



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR
HARRISBURG

THE GOVERNOR

March 8, 2011

To the People of Pennsylvania:

It is my great honor to present to you the first budget of my administration. With this budget, our state is set to once again be the standard of excellence that other states are measured against in providing individual opportunity through business growth, job creation, agriculture, transportation, tourism, energy production and education.

Our commonwealth's financial challenges provide an opportunity to reassess our state government and choose a course that will renew the principles upon which that government was founded. This budget refocuses the investment of tax dollars in the core functions of government. Those functions include protecting public safety, maintaining the human services safety net, providing educational opportunities and supporting free enterprise.

Fiscal discipline is the guiding principle for this budget: It was crafted with honesty and restraint. Many historic programs that were not critical, essential or did not have a statewide impact have been proposed for elimination. What remains is a more limited but vigorous government.

Limiting the size and scope of government allows the public a better understanding of their investments. In addition, the details of this budget and future budgets will be more transparent and citizens will be able to judge the value and return on their investments.

In education, this budget supports an agenda for excellence, a world-class education that enables all Pennsylvania children to achieve to their full potential. Components of the education reform agenda include expanding quality educational options, maximizing flexibility and providing mandate relief for local school districts, and raising the quality of publicly supported education.

This budget also reflects the compassionate nature of Pennsylvanians. It supports programs that provide a helping hand to our most vulnerable citizens and those most in need. However, the national economy continues to exert significant pressures on the state budget. This budget supports critical programs to move people toward self-sufficiency while redirecting and resetting all programs to achieve that mission.

This budget unleashes the potential for Pennsylvania innovation. It provides no increase in taxes and shrinks the size of government, easing the burdens on families and businesses. It also reinstates the phase-out of the Capital Stock and Franchise Tax, supports the use of tax credits for economic development, and revamps the Department of Community and Economic Development to better support free enterprise and attract and retain entrepreneurs and job creators.

Pennsylvania is facing a protracted economic recovery that will take considerable time and effort to work through. This budget is responsive to fiscal realities and addresses our challenges head on. This budget demonstrates our commitment to taking ownership of our financial burdens and not passing them on to the next generation. This budget embraces the great opportunity we have before us to reset state government and choose a course that will renew the founding principles of our democracy's covenant.

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 2011-12.

Sincerely,

Tom Corbett



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Commonwealth of Pennsylvania

For the Fiscal Year Beginning

July 1, 2010

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, 2010. 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.

To view the Governor's Executive Budget online or learn more about the Pennsylvania Office of the Budget, go to www.budget.state.pa.us. To learn more about the Commonwealth of Pennsylvania, go to www.state.pa.us.



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, Lottery Fund, Tobacco Settlement Fund and Budget Stabilization Reserve (Rainy Day) Fund. It also provides summary information regarding 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 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 outcome/effectiveness indicators, output/activity indicators, efficiency measures 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. 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. 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.



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READER'S GUIDE

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

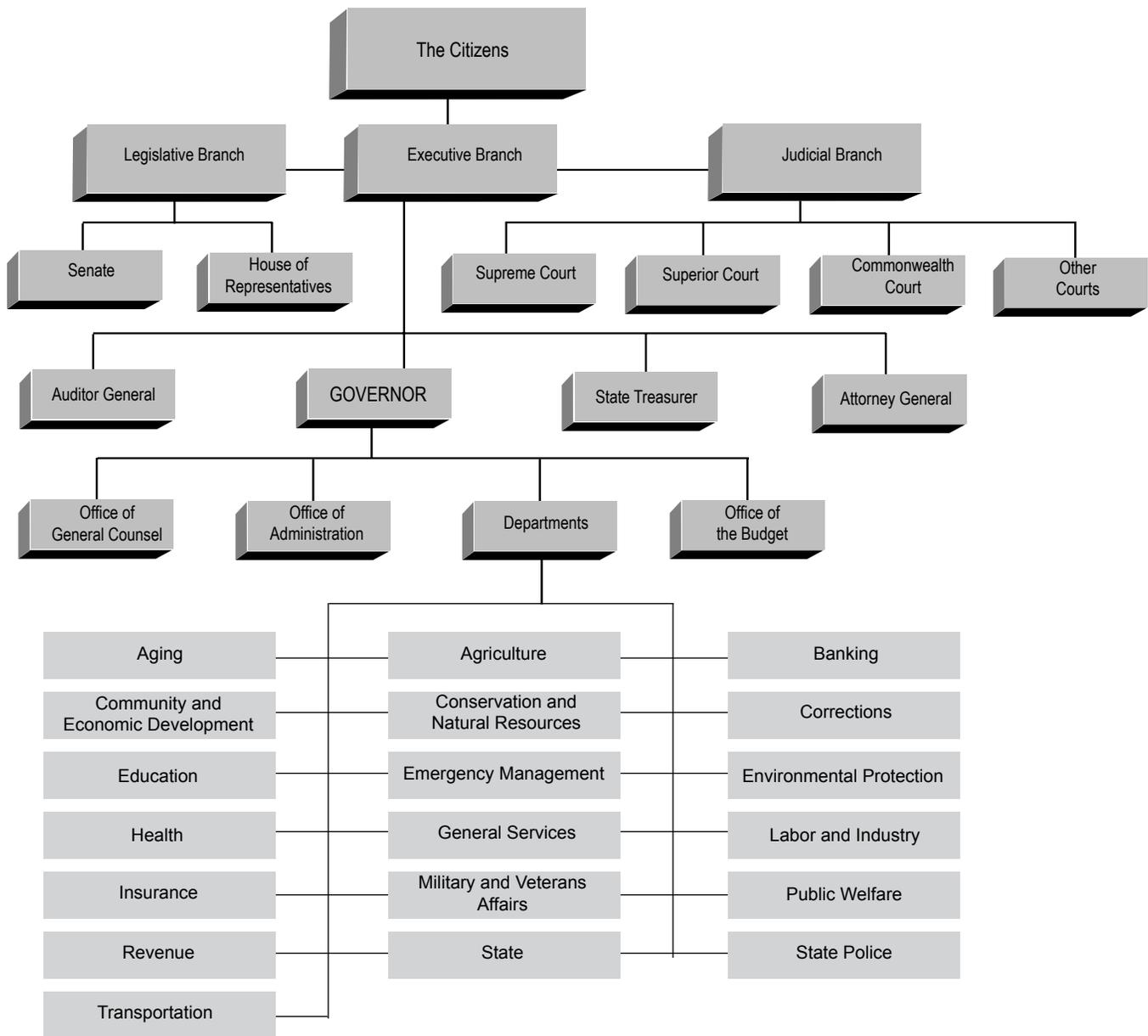
It contains an organization chart of the commonwealth, descriptions of the operating and capital budget processes, an explanation of the accounting basis, terms used in the budget process and a list of the most common abbreviations used to identify federal funds.

