | \$ 512 | \$ 581 |
| Receipts: | | | |
| Public/Private Donations..... | \$ 121 | \$ 60 | \$ 60 |
| Return of Contingency Construction Funds..... | 0 | 81 | 0 |
| Interest | 20 | 18 | 18 |
| Total Receipts | 141 | 159 | 78 |
| Total Funds Available | \$ 599 | \$ 671 | \$ 659 |
| Disbursements: | | | |
| Military and Veterans Affairs..... | \$ 87 | \$ 90 | \$ 90 |
| Total Disbursements | -87 | -90 | -90 |
| Cash Balance, Ending | \$ 512 | \$ 581 | \$ 569 |

PENNVEST Bond Authorization Fund

This fund, created under the authority of Act 16 of 1988, receives the proceeds from the sale of bonds authorized by general referendum, transfers from the Water Facilities Loan Fund or from the Capital Facilities Fund for site development. Expenditures are for transfers of funds to the PENNVEST Fund, the PENNVEST Drinking Water Revolving Fund, the PENNVEST Water Pollution Control Revolving Fund, the PENNVEST Revolving Fund or the PENNVEST Non-Revolving Equity Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 8,684 | \$ 3,893 | \$ 28,893 |
| Receipts: | | | |
| Referendum Bonds..... | \$ 0 | \$ 50,000 | \$ 0 |
| Interest..... | 230 | 1,000 | 750 |
| Total Receipts | 230 | 51,000 | 750 |
| Total Funds Available | \$ 8,914 | \$ 54,893 | \$ 29,643 |
| Disbursements: | | | |
| Infrastructure Investment Authority: | | | |
| PENNVEST Fund | \$ 235 | \$ 1,000 | \$ 750 |
| PENNVEST Non-Revolving Fund..... | 0 | 17,500 | 25,000 |
| PENNVEST Revolving Fund..... | 4,786 | 7,500 | 0 |
| Total Disbursements | -5,021 | -26,000 | -25,750 |
| Cash Balance, Ending | \$ 3,893 | \$ 28,893 | \$ 3,893 |

PENNVEST Drinking Water Revolving Fund

This fund was created under the authority of Act 16 of 1988 to receive funds from the Federal Government to establish a revolving loan program for drinking water projects. Required matching State funds are transferred from the PENNVEST Bond Authorization Fund and the PENNVEST Fund. Because of the lag in receiving Federal funds, cash is borrowed from other PENNVEST funds. Negative receipts reflect the repayment of these loans.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---|---------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 45,895 | \$ 48,962 | \$ 20,607 |
| Receipts: | | | |
| PENNVEST Fund..... | \$ -23 ^a | \$ 1,875 | \$ 15,250 |
| Water Pollution Control Revolving Fund..... | 8,557 | 16,287 | 7,000 |
| Federal Funds..... | 7,562 | 15,478 | 18,000 |
| Interest and Principal Payments..... | 14,204 | 11,158 | 15,000 |
| Investment Income..... | 2,357 | 2,323 | 2,500 |
| Total Receipts | <u>32,657</u> | <u>47,121</u> | <u>57,750</u> |
| Total Funds Available | \$ 78,552 | \$ 96,083 | \$ 78,357 |
| Disbursements: | | | |
| Infrastructure Investment Authority..... | \$ 29,590 | \$ 75,476 | \$ 69,990 |
| Total Disbursements | <u>-29,590</u> | <u>-75,476</u> | <u>-69,990</u> |
| Cash Balance, Ending | \$ 48,962 | \$ 20,607 | \$ 8,367 |

^a Repayment of loan from the PENNVEST Fund.

PENNVEST Non-Revolving Equity Fund

This fund, created under the authority of Act 16 of 1988, receives moneys transferred from the PENNVEST Bond Authorization Fund. These funds are used for non-revolving loans authorized by the act. These non-revolving loans can be made to public or private entities for drinking water supply or sewer projects. Repayments of loans and interest are deposited in the PENNVEST Redemption Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 0 | \$ 0 | \$ 500 |
| Receipts: | | | |
| Bond Authorization Fund..... | \$ 0 | \$ 17,500 | \$ 25,000 |
| Total Receipts | <u>0</u> | <u>17,500</u> | <u>25,000</u> |
| Total Funds Available | \$ 0 | \$ 17,500 | \$ 25,500 |
| Disbursements: | | | |
| Infrastructure Investment Authority..... | \$ 0 | \$ -17,000 | \$ -25,000 |
| Cash Balance, Ending | \$ 0 | \$ 500 | \$ 500 |

PENNVEST Fund

This fund was created under the authority of Act 16 of 1988 to receive funds from sources other than the sale of general obligation bonds. These sources include appropriations from the General Fund, payments of revolving loans, interest received from revolving and non-revolving loans, investment income and the sale of assets. In addition to grants and loans for water and sewer projects, these funds can be used for administrative costs and matching funds for Federal grants.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 148,250 | \$ 113,263 | \$ 66,826 |
| Receipts: | | | |
| Revolving Loan Payments..... | \$ 44,820 | \$ 40,000 | \$ 47,000 |
| Bond Authorization Fund..... | 235 | 1,000 | 750 |
| Transfer from Environmental Stewardship Fund..... | 22,152 | 4,714 | 15,247 |
| Interest..... | 6,063 | 5,500 | 6,000 |
| Total Receipts | <u>73,270</u> | <u>51,214</u> | <u>68,997</u> |
| Total Funds Available | \$ 221,520 | \$ 164,477 | \$ 135,823 |
| Disbursements: | | | |
| Infrastructure Investment Authority: | | | |
| Loans and Grants..... | \$ 10,733 | \$ 5,000 | \$ 4,000 |
| Administration..... | 2,829 | 3,141 | 3,202 |
| Growing Greener Grants..... | 23,684 | 30,000 | 12,000 |
| Loans..... | 71,011 | 59,510 | 69,510 |
| Total Disbursements | <u>-108,257</u> | <u>-97,651</u> | <u>-88,712</u> |
| Cash Balance, Ending | \$ 113,263 | \$ 66,826 | \$ 47,111 |

PENNVEST Redemption Fund

This fund, created under the authority of Act 16 of 1988, receives repayments of non-revolving loans and investment interest along with the annual appropriation from the General Fund for general obligation debt service. Revenues are used to pay debt service on general obligation bonds issued for PENNVEST.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 0 | \$ 0 | \$ 7 |
| Receipts: | | | |
| Transfer from General Fund..... | \$ 7,886 | \$ 7,211 | \$ 11,200 |
| Interest on Securities..... | 0 | 7 | 0 |
| Accrued Interest on Bonds Sold | 0 | 0 | 0 |
| Non-Revolving Loan Repayments..... | 0 | 0 | 0 |
| Total Receipts | <u>7,886</u> | <u>7,218</u> | <u>11,200</u> |
| Total Funds Available | \$ 7,886 | \$ 7,218 | \$ 11,207 |
| Disbursements: | | | |
| Treasury..... | \$ 7,886 | \$ 7,211 | \$ 11,207 |
| Total Disbursements | <u>-7,886</u> | <u>-7,211</u> | <u>-11,207</u> |
| Cash Balance, Ending | \$ 0 | \$ 7 | \$ 0 |

PENNVEST Revolving Fund

This fund, created under the authority of Act 16 of 1988, receives moneys transferred from the PENNVEST Bond Authorization Fund. Funds are used for revolving loans which can be made to public or private entities for drinking water supply or sewer projects. Repayments of loans and interest are deposited in the PENNVEST Fund. In FY2006-07, funds are being redirected to the PENNVEST Non-Revolving Equity Fund and other PENNVEST funds.

Statement of Cash Receipts and Disbursements:

| | (Dollar Amounts in Thousands) | | |
|--------------------------------------|-------------------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
| Cash Balance, Beginning | \$ 66 | \$ 34 | \$ 0 |
| Receipts: | | | |
| Bond Authorization Fund..... | \$ 4,786 | \$ 7,500 | \$ 0 |
| Interest..... | -6 | 2 | 0 |
| Total Receipts | 4,780 | 7,502 | 0 |
| Total Funds Available | \$ 4,846 | \$ 7,536 | \$ 0 |
| Disbursements: | | | |
| Infrastructure Investment Authority: | | | |
| Drinking Water Projects..... | \$ 4,224 | \$ 0 | \$ 0 |
| Sewer Projects..... | 588 | 7,536 | 0 |
| Storm Water Projects..... | 0 | 0 | 0 |
| Total Disbursements | -4,812 | -7,536 | 0 |
| Cash Balance, Ending | \$ 34 | \$ 0 | \$ 0 |

PENNVEST Water Pollution Control Revolving Fund

This fund was created under the authority of Act 16 of 1988 for funds received from the Federal Government to establish a revolving loan program for sewer projects. Required matching State funds are transferred from the PENNVEST Bond Authorization Fund and the PENNVEST Fund.

Statement of Cash Receipts and Disbursements:

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
| Cash Balance, Beginning | \$ 174,383 | \$ 181,581 | \$ 122,812 |
| Receipts: | | | |
| PENNVEST Fund..... | \$ 9,421 | \$ 0 | \$ 14,500 |
| Federal Funds..... | 45,439 | 102,069 | 70,000 |
| Interest and Principal Payments..... | 58,090 | 52,000 | 55,000 |
| Investment Income..... | 7,506 | 6,000 | 6,000 |
| Total Receipts | 120,456 | 160,069 | 145,500 |
| Total Funds Available | \$ 294,839 | \$ 341,650 | \$ 268,312 |
| Disbursements: | | | |
| Infrastructure Investment Authority..... | \$ 113,258 | \$ 218,838 | \$ 180,050 |
| Total Disbursements | -113,258 | -218,838 | -180,050 |
| Cash Balance, Ending | \$ 181,581 | \$ 122,812 | \$ 88,262 |

Pharmaceutical Assistance Fund

The revenue for the Pharmaceutical Assistance Fund is received from the Lottery Fund and the Tobacco Settlement Fund. This fund provides a limited pharmaceutical assistance program for older Pennsylvanians who are 65 years of age or over and whose annual income does not exceed the maximum specified for program eligibility. Pharmaceutical product claims for the Department of Public Welfare's Special Pharmaceutical Benefits Program, disease specific programs in the Department of Health and the State Workers' Insurance Fund are also processed through the PACE Fund. Funds not expended in the fiscal year in which they are appropriated are available for use in the following fiscal year. For additional information on the programs refer to the program descriptions in the Departments of Aging, Health, Public Welfare and Labor and Industry.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--|---------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 123,888 | \$ 100,791 | \$ 80,297 |
| Receipts: | | | |
| Transfer from Lottery Fund..... | \$ 300,000 | \$ 360,000 | \$ 190,000 |
| Transfer from Tobacco Settlement Fund..... | 30,721 | 29,301 | 30,318 |
| Interest on Securities..... | 1,972 | 1,000 | 1,000 |
| Disease Specific Programs..... | 5,403 | 8,051 | 7,873 |
| Special Pharmaceutical Services..... | 41,694 | 45,988 | 55,347 |
| State Workers' Insurance Fund..... | 0 | 500 | 500 |
| Other..... | 0 | 2,175 | 0 |
| Total Receipts | <u>379,790</u> | <u>447,015</u> | <u>285,038</u> |
| Total Funds Available | \$ 503,678 | \$ 547,806 | \$ 365,335 |
| Disbursements: | | | |
| Treasury..... | \$ 0 | \$ 5 | \$ 5 |
| Aging..... | 352,600 | 412,965 ^a | 245,701 |
| Health..... | 6,122 ^b | 8,051 ^b | 7,873 ^b |
| Public Welfare..... | 44,165 ^b | 45,988 ^b | 55,347 ^b |
| Labor and Industry..... | 0 ^b | 500 ^b | 500 ^b |
| Total Disbursements | <u>-402,887</u> | <u>-467,509</u> | <u>-309,426</u> |
| Cash Balance, Ending | \$ 100,791 | \$ 80,297 | \$ 55,909 |

^a Actually authorized as \$488,776,000. Amount shown is the best current estimate of transfer required for 2005-06. Additional funds may be required; therefore, the authorization is not being revised.

^b Expenditures from restricted accounts in the Department of Aging.

Philadelphia Regional Port Authority Fund

This authority was created by Act 50 of 1989 to acquire and operate the port facilities of the former Philadelphia Port Corporation. This fund handles payroll of the authority via transfer of funds by the authority from its private bank accounts. The authority is authorized to issue bonds to finance port improvements and may pledge its revenues to pay off such bonds.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 1,119 | \$ 728 | \$ 769 |
| Receipts: | | | |
| Transfer from Philadelphia Regional Port Authority..... | \$ 6,027 | \$ 6,325 | \$ 6,325 |
| Interest on Securities..... | 35 | 41 | 41 |
| Total Receipts | <u>6,062</u> | <u>6,366</u> | <u>6,366</u> |
| Total Funds Available | \$ 7,181 | \$ 7,094 | \$ 7,135 |
| Disbursements: | | | |
| Philadelphia Regional Port Operations..... | \$ 6,453 | \$ 6,325 | \$ 6,325 |
| Total Disbursements | <u>-6,453</u> | <u>-6,325</u> | <u>-6,325</u> |
| Cash Balance, Ending | \$ 728 | \$ 769 | \$ 810 |

Port of Pittsburgh Commission Fund

The Port of Pittsburgh Commission was created by Act 133 of 1992 to promote and encourage capital investment in port facilities and port-related projects within the port district encompassing Allegheny, Armstrong, Beaver, Butler, Clarion, Fayette, Greene, Lawrence, Washington and Westmoreland counties.

Act 140 of 2000 expanded the authority of the commission to allow for economic development projects, including certain recreation projects that are sponsored by third parties. Act 111 of 2001 added Indiana County to the Port District.

Grants to the commission to support its operations, and previously to Allegheny County for port-related improvements, are deposited into this fund along with interest earnings from deposited funds. The commission also has the authority to issue bonds to finance port improvements and may pledge its revenues to pay off such bonds.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 2,065 | \$ 2,010 | \$ 1,930 |
| Receipts: | | | |
| Transfer from General Fund..... | \$ 900 | \$ 900 | \$ 900 |
| Other..... | 202 | 178 | 165 |
| Interest | 87 | 92 | 89 |
| Total Receipts | <u>1,189</u> | <u>1,170</u> | <u>1,154</u> |
| Total Funds Available | \$ 3,254 | \$ 3,180 | \$ 3,084 |
| Disbursements: | | | |
| Port of Pittsburgh Commission..... | \$ 1,244 | \$ 1,250 | \$ 1,250 |
| Total Disbursements | <u>-1,244</u> | <u>-1,250</u> | <u>-1,250</u> |
| Cash Balance, Ending | \$ 2,010 | \$ 1,930 | \$ 1,834 |

Public Transportation Assistance Fund

This fund was established by Act 26 of 1991 to help provide for the capital, asset maintenance and certain other transportation needs of the Commonwealth's transit entities. Revenue is derived from a fee on the sale of new tires, a percent of the total sales and use tax receipts, and a motor vehicle lease tax fee.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 5,985 | \$ 6,867 | \$ 4,067 |
| Receipts: | | | |
| Sales and Use Tax..... | \$ 77,336 | \$ 80,000 | \$ 83,100 |
| Other Taxes and Fees..... | 97,612 | 95,800 | 96,800 |
| Interest | 1,190 | 500 | 500 |
| Total Receipts | <u>176,138</u> | <u>176,300</u> | <u>180,400</u> |
| Total Funds Available | \$ 182,123 | \$ 183,167 | \$ 184,467 |
| Disbursements: | | | |
| Transportation: | | | |
| Administration..... | \$ 4,738 | \$ 4,748 | \$ 4,768 |
| Grants..... | 170,518 | 174,352 | 179,600 |
| Total Disbursements | <u>-175,256</u> | <u>-179,100</u> | <u>-184,368</u> |
| Cash Balance, Ending | \$ 6,867 | \$ 4,067 | \$ 99 |

Purchasing Fund

Created in 1933, this fund finances the purchase of materials, supplies, services and equipment by the Department of General Services and Executive Offices for use by other departments, boards and commissions. Salaries for the personnel administering the fund are paid by the fund. Revenue sources are periodic appropriations from the General Fund and reimbursements by other departments, boards and commissions for the materials and supplies provided them.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 6,507 | \$ 12,596 | \$ 12,728 |
| Receipts: | | | |
| Reimbursements to General Services..... | \$ 40,318 | \$ 265,861 | \$ 269,440 |
| Reimbursements to Executive Offices..... | 8,967 | 65,630 | 56,000 |
| General Fund Loan..... | 14,300 | 14,300 | 14,300 |
| Other..... | 430 | 3,904 | 625 |
| Total Receipts | <u>64,015</u> | <u>349,695</u> | <u>340,365</u> |
| Total Funds Available | \$ 70,522 | \$ 362,291 | \$ 353,093 |
| Disbursements: | | | |
| Executive Offices..... | \$ 14,790 | \$ 70,803 | \$ 56,000 |
| Treasury..... | 0 | 4,461 | 0 |
| Loan Repayment..... | 14,300 | 14,300 | 14,300 |
| General Services..... | 28,836 | 259,999 | 264,089 |
| Total Disbursements | <u>-57,926</u> | <u>-349,563</u> | <u>-334,389</u> |
| Cash Balance, Ending | \$ 12,596 | \$ 12,728 | \$ 18,704 |

Real Estate Recovery Fund

This fund was established in 1980 to reimburse aggrieved persons any amounts unpaid from final judgements against any person licensed by the Real Estate Commission. Revenue is derived from additional fees paid by licensees, with interest on investments being retained by the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 687 | \$ 649 | \$ 367 |
| Receipts: | | | |
| Additional License Fees..... | \$ 88 | \$ 63 | \$ 63 |
| Interest | 31 | 30 | 30 |
| Total Receipts | 119 | 93 | 93 |
| Total Funds Available | \$ 806 | \$ 742 | \$ 460 |
| Disbursements: | | | |
| State..... | \$ 157 | \$ 375 | \$ 100 |
| Total Disbursements | -157 | -375 | -100 |
| Cash Balance, Ending | \$ 649 | \$ 367 | \$ 360 |

Recycling Fund

This fund was created by Act 101 of 1988 to finance the planning, processing, resource recovery and recycling of solid waste. Revenue is generated by a fee on all waste disposed of in landfills or processed by resource recovery facilities. Expenditures are for recycling and planning grants, market and waste minimization studies, and public information and education activities throughout the Commonwealth. Act 125 of 1998 allows for up to \$1.5 million annually for five years of Recycling Fund money to finance the cleanup of illegally deposited waste on State forest and State park lands.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--|-------------------------|-------------------------|-------------------------|
| Cash Balance, Beginning | \$ 66,193 | \$ 62,204 | \$ 42,537 |
| Receipts: | | | |
| Recycling Fees..... | \$ 46,067 | \$ 45,000 | \$ 47,000 |
| Fines and Penalties..... | 0 | 3 | 3 |
| Transfer from the Solid Waste Resource | | | |
| Recovery Development Fund..... | 500 | 1,000 | 0 |
| Interest | 3,189 | 2,137 | 1,500 |
| Environmental Technology Loan | | | |
| Repayments and Interest..... | 113 | 375 | 375 |
| Total Receipts | <u>49,869</u> | <u>48,515</u> | <u>48,878</u> |
| Total Funds Available | \$ 116,062 | \$ 110,719 | \$ 91,415 |
| Disbursements: | | | |
| Environmental Protection | \$ 53,858 | \$ 68,182 | \$ 60,180 |
| Total Disbursements | <u>-53,858</u> | <u>-68,182</u> | <u>-60,180</u> |
| Cash Balance, Ending | \$ <u>62,204</u> | \$ <u>42,537</u> | \$ <u>31,235</u> |

Rehabilitation Center Fund

This fund was created May 13, 1959 for the operation of the Hiram G. Andrews Rehabilitation Center and is funded from fees for services rendered by the center. Most of these services are rendered to vocational rehabilitation clients. The Department of Labor and Industry is pursuing diversification and privatization of services offered at the center. These plans include training enhancement for clients of the center and economic development opportunities for the Johnstown region.

Statement of Cash Receipts and Disbursements:

| | (Dollar Amounts in Thousands) | | |
|--------------------------------------|-------------------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
| Cash Balance, Beginning | \$ 5,686 | \$ 5,741 | \$ 3,191 |
| Receipts: | | | |
| Client Fees | \$ 17,416 | \$ 17,950 | \$ 18,488 |
| Interest..... | 290 | 250 | 150 |
| Other..... | 2,553 | 2,550 | 2,550 |
| Total Receipts | <u>20,259</u> | <u>20,750</u> | <u>21,188</u> |
| Total Funds Available | \$ 25,945 | \$ 26,491 | \$ 24,379 |
| Disbursements: | | | |
| Labor and Industry..... | 20,204 | 23,300 | 23,700 |
| Total Disbursements | <u>-20,204</u> | <u>-23,300</u> | <u>-23,700</u> |
| Cash Balance, Ending | \$ 5,741 | \$ 3,191 | \$ 679 |

Remining Environmental Enhancement Fund

Act 173 of 1992 authorized this fund to operate an incentive program to encourage remining and reclamation, including the designation of areas suitable for reclamation by remining, and to assist operators applying for a remining permit. The transfer of up to \$1 million is authorized from a combination of the Surface Mining Conservation and Reclamation Fund, the Clean Water Fund, the Coal Refuse Disposal Fund, and the Bituminous Mine Subsidence and Land Conservation Fund.

Statement of Cash Receipts and Disbursements:

| | (Dollar Amounts in Thousands) | | |
|--------------------------------------|-------------------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
| Cash Balance, Beginning | \$ 25 | \$ 26 | \$ 31 |
| Receipts: | | | |
| Transfers from Other Funds..... | \$ 0 | \$ 1,000 | \$ 1,000 |
| Interest | 1 | 5 | 5 |
| Total Receipts | <u>1</u> | <u>1,005</u> | <u>1,005</u> |
| Total Funds Available | \$ 26 | \$ 1,031 | \$ 1,036 |
| Disbursements: | | | |
| Environmental Protection | \$ 0 | \$ 1,000 | \$ 1,000 |
| Total Disbursements | <u>0</u> | <u>-1,000</u> | <u>-1,000</u> |
| Cash Balance, Ending | \$ 26 | \$ 31 | \$ 36 |

Remining Financial Assurance Fund

Act 173 of 1992 authorized this fund to assist mine operators who qualify to purchase reclamation bonds or make payment in lieu of reclamation bonds. Revenues are the transfer of up to \$5 million from the Land and Water Development Fund and from in lieu of bond premium payments. Interest earnings are deposited in the Land and Water Development Sinking Fund. Expenditures from this fund occur only when mine operators default.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 2,491 | \$ 2,645 | \$ 2,710 |
| Receipts: | | | |
| Interest transfer to Land and Water | | | |
| Sinking Fund..... | \$ -100 | \$ 0 | \$ 0 |
| Interest on Securities..... | 105 | 0 | 0 |
| Premium Payments..... | 149 | 90 | 90 |
| Total Receipts | 154 | 90 | 90 |
| Total Funds Available | \$ 2,645 | \$ 2,735 | \$ 2,800 |
| Disbursements: | | | |
| Environmental Protection | \$ 0 | \$ 25 | \$ 25 |
| Total Disbursements | 0 | -25 | -25 |
| Cash Balance, Ending | \$ 2,645 | \$ 2,710 | \$ 2,775 |

Rightful Owners' Claims Payment Fund

This fund was created by Act 45 of 2003 to make reimbursements and prompt payment of claims by an owner for a restitution payment previously held as unclaimed by any court, public corporation, public authority or instrumentality of the Commonwealth, or by a public officer or political subdivision. Under the act, five percent of the funds transferred annually to the Treasury will be deposited into the Rightful Owners' Claims Payment Fund to create the capability to make a reimbursement in the event a claim is filed. The remaining ninety-five percent balance of the restitution monies that are annually escheated from the entities identified are to be deposited to the Crime Victims' Compensation Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 19 | \$ 28 | \$ 9 |
| Receipts: | | | |
| Transfers from Unclaimed Property Accounts..... | \$ 28 | \$ 8 | \$ 8 |
| Interest..... | 1 | 1 | 1 |
| Total Receipts | 29 | 9 | 9 |
| Total Funds Available | \$ 48 | \$ 37 | \$ 18 |
| Disbursements: | | | |
| Treasury Payments to Claimants..... | \$ 20 | \$ 28 | \$ 9 |
| Total Disbursements..... | -20 | -28 | -9 |
| Cash Balance, Ending | \$ 28 | \$ 9 | \$ 9 |

School Employees' Retirement Fund

The Public School Employees' Retirement Fund provides for receipt and accounting of member and employer contributions, investment of those funds and payment of benefits to retired school employees.

According to the provisions of Act 29 of 1994, starting with the employer contribution payment for the third quarter of 1995 (school salaries paid from July 1, 1995 to September 30, 1995), employers defined as school entities (school districts, intermediate units, and area vocational technical schools) pay 100 percent of the employer share of contributions to the fund. The Commonwealth pays school entities a portion of these costs from appropriated funds based on a statutory formula. Commonwealth contributions of the employer share for non-school entities are also paid from appropriated funds. These contributions are paid directly to the fund.

Earnings from investments provide additional revenue and pay for the expenses of the Public School Employees' Retirement Board. The board is responsible for management of the fund and payment of benefits. The employer contribution rate is determined by the fund's actuary and adopted by the board.

Act 40 of 2003 changed the retirement system's amortization period from ten years to an actuarially acceptable thirty year basis thus lowering employer contribution costs.

The cash balance shown in the statement includes substantial investment assets. The net investment adjustment item is included to reflect the carrying value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements:

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
| Cash Balance, Beginning | \$ 48,127,905 | \$ 51,788,137 | \$ 53,360,526 |
| Receipts: | | | |
| Transfer from General Fund — | | | |
| Employer Contribution (non-school entities)..... | \$ 2,864 | \$ 2,570 | \$ 3,820 |
| Transfers from State Retirement System..... | 9,464 | 13,780 | 14,330 |
| Contributions of School Employees..... | 783,314 | 819,850 | 852,650 |
| Contributions of Employers..... | 396,582 | 539,589 | 763,698 |
| Interest on Securities..... | 29,141 | 1,400,000 | 1,400,000 |
| Net Investment Adjustment..... | 6,144,163 | 3,022,850 | 3,154,608 |
| Directed Commissions..... | 3,391 | 3,000 | 3,000 |
| Other..... | 46,116 | 0 | 0 |
| Total Receipts | <u>7,415,035</u> | <u>5,801,639</u> | <u>6,192,106</u> |
| Total Funds Available | \$ 55,542,940 | \$ 57,589,776 | \$ 59,552,632 |
| Disbursements: | | | |
| Treasury | \$ 161 | \$ 250 | \$ 250 |
| Public School Employees' | | | |
| Retirement Board | 3,754,642 | 4,229,000 | 4,736,000 |
| Total Disbursements | <u>-3,754,803</u> | <u>-4,229,250</u> | <u>-4,736,250</u> |
| Cash Balance, Ending | \$ 51,788,137 | \$ 53,360,526 | \$ 54,816,382 |

School Retirees' Health Insurance Fund

This fund was created by Act 9 of 2001. The fund is used to establish and maintain a reserve sufficient to pay the expected claims experience of the Health Options Program (HOP). The HOP is a Public School Employees' Retirement System (PSERS) sponsored voluntary health insurance program for the sole benefit of PSERS retirees, their spouses or surviving spouses, and their dependents. The revenue for HOP is exclusively from the premiums paid by its participants for the benefit coverage they elect. The May 2002 initial transfer consisted of funds paid in by those insured and associated investment revenue in the amount of \$27.340 million that had accumulated in the Public School Employees' Retirement Fund prior to the creation of the separate health insurance fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---|-------------------------|-------------------------|-------------------------|
| Cash Balance, Beginning | \$ 25,222 | \$ 44,025 | \$ 44,975 |
| Receipts: | | | |
| Excess Contributions from Membership..... | \$ 34,333 | \$ 0 | \$ 0 |
| Investment Income..... | 639 | 2,200 | 2,310 |
| Total Receipts | <u>34,972</u> | <u>2,200</u> | <u>2,310</u> |
| Total Funds Available | <u>\$ 60,194</u> | <u>\$ 46,225</u> | <u>\$ 47,285</u> |
| Disbursements: | | | |
| School Employees Retirement System..... | \$ 16,169 ^a | \$ 1,250 | \$ 0 |
| Total Disbursements | <u>-16,169</u> | <u>-1,250</u> | <u>0</u> |
| Cash Balance, Ending | <u><u>\$ 44,025</u></u> | <u><u>\$ 44,975</u></u> | <u><u>\$ 47,285</u></u> |

^a Purchase of a long-term investment which will be added back to the cash balance when the asset is sold.

Self-Insurance Guaranty Fund

This fund was created by Act 44 of 1993, the Pennsylvania Workers' Compensation Act. The purpose of this fund is to pay claims arising from defaulting self-insurance employers and defaulting members of self-insurance pooling arrangements under the Workers' Compensation Act for injuries occurring on or after 10/30/93. The fund is maintained by assessments on self-insurers. Act 53 of 2000 provides for payments of claims resulting from injuries prior to 10/30/93 through a Prefund Account funded by transfers from the Workers' Compensation Administration Fund. Act 49 of 2001 limited annual transfers to the Prefund Account to \$3.8 million. The Prefund Account and the fund are administered by the Department of Labor and Industry.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 <u>Actual</u> | 2005-06 <u>Available</u> | 2006-07 <u>Estimated</u> |
|--|--------------------------------|--------------------------------|--------------------------------|
| Cash Balance, Beginning | \$ 18,709 | \$ 21,819 | \$ 19,285 |
| Receipts: | | | |
| Assessments/Self-Insurer's Security..... | \$ 22,573 | \$ 5,000 | \$ 5,000 |
| Transfer from the Workmen's Compensation Fund..... | 2,832 | 3,800 | 3,800 |
| Interest..... | 66 | 66 | 66 |
| Total Receipts | <u>25,471</u> | <u>8,866</u> | <u>8,866</u> |
| Total Funds Available | <u>\$ 44,180</u> | <u>\$ 30,685</u> | <u>\$ 28,151</u> |
| Disbursements: | | | |
| Labor and Industry..... | \$ 22,361 | \$ 11,400 | \$ 10,400 |
| Total Disbursements | <u>-22,361</u> | <u>-11,400</u> | <u>-10,400</u> |
| Cash Balance, Ending | <u><u>\$ 21,819</u></u> | <u><u>\$ 19,285</u></u> | <u><u>\$ 17,751</u></u> |

Small Business First Fund

Act 67 of 1996 created the Small Business First Fund. The fund replaced the Air Quality Improvement Fund, Storage Tank Loan Fund and the Pennsylvania Capital Loan Fund. Balances and program commitments in those funds were transferred to the Small Business First Fund. The fund may receive transfers from the Minority Business Development Fund to facilitate its programs for small businesses.