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

To view the Governor's Executive Budget online or learn more about the Pennsylvania Office of the Budget, go to www.budget.state.pa.us. To learn more about the Commonwealth of Pennsylvania, go to www.state.pa.us.



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

BOARDS

Claims
Environmental Hearing
Gaming Control
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 Utility
Securities
Turnpike



The Budget Process

The Pennsylvania 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 July 1 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 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 electronically. 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.

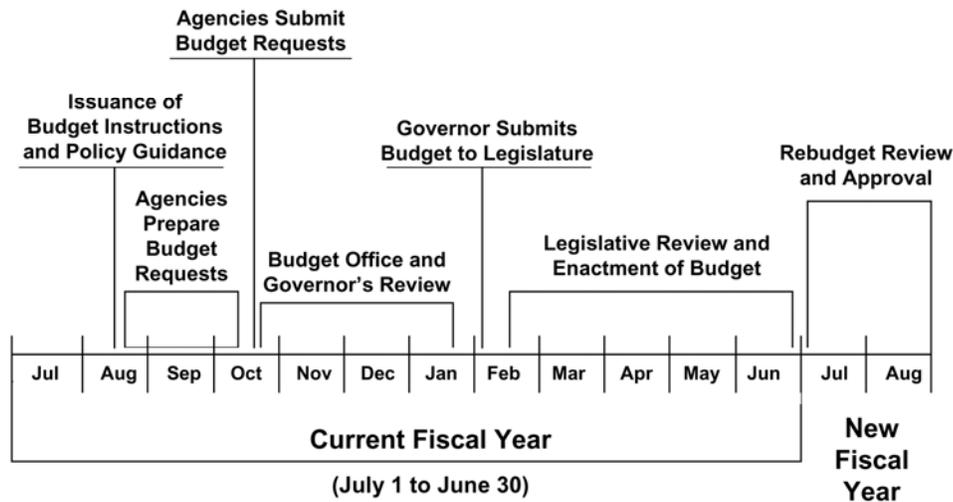
The Secretary of the Budget and his staff review agency budget requests for accuracy and for adherence to the policy guidance. The Agency Program Plan and appropriation templates are used by the Governor's Budget Office to analyze the agency requests and prepare funding recommendations for the Secretary 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 electronically enters 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 used for the operating budget. The capital budget process 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 operating budget requests to the Secretary of the Budget beginning in early October, agencies also submit a capital budget request itemizing proposed capital projects they want to undertake. The Governor's Budget Office reviews capital requests and develops recommendations based on the Governor's financial parameters and policies.

The Governor makes final decisions on the capital budget 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 Budget submitted to the General Assembly.

The Governor's capital project recommendations 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 the project will have on agency 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 fiscal year.

The reader is referred to Section F Capital Budget, which contains the Governor's recommended capital budget and five-year capital program, including funding sources and amounts needed to support capital programs. Pages F3 and F4 briefly describe the seven categories of capital projects and the contents of the three subsections: 2011-12 New Project Authorizations; Forecast of Future Projects; and Estimate of Capital Expenditures.