This program provides low-interest loans for small businesses of 100 employees or less. Eligible projects include land and building acquisition and construction; machinery and equipment purchases; working capital; compliance with environmental regulations and municipal or commercial recycling. In addition, companies eligible to participate in this program are those impacted by the reduction in defense-related activities and those involved in exports, advanced technology and the hospitality industry.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 49,161 | \$ 31,455 | \$ 27,992 |
| Receipts: | | | |
| Loan Repayments..... | \$ 22,678 | \$ 24,305 | \$ 26,115 |
| Interest on Securities..... | 2,173 | 1,822 | 1,537 |
| Miscellaneous..... | 318 | 10 | 10 |
| Total Receipts | <u>25,169</u> | <u>26,137</u> | <u>27,662</u> |
| Total Funds Available | \$ 74,330 | \$ 57,592 | \$ 55,654 |
| Disbursements: | | | |
| Community and Economic Development | | | |
| Administrtration..... | \$ 715 | \$ 1,600 | \$ 1,600 |
| Loans..... | 42,160 | 28,000 | 20,000 |
| Total Disbursements | <u>-42,875</u> | <u>-29,600</u> | <u>-21,600</u> |
| Cash Balance, Ending | \$ 31,455 | \$ 27,992 | \$ 34,054 |

Solid Waste-Resource Recovery Development Fund

Created in 1974, this fund provides financial assistance to municipalities in the planning, development, construction and operation of resource recovery and solid waste disposal facilities. Loans for new facilities are restricted to municipalities in seventh and eighth class counties. Revenue is provided through appropriations by the General Assembly and by the repayment of loans made to municipalities.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 825 | \$ 744 | \$ 679 |
| Receipts: | | | |
| Interest..... | \$ 35 | \$ 35 | \$ 35 |
| Total Receipts | <u>35</u> | <u>35</u> | <u>35</u> |
| Total Funds Available | \$ 860 | \$ 779 | \$ 714 |
| Disbursements: | | | |
| Environmental Protection | \$ 116 | \$ 100 | \$ 100 |
| Total Disbursements | <u>-116</u> | <u>-100</u> | <u>-100</u> |
| Cash Balance, Ending | \$ 744 | \$ 679 | \$ 614 |

Special Administration Fund

The purpose of this fund, administered by the Department of Labor and Industry, is to cover those administrative expenses of the Unemployment Compensation Law not properly and validly chargeable to the Administration Fund. The receipts of the fund are generated from interest and penalties collected from claimants and employers under provisions of the Unemployment Compensation Law. All moneys in excess of \$200,000 in the fund, less encumbrances for litigation, at the end of the fiscal year are transferred to the Unemployment Compensation Contribution Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 177 | \$ 5,004 | \$ 200 |
| Receipts: | | | |
| Interest and Penalties..... | \$ 5,806 | \$ 7,182 | \$ 8,676 |
| Other..... | 118 | 143 | 169 |
| Total Receipts | 5,924 | 7,325 | 8,845 |
| Total Funds Available | \$ 6,101 | \$ 12,329 | \$ 9,045 |
| Disbursements: | | | |
| Labor and Industry..... | \$ 1,097 | \$ 12,129 | \$ 8,845 |
| Total Disbursements | -1,097 | -12,129 | -8,845 |
| Cash Balance, Ending | <u>\$ 5,004</u> | <u>\$ 200</u> | <u>\$ 200</u> |

State College Experimental Farm Fund

Act 56, approved May 13, 1887, authorized the sale of the eastern and western experimental farms which were purchased with Federal land grant monies in 1862. These farms were sold for \$17,000 in 1888 and the proceeds were placed in this fund to be invested in bonds of the Commonwealth at 6 percent per annum with the interest serving as an ongoing revenue to this fund. Several times a year the interest earned is disbursed to the Pennsylvania State University.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 25 | \$ 25 | \$ 25 |
| Receipts: | | | |
| Miscellaneous..... | \$ 1 | \$ 1 | \$ 1 |
| Total Receipts | 1 | 1 | 1 |
| Total Funds Available | \$ 26 | \$ 26 | \$ 26 |
| Disbursements: | | | |
| Treasury..... | \$ 1 | \$ 1 | \$ 1 |
| Total Disbursements | -1 | -1 | -1 |
| Cash Balance, Ending | <u>\$ 25</u> | <u>\$ 25</u> | <u>\$ 25</u> |

State Employees' Retirement Fund

This fund was created in 1924 to accumulate reserves for the payment of pensions to eligible former State employees. Money in this fund is used to pay retirement, disability and death benefits to members of the State Employees' Retirement System and their beneficiaries. Membership in the system is mandatory for most State employees and available to employees of non-State entities, such as the Pennsylvania State University, the Turnpike Commission, the Delaware River Port Authority and other public and quasi-public institutions authorized by the Retirement Code.

The fund receives revenue from employee contributions, employer contributions and income derived from its investment portfolio. Employer contributions are an actuarially determined percentage of payroll sufficient to fund current and future benefit payments. Investment income is used to credit interest to each member's account; to pay the administrative expenses of the retirement system; and to accumulate monies for the payment of future benefits. Management of the fund and payment of benefits are overseen by the State Employees' Retirement Board.

Act 40 of 2003 changed the retirement system's amortization period from ten years to an actuarially acceptable thirty year basis thus lowering employer contribution costs.

The cash balance shown in the statement includes substantial investment assets. The net investment adjustment item is to reflect the carrying value of long-term investments as of June 30 and is estimated for 2005-06 and 2006-07.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--|----------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 24,904,780 | \$ 26,796,956 | \$ 27,598,670 |
| Receipts: | | | |
| Contributions of Employees..... | \$ 310,533 | \$ 306,000 | \$ 315,000 |
| State Share Contribution..... | 103,600 | 153,500 | 223,000 |
| Transfer to Annuity Reserve Account..... | 22,943 | 0 | 0 |
| Income from Securities..... | 19,835 | 690,850 | 710,892 |
| Directed Commissions..... | 773 | 825 | 825 |
| Net Investment Adjustment..... | 3,390,478 | 1,658,039 | 1,706,142 |
| Other..... | 992 | 0 | 0 |
| Total Receipts | <u>3,849,154</u> | <u>2,809,214</u> | <u>2,955,859</u> |
| Total Funds Available | \$ 28,753,934 | \$ 29,606,170 | \$ 30,554,529 |
| Disbursements: | | | |
| Treasury..... | \$ 140 | \$ 0 | \$ 0 |
| State Employees' Retirement System..... | 1,956,838 | 2,007,500 | 2,216,000 |
| Total Disbursements | <u>-1,956,978</u> | <u>-2,007,500</u> | <u>-2,216,000</u> |
| Cash Balance, Ending | \$ 26,796,956 | \$ 27,598,670 | \$ 28,338,529 |

State Gaming Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, established the State Gaming Fund to receive all license fees provided for in the act and 34 percent of the gross terminal revenue (GTR) generated by licensed gaming facilities. The fund will also receive four percent of the GTR to be distributed to counties and municipalities as specified by the act. Proceeds from the State Gaming Fund will be disbursed on an annual basis as follows: \$1,500,000 or .001 percent of the GTR, whichever is greater, to the Compulsive and Problem Gambling Treatment Fund in the Department of Health, and \$5,000,000 to the board for Local Law Enforcement Grants. The remaining balance in the State Gaming Fund will be used to fund property tax relief as provided in Act 72 of 2004.

This budget proposes the reenactment of the annual \$25 million transfer for the Volunteer Fire Company grant program invalidated by the Pennsylvania Supreme Court. This budget assumes seven Category 1 licenses and five Category 2 licenses will be issued at \$50 million per license, and two Category 3 licenses at \$5 million per license during the 2006-07 fiscal year. These assumptions are contingent upon final agreement of supplier regulations by the board by March 2006 and the selection of a seventh track by the Harness Racing Commission. Before commencing operations, each slot machine licensee must deposit \$5 million in a restricted account in the State Treasury for use by the State Gaming Board and other authorized agencies for administrative costs related to this act.

Statement of Cash Receipts and Disbursements:

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
| Cash Balance, Beginning | \$ 0 | \$ 0 | \$ 0 |
| Receipts: | | | |
| License Fees..... | \$ 0 | \$ 0 | \$ 610,000 |
| State Tax Revenue..... | 0 | 0 | 220,000 |
| Local Share Assessment..... | 0 | 0 | 25,800 |
| Total Receipts | <u>0</u> | <u>0</u> | <u>855,800</u> |
| Total Funds Available | \$ 0 | \$ 0 | \$ 855,800 |
| Disbursements: | | | |
| Transfer to Compulsive and Problem Gambling Treatment Fund..... | \$ 0 | \$ 0 | \$ 1,500 |
| Emergency Management Agency Volunteer Company Grants..... | 0 | 0 | 25,000 |
| Gaming Control Board Local Law Enforcement Grants..... | 0 | 0 | 5,000 |
| Local Share Distribution..... | 0 | 0 | 25,800 |
| Transfer to General Fund..... | 0 | 0 | 61,100 ^a |
| Transfer to Property Tax Relief Fund..... | <u>0</u> | <u>0</u> | <u>737,400</u> |
| Total Disbursements | <u>0</u> | <u>0</u> | <u>-855,800</u> |
| Cash Balance, Ending | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

^a This amount includes (1) \$36.1 million repayment of the 2004-05 General Fund start-up loan and (2) \$25 million repayment for the 2005-06 Volunteer Company Grants program.

State Insurance Fund

Created in 1915, this fund finances expenditures related to the rebuilding, restoring or replacing of buildings, structures, equipment or other property owned by the Commonwealth which have been damaged or destroyed by fire or other casualty. This includes natural or man-made disasters. Revenue is derived from interest earned by the fund, interest received from the Fire Insurance Tax Fund and from reimbursements by insurance companies. If needed, money may also be directly appropriated to this fund. Receipts of the fund include reimbursement from the Commonwealth's excess insurance policy, which is responsible for damages for any occurrence in excess of \$1 million.

Unencumbered amounts in the fund in excess of \$3 million on December 31st of each year are transferred to the General Fund. This fund satisfies the requirements of the Federal Government for the Disaster Insurance Program.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 9,937 | \$ 10,043 | \$ 8,488 |
| Receipts: | | | |
| Recovered Damages..... | \$ 0 | \$ 240 | \$ 10 |
| Interest | 777 | 610 | 520 |
| Total Receipts | 777 | 850 | 530 |
| Total Funds Available | \$ 10,714 | \$ 10,893 | \$ 9,018 |
| Disbursements: | | | |
| Treasury..... | \$ 0 | \$ 5 | \$ 5 |
| General Services..... | 671 | 2,400 | 1,350 |
| Total Disbursements | -671 | -2,405 | -1,355 |
| Cash Balance, Ending | \$ 10,043 | \$ 8,488 | \$ 7,663 |

State Restaurant Fund

This fund was created in 1943 to finance the purchase and maintenance of equipment for the operation of the restaurant in the State Capitol as well as any other restaurants in other State Office Buildings. At present, the Capitol East Wing Cafeteria and the facility located in the Keystone Building are the only restaurants operated through this fund. Revenue is derived from the profits earned from those operations.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 1,838 | \$ 1,640 | \$ 1,606 |
| Receipts: | | | |
| Revenue from Operations..... | \$ 0 | \$ 108 | \$ 84 |
| Other..... | 75 | 70 | 70 |
| Total Receipts | 75 | 178 | 154 |
| Total Funds Available | \$ 1,913 | \$ 1,818 | \$ 1,760 |
| Disbursements: | | | |
| General Services..... | \$ 273 | \$ 212 | \$ 151 |
| Total Disbursements | -273 | -212 | -151 |
| Cash Balance, Ending | \$ 1,640 | \$ 1,606 | \$ 1,609 |

State School Fund

This fund was established in 1911 and is funded primarily by the sale of escheated estates and other nonpublic real estate and interest earnings of the Sinking Fund. Changes in the escheat law and lack of interest earnings from the Sinking Fund or investment of monies in the State School Fund have resulted in a low revenue level. The fund is active in only a limited sense.

The original purpose of the fund was to equalize educational advantages across the Commonwealth; to provide advancements to school districts temporarily in need of aid; and to promote education in the conservation of natural resources, forestry, agriculture and other industrial pursuits. The law was amended in 1960 to change the purpose of the fund to equalization of educational opportunities, and to pay part of the cost of repair or alteration of local public school or State college buildings when required to satisfy requirements of the Department of Labor and Industry or other relevant governmental agencies.

Expenditures from the fund are made at the direction of the State Board of Education.

Statement of Cash Receipts and Disbursements:

| | (Dollar Amounts in Thousands) | | |
|--------------------------------------|-------------------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
| Cash Balance, Beginning | \$ 543 | \$ 545 | \$ 545 |
| Receipts: | | | |
| Treasury Interest..... | \$ 24 | \$ 25 | \$ 26 |
| Total Receipts | 24 | 25 | 26 |
| Total Funds Available | \$ 567 | \$ 570 | \$ 571 |
| Disbursements: | | | |
| Education..... | \$ 22 | \$ 25 | \$ 30 |
| Total Disbursements | -22 | -25 | -30 |
| Cash Balance, Ending | \$ 545 | \$ 545 | \$ 541 |

State Stores Fund

The State Stores Fund serves as the general operating fund for the Liquor Control Board. The Pennsylvania State Police receive funds for the enforcement of the Liquor Code. The Department of Health receives funds for alcohol abuse programs. This fund receives revenues from the sale of goods in State Liquor Stores, fees not credited to the Liquor License Fund, fines and penalties, losses and damages recovered, and loans from the General Fund to provide working capital. Expenditures cover all costs associated with the operation and administration of the Liquor Store System and enforcement of the Liquor Code. Any surplus is transferred to the General Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|---------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 56,225 | \$ 94,775 | \$ 98,605 |
| Receipts: | | | |
| Fees..... | \$ 9,924 | \$ 9,918 | \$ 9,918 |
| Fines and Penalties..... | 1,405 | 1,405 | 1,405 |
| Sale of Goods..... | 1,166,870 | 1,565,331 | 1,653,929 |
| Recovered Losses and Damages..... | 1,246 | 875 | 875 |
| General Fund Loans..... | 85,000 | 85,000 | 85,000 |
| Other..... | 3,432 | 4,939 | 6,439 |
| Total Receipts | <u>1,267,877</u> | <u>1,667,468</u> | <u>1,757,566</u> |
| Total Funds Available | \$ 1,324,102 | \$ 1,762,243 | \$ 1,856,171 |
| Disbursements: | | | |
| Treasury..... | \$ 14 | \$ 15 | \$ 15 |
| Health..... | 1,713 | 1,858 | 1,870 |
| Liquor Control Board | 1,209,525 | 1,640,807 | 1,780,648 |
| State Police..... | 18,075 | 20,958 | 23,322 |
| Total Disbursements | <u>-1,229,327</u> | <u>-1,663,638</u> | <u>-1,805,855</u> |
| Cash Balance, Ending | \$ 94,775 | \$ 98,605 | \$ 50,316 |

State Treasury Armory Fund

Created in accordance with Act 92 of 1975, this fund receives monies derived from the sale of any armory building, armory site or other real estate. Funds are expended solely for the purchase of equipment, furniture and fixtures or for the construction of new armories in the Commonwealth.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|----------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 510 | \$ 1,320 | \$ 1,560 |
| Receipts: | | | |
| Armory Rentals..... | \$ 363 | \$ 425 | \$ 425 |
| Sale of Armories and Land..... | 175 | 270 | 270 |
| Interest..... | 34 | 20 | 20 |
| Total Receipts | <u>572</u> | <u>715</u> | <u>715</u> |
| Total Funds Available | \$ 1,082 | \$ 2,035 | \$ 2,275 |
| Disbursements: | | | |
| Military and Veterans Affairs..... | \$ -238 ^a | \$ 475 | \$ 610 |
| Total Disbursements | <u>238</u> | <u>-475</u> | <u>-610</u> |
| Cash Balance, Ending | \$ 1,320 | \$ 1,560 | \$ 1,665 |

^a Funds received from an amory sale are shown as a negative disbursement.