The Structure of the Budget

THE COMMONWEALTH PROGRAM PLAN

The budget presentation for each commonwealth department or agency is shown on a program basis and an appropriation basis. . Section B Program Budget Summary provides a summary presentation by commonwealth program and shows program costs according to eight major program classifications. These commonwealth program classifications are each defined in terms of broadly stated goals of state government.

The first commonwealth program, Direction and Supportive Services, includes the costs of supporting administrative functions which affect the overall operations of the commonwealth. Another, commonwealth program, Debt Service, includes the resources to meet the timely payment of commonwealth debt obligations. Debt Service is shown as a separate commonwealth program and is not merged with program expenditures so that direct program expenditures may be seen more clearly. The six remaining commonwealth programs are substantive in nature and deal with costs related to their program titles: Protection of Persons and Property; Education; Health and Human Services; Economic Development; Transportation; and 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. Program explanations, analyses and measures are shown by program subcategory within individual departments in Section E Department Presentations. To clearly show the link between the Commonwealth Program Plan programs, program categories and agency program subcategories, identical or similar program and program category titles have been used Section B.

THE DEPARTMENTAL PRESENTATION

Recommendations for the continuation of current programs are shown within departmental program subcategories. Recommendations for major program changes are identified as department or agency Program Revision Requests (PRRs) which provide explanations and justification for the change.

In addition to the budget year recommendations, four-year projections of financial data and program measures show the future implications of the budget 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 budgeted level of commitment. This concept, that the four-year projections of financial data are solely based on the the future implications of the recommendations and policies proposed in the budget year with no additional actions anticipated, is known as "current commitment".

Descriptive information and detailed samples are shown in the following pages to assist the reader in understanding the individual agency presentations found in Section E.

Summary By Fund And Appropriation

This part of the department or agency presentation identifies the state appropriations and those federal funds, augmentations and other funds which supplement the activities funded by an 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; Farm Products Show; Fish; Game; Keystone Recreation, Park and Conservation; Lottery; Racing and Tobacco Settlement Funds and the appropriations or executive authorizations made from those 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 (subcategory) presentation provides a narrative and financial explanation of the activities of the program. These include:

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

Narrative — Describes program services and activities.

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

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 Measures — Indicates the activities and outcomes funded by the program and the expected impact of the proposed budget on those activities and outcomes.

Section H, Other Special Funds Appendix, provides brief descriptive and financial data for those special funds of the commonwealth not given an expanded treatment in other sections of this document.

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.

Summary by Fund

GENERAL FUND:

General Government:

General Government Operations

(F) Surface Mine Conservation.....

(A) Department Services

Subtotal

Environmental Program Management

(F) Coastal Zone management.....

(F) Storm Water Permitting Initiative.....

(A) Safe Drinking Water Revolving Fund Administration

(R) Sewage Facilities Program Administration (EA)

Subtotal

Subtotal - State Funds

Subtotal - Federal Funds

Subtotal - Augmentations.....

Subtotal - Restricted Revenues

Total - General Government.....

Grants and Subsidies:

Sewage Facilities Planning Grants.....

Sewage Facilities Enforcement Grants.....

Delaware River Master.....

Ohio River Basin Commission.....

Susquehanna River Basin Commission

Delaware River Basin Commission

Chesapeake Bay Commission

Total - Grants and Subsidies.....

STATE FUNDS

FEDERAL FUNDS.....

AUGMENTATIONS

RESTRICTED REVENUES.....

GENERAL FUND TOTAL

MOTOR LICENSE FUND:

General Government:

Dirt and Gravel Roads

MOTOR LICENSE FUND TOTAL

OTHER FUNDS:

GENERAL FUND:

Safe Drinking Water Account

ACID MINE DRAINAGE ABATEMENT AND TREATMENT FUND:

Acid Mine Drainage Abatement and Treatment (F) (EA).....

DEPARTMENT TOTAL - ALL FUNDS

GENERAL FUND

SPECIAL FUNDS

FEDERAL FUNDS

AUGMENTATIONS

RESTRICTED

OTHER FUNDS.....

TOTAL ALL FUNDS.....



Environmental Protection and Appropriation

(Dollar Amounts in Thousands)

2009-10 ACTUAL 2010-11 AVAILABLE 2011-12 BUDGET

\$ 14,800 \$ 15,000 \$ 15,200
413 630 680
154 75 75
\$ 15,367 \$ 15,705 \$ 15,955

21,325 21,424 22,524
4,700 4,700 4,700
2,300 2,300 2,300
91 85 85
1,500 1,500 1,500
\$ 29,916 \$ 30,003 \$ 31,109

\$ 36,125 \$ 36,424 \$ 37,724
7,413 7,630 7,680
245 160 160
1,500 1,500 1,500
\$ 45,283 \$ 45,714 \$ 47,064

\$ 1,000 \$ 1,000 \$ 1,000
2,500 2,500 2,600
94 94 94
10 14 16
490 500 490
1,000 1,000 1,000
190 200 200
\$ 5,284 \$ 5,308 \$ 5,400

\$ 41,409 \$ 41,732 \$ 43,124
7,413 7,630 7,680
245 160 160
1,500 1,500 1,500
\$ 50,567 \$ 51,022 \$ 52,464

\$ 4,000 \$ 4,000 \$ 4,000
\$ 4,000 \$ 4,000 \$ 4,000

\$ 549 \$ 658 \$ 470

\$ 5,500 \$ 5,500 \$ 5,500

\$ 41,409 \$ 41,732 \$ 43,124
4,000 4,000 4,000
7,413 7,630 7,680
245 160 160
1,500 1,500 1,500
6,049 6,158 5,970
\$ 60,616 \$ 61,180 \$ 62,434

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, Farm Products Show, Fish, Game, Keystone Recreation, Park and Conservation, Lottery, Racing and Tobacco Settlement funds.