State Worker's Insurance Fund

The State Worker's Insurance Fund (SWIF) was created by Act 338 of 1915, and operates within the Department of Labor and Industry. It is a self-sustaining fund providing workers' compensation insurance to employers, including those refused policies by private insurance firms. SWIF is subject to underwriting rules, classification and rates promulgated by rating bureaus authorized by the State Insurance Commissioner. Premium rates are established by them based on the history of accidents by industry. Administrative costs are paid from the fund including expenses related to Insurance Department and Auditor General examinations.

Act 68 of 1990 provides for the transfer of money from SWIF. Annual payments are made to the General Fund equal to the amount which would have been paid in taxes had SWIF been subject to taxes. The act also established an Advisory Council to recommend the amount of surplus in SWIF, if any, that could be distributed without jeopardizing its legal obligations to policy holders. If such a surplus exists, the SWIF Board may then recommend distribution of the surplus as refunds to current or former policyholders. The funds recommended by the board to be transferred or refunded to policyholders must be approved and appropriated by the General Assembly.

The net investment adjustment shown below is to reflect the current market value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements:

| | (Dollar Amounts in Thousands) | | |
|---|-------------------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
| Cash Balance, Beginning | \$ 1,522,923 | \$ 1,712,742 | \$ 1,813,444 |
| Receipts: | | | |
| Premiums..... | \$ 422,346 | \$ 405,000 | \$ 390,000 |
| Interest..... | 68,724 | 69,127 | 70,162 |
| Net Investment Adjustment..... | 64,539 | 0 | 0 |
| Other..... | 6,496 | 7,100 | 6,950 |
| Total Receipts | 562,105 | 481,227 | 467,112 |
| Total Funds Available | \$ 2,085,028 | \$ 2,193,969 | \$ 2,280,556 |
| Disbursements: | | | |
| Treasury..... | \$ 0 | \$ 35 | \$ 35 |
| Labor and Industry..... | 364,220 | 371,990 | 392,200 |
| Premium Tax Payment to the General Fund..... | 8,066 | 8,500 | 8,500 |
| Total Disbursements | -372,286 | -380,525 | -400,735 |
| Cash Balance, Ending | \$ 1,712,742 | \$ 1,813,444 | \$ 1,879,821 |

Storage Tank Fund

This fund was created by Act 32 of 1989 for the operation of an aboveground and underground storage tank regulation, registration and enforcement program. Revenues to the fund consist of registration and permit fees, fines, judgements, bond forfeitures, interest and recovered costs. Expenditures include the remediation of leaking underground storage tanks.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 9,899 | \$ 10,640 | \$ 10,167 |
| Receipts: | | | |
| Registration Fees..... | \$ 3,583 | \$ 3,600 | \$ 3,700 |
| Federal Funds - EPA..... | 1,297 | 5,051 | 2,951 |
| Fines and Penalties..... | 957 | 380 | 380 |
| Interest..... | 532 | 280 | 300 |
| Other..... | 2,402 | 3 | 0 |
| Total Receipts | <u>8,771</u> | <u>9,314</u> | <u>7,331</u> |
| Total Funds Available | \$ 18,670 | \$ 19,954 | \$ 17,498 |
| Disbursements: | | | |
| Environmental Protection..... | \$ 8,030 | \$ 9,787 | \$ 9,430 |
| Total Disbursements | <u>-8,030</u> | <u>-9,787</u> | <u>-9,430</u> |
| Cash Balance, Ending | \$ 10,640 | \$ 10,167 | \$ 8,068 |

Substance Abuse Education and Demand Reduction Fund

This fund was created by Act 198 of 2002. The purpose of the fund is to provide research-based approaches to prevention, intervention, training, treatment and education services to reduce substance abuse and to offer statewide programs to assist families in accessing those services. The fund also provides for statewide programs to educate employers, unions and employees about the dangers of substance abuse in the workplace and provide comprehensive drug-free workplace programs and technical resources for businesses. Revenue to the fund consists of assessments on individuals convicted, adjudicated delinquent or granted accelerated rehabilitative disposition and also those individuals who plead guilty or nolo contendere to either a violation of the Controlled Substance, Drug, Device and Cosmetic Act or a violation relating to driving under the influence of alcohol or controlled substance.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 774 | \$ 3,594 | \$ 5,477 |
| Receipts: | | | |
| Assessments..... | \$ 2,739 | \$ 2,686 | \$ 2,700 |
| Interest..... | 81 | 144 | 156 |
| Total Receipts..... | <u>2,820</u> | <u>2,830</u> | <u>2,856</u> |
| Total Funds Available | \$ 3,594 | \$ 6,424 | \$ 8,333 |
| Disbursements: | | | |
| Executive Offices..... | \$ 0 | \$ 597 | \$ 4,891 |
| Attorney General..... | 0 | 350 | 548 |
| Total Disbursements..... | <u>0</u> | <u>-947</u> | <u>-5,439</u> |
| Cash Balance, Ending | \$ 3,594 | \$ 5,477 | \$ 2,894 |

Supplemental State Assistance Fund

This fund was created by Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, and is administered by the Auditor General. Under Act 205, the Auditor General is responsible for the administration of the Supplemental State Assistance Program, including disbursement of funds to distressed municipal pension systems based on certifications provided by the Public Employe Retirement Commission (PERC). Since 1989-90, revenues for the Supplemental State Assistance Fund have been provided entirely by General Fund appropriations. By statute, this program and fund terminated in 2003. The unspent balance within the fund shall be transferred to the General Fund.

Statement of Cash Receipts and Disbursements:

| | (Dollar Amounts in Thousands) | | |
|--------------------------------------|-------------------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
| Cash Balance, Beginning | \$ 58 | \$ 60 | \$ 2 |
| Receipts: | | | |
| General Fund Appropriation..... | \$ 0 | \$ 0 | \$ 0 |
| Interest | 2 | 0 | 0 |
| Total Receipts | <u>2</u> | <u>0</u> | <u>0</u> |
| Total Funds Available | <u>\$ 60</u> | <u>\$ 60</u> | <u>\$ 2</u> |
| Disbursements: | | | |
| Auditor General..... | \$ 0 | \$ 0 | \$ 0 |
| Transfer to General Fund..... | 0 | 58 | 2 |
| Total Disbursements | <u>0</u> | <u>-58</u> | <u>-2</u> |
| Cash Balance, Ending | <u>\$ 60</u> | <u>\$ 2</u> | <u>\$ 0</u> |

Surface Mining Conservation and Reclamation Fund

This fund was created in 1945 to finance reclamation projects on land scarred by surface mining. Projects include recontouring, terracing and planting of trees, shrubs and grasses. Revenues are provided by charging surface mining operators for licenses and permits and by fining them for failure to apply for the licenses and permits as well as by forfeiture of collateral bonds, cash or securities for failure to comply with an approved reclamation plan.

Statement of Cash Receipts and Disbursements:

| | (Dollar Amounts in Thousands) | | |
|--------------------------------------|-------------------------------|----------------------|----------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
| Cash Balance, Beginning | \$ 49,577 | \$ 50,653 | \$ 50,164 |
| Receipts: | | | |
| Licenses and Fees..... | \$ 123 | \$ 200 | \$ 225 |
| Fines and Penalties..... | 318 | 340 | 365 |
| Interest..... | 2,015 | 1,700 | 1,700 |
| Forfeiture of Bonds..... | 247 | 0 | 0 |
| Trust Account Collateral..... | 855 | 0 | 0 |
| Miscellaneous..... | 288 | 0 | 0 |
| Total Receipts | <u>3,846</u> | <u>2,240</u> | <u>2,290</u> |
| Total Funds Available | <u>\$ 53,423</u> | <u>\$ 52,893</u> | <u>\$ 52,454</u> |
| Disbursements: | | | |
| Treasury..... | \$ 0 | \$ 5 | \$ 5 |
| Environmental Protection..... | 2,770 | 2,724 | 2,777 |
| Total Disbursements | <u>-2,770</u> | <u>-2,729</u> | <u>-2,782</u> |
| Cash Balance, Ending | <u>\$ 50,653</u> | <u>\$ 50,164</u> | <u>\$ 49,672</u> |

Tuition Account Guaranteed Savings Program Fund

Act 11 of 1992, amended by Act 58 of 2000, provided for the establishment of two programs for postsecondary educational savings. Both programs are administered by the Tuition Account Programs Bureau within the Treasury Department with oversight by the Tuition Account Programs Advisory Board. This fund offers a guaranteed rate of return tied to tuition inflation. Revenue is derived primarily from application fees, Tuition Account Guaranteed Savings Program contracts and investment income. Fund expenditures consist mainly of payments to educational institutions for tuition and administrative costs.

The cash balance shown in the statement includes substantial investment assets. The net investment adjustment item is included to reflect the carrying value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---------------------------------------|---------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 854,143 | \$ 981,328 | \$ 1,112,428 |
| Receipts: | | | |
| Application Fees | \$ 113 | \$ 100 | \$ 100 |
| Tuition Purchases..... | 141,612 | 150,000 | 150,000 |
| Investment Earnings..... | 29,795 | 35,000 | 40,000 |
| Net Investment Adjustment..... | 83,644 | 94,500 | 100,000 |
| Transfer from Investment Program..... | 339 | 350 | 350 |
| Other..... | 125 | 150 | 150 |
| Total Receipts | 255,628 | 280,100 | 290,600 |
| Total Funds Available | \$ 1,109,771 | \$ 1,261,428 | \$ 1,403,028 |
| Disbursements: | | | |
| Treasury..... | \$ 128,443 | \$ 149,000 | \$ 160,000 |
| Total Disbursements | -128,443 | -149,000 | -160,000 |
| Cash Balance, Ending | \$ 981,328 | \$ 1,112,428 | \$ 1,243,028 |

Tuition Account Investment Program Fund

Act 11 of 1992, amended by Act 58 of 2000, provided for the establishment of two programs for postsecondary educational savings. Both programs are administered by the Tuition Account Programs Bureau within the Treasury Department with oversight by the Tuition Account Programs Advisory Board. The Tuition Account Investment Program, launched in July 2002, provides market-based investment returns and offers participants several investment options based on age, investment risk, or socially responsible investments comprising a mix of equity and fixed income portfolios. Fund revenue is derived primarily from Tuition Account Investment Program contracts and investment income. Fund expenditures consist mainly of redemption of program contracts.

The cash balance shown in the statement includes substantial investment assets. The net investment adjustment item is included to reflect the carrying value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 138,645 | \$ 233,891 | \$ 332,241 |
| Receipts: | | | |
| TAP Investment Purchases..... | \$ 86,241 | \$ 90,000 | \$ 94,000 |
| Investment Earnings..... | 325 | 350 | 375 |
| Net Investment Adjustment..... | 13,829 | 14,000 | 14,000 |
| Total Receipts | <u>100,395</u> | <u>104,350</u> | <u>108,375</u> |
| Total Funds Available | \$ 239,040 | \$ 338,241 | \$ 440,616 |
| Disbursements: | | | |
| Treasury..... | \$ 5,149 | \$ 6,000 | \$ 6,000 |
| Total Disbursements | <u>-5,149</u> | <u>-6,000</u> | <u>-6,000</u> |
| Cash Balance, Ending | \$ 233,891 | \$ 332,241 | \$ 434,616 |

Underground Storage Tank Indemnification Fund

The Storage Tank and Spill Prevention Act, Act 32 of 1989, as amended, established the Underground Storage Tank Indemnification Fund to administer a program to provide claim payments to owners and operators of underground storage tanks who incur liability for taking corrective action or for bodily injury or property damage caused by a release from underground storage tanks. Expenses for administration of the fund are also covered. The fund is administered by the Insurance Department in conjunction with a nine member Underground Storage Tank Indemnification Board.

Act 32 authorized the board to establish, by regulation, fees to be paid by underground storage tank owners and operators to fund the program. Effective January 1, 2004, tank owners pay a gallon fee of \$0.011 per gallon. Owners of diesel fuel and heating oil tanks pay a capacity fee of \$.083 in lieu of the gallon fee. These regulatory fee increases are ten percent over the previous fees and are necessary to maintain the actuarial soundness of the fund as prescribed by Act 32.

Act 13 of 1998 established a new loan program to assist owners of regulated underground storage tanks to upgrade their underground storage tank systems to meet Federal Environmental Protection Agency upgrade requirements or to remove them from service. Act 100 of 2000 expanded the upgrade loan program to include the removal of underground storage tanks. The Department of Community and Economic Development administers the loan program as part of its business loans program. The act also established an environmental cleanup program and a pollution prevention program which are administered by the Department of Environmental Protection. The net investment adjustment is included to reflect the current market value of long-term investments as of June 30. A loan of \$100 million was made to the General Fund on October 15, 2002 in accordance with Act 91 of 2002 and is to be repaid over ten years beginning in 2004.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---|--------------------------|--------------------------|-------------------------|
| Cash Balance, Beginning | \$ 106,074 | \$ 118,725 | \$ 102,291 |
| Receipts: | | | |
| Gallon Fee | \$ 54,903 | \$ 50,000 | \$ 52,949 |
| Tank Capacity Fee | 7,189 | 6,000 | 7,635 |
| Investment Income | 4,631 | 5,000 | 4,216 |
| Net Investment Adjustment..... | 2,335 | 0 | 0 |
| Upgrade Loan Repayments..... | 0 | 866 | 688 |
| Loan Repayment From General Fund..... | 10,000 | 7,500 | 1,000 |
| Miscellaneous Fees | 1,343 | 260 | 116 |
| Total Receipts | <u>80,401</u> | <u>69,626</u> | <u>66,604</u> |
| Total Funds Available | \$ 186,475 | \$ 188,351 | \$ 168,895 |
| Disbursements: | | | |
| Treasury..... | \$ 6 | \$ 15 | \$ 15 |
| Community and Economic Development..... | 252 | 1,545 | 1,545 |
| Environmental Protection..... | 3,433 | 12,000 | 12,000 |
| Insurance..... | 64,059 | 72,500 | 84,940 |
| Total Disbursements | <u>-67,750</u> | <u>-86,060</u> | <u>-98,500</u> |
| Cash Balance, Ending | <u>\$ 118,725</u> | <u>\$ 102,291</u> | <u>\$ 70,395</u> |

Unemployment Compensation Benefit Payment Fund

Employers' and employees' contributions under the Unemployment Compensation Law are credited to the Commonwealth's account in the Federal Unemployment Trust Fund. Requisitions of money from the Trust Fund for the payment of unemployment compensation benefits to eligible individuals are the revenue for the Unemployment Compensation Benefit Payment Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---|---------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 0 | \$ 0 | \$ 0 |
| Receipts: | | | |
| Regular Unemployment Compensation Program..... | \$ 2,021,006 | \$ 2,043,489 | \$ 2,174,340 |
| Federal Receipts in Transit ^a | 6,263 | 6,300 | 6,700 |
| Other..... | 91,212 | 87,810 | 91,860 |
| Total Receipts | <u>2,118,481</u> | <u>2,137,599</u> | <u>2,272,900</u> |
| Total Funds Available | \$ 2,118,481 | \$ 2,137,599 | \$ 2,272,900 |
| Disbursements: | | | |
| Labor and Industry..... | \$ 2,118,481 | \$ 2,137,599 | \$ 2,272,900 |
| Total Disbursements | <u>-2,118,481</u> | <u>-2,137,599</u> | <u>-2,272,900</u> |
| Cash Balance, Ending | \$ 0 | \$ 0 | \$ 0 |

^a Represents future receipts of funds from the Federal Government for checks issued to individual recipients.

Unemployment Compensation Contribution Fund

This fund was created to hold moneys collected from employers under the Unemployment Compensation Law and, except for refunds of collections or transfers to the Special Administration Fund, the moneys are transferred to the United States Treasury for credit to the Commonwealth's account in the Federal Unemployment Trust Fund established under Section 904 of the Social Security Act.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--|---------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 12 | \$ 91 | \$ 0 |
| Receipts: | | | |
| Contributions of Employers and Employees..... | \$ 2,328,877 | \$ 2,384,200 | \$ 2,332,600 |
| Other..... | 555 | 570 | 560 |
| Total Receipts | <u>2,329,432</u> | <u>2,384,770</u> | <u>2,333,160</u> |
| Total Funds Available | \$ 2,329,444 | \$ 2,384,861 | \$ 2,333,160 |
| Disbursements: | | | |
| Labor and Industry..... | \$ 2,329,353 | \$ 2,384,861 | \$ 2,333,160 |
| Total Disbursements | <u>-2,329,353</u> | <u>-2,384,861</u> | <u>-2,333,160</u> |
| Cash Balance, Ending | \$ 91 | \$ 0 | \$ 0 |

Vocational Rehabilitation Fund

This fund, administered by the State Board of Vocational Rehabilitation in the Department of Labor and Industry, was created to provide vocational rehabilitation services to any person who has a disability, mental or physical, which constitutes a handicap to employment or to achieve independent living status. Services can be provided directly or through a purchase of service arrangement. Receipts for this fund come from Federal vocational rehabilitation funds, transfer of General Fund appropriations for matching the Federal funds, interest earned and local match.

Statement of Cash Receipts and Disbursements:

| | (Dollar Amounts in Thousands) | | |
|--|-------------------------------|------------------------|------------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
| Cash Balance, Beginning | \$ 5,454 | \$ 3,911 | \$ 3,911 |
| Receipts: | | | |
| Transfer from General Fund..... | \$ 38,351 | \$ 39,122 | \$ 39,122 |
| Federal Vocational Rehabilitation Funds..... | 127,252 | 142,741 | 137,302 |
| Other..... | 1,350 | 800 | 800 |
| Total Receipts | <u>166,953</u> | <u>182,663</u> | <u>177,224</u> |
| Total Funds Available | \$ 172,407 | \$ 186,574 | \$ 181,135 |
| Disbursements: | | | |
| Labor and Industry..... | 168,496 | 182,663 | 176,185 |
| Total Disbursements | <u>-168,496</u> | <u>-182,663</u> | <u>-176,185</u> |
| Cash Balance, Ending | <u>\$ 3,911</u> | <u>\$ 3,911</u> | <u>\$ 4,950</u> |

Volunteer Companies Loan Fund

Bond referendums in 1975, 1981, 1990, and 2002 authorized a total of \$100 million of bonds to be issued for acquisition and replacement of volunteer fire, ambulance and rescue company equipment and facilities. Act 208 of 1976 established a revolving loan fund known as the Volunteer Companies Loan Fund; loans provided for under these bond issues are administered by the Pennsylvania Emergency Management Agency. Revenue to the fund in addition to bond proceeds includes loan repayments and interest earnings. General Fund transfer appropriations have also been provided to fund the program.

Statement of Cash Receipts and Disbursements:

| | (Dollar Amounts in Thousands) | | |
|--------------------------------------|-------------------------------|-------------------------|-------------------------|
| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
| Cash Balance, Beginning | \$ 7,799 | \$ 13,401 | \$ 12,651 |
| Receipts: | | | |
| Loan Principal Repayments..... | \$ 15,113 | \$ 14,250 | \$ 14,250 |
| Loan Interest..... | 2,256 | 2,250 | 2,250 |
| Interest on Securities..... | 430 | 250 | 251 |
| Total Receipts | <u>17,799</u> | <u>16,750</u> | <u>16,751</u> |
| Total Funds Available | \$ 25,598 | \$ 30,151 | \$ 29,402 |
| Disbursements: | | | |
| Emergency Management Agency..... | \$ 12,197 | \$ 17,500 | \$ 17,500 |
| Total Disbursements | <u>-12,197</u> | <u>-17,500</u> | <u>-17,500</u> |
| Cash Balance, Ending | <u>\$ 13,401</u> | <u>\$ 12,651</u> | <u>\$ 11,902</u> |

Volunteer Companies Loan Sinking Fund

Monies in this fund are used to redeem or pay interest on bonds issued for the Volunteer Companies Loan Fund. The annual appropriation from the the General Fund for general obligation debt service provides revenues to the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 0 | \$ 0 | \$ 0 |
| Receipts: | | | |
| Transfer from General Fund..... | \$ 732 | \$ 629 | \$ 616 |
| Total Receipts | <u>732</u> | <u>629</u> | <u>616</u> |
| Total Funds Available | <u>\$ 732</u> | <u>\$ 629</u> | <u>\$ 616</u> |
| Disbursements: | | | |
| Treasury..... | \$ 732 | \$ 629 | \$ 616 |
| Total Disbursements | <u>-732</u> | <u>-629</u> | <u>-616</u> |
| Cash Balance, Ending | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

Water Facilities Loan Fund

This fund was created by Act 167 of 1982 to implement the water project loan referendum approved by the electorate on November 3, 1981. That referendum authorized the Commonwealth to incur an indebtedness of \$300 million for use as loans to repair, construct, reconstruct, rehabilitate, extend and improve water supply systems or to repair, reconstruct or rehabilitate flood control facilities, dams and port facilities. Act 16 of 1988 transferred the functions of the Water Facilities Loan Board to the Pennsylvania Infrastructure Investment Authority as part of the PENNVEST program. Remaining bond authorization is expected to be used in the future.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 0 | \$ 0 | \$ 0 |
| Receipts: | | | |
| Sale of Bonds..... | \$ 0 | \$ 0 | \$ 0 |
| Total Receipts | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Funds Available | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Disbursements: | | | |
| Infrastructure Investment Authority..... | \$ 0 | \$ 0 | \$ 0 |
| Total Disbursements | <u>0</u> | <u>0</u> | <u>0</u> |
| Cash Balance, Ending | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

Water Facilities Loan Redemption Fund

Payment of interest and principal due on outstanding water facilities loan bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest on monies in the Water Facilities Loan Fund provide revenues to this fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 0 | \$ 0 | \$ 0 |
| Receipts: | | | |
| Transfer from General Fund..... | \$ 3,250 | \$ 3,060 | \$ 2,058 |
| Total Receipts | <u>3,250</u> | <u>3,060</u> | <u>2,058</u> |
| Total Funds Available | <u>\$ 3,250</u> | <u>\$ 3,060</u> | <u>\$ 2,058</u> |
| Disbursements: | | | |
| Treasury..... | \$ 3,250 | \$ 3,060 | \$ 2,058 |
| Total Disbursements | <u>-3,250</u> | <u>-3,060</u> | <u>-2,058</u> |
| Cash Balance, Ending | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

Water Supply and Wastewater Treatment Fund

Act 218 of 2004 established the Water Supply and Wastewater Infrastructure Capitalization Program. Funding for the program is generated from the \$250 million bond issue approved by the electorate in November of 2004. Funds are allocated to the Commonwealth Financing Authority and the Infrastructure Investment Authority (PENNVEST) to be used for grants and loans for new and existing water supply and wastewater system projects in the Commonwealth.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 0 | \$ 0 | \$ 30,000 |
| Receipts: | | | |
| Transfer from Treasury..... | \$ 0 | \$ 51,300 | \$ 95,000 |
| Total Receipts | <u>0</u> | <u>51,300</u> | <u>95,000</u> |
| Total Funds Available | <u>\$ 0</u> | <u>\$ 51,300</u> | <u>\$ 125,000</u> |
| Disbursements: | | | |
| Commonwealth Financing Authority..... | \$ 0 | \$ 21,300 | \$ 77,500 |
| Infrastructure Investment Authority..... | 0 | 0 | 0 |
| Total Disbursements | <u>0</u> | <u>-21,300</u> | <u>-77,500</u> |
| Cash Balance, Ending | <u>\$ 0</u> | <u>\$ 30,000</u> | <u>\$ 47,500</u> |

Water Supply and Wastewater Treatment Sinking Fund

Monies in this fund are used to redeem or pay interest on bonds issued for the Water Supply and Wastewater Treatment Program. The annual appropriation from the the General Fund for general obligation debt service provides revenues to the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 0 | \$ 0 | \$ 0 |
| Receipts: | | | |
| Transfer from General Fund..... | \$ 0 | \$ 0 | \$ 5,146 |
| Total Receipts | 0 | 0 | 5,146 |
| Total Funds Available | \$ 0 | \$ 0 | \$ 5,146 |
| Disbursements: | | | |
| Treasury..... | \$ 0 | \$ 0 | \$ 5,146 |
| Total Disbursements | 0 | 0 | -5,146 |
| Cash Balance, Ending | \$ 0 | \$ 0 | \$ 0 |

Wild Resource Conservation Fund

This fund was created by Act 170 of 1982. Revenue is derived primarily from tax rebate check-offs and voluntary contributions. The fund collects information relating to population, distribution, habitat needs, limiting factors and other biological and ecological data to classify plants and to determine necessary management measures. These management measures include promotion of a Statewide system of private wild plant sanctuaries; permitting of removal, collection or transplanting of endangered or threatened plant species; and regulation of the digging, harvesting, sale and exploitation of designated species.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|---|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 256 | \$ 214 | \$ 209 |
| Receipts: | | | |
| Tax Check-Offs..... | \$ 155 | \$ 200 | \$ 200 |
| Interest on Securities..... | 10 | 10 | 10 |
| Voluntary Donations..... | 6 | 50 | 50 |
| License Plate Sales..... | 35 | 65 | 65 |
| Other..... | 20 | 60 | 60 |
| Total Receipts | 226 | 385 | 385 |
| Total Funds Available | \$ 482 | \$ 599 | \$ 594 |
| Disbursements: | | | |
| Conservation and Natural Resources..... | \$ 268 | \$ 390 | \$ 382 |
| Total Disbursements | -268 | -390 | -382 |
| Cash Balance, Ending | \$ 214 | \$ 209 | \$ 212 |

Wireless E-911 Emergency Services Fund

Act 56 of 2003, the Public Safety Emergency Telephone Act, established the Wireless E-911 Emergency Services Fund to support a Statewide integrated wireless E-911 plan. The fund is used to collect and deposit a surcharge collected by wireless service providers on a monthly basis, the proceeds of which are remitted to the fund quarterly. Up to two percent of annual surcharge proceeds can be used by the agency for administrative costs with the remaining available balance being used for approved county grants.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 0 | \$ 65,296 | \$ 18,346 |
| Receipts: | | | |
| Transfer from General Fund..... | \$ 0 | \$ 0 | \$ 0 |
| Surcharges | 64,420 | 78,000 | 78,000 |
| Income on Investments..... | 1,222 | 150 | 150 |
| Other..... | 0 | 0 | 0 |
| Total Receipts | 65,642 | 78,150 | 78,150 |
| Total Funds Available | \$ 65,642 | \$ 143,446 | \$ 96,496 |
| Disbursements: | | | |
| Treasury..... | \$ 0 | \$ 0 | \$ 0 |
| Emergency Management Agency | | | |
| Administration..... | 346 | 1,100 | 1,100 |
| Grants..... | 0 | 124,000 | 94,000 |
| Total Disbursements | 346 | -125,100 | -95,100 |
| Cash Balance, Ending | \$ 65,296 | \$ 18,346 | \$ 1,396 |

Workers' Compensation Security Fund

The purpose of this fund is payment of valid claims for compensation provided by the Workers' Compensation Act to individuals who are insured by an insolvent stock company. Expenses for administration of the fund are also covered.

Through June 30, 2000, payment equal to one percent of the net written premiums received for workers' compensation insurance policies written in the Commonwealth by stock companies, mutual carriers and reciprocal exchanges during the preceding annual reporting period were credited to the fund. Such payments were required only if the balance less known liabilities of the fund was determined to be less than five percent of the loss reserves of all such companies for payments of benefits under the Workers' Compensation Act.

Act 49 of 2000 removed the statutory annual assessment procedures in conjunction with giving prudent person investment authority to the Insurance Commissioner jointly with the State Treasurer for the investment of moneys in the fund. This change is expected to generate increased earnings to the fund, thereby reducing the frequency of the assessment. The act requires the Insurance Department to manage the fund to maintain its actuarial soundness and a minimum balance of \$500 million as of December 31 of any given year. If the fund balance falls below \$500 million by calendar year end, the department will assess contributions to restore the balance in the fund in a timely manner. An assessment was made in 2003 based upon the 2002 calendar year financial data, but an assessment was not made in 2005 based upon the 2004 calendar year financial data.