Identifies selected restricted accounts.

Identifies one of a group of special funds which are presented on a limited basis in Section H: Other Special Funds Appendix.

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 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 OBJECTIVE: To protect and improve the health and safety of the citizens of the commonwealth from unnecessary radiation from natural and man-made sources, to reduce the risk of environmental exposure and to manage water and mineral resources to prevent environmental destruction and depletion while allowing economic development.

Program: Environmental Protection

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. Expanded activities include the reclamation of abandoned mines, plugging of certain oil and gas wells, protection and restoration of watersheds, and improvements to drinking water and sewer systems.

Program Recommendations:

This budget request

	\$	200		General Government Operations	—to continue current program.
				Environmental Program Management	—to continue current program.
					—PRR—Rebuilding Pennsylvania's Infrastructure. To provide increased assistance to communities for flood control projects.
			\$	1,100	<i>Appropriation Increase</i>

Appropriations within this Program:

	2009-10 Actual	2010-11 Available
GENERAL FUND:		
General Government Operations	\$ 14,800	\$ 15,000
Environmental Program Management.....	21,325	21,424
Sewage Facilities Planning Grants.....	1,000	1,000
Sewage Facilities Enforcement Grants	2,500	2,500
Delaware River Master	94	94
Ohio River Basin Commission	10	14
Susquehanna River Basin Commission ..	490	500
Delaware River Basin Commission	1,000	1,000
Chesapeake Bay Commission	190	190

Program

	2009-10	2010-11
Protection of Air Quality		
Air quality-staff hours per permit.....	193	172
Air quality permits in effect	1,666	1,800
Air emission inspections performed.....	10,656	11,000
Percentage of population in counties attaining the ambient ozone standard.....	67%	67%
Percentage of population in counties attaining the ambient PM-2.5 (fine particulate) standard	44%	44%

Environmental Protection

improve the quality of the air, water and environment for the Commonwealth, to protect the people from dangerous man-made sources, including occupational and medical resources in a way which ensures against their undue economic benefits from their use.

Protection and Management

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. Only 66 percent of the population of Pennsylvania lives in counties attaining the 8-hour National Ambient Air Quality Standard for ground-level ozone. 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.

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

\$	100	Sewage Facilities Enforcement Grants —to continue current program.
\$	2	Ohio River Basin Commission —to continue current program.
\$	-10	Susquehanna River Basin Commission —nonrecurring project.
\$	10	Chesapeake Bay Commission —to continue current program.

(Dollar Amounts in Thousands)

2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
\$ 15,200	\$ 15,200	\$ 15,200	\$ 15,200	\$ 15,200
22,524	22,524	22,524	22,524	22,524
1,000	1,000	1,000	1,000	1,000
2,600	2,600	2,600	2,600	2,600
94	94	94	94	94
16	16	16	16	16
490	490	490	490	490
1,000	1,000	1,000	1,000	1,000
200	200	200	200	200

Measures

2011-12	2012-13	2013-14	2014-15	2015-16
172	172	172	172	172
2,000	2,350	2,600	2,850	2,850
11,000	11,000	11,000	11,000	11,000
67%	68%	100%	100%	100%
48%	48%	90%	90%	90%

Identifies the agency being presented.

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

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

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

Narrative — Describes program services and activities.

Program Measures — Indicates the expected impact of the proposed budget on services, costs, etc., involved in all programs within the entire agency.

Basis of Budgeting and Basis of Accounting for Financial Reporting

Basis of Budgeting For Control and Compliance – Modified Cash Basis

The commonwealth's budgets are prepared on a modified cash basis that is used to establish and ensure 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 surplus fund balance (or less a deficit) of the preceding fiscal year, except for constitutionally authorized debt service payments.

With modified cash basis of budgeting, tax receipts, non-tax receipts, augmentations and all other receipts are recorded at the time cash is received. Expenditures are recorded at the time payment requisitions and invoices are posted to the commonwealth's accounting system. 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, appropriated 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 fiscal 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 (lapse) at fiscal year-end and become available for appropriation in the subsequent fiscal 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 Department, Ben Franklin Technology Development Authority, Emergency Medical Services Operating, Energy Conservation and Assistance, Hazardous Material Response, HOME Investment Trust, Milk Marketing, Motor License, and Workmen's Compensation Administration. However, 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. Budgets are also statutorily adopted for the administration of the State Employees' Retirement and Public School Employees' Retirement Funds and for portions of the State Stores, Tobacco Settlement and Tuition Account Guaranteed Savings Program Funds.

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

Basis of Accounting for Financial Reporting – GAAP Modified Accrual Basis

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) applicable to state and local governments. GAAP requires a modified accrual basis of accounting for governmental fund types. With modified accrual basis accounting, revenues are recognized when they become both measurable and available to finance expenditures. Expenditures are generally recognized and recorded when a liability to make a payment is incurred, regardless of when the cash disbursement is to be made. For proprietary and fiduciary fund types, GAAP requires a full accrual basis of accounting.

Accounting Differences in GAAP Financial Reporting versus Budgetary Reporting

Revenues and expenditures reported and included in GAAP financial statements differ from those reported in the commonwealth's budgeting system. Among other differences, the GAAP statements generally recognize revenues when they become measurable and available rather than when cash is received; report expenditures when goods and services are received and a liability incurred rather than when cash is disbursed; include government-wide statements, representing aggregate governmental activities of the commonwealth, along with fund statements, including individual major and aggregate nonmajor funds grouped by GAAP fund type rather than by commonwealth funds; and include activities of all funds in the financial reporting entity, including agencies and authorities usually considered as independent of the commonwealth for budgetary accounting and reporting purposes. GAAP financial accounting generally requires sales/use, personal income, corporation and other tax revenue accruals as well as tax refunds payable and tax credits to be subtracted from reported tax revenues; and expenditures not covered by appropriations to be included as expenditures.



Significant Financial Policies

A summary of significant financial management policies of the commonwealth is presented below.

Accounting – Accounting policies are noted in the Basis of Budgeting and Basis of Accounting for Financial Reporting section immediately preceding this section. 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 establishes accounting and financial reporting requirements for state and local governments.

Budget Stabilization Reserve Fund – Act 91 of 2002 provided for this fund effective July 1, 2002 to eventually establish a reserve fund 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. In certain fiscal years legislation has provided for a transfer of an amount not equal to 25 percent for that fiscal year. Act 46 of 2010, signed July 6, 2010, transferred \$745,000 to the General Fund. Additional information on this fund, commonly referred to as the Rainy Day Fund, is found in Section A.1.

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 capital projects in approved capital budgets; purposes approved by voter referendum and (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 Section G Public Debt.

Debt Policy – The commonwealth's very conservative public debt policies date back to the 1980's:

- General Obligation pledges are the preferred source of security.
- referendum questions should be submitted to the voters for critical needs only.
- moral obligation pledges should not be provided.
- revenue pledges are to be used by independent agencies.
- lease revenue debt should be used only when budgetary restraints prohibit the use of current revenue funding.
- debt service should not exceed four percent of revenues.
- highway projects should be funded from current revenues.
- capital projects addressing health, safety and public protection receive top priority for activation, followed by renovations to existing facilities.

In addition, the commonwealth never entered into swaps, and 100 percent of its outstanding General Obligation debt is in fixed rate debt – no variable rate, auction rate or other exotic debt instruments are used. The 2008 Financial Crisis and the freezing of capital markets did not adversely impact the commonwealth due to its conservative portfolio of debt.

Additional detail on these financial policies can be found in other sections of this document including the Section A Overview and Summaries, Section F Capital Budget, Section G Public Debt and Section H Other Special Funds Appendix.

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.

Agency Program Plan: The aggregation of program and financial information projected over a five-year period which serves as the agency input into the Commonwealth Program Plan.

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.

Budget Type: A term used to describe the components of various funding sources and status of the funding sources that determine the total funds available for each Commonwealth appropriation or executive authorization. Budget Types include:

- **Appropriation or Executive Authorization** – The amount provided in an enacted appropriation bill or executively authorized and issued in approved Expenditure Symbol Notification letters.
- **Estimated Augmentations** – The amount made available in an approved allocation or allocation amendment to supplement an Appropriation or Executive Authorization from non-Federal sources.
- **Federal Transfers** – The amount of expenditures anticipated to occur in the State Appropriation or Executive Authorization in the first instance and then transferred to a related Federal Appropriation or Executive Authorization.
- **Non-Federal Transfers** – The amount of expenditures anticipated to occur in the State Appropriation or Executive Authorization in the first instance, and then transferred to another State Appropriation or Executive Authorization or Other Funds source within the same or a different Commonwealth Fund.
- **Pending Lapse** – The amount of funds from an Appropriation or Executive Authorization that may potentially lapse. These funds are no longer available for expenditure or commitment.
- **Lapse** – The amount of funds from the Appropriation or Executive Authorization for which a lapse has been processed and approved. These funds are no longer available for expenditure or commitment.
- **Federal Expiration** – The amount of lapse of Appropriation or Executive Authorization authority from a Federal Appropriation or Executive Authorization.
- **Budget Carry Forward** – The amount of prior year available funds that have carried forward to a new fiscal year.

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.