The net investment adjustment shown below is to reflect the current market value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 500,376 | \$ 491,865 | \$ 454,610 |
| Receipts: | | | |
| Premium Contributions | \$ 25,606 | 5,000 | \$ 29,920 |
| Interest on Securities | 19,727 | 30,000 | 22,918 |
| Net Investment Adjustment..... | 12,134 | 0 | 0 |
| Miscellaneous..... | 9 | 250 | 0 |
| Total Receipts | 57,476 | 35,250 | 52,838 |
| Total Funds Available | \$ 557,852 | \$ 527,115 | \$ 507,448 |
| Disbursements: | | | |
| Treasury | \$ 5 | \$ 5 | \$ 5 |
| Insurance | 65,982 | 72,500 | 84,940 |
| Total Disbursements | -65,987 | -72,505 | -84,945 |
| Cash Balance, Ending | \$ 491,865 | \$ 454,610 | \$ 422,503 |

Workmen's Compensation Administration Fund

This fund was created by Act 2 of 1976 to finance the expenses of the Department of Labor and Industry in administering the Pennsylvania Workers' Compensation Act and the Pennsylvania Occupational Disease Act. Act 44 of 1993 and Act 57 of 1996 amended the Workers' Compensation Act, expanding the administrative responsibilities of the department. The fund is supported by annual assessments on insurers and self-insurers under the act. These administrative funds are approved by the Legislature for expenditure through the appropriation process. Administrative funds are also provided to the Office of the Small Business Advocate (OSBA) through the Department of Community and Economic Development to represent the interests of the employers in worker's compensation rate filings before the Insurance Department.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Budget |
|---|-------------------|----------------------|-------------------|
| Cash Balance, Beginning | \$ 56,070 | \$ 62,922 | \$ 64,088 |
| Receipts: | | | |
| Assessments..... | \$ 54,994 | \$ 57,525 | \$ 60,231 |
| Other..... | 1,294 | 1,350 | 1,400 |
| Total Receipts | 56,288 | 58,875 | 61,631 |
| Total Funds Available | \$ 112,358 | \$ 121,797 | \$ 125,719 |
| Disbursements: | | | |
| Treasury | \$ 38 | \$ 0 | \$ 0 |
| Community and Economic Development..... | 156 | 184 | 184 |
| Labor and Industry..... | 49,242 | 57,525 | 60,231 |
| Total Disbursements | -49,436 | -57,709 | -60,415 |
| Cash Balance, Ending | \$ 62,922 | \$ 64,088 | \$ 65,304 |

Workmen's Compensation Supersedeas Fund

The purpose of this fund is to reimburse insurers for payments made by them to claimants under the Workers' Compensation Act who are later determined to be ineligible. The fund is maintained by annual assessments on insurers and self-insurers and is administered by the Department of Labor and Industry.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

| | 2004-05 Actual | 2005-06 Available | 2006-07 Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| Cash Balance, Beginning | \$ 1,715 | \$ 268 | \$ 659 |
| Receipts: | | | |
| Assessments..... | \$ 18,891 | \$ 22,212 | \$ 17,400 |
| Other..... | 637 | 679 | 600 |
| Total Receipts | <u>19,528</u> | <u>22,891</u> | <u>18,000</u> |
| Total Funds Available | \$ 21,243 | \$ 23,159 | \$ 18,659 |
| Disbursements: | | | |
| Labor and Industry..... | \$ 20,975 | \$ 22,500 | \$ 18,000 |
| Total Disbursements | <u>-20,975</u> | <u>-22,500</u> | <u>-18,000</u> |
| Cash Balance, Ending | \$ 268 | \$ 659 | \$ 659 |



Commonwealth of Pennsylvania

Governor's Executive Budget

COMPLEMENT



COMPLEMENT

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

**AUTHORIZED SALARIED COMPLEMENT BY AGENCY
FULL-TIME EQUIVALENT (FTE)**

The following is a summary, by department, of the Commonwealth's authorized complement levels on a full-time equivalent (FTE) basis.

Since taking office in January 2003 the Rendell Administration has reduced the Commonwealth's complement through disciplined management, without layoffs or furloughs. In 2006-07 it is projected that additional complement reductions will be achieved through this same approach.

| Department | January 2003 | 2004-05 Actual | 2005-06 Available | 2006-07 Budget | Difference Budget vs. Available |
|-------------------------------------|-------------------------|---------------------------|------------------------------|---------------------------|--|
| Governor's Office | 91 | 91 | 88 | 86 | -2 |
| Executive Offices | 2,377 | 2,363 | 2,299 | 2,303 | 4 |
| Lieutenant Governor's Office | 15 | 17 | 17 | 17 | |
| Aging | 114 | 109 | 109 | 107 | -2 |
| Agriculture | 656 | 638 | 659 | 644 | -15 |
| Banking | 123 | 153 | 169 | 173 | 4 |
| Civil Service Commission | 180 | 178 | 174 | 170 | -4 |
| Community and Economic Development | 344 | 359 | 362 | 360 | -2 |
| Conservation and Natural Resources | 1,391 | 1,395 | 1,407 | 1,393 | -14 |
| Corrections | 15,476 | 15,324 | 15,132 | 14,923 | -209 |
| Education | 864 | 784 | 758 | 746 | -12 |
| Emergency Management Agency | 166 | 171 | 172 | 158 | -14 |
| Environmental Hearing Board | 22 | 18 | 18 | 17 | -1 |
| Environmental Protection | 3,211 | 3,122 | 3,132 | 3,075 | -57 |
| Fish & Boat Commission | 436 | 431 | 431 | 421 | -10 |
| Game Commission | 732 | 732 | 732 | 707 | -25 |
| General Services | 1,448 | 1,373 | 1,416 | 1,389 | -27 |
| Health | 1,526 | 1,575 | 1,589 | 1,517 | -72 |
| Historical and Museum Commission | 358 | 333 | 329 | 324 | -5 |
| Infrastructure Investment Authority | 27 | 27 | 27 | 27 | |
| Insurance | 396 | 408 | 410 | 402 | -8 |
| Labor and Industry | 5,951 | 5,856 | 5,842 | 5,504 | -338 |
| Liquor Control Board | 3,037 | 3,102 | 3,258 | 3,258 | |
| Military and Veterans Affairs | 2,481 | 2,469 | 2,475 | 2,416 | -59 |
| Milk Marketing Board | 36 | 36 | 36 | 36 | |
| Municipal Employees' Retirement | 27 | 30 | 30 | 30 | |
| Probation and Parole Board | 1,049 | 1,048 | 1,039 | 1,004 | -35 |
| Public Television Network | 20 | 20 | 20 | 20 | |
| Public Utility Commission | 533 | 533 | 523 | 509 | -14 |
| Public Welfare | 21,373 | 20,536 | 19,958 | 18,679 | -1,279 |
| Revenue | 2,311 | 2,237 | 2,270 | 2,293 | 23 |
| School Employees' Retirement System | 290 | 290 | 290 | 301 | 11 |
| Securities Commission | 93 | 90 | 90 | 87 | -3 |
| State | 502 | 506 | 511 | 532 | 21 |
| State Employees' Retirement System | 192 | 195 | 195 | 195 | |
| State Police | 5,899 | 6,038 | 6,139 | 6,259 | 120 |
| Tax Equalization Board | 22 | 22 | 20 | 19 | -1 |
| Transportation | 12,356 | 12,270 | 12,259 | 12,012 | -247 |
| TOTAL ALL DEPARTMENTS | 86,125 | 84,879 | 84,385 | 82,113 | -2,272 |

Additional positions may be created for recruiting purposes only when authorized positions are eliminated or agencies receive additional resources.

Summary of 2006-07 Complement Changes

The following is a detailed listing, by department, of the recommended authorized salaried complement changes (on a full-time equivalent basis) for 2006-07. It reflects proposed eliminations, new positions and transfers between appropriations and agencies.

| Department / Fund / Appropriation | Increase/ Decrease | Comment on Complement Change |
|---|-----------------------|--|
| GOVERNOR'S OFFICE | | |
| General Fund: | | |
| Governor's Office..... | -2 | Eliminated positions. |
| EXECUTIVE OFFICES | | |
| General Fund: | | |
| Office of General Counsel..... | -1 | Eliminated position. |
| Commonwealth Technology Services..... | 54 | NEW: Contractor Replacement (34); Project Management (10); Operation Secure Enterprise (6); IT Managers (2). TRANSFERRED: From Office of the Budget (11). Eliminated positions (-9). |
| Integrated Enterprise System..... | 19 | NEW: IES Plant Maintenance (5). TRANSFERRED: From Office of the Budget (16). Eliminated positions (-2). |
| Office of Administration..... | -10 | TRANSFERRED: To Office of the Budget. |
| Office of the Budget..... | -62 | TRANSFERRED: From Office of Administration (10), to Commonwealth Technology Services (-11) and to Integrated Enterprise System (-16). Eliminated positions (-45). |
| Commission on Crime and Delinquency..... | -2 | Eliminated positions. |
| Human Relations Commission..... | 4 | NEW: Human Relations (6). TRANSFERRED: To EEOC - Special Project Grant (-2). |
| General Fund Total | <u>2</u> | |
| Federal Funds: | | |
| EEOC - Special Project Grant (F)..... | 2 | TRANSFERRED: From Human Relations Commission. |
| DEPARTMENT TOTAL | <u>4</u> | |
| AGING | | |
| General Fund: | | |
| General Government Operations - Lottery Programs..... | -2 | Eliminated positions. |
| AGRICULTURE | | |
| General Fund: | | |
| General Government Operations..... | -15 | Eliminated positions. |
| BANKING | | |
| Banking Department Fund: | | |
| General Government Operations..... | 4 | NEW: Expanded regulatory functions. |
| CIVIL SERVICE COMMISSION | | |
| General Fund: | | |
| General Government Operations..... | -4 | Eliminated positions. |
| COMMUNITY AND ECONOMIC DEVELOPMENT | | |
| General Fund: | | |
| Marketing to Attract Tourists..... | -1 | Eliminated position. |
| International Trade..... | -1 | Eliminated position. |
| DEPARTMENT TOTAL | <u>-2</u> | |

Summary of 2006-07 Complement Changes

| Department / Fund / Appropriation | Increase/ Decrease | Comment on Complement Change |
|---|-----------------------|--|
| CONSERVATION AND NATURAL RESOURCES | | |
| General Fund: | | |
| State Forests Operations..... | -9 | Eliminated positions. |
| State Parks Operations..... | -10 | Eliminated positions. |
| General Government Operations..... | 5 | NEW: Contractor replacement (10). Eliminated positions (-5). |
| DEPARTMENT TOTAL | <u>-14</u> | |
| CORRECTIONS | | |
| General Fund: | | |
| Medical Care..... | -5 | NEW: Expanded Housing (10). Eliminated positions (-15). |
| Inmate Education and Training..... | -11 | Eliminated positions. |
| State Correctional Institutions..... | -186 | NEW: Expanded Housing (48). Eliminated positions (-234). |
| General Government Operations..... | 8 | TRANSFERRED: From Probation & Parole (19). Eliminated positions (-11). |
| General Fund Total | <u>-194</u> | |
| Federal Funds: | | |
| Correctional Education (F)..... | -2 | Eliminated positions. |
| Manufacturing Fund: | | |
| General Operations..... | -13 | Eliminated positions. |
| DEPARTMENT TOTAL | <u>-209</u> | |
| EDUCATION | | |
| General Fund: | | |
| General Government Operations..... | -19 | Eliminated positions. |
| Teachers Certification System..... | 7 | NEW: Teacher Certification System. |
| DEPARTMENT TOTAL | <u>-12</u> | |
| EMERGENCY MANAGEMENT AGENCY | | |
| General Fund: | | |
| General Government Operations..... | -13 | Eliminated positions. |
| Security..... | -1 | Eliminated position. |
| DEPARTMENT TOTAL | <u>-14</u> | |
| ENVIRONMENTAL HEARING BOARD | | |
| General Fund: | | |
| General Government Operations..... | -1 | Eliminated position. |
| ENVIRONMENTAL PROTECTION | | |
| General Fund: | | |
| Environmental Protection Operations..... | -19 | NEW: Regional office permitting (6). Eliminated positions (-25). |
| Environmental Program Management..... | -12 | Eliminated positions. |
| General Government Operations..... | -10 | Eliminated positions. |
| General Fund Total | <u>-41</u> | |
| Hazardous Sites Cleanup Fund: | | |
| General Operations..... | -10 | Eliminated positions. |
| Storage Tank Fund: | | |
| General Operations..... | -6 | Eliminated positions. |
| DEPARTMENT TOTAL | <u>-57</u> | |
| FISH AND BOAT COMMISSION | | |
| Fish Fund: | | |
| General Operations..... | -10 | Eliminated positions. |

Summary of 2006-07 Complement Changes

| Department / Fund / Appropriation | Increase/ Decrease | Comment on Complement Change |
|---|-----------------------|--|
| GAME COMMISSION | | |
| Game Fund: | | |
| General Operations..... | -25 | Eliminated positions. |
| GENERAL SERVICES | | |
| General Fund: | | |
| General Government Operations..... | -82 | Eliminated positions. |
| Facilities Maintenance..... | 55 | TRANSFERRED: From Public Welfare. |
| DEPARTMENT TOTAL | <u>-27</u> | |
| HEALTH | | |
| General Fund: | | |
| Quality Assurance..... | -19 | Eliminated positions. |
| Vital Statistics..... | -4 | Eliminated positions. |
| State Laboratory..... | -4 | Eliminated positions. |
| State Health Care Centers..... | -18 | Eliminated positions. |
| General Government Operations..... | -28 | NEW: Grant administration (2). Eliminated positions (-30). |
| General Fund Total | <u>-73</u> | |
| Federal Funds: | | |
| HIV / AIDS Surveillance (F)..... | 1 | NEW: Epidemiology research. |
| DEPARTMENT TOTAL | <u>-72</u> | |
| HISTORICAL AND MUSEUM COMMISSION | | |
| General Fund: | | |
| General Government Operations..... | -5 | Eliminated positions. |
| INSURANCE | | |
| General Fund: | | |
| Children's Health Insurance Administration..... | 2 | NEW: Cover All Kids enhanced CHIP. |
| General Government Operations..... | -10 | Eliminated positions. |
| DEPARTMENT TOTAL | <u>-8</u> | |
| LABOR AND INDUSTRY | | |
| General Fund: | | |
| Occupational and Industrial Safety..... | -3 | Eliminated positions. |
| General Government Operations..... | -17 | Eliminated positions. |
| General Fund Total | <u>-20</u> | |
| Vocational Rehabilitation Fund: | | |
| General Operations..... | -57 | Eliminated positions. |
| Administration Fund: | | |
| General Operations..... | -201 | Eliminated positions. |
| Workmen's Compensation Administration Fund: | | |
| General Operations..... | -26 | Eliminated positions. |
| State Workmen's Insurance Fund: | | |
| General Operations..... | -22 | Eliminated positions. |
| Rehabilitation Center Fund: | | |
| General Operations..... | -12 | Eliminated positions. |
| DEPARTMENT TOTAL | <u>-338</u> | |
| MILITARY AND VETERANS AFFAIRS | | |
| General Fund: | | |
| Scotland School for Veterans' Children..... | -6 | Eliminated positions. |
| General Government Operations..... | -8 | NEW: Safety management (1). Eliminated positions (-9). |

Summary of 2006-07 Complement Changes

| Department / Fund / Appropriation | Increase/ Decrease | Comment on Complement Change |
|--|-----------------------|--|
| Veterans Homes..... | -43 | Eliminated positions. |
| General Fund Total | <u>-57</u> | |
| Federal Funds: | | |
| Facilities Maintenance (F)..... | -2 | Eliminated positions. |
| DEPARTMENT TOTAL | <u>-59</u> | |
| PROBATION AND PAROLE | | |
| General Fund: | | |
| General Government Operations..... | <u>-35</u> | TRANSFERRED: To Corrections (-19). Eliminated positions (-16). |
| PUBLIC UTILITY COMMISSION | | |
| General Fund: | | |
| General Government Operations..... | <u>-14</u> | Eliminated positions. |
| PUBLIC WELFARE | | |
| General Fund: | | |
| County Administration - Statewide..... | -30 | Eliminated positions. |
| Child Support Enforcement..... | -17 | Eliminated positions. |
| New Directions..... | -13 | TRANSFERRED: To General Government Operations (-5). Eliminated positions (-8). |
| Mental Health Services (Hospitals)..... | -538 | TRANSFERRED: To General Services (-51). Eliminated positions (-487). |
| State Centers for Mentally Retarded..... | -162 | Eliminated positions. |
| Information Systems..... | 3 | TRANSFERRED: From General Government Operations (16). Eliminated positions (-13). |
| Youth Development Institutions and Forestry Camps..... | -20 | NEW: Contractor replacement at Danville Center (30). Eliminated positions (-50). |
| General Government Operations..... | -91 | TRANSFERRED: To Information Systems (-16), to General Services (-4) and from New Directions (5). Eliminated positions (-76). |
| County Assistance Offices..... | -405 | Eliminated positions. |
| General Fund Total | <u>-1,273</u> | |
| Federal Funds: | | |
| Refugees and Persons Seeking Asylum - | | |
| Administration (F)..... | -2 | Eliminated positions. |
| Disabled Education - Administration (F)..... | -1 | Eliminated position. |
| CCDFBG - Administration (F)..... | -2 | Eliminated positions. |
| Emergency Response Capacity (F)..... | -1 | Eliminated position. |
| Federal Funds Total | <u>-6</u> | |
| DEPARTMENT TOTAL | <u>-1,279</u> | |
| REVENUE | | |
| General Fund: | | |
| General Government Operations..... | -51 | Eliminated positions. |
| Revenue Enforcement..... | 59 | NEW: Use and cigarette tax compliance (41); abusive tax shelter voluntary compliance (13); and abusive tax shelter business license tax clearance (5). |
| General Fund Total | <u>8</u> | |
| Lottery Fund: | | |
| Expanded Sales..... | 15 | NEW: Additional sales support. |
| DEPARTMENT TOTAL | <u>23</u> | |