Commonwealth Program Plan (CPP): The aggregation of all of the Agency Program Plans (APP) within the framework of the Commonwealth's program structure.

Current Commitment: Current level of services; when used in projecting costs, the future cost consequences of current program policy. Also referred to as "Cost to Carry."

Deficit: A fiscal operating result 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 another known obligation but where an actual disbursement has not been made.

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 the operations of the Vocational Rehabilitation Fund.

Expenditure: An accounting entry indicating a disbursement has been made.

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, 2010 to September 30, 2011 would be FFY 2011.

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. In the accounting system, referred to by the year in which the fiscal year begins, for example, July 1, 2010 to June 30, 2011 would be Fiscal Year 2010. In the budget document, referred to by using both calendar years in which the fiscal year spans, for example, July 1, 2010 to June 30, 2011 would be Fiscal Year 2010-11.

- **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 supplemental appropriations 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.

Initiative: (see also the definition of Program Revision Request) Changes in program purpose, level or activity as the result of changes in policy, statute, regulation or court direction which result in dollar increases or decreases too low to require submission of a Program Revision Request (i.e., less than \$200,000 or 15 percent of an appropriation, whichever is greater) are identified as Initiatives. Cost increases to operate an existing program without change in policy, law or regulation such as increased fuel costs at an institution or increased rental costs for regional offices are current commitment costs and are not identified as Initiatives.

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 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.

Organization Element: The agency activity or set of activities which produce an output or group of related outputs which contributes to the accomplishment of the objective of a single program subcategory. Organization elements are the basic units of the program structure of the budget.

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: A general term applied to any level of program aggregation defined in the Agency Program Plan. Included are the Commonwealth Program, the Program Category and the Program Subcategory.

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 Policy Guidelines (PPG): Issued by the Governor, the policy guidelines identify those problems confronting the commonwealth which are of major concern. The guidelines initiate the budget process in that they ask for a preliminary assessment of alternative program changes which respond to the Governor's concerns.

Program Revision Request (PRR): The PRR is the means by which the agency proposes a new program or a major change in an existing program. A PRR is required when an agency is requesting an increase or decrease of more than 15% of an appropriation, but a PRR is not required if that 15% does not exceed \$200,000. 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 operating result 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 fiscal 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
ARRA	American Recovery and Reinvestment Act
BG	Block Grant
CCDFBG	Child Care and Development Fund Block Grant
CHIPRA	Children's Health Insurance Program Reauthorization Act
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
ID	Intellectual Disabilities
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
MAGLOCLEN	Middle Atlantic Great Lakes Organized Crime Law Enforcement Network
MCH	Maternal and Child Health
MCHSBG	Maternal and Child Health Services Block Grant
MH/MR	Mental Health/Mental Retardation Services
MHSBG	Mental Health Services Block Grant
MR	Mental Retardation
NCHIP	National Criminal History Improvement Program
NEA	National Endowment for the Arts
NICS	National Instant Check 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
SAFETEA	Safe, Accountable, Flexible and Efficient Transportation Equity Act
SCDBG	Small Communities Development Block Grant
SDA	Service Delivery Area
SSA	Social Security Act
SSBG	Social Services Block Grant
SSI	Supplemental Security Income
TANFBG	Temporary Assistance to Needy Families Block Grant
USFWS	United States Fish and Wildlife Service
VA	Veterans Administration
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

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FISCAL AND PROGRAM POLICY DIRECTION AND BUDGET THEMES

The Fiscal and Program Policy Direction section immediately following this page presents the fiscal and program policies that guided the development of the 2011-12 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 budget theme presentations: Overview; Free Enterprise – An Agenda for Jobs; and Education – A World-Class Education that Enables All Pennsylvania Children to Achieve Their Full Potential. Theme topics 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.

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Fiscal and Program Policy Direction

This section presents the fiscal and program policies that guided the development of the 2011-12 Governor's Executive Budget. The commonwealth faced significant financial challenges during the past three fiscal years and in response instituted operating and program reductions to help address significant budget shortfalls. The ongoing weak national and state economies coupled with projections of a slow recovery will again impact state revenues and program spending levels in 2011-12. Nonetheless, agencies are expected to rise to the challenge to continue to efficiently and effectively provide quality services to Pennsylvania citizens.

In August 2010, the Governor's Budget Office issued the annual budget instructions, a key budget development policy document, to assist agencies develop their 2011-12 budget requests.

The 2011-12 Budget Instructions directed agency heads, program managers and fiscal officers to closely coordinate all aspects of the development of agency budget requests. All data and analysis required to adequately explain and defend requests was to be included in the budget request. Agencies were to develop plans and policies designed to make program operations more efficient and effective and explain how these plans and policies relate to the agency's mission, goals and objectives. In addition, agency budget requests were to reflect each agency's ongoing critical evaluation of its current programs and activities and include proposed reductions, revisions, reorganizations and expansions in programs consistent with that critical evaluation. Agencies were to prepare 2011-12 budget requests building upon the administrative spending constraints and operational efficiencies initiated during past agency budget planning cycles and make every possible effort to eliminate nonessential spending and deliver essential services at reduced cost.