Summary of 2006-07 Complement Changes

| Department / Fund / Appropriation | Increase/ Decrease | Comment on Complement Change |
|--|-------------------------------|---------------------------------------|
| SCHOOL EMPLOYEES' RETIREMENT SYSTEM | | |
| School Employees' Retirement Fund: | | |
| Administration - Public School Employees' Retirement System..... | <u>11</u> | NEW: Membership services. |
| SECURITIES COMMISSION | | |
| General Fund: | | |
| General Government Operations..... | <u>-3</u> | Eliminated positions. |
| STATE | | |
| General Fund: | | |
| Professional and Occupational Affairs (R)..... | <u>21</u> | NEW: Enforcement and license renewal. |
| STATE POLICE | | |
| General Fund: | | |
| General Government Operations..... | <u>120</u> | NEW: Additional troopers. |
| TAX EQUALIZATION BOARD | | |
| General Fund: | | |
| General Government Operations..... | <u>-1</u> | Eliminated position. |
| TRANSPORTATION | | |
| Motor License Fund: | | |
| Safety Administration and Licensing..... | -40 | Eliminated positions. |
| Highway and Safety Improvements..... | -67 | Eliminated positions. |
| Highway Maintenance..... | -120 | Eliminated positions. |
| General Government Operations..... | -20 | Eliminated positions. |
| DEPARTMENT TOTAL | <u>-247</u> | |
| GRAND TOTAL | <u>-2,272</u> | |



Commonwealth of Pennsylvania

Governor's Executive Budget

STATISTICAL DATA



STATISTICAL DATA

This section contains historical data for various Pennsylvania economic indicators. Data is obtained from published sources noted on each page. Additional data is available from the Penn State Data Center through the Commonwealth's World Wide Web home page by selecting "About PA" on that page. (www.state.pa.us/PAPower/).

SELECTED DATA ON THE COMMONWEALTH OF PENNSYLVANIA

General

The Commonwealth of Pennsylvania is one of the most populous states, ranking sixth behind California, Texas, New York, Florida, and Illinois. Pennsylvania is an established state with a diversified economy. Pennsylvania had been historically identified as a heavy industrial state. That reputation has changed over the last thirty years as the coal, steel and railroad industries declined. The Commonwealth's business environment readjusted with a more diversified economic base. This economic readjustment was a direct result of a long-term shift in jobs, investment, and workers away from the northeast part of the nation. Currently, the major sources of growth in Pennsylvania are in the service sector, including trade, medical, health services, education and financial institutions.

Pennsylvania's agricultural industries remain an important component of the Commonwealth's economic structure, accounting for more than \$4.9 billion in crop and livestock products annually. In 2004, agribusiness and food related industries had export sales surpassing \$1.0 billion in economic activity. Over 58,000 farms form the backbone of the State's agricultural economy. Farmland in Pennsylvania includes over four million acres of harvested cropland and three million acres of pasture and farm woodlands - nearly one-third of the Commonwealth's total land area. Agricultural diversity in the Commonwealth is demonstrated by the fact that Pennsylvania ranks among the top ten states in the production of a variety of agricultural products. Agriculture exports have grown by more than 4% since 2003.

Pennsylvania's extensive public and private forests provide a vast source of material for the lumber, furniture, and paper products industries. The forestry and related industries account for 1.5% of employment with economic activity of nearly \$5 billion in domestic and international trade. Additionally, the Commonwealth derives a good water supply from underground sources, abundant rainfall, and a large number of rivers, streams, and lakes. Other natural resources include major deposits of coal, petroleum, and natural gas. Annually, about 80 million tons of anthracite and bituminous coal, 145 billion cubic feet of natural gas, and about 1.8 million barrels of oil are extracted from Pennsylvania.

Pennsylvania is a Mid-Atlantic state within easy reach of the populous eastern seaboard and, as such, is the keystone to the Midwest. A comprehensive transportation grid enhances the Commonwealth's strategic geographic position. The Commonwealth's water systems afford the unique feature of triple port coverage, a deep-water port at Philadelphia, a Great Lakes port at Erie and an inland water port at Pittsburgh. Between air, rail, water, and road, Pennsylvania is easily accessible for both inter and intra state trade and commerce.

Population

The Commonwealth is highly urbanized. Of the Commonwealth's 2005 mid-year population estimate, 79 percent resided in the 15 Metropolitan Statistical Areas ("MSAs") of the Commonwealth. The largest MSAs in the Commonwealth are those that include the cities of Philadelphia and Pittsburgh, which together contain almost 44 percent of the State's total population. The population of Pennsylvania, 12.4 million people in 2005, according to the U.S. Bureau of the Census, represents a population growing slower than the nation with a higher portion than the nation or the region comprised of persons 45 or over. The following tables present the population trend from 1995 to 2005 and the age distribution of the population for 2004.

Population Trends Pennsylvania, Middle Atlantic Region and the United States 1995-2005

| As of July 1 | Total Population In Thousands | | | Total Population as a % of 1995 base | | |
|-----------------|----------------------------------|---|---------|---|---|------|
| | PA | Middle Atlantic Region ^(a) | U.S. | PA | Middle Atlantic Region ^(a) | U.S. |
| 1995 | 12,044 | 38,161 | 262,803 | 100% | 100% | 100% |
| 1996 | 12,038 | 38,191 | 265,228 | 100 | 100 | 101 |
| 1997 | 12,015 | 38,213 | 267,783 | 99 | 100 | 101 |
| 1998 | 12,002 | 38,257 | 270,248 | 99 | 100 | 102 |
| 1999 | 11,994 | 38,334 | 272,690 | 99 | 100 | 103 |
| 2000 | 12,286 | 38,718 | 282,193 | 102 | 101 | 107 |
| 2001 | 12,296 | 39,892 | 285,108 | 102 | 104 | 108 |
| 2002 | 12,324 | 40,065 | 287,985 | 102 | 105 | 109 |
| 2003 | 12,365 | 40,233 | 290,850 | 102 | 105 | 110 |
| 2004 | 12,394 | 40,360 | 293,657 | 103 | 105 | 111 |
| 2005 | 12,430 | 40,402 | 296,410 | 103 | 105 | 112 |

^(a) Middle Atlantic Region: Pennsylvania, New York, New Jersey
Source: U.S. Department of Commerce, Bureau of the Census

Population By Age Group — 2004 Pennsylvania, Middle Atlantic Region and the United States

| Age | Pennsylvania | Middle Atlantic Region ^(a) | United States |
|-------------------------|--------------|---|---------------|
| Under 5 years | 5.8% | 6.7% | 6.8% |
| 5-24 years | 26.6 | 26.7 | 28.1 |
| 25-44 years | 26.6 | 28.9 | 28.7 |
| 45-64 years | 25.7 | 24.8 | 24.1 |
| 65 years and over | 15.3 | 12.9 | 12.3 |

^(a) Middle Atlantic Region: Pennsylvania, New York, New Jersey.
Source: U.S. Department of Commerce, Bureau of the Census

Employment

Non-agricultural employment in Pennsylvania over the ten years ending in 2004 increased at an average annual rate of 0.8 percent compared with a 0.5 percent rate for the Middle Atlantic region and 1.3 percent rate for the U.S. The following table shows employment trends from 1995 through 2004.

Non-Agricultural Establishment Employment Trends Pennsylvania, Middle Atlantic Region and the United States 1995-2004

| Calendar Year | Total Establishment Employment In Thousands | | | Total Establishment Employment as a % of 1995 base | | |
|---------------|--|---------------------------------------|---------|---|---------------------------------------|-------|
| | PA | Middle Atlantic Region ^(a) | U.S. | PA | Middle Atlantic Region ^(a) | U.S. |
| 1995 | 5,253 | 17,268 | 117,298 | 100 % | 100 % | 100 % |
| 1996 | 5,306 | 17,541 | 119,708 | 101 | 101 | 105 |
| 1997 | 5,406 | 17,919 | 122,776 | 103 | 104 | 107 |
| 1998 | 5,495 | 18,005 | 125,930 | 104 | 104 | 110 |
| 1999 | 5,586 | 18,148 | 128,993 | 106 | 105 | 113 |
| 2000 | 5,691 | 18,737 | 131,785 | 108 | 108 | 115 |
| 2001 | 5,682 | 18,733 | 131,826 | 108 | 108 | 115 |
| 2002 | 5,640 | 18,836 | 130,341 | 107 | 109 | 111 |
| 2003 | 5,611 | 19,155 | 129,999 | 106 | 111 | 110 |
| 2004 | 5,639 | 18,088 | 131,480 | 107 | 105 | 112 |

^(a) Middle Atlantic Region: Pennsylvania, New York, New Jersey.
Source: U.S. Department of Labor, Bureau of Labor Statistics.

Non-manufacturing employment in Pennsylvania has increased in recent years and reached 87.8 percent of total employment by 2004. Consequently, manufacturing employment constitutes a diminished share of total employment within the Commonwealth. Manufacturing, contributing 12.3 percent of 2004 non-agricultural employment, has fallen behind both the services sector and the trade sector as the largest single source of employment within the Commonwealth. In 2004, the services sector accounted for 44.0 percent of all non-agricultural employment while the trade sector accounted for 15.8 percent. The following table shows trends in employment by sector for Pennsylvania from 2000 through 2004.

Non-Agricultural Establishment Employment by Sector Pennsylvania 2000-2004 (In Thousands)

| | CALENDAR YEAR | | | | | | | | | |
|---|---------------|-------|-----------|------|-----------|-------|-----------|-------|-----------|-------|
| | 2000 | | 2001 | | 2002 | | 2003 | | 2004 | |
| | Employees | % | Employees | % | Employees | % | Employees | % | Employees | % |
| Manufacturing: | | | | | | | | | | |
| Durable..... | 521.8 | 9.2 | 492.1 | 8.7 | 448.8 | 8.0 | 418.3 | 7.5 | 411.8 | 7.3 |
| Non-Durable..... | 340.5 | 6.0 | 328.5 | 5.8 | 310.1 | 5.5 | 293.3 | 5.2 | 279.4 | 5.0 |
| Total Manufacturing ^(d) | 862.3 | 15.2 | 820.6 | 14.4 | 758.9 | 13.5 | 711.6 | 12.7 | 691.2 | 12.3 |
| Non-Manufacturing: | | | | | | | | | | |
| Trade ^(a) | 906.6 | 15.9 | 899.4 | 15.8 | 890.8 | 15.8 | 888.0 | 15.8 | 893.4 | 15.8 |
| Finance ^(b) | 338.1 | 5.9 | 338.3 | 6.0 | 336.2 | 6.0 | 337.9 | 6.0 | 336.3 | 6.0 |
| Services..... | 2,363.8 | 41.5 | 2,397.0 | 42.2 | 2,421.3 | 42.9 | 2,438.7 | 43.5 | 2,480.1 | 44.0 |
| Government..... | 725.1 | 12.7 | 728.3 | 12.8 | 738.9 | 13.1 | 745.6 | 13.3 | 745.1 | 13.2 |
| Utilities ^(c) | 229.8 | 4.0 | 230.5 | 4.1 | 228.6 | 4.1 | 226.6 | 4.0 | 227.3 | 4.0 |
| Construction..... | 247.3 | 4.3 | 249.9 | 4.4 | 248.1 | 4.4 | 245.7 | 4.4 | 248.2 | 4.4 |
| Mining..... | 18.3 | 0.3 | 18.5 | 0.3 | 18.0 | 0.3 | 17.2 | 0.3 | 17.9 | 0.3 |
| Total Non-Manufacturing ^(d) | 4,829.0 | 84.8 | 4,861.9 | 85.4 | 4,881.9 | 86.5 | 4,899.7 | 87.3 | 4,948.3 | 87.7 |
| Total Employees ^{(d)(e)} | 5,691.3 | 100.0 | 5,682.5 | 99.8 | 5,640.8 | 100.0 | 5,611.3 | 100.0 | 5,639.5 | 100.0 |

^(a) Wholesale and retail trade.

^(b) Finance, insurance and real estate.

^(c) Includes transportation, communications, electric, gas and sanitary services.

^(d) Discrepancies occur due to rounding.

^(e) Does not include workers involved in labor-management disputes.

Source: US Bureau of Labor Statistics

The following table presents the percentages of non-agricultural employment in various sectors in Pennsylvania and the United States in 2004.

Non-Agricultural Establishment Employment by Sector Pennsylvania and the United States

| | 2004 Calendar Year | |
|--------------------------------|--------------------|---------------|
| | Pennsylvania | United States |
| Manufacturing..... | 12.3 % | 11.9 % |
| Trade ^(a) | 15.8 | 16.1 |
| Finance ^(b) | 6.0 | 6.8 |
| Services..... | 44.0 | 39.8 |
| Government..... | 13.2 | 16.2 |
| Utilities ^(c) | 4.0 | 3.6 |
| Construction..... | 4.4 | 5.2 |
| Mining..... | 0.3 | 0.4 |
| Total ^(d) | 100.0 % | 100.0 % |

^(a) Wholesale and retail trade.

^(b) Finance, insurance and real estate.

^(c) Includes transportation, communications, electric, gas and sanitary services.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Within the manufacturing sector of Pennsylvania's economy, which now accounts for one-eighth of total non-agricultural employment in Pennsylvania, the fabricated metals industries employed the largest number of workers. Employment in the fabricated metals industries was 12.7 percent of Pennsylvania manufacturing employment but only 0.1 percent of total Pennsylvania non-agricultural employment in 2004. The following table shows trends in manufacturing employment by industry for Pennsylvania from 2000 through 2004.