In addition, agencies were not to propose new information technology projects unless the projects were approved through the "Community of Practice" review process managed by the Office for Information Technology. As part of that process, all major IT requests must first be reviewed by OIT and the Governor's Budget Office and approved by OIT. Major IT project requests not approved by OIT would not be funded through the budget process.

The budget instructions directed agencies to strengthen their multi-year planning efforts to realistically reflect future-year consequences of actions proposed in their 2011-12 budget requests. Expected trends in eligible populations served, mandated service levels and the potential for improved program and/or administrative efficiencies were among the factors agencies were to consider when preparing multi-year projections.

The 2011-12 budget planning process continues to emphasize performance measurement goal-setting as the core component of budget planning. Agencies were directed to highlight in their budget submissions their overall approach to programming within the framework of a strategic plan. Highlights were to include specific proposals to improve the efficiency and effectiveness of program operations, initiatives and changes in program direction, and the way proposals relate to agency mission, goals and objectives. Agencies also were told to refine and improve program performance measures so that the Governor's Budget Office could better assess agency program effectiveness, efficiency and base program activity levels. The primary goal of the budget review process was to evaluate the impact each agency's proposed expenditure levels would have on the achievement of its mission and programmatic goals, utilizing the most efficient methods possible.

The budget instructions also provided guidance on the submission of Capital Budget project requests. When proposing capital projects, agencies were to consider the broader operating program objectives and outcome measures the capital project was intended to serve. Agencies were told that no capital project requests would be recommended for funding unless their requests included a detailed estimate of annualized operating cost changes or impacts, including new positions required, that would result from completion of the capital project.

The Governor's Budget Office provided additional budget guidance to agencies in September 2010. The Governor's Budget Office noted that growing state pension liabilities, increasing state correctional institution offender populations and an aging Pennsylvania population requiring more costly services would continue to place significant pressure on the commonwealth's 2011-12 budget and the demand for state government programs and services.

The Governor's Budget Office provided direction on the continued development and submission of program performance measures. Agencies were to reexamine current program performance measures and modify measures as appropriate. Agencies also were to submit performance measures that would measure levels of organizational activity, qualitative and quantitative outcomes resulting from program activities and the efficiency with which resources were used to produce program outcomes. Agency were told that results-based plans and program performance data would be considered as decisions were made on statewide spending priorities and resource allocation between various agency budgets.

The Governor's Budget Office also directed agencies to submit budget proposals to manage operations as efficiently as possible and to reallocate positions within existing filled complement levels to support critical activities. Agencies were to budget for mandatory costs only, such as legal, contractual, statutory and other required costs, and for current filled positions only. As typical for fiscal years in which bargaining agreements expire, agencies were not to budget for general salary increases or longevity increases for agreements expiring June 30, 2011. Agencies were to fund vacant authorized positions on state General Fund appropriations at no more than 13 pay periods and agencies were to provide a legal or statutory program mandate justification for all vacant position requests.

The reader is referred to the agency program presentations in Section E Department Presentations for specific budget recommendations for each program appropriation. The reader is also referred to the 2011-12 Budget in Brief, a separate booklet, for summary information on the 2011-12 Governor's Executive Budget, including recommended program changes and funding levels in pursuit of the administration's policy and program direction for the commonwealth.

Overview

With this budget, Pennsylvania is set to once again be the standard of excellence that other states are measured against in providing individual opportunity through business growth, job creation, agriculture, transportation, tourism, energy production and education. Our commonwealth's current financial challenges provide an opportunity to assess our state government and choose a course that will renew the principles upon which that government was founded. In reflecting upon those principles, this budget moves to realign government spending and priorities to those core functions of government that protect our life and liberty, allow for the pursuit of happiness and support the educational needs of our citizens and communities.

The magnitude of the fiscal challenge confronted in crafting this budget is unprecedented in recent memory. The current size and scope of state government would create a budget gap of approximately \$4 billion in fiscal year 2011-12. The enacted 2010-11 budget was around \$28 billion in comparison to 2002-03 when it was just over \$20 billion. Spending in the budget increased \$7.6 billion, or 37 percent, over that period of time. Base revenue, however, increased at only 25 percent over the same time period. That simple comparison highlights a state government spending beyond its means.

Previous budgets relied on one-time revenues sources, accounting maneuvers, temporary fund redirections and most notably federal stimulus funds to bring the budget into balance. Last year alone, \$2.7 billion in federal stimulus funds supported Medical Assistance, education and corrections programs. An additional \$750 million in one-time revenue supported existing programs or operations. Essentially all of these one-time maneuvers have been utilized, and federal stimulus funds have expired. Consequently, the commonwealth must now address the structural deficit between its historical spending and available revenues.

This budget responds to the current fiscal realities. Through this budget, we take on and address our financial burdens and do not pass those burdens on to future generations. We accept the challenge that is before us and the covenant we have with future generations as trustees of the commonwealth's resources.