Manufacturing Establishment Employment by Industry Pennsylvania 2000-2004 (In Thousands)

| | CALENDAR YEAR | | | | | | | | | |
|---|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2000 | | 2001 | | 2002 | | 2003 | | 2004 | |
| | Employees | % | Employees | % | Employees | % | Employees | % | Employees | % |
| Durable Goods: | | | | | | | | | | |
| Primary Metals..... | 57.8 | 8.0 | 53.7 | 7.8 | 48.3 | 7.8 | 44.6 | 6.3 | 43.1 | 6.2 |
| Fabricated Metals..... | 105.9 | 9.1 | 101.1 | 9.2 | 94.9 | 9.2 | 88.9 | 12.5 | 88.0 | 12.7 |
| Machinery (excluding electrical).... | 75.0 | 11.3 | 68.2 | 11.4 | 60.5 | 11.4 | 56.0 | 7.9 | 55.3 | 8.0 |
| Electrical Equipment..... | 32.0 | 8.1 | 29.8 | 8.1 | 26.6 | 8.1 | 25.4 | 3.6 | 25.5 | 3.7 |
| Transportation Equipment.... | 55.4 | 5.4 | 50.5 | 5.5 | 44.4 | 5.5 | 41.5 | 5.8 | 42.5 | 6.1 |
| Stone, Clay and Glass..... | 36.7 | 4.1 | 35.2 | 4.1 | 33.8 | 4.1 | 31.8 | 4.5 | 30.4 | 4.4 |
| Other Durable Goods..... | 159.0 | 11.3 | 153.6 | 11.5 | 140.3 | 11.5 | 130.1 | 18.3 | 127.0 | 18.4 |
| Total Durable Goods^(a)..... | 521.8 | 57.3 | 492.1 | 57.7 | 448.8 | 57.7 | 418.3 | 58.8 | 411.8 | 59.6 |
| Non-Durable Goods: | | | | | | | | | | |
| Apparel & Related Goods... | 38.2 | 4.6 | 25.0 | 4.3 | 21.4 | 2.8 | 18.3 | 2.6 | 16.5 | 2.4 |
| Food Products..... | 77.3 | 9.1 | 76.7 | 9.0 | 75.1 | 9.9 | 74.5 | 10.5 | 72.8 | 10.5 |
| Chemical Products..... | 62.1 | 7.2 | 61.9 | 7.3 | 61.4 | 8.1 | 57.8 | 8.1 | 53.5 | 7.7 |
| Printing and Publishing..... | 45.6 | 8.8 | 44.4 | 8.7 | 41.1 | 5.4 | 39.3 | 5.5 | 37.8 | 5.5 |
| Textile Products..... | 21.5 | 2.4 | 19.4 | 2.3 | 17.5 | 2.3 | 14.8 | 2.1 | 14.1 | 2.0 |
| Paper Products..... | 34.1 | 3.9 | 32.8 | 3.9 | 30.5 | 4.0 | 28.8 | 4.0 | 27.5 | 4.0 |
| Other Non-Durable Goods... | 61.7 | 6.7 | 68.3 | 6.8 | 63.1 | 8.3 | 59.8 | 8.4 | 57.2 | 8.3 |
| Total Non-Durable Goods^(a)..... | 340.5 | 42.7 | 328.5 | 42.5 | 310.1 | 40.9 | 293.3 | 41.2 | 279.4 | 40.4 |
| Total Manufacturing Employees^(a)..... | 862.3 | 100.0 | 820.6 | 100.0 | 758.9 | 100.0 | 711.6 | 100.0 | 691.2 | 100.0 |

^(a) Discrepancies occur due to rounding

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Unemployment

Pennsylvania's annual average unemployment rate was equivalent to the national average throughout the 1990's. Slower economic growth caused the unemployment rate in the Commonwealth to rise to 5.9 percent in 1995. The resumption of faster economic growth resulted in a decrease in the Commonwealth's annual unemployment rate to 4.2 percent in 2000. Since that time, the combination of a recession and slow economic growth has pushed the Commonwealth annual unemployment level to 5.5 percent through 2004. From 1995 through 2004, Pennsylvania's annual average unemployment rate was at or below the Middle Atlantic Region's average. Since 2001 Pennsylvania's annual average unemployment rate has been at or below both the Middle Atlantic Region and the United States. As of November 2005, the most recent month for which figures are available, Pennsylvania had a seasonally adjusted annual unemployment rate of 5.1 percent. The following table represents the annual non-adjusted unemployment rate in Pennsylvania, the Middle Atlantic Region, and the United States from 1995 through 2004.

Annual Average Unemployment Rate Pennsylvania, Middle Atlantic Region and the United States 1995-2005

| <u>Calendar Year</u> | <u>Pennsylvania</u> | <u>Middle Atlantic Region^(a)</u> | <u>United States</u> |
|----------------------|---------------------|---|----------------------|
| 1995 | 5.9 % | 6.2 % | 5.6 % |
| 1996 | 5.4 | 6.0 | 5.4 |
| 1997 | 5.1 | 5.8 | 4.9 |
| 1998 | 4.6 | 5.1 | 4.5 |
| 1999 | 4.4 | 4.8 | 4.2 |
| 2000 | 4.2 | 4.2 | 4.0 |
| 2001 | 4.7 | 4.7 | 4.7 |
| 2002 | 5.6 | 5.9 | 5.8 |
| 2003 | 5.7 | 6.1 | 6.0 |
| 2004 | 5.5 | 5.5 | 5.5 |

^(a) Middle Atlantic Region: Pennsylvania, New York, New Jersey.
Source: U.S. Department of Labor, Bureau of Labor Statistics.

The following table presents the thirty largest non-governmental employers in Pennsylvania:

Commonwealth of Pennsylvania Thirty Largest Non-Governmental Employers December 2004

| <u>Company</u> | <u>Rank</u> | <u>Company</u> | <u>Rank</u> |
|-------------------------------------|-------------|---------------------------------------|-------------|
| Wal-Mart Associates | 1 | Giant Eagle Inc..... | 16 |
| University of Pennsylvania | 2 | Heartland Employment..... | 17 |
| Pennsylvania State University | 3 | Vanguard Group Inc..... | 18 |
| United Parcel Service..... | 4 | Pennsylvania Blue Shield..... | 19 |
| Giant Food Stores | 5 | Lowe's Home Centers Inc..... | 20 |
| University of Pittsburgh | 6 | Target Stores | 21 |
| Weis Markets Inc..... | 7 | Acme Markets Inc | 22 |
| UPMC Presbyterian | 8 | Verizon Pennsylvania..... | 23 |
| US Airways Inc..... | 9 | Wachovia Bank | 24 |
| Merck & Co Inc..... | 10 | Temple University | 25 |
| KMART of Pennsylvania LP..... | 11 | GMR Restaurants of Pennsylvania | 26 |
| Sears Roebuck & Co..... | 12 | J C Penney Company Inc | 27 |
| The Home Depot USA Inc..... | 13 | Hershey Foods Corporation..... | 28 |
| PNC Bank, NA | 14 | Boscov's Department Stores | 29 |
| May Department Stores | 15 | Rite Aid of Pennsylvania Inc | 30 |

Source: Pennsylvania Department of Labor, Office of Employment Security.

Personal Income

Personal income in the Commonwealth for 2004 is \$412.59 billion, an increase of 5.1 percent over the previous year. During the same period, national personal income increased at a rate of 5.9 percent. Based on the 2004 personal income estimates, per capita income for 2004 was \$33,257 in the Commonwealth compared to per capita income in the United States of \$33,041. The following tables represent annual personal income data and per capita income from 1995 through 2004.

Personal Income Pennsylvania, Mideast Region and the United States 1995-2004

| Year | Total Personal Income Dollars in Millions | | | Total Personal Income As a % of 1994 base | | |
|-----------|--|----------------------------------|---------------------|--|----------------------------------|-------|
| | PA | Mideast Region ^(a) | U.S. ^(b) | PA | Mideast Region ^(a) | U.S. |
| 1995..... | \$ 283,764 | \$1,189,144 | \$6,144,741 | 100 % | 100 % | 100 % |
| 1996..... | 297,493 | 1,252,041 | 6,512,485 | 105 | 105 | 106 |
| 1997..... | 311,508 | 1,319,270 | 6,907,332 | 110 | 111 | 112 |
| 1998..... | 330,133 | 1,404,640 | 7,415,709 | 116 | 118 | 121 |
| 1999..... | 342,610 | 1,467,261 | 7,796,137 | 121 | 123 | 127 |
| 2000..... | 364,837 | 1,580,733 | 8,422,074 | 128 | 132 | 137 |
| 2001..... | 372,339 | 1,627,895 | 8,716,992 | 131 | 137 | 142 |
| 2002..... | 382,242 | 1,648,202 | 8,872,521 | 135 | 139 | 144 |
| 2003..... | 392,527 | 1,687,423 | 9,156,108 | 138 | 142 | 149 |
| 2004..... | 412,590 | 1,790,446 | 9,702,525 | 145 | 151 | 158 |

^(a) Mideast Region: Pennsylvania, New York, New Jersey, Maryland, District of Columbia, and Delaware.

^(b) Sum of States.

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Per Capita Income Pennsylvania, Mideast Region and the United States 1995-2004

| Calendar Year | Per Capita Income | | | As a % of U.S. | |
|------------------|-------------------|----------------------------------|-----------|----------------|----------------------------------|
| | PA | Mideast Region ^(a) | U.S. | PA | Mideast Region ^(a) |
| 1995..... | \$ 23,262 | \$ 26,317 | \$ 23,076 | 101 % | 114 % |
| 1996..... | 24,344 | 27,588 | 24,175 | 101 | 114 |
| 1997..... | 25,475 | 28,944 | 25,334 | 101 | 114 |
| 1998..... | 26,961 | 30,654 | 26,883 | 100 | 114 |
| 1999..... | 27,937 | 31,824 | 27,939 | 100 | 114 |
| 2000..... | 29,695 | 34,077 | 29,845 | 99 | 114 |
| 2001..... | 30,275 | 34,907 | 30,575 | 99 | 112 |
| 2002..... | 31,005 | 35,166 | 30,814 | 100 | 114 |
| 2003..... | 31,730 | 35,816 | 31,487 | 101 | 114 |
| 2004..... | 33,257 | 37,874 | 33,041 | 101 | 115 |

^(a) Mideast Region: Pennsylvania, New York, New Jersey, Maryland, District of Columbia, and Delaware.

Source: U.S. Department of Commerce, Bureau of Economic Analysis

The following table presents growth rates in personal income and selected components of personal income for Pennsylvania, the Mideast Region and the United States from 2000 through 2004.

Annual Growth Rates Personal Income and Selected Components of Personal Income Pennsylvania, Mideast Region and the United States

| Calendar Year | Pennsylvania | Mideast Region ^(a) | United States |
|--------------------------------|--------------|-------------------------------|---------------|
| Total Personal Income | | | |
| 2000 | 6.5% | 8.0 % | 7.9% |
| 2001 | 3.4 | 3.3 | 7.9 |
| 2002 | 3.2 | 1.8 | 2.4 |
| 2003 | 3.6 | 3.8 | 3.7 |
| 2004 | 5.1 | 5.9 | 5.7 |
| Manufacturing | | | |
| 2000 | 3.0% | 6.3% | 7.6% |
| 2001 | -1.5 | -1.5 | -3.2 |
| 2002 | -1.0 | -.7 | -0.3 |
| 2003 | -0.1 | 1.2 | 2.8 |
| 2004 | 1.6 | 1.5 | 1.8 |
| Trade^(b) | | | |
| 2000 | 5.8% | 6.9% | 7.0% |
| 2001 | 1.6 | 1.0 | 1.0 |
| 2002 | 2.3 | 1.7 | 1.6 |
| 2003 | 5.1 | 4.0 | 2.9 |
| 2004 | 5.2 | 4.3 | 5.3 |
| Finance^(c) | | | |
| 2000 | 6.4% | 10.8% | 8.4% |
| 2001 | 5.8 | 4.8 | 6.5 |
| 2002 | 5.5 | -2.7 | 2.7 |
| 2003 | 5.1 | 2.1 | 5.4 |
| 2004 | 5.6 | 9.9 | 8.0 |
| Services | | | |
| 2000 | 7.4% | 8.5% | 9.7% |
| 2001 | 6.4 | 6.3 | 5.7 |
| 2002 | 0.1 | -2.4 | -1.8 |
| 2003 | 2.0 | 1.5 | 1.6 |
| 2004 | 7.8 | 7.2 | 6.9 |
| Utilities^(d) | | | |
| 2000 | 4.4% | 5.9% | 6.8% |
| 2001 | 3.6 | 3.9 | 4.0 |
| 2002 | 5.8 | 10.0 | 5.2 |
| 2003 | 4.9 | 3.4 | 3.1 |
| 2004 | 0.1 | 1.4 | 5.5 |
| Construction | | | |
| 2000 | 7.3% | 9.2% | 8.4% |
| 2001 | 5.7 | 7.5 | 5.1 |
| 2002 | 2.6 | 2.7 | 1.5 |
| 2003 | 1.2 | 1.2 | 1.3 |
| 2004 | 3.6 | 4.7 | 6.7 |
| Mining | | | |
| 2000 | 0.1% | 2.5% | 10.4% |
| 2001 | 4.7 | 5.0 | 9.5 |
| 2002 | -2.0 | -4.1 | -3.0 |
| 2003 | -2.1 | -1.1 | 2.8 |
| 2004 | 11.0 | 10.3 | 11.9 |

^(a) Mideast Region: Delaware, District of Columbia, Maryland, Pennsylvania, New York, and New Jersey.

^(b) Wholesale and retail trade.

^(c) Finance, insurance and real estate.

^(d) Includes transportation, communications, electric, gas and sanitary services.

Source: U.S. Department of Commerce, Bureau of Economic Analysis

The Commonwealth's average hourly wage rate of \$17.29 for manufacturing and production workers compares to the national average of \$17.75 for 2004. The following table presents the average hourly wage rates for 2000 through 2004.

Average Hourly Wages Production Workers on Manufacturing Payrolls Pennsylvania and the United States 2000-2004

| Calendar Year | PA | U.S. |
|------------------|---------|---------|
| 2000 | \$14.60 | \$13.76 |
| 2001 | 14.85 | 14.31 |
| 2002 | 15.99 | 15.20 |
| 2003 | 16.70 | 15.50 |
| 2004 | 17.29 | 17.75 |

Source: U.S. Department of Labor, Bureau of Labor Statistics

Market and Assessed Valuation of Real Property

Annually, the State Tax Equalization Board (the "STEB") determines an aggregate market value of all taxable real property in the Commonwealth. The STEB determines the market value by applying assessment to sales ratio studies to assessment valuations supplied by local assessing officials. The market values certified by the STEB do not include property that is tax exempt but do include an adjustment correcting the data for preferential assessments granted to certain farm and forestlands.

The table below shows the assessed valuation as determined and certified by the counties and the market value and the assessed to market value ratio determined by the STEB for real property over the last ten years. Increases in valuations shown below result from reassessment valuations by the counties, changes in property tax rolls and increases in the real value of existing property. In computing the market values for uneven-numbered years, the STEB is statutorily restricted to certifying only those changes in market value that result from properties added to or removed from the assessment rolls. The STEB is permitted to adjust the market valuation to reflect any change in real estate values or other economic change in value only in even-numbered years. This restriction accounts for the two-year pattern of market value changes apparent in the data below.

Valuations of Taxable Real Property 1995-2004

| <u>Year</u> | <u>Market Value^(a)</u> | <u>Assessed Valuation</u> | <u>Ratio of Assessed Valuation to Market Value^(a)</u> |
|-------------|-----------------------------------|---------------------------|--|
| 1995 | \$338,550,074,600 | \$101,088,995,085 | 29.9% |
| 1996 | 359,993,651,000 | 102,107,687,304 | 28.4 |
| 1997 | 366,096,581,900 | 123,734,109,457 | 37.2 |
| 1998 | 388,146,465,800 | 204,581,152,222 | 52.7 |
| 1999 | 390,136,860,900 | 208,896,190,899 | 53.5 |
| 2000 | 420,041,123,600 | 241,060,798,812 | 57.4 |
| 2001 | 430,102,389,400 | 310,111,943,560 | 72.1 |
| 2002 | 467,311,009,700 | 325,451,064,697 | 69.6 |
| 2003 | 478,362,689,800 | 348,726,965,926 | 72.9 |
| 2004 | 523,595,339,800 | 352,014,550,601 | 67.2 |

^(a) Value adjusted for difference between regular assessment and preferential assessment permitted on certain farm and forestlands.
Source: Annual Certifications by the State Tax Equalization Board July 2005.