Fiscal discipline is the guiding principle for this budget. This budget focuses the public investment in areas accepted as core functions of government: protecting the public, supporting the education of our citizenry, and protecting our most vulnerable populations. Many programs that were not critical, essential, or did not have a statewide impact have been proposed for elimination. Programs where the return may not have been worth the investment have also been eliminated. What remains is a more limited but vigorous government.

Limiting the size and scope of government allows the public a better understanding of their investments. In addition, the details of this budget and future budgets will be more transparent, and the public can judge the value and return on those investments. This transparency will result in greater accountability, on the investment and how we manage those investments.

Fiscal Discipline

Central to maintaining fiscal discipline is recognizing that our citizens know best how to spend their own money and refraining from imposing any additional tax burdens. To that end, this budget contains no increase in taxes. It does reinstate the phase-out of the Capital Stock and Franchise Tax, easing a significant burden for industries in the commonwealth and allowing them to create jobs and greater economic opportunities for our citizens. Respected national studies consistently conclude that those states that are fiscally well-managed and constrain spending and cut taxes, are also the leaders in economic performance and job creation. This fiscally responsible budget lays the foundation for additional job creating tax cuts in future years such as the reduction in the Corporate Net Income Tax, elimination of the Inheritance Tax, and elimination of the cap on the Net Operating Loss allowance.

Further, this budget eliminates 103 budget line-items, cutting nearly \$850 million in annual spending. Many of these line-items could be characterized as legislative initiatives, discretionary accounts, earmarks or "walking around money" (also known as WAMS). Total spending in this budget is reduced 3.1 percent from the previous year's enacted budget, and this budget resets overall state spending near 2008-09 levels.

This budget was crafted with honesty and restraint. It is built on conservative estimates of revenue to be received from the citizens of the commonwealth and the spending needs and priorities to meet our responsibilities to our citizens.

Limited but Vigorous Government

By focusing our resources, we are rebuilding the foundation for future prosperity and job growth while supporting our citizens in meeting their basic needs. This budget allocates state resources to the core responsibilities of government. In doing so, we can aggressively protect the public, effectively promote future opportunity, and we can efficiently support our most vulnerable citizens.

This budget also sets in motion the plan for continued improvements in government efficiencies and effectiveness in the years to come. Between this budget and the next budget proposal, we will assess all commonwealth assets and resources and propose innovative and cost-effective approaches to providing government services.

Government Reform and Limited Government

Pennsylvanians deserve to have confidence in their government. To that end, Pennsylvania's taxpayers deserve to know how their tax dollars are being spent and what the return is on their investment. As part of this year's budget introduction, we unveil an online budget dashboard on the commonwealth website. This dashboard provides budget information by revenue source and department spending by appropriation and program. This is the first step in making virtually all state financial information available online to our citizens. The governor's entire budget is also available online.

The development of the 2011-2012 Governor's Executive Budget entailed a line-by-line review of every expenditure and appropriation from a zero base. This zero-based approach will be used year after year to ensure that programs do not simply grow with inflation but are actually achieving their desired purpose while building in improvements and efficiencies. Further, all programs are expected to prove their effectiveness, and that effectiveness will continue to be reported through our performance measures. This budget reduces the cost of doing business by more than 4 percent and begins the effort to reduce the overall cost of doing business by 10 percent over the next four years.

As promised, this budget launches efforts to streamline state government and achieve efficiencies. The commonwealth is already eliminating per diems for state employees; a number of complementary services have been consolidated; reviews of existing boards and commissions have begun; and the vehicle fleet is being reduced. These efforts, however, are only the beginning. Our plans to refocus and improve government investments and operations will need to accelerate in the years ahead.

This budget refocuses the investment of taxpayer dollars on the core functions of government, which will result in private-sector job creation and economic opportunities. Those core functions of government include: protecting public safety, maintaining the human services safety net, providing educational opportunities for our youth, and supporting free enterprise in the commonwealth.

Public Health and Safety

The core function of government is protecting the health and safety of its citizens. This budget reflects the public health and safety priorities of the commonwealth in the Departments of Health and Corrections, Pennsylvania Commission on Crime and Delinquency, Board of Probation and Parole, Pennsylvania State Police, Department of Military and Veterans Affairs and other agencies.

To continue to manage a population of 50,000 inmates and provide for the safety of our communities, funding for Pennsylvania's correctional institutions is slightly increased, as is funding for inmate education and training to reduce recidivism and thereby lower corrections costs. Funding for additional parole officers is included in this budget to address the backlog of eligible parolees and to transition them into productive opportunities, relieving cost pressures on our corrections system.

To maintain trooper levels adequate to protect Pennsylvania citizens, this budget maintains support for two Pennsylvania State Police cadet classes in 2011-12, increasing the number of State Police troopers to approximately 4,400. The Pennsylvania State Police is the primary law enforcement agency for the many communities in the commonwealth. At these trooper levels, Pennsylvania's highways will be patrolled adequately and law enforcement support will be present in our communities.

This budget seeks to expand the reach and effectiveness of a number of crime and violence prevention efforts through greater alignment and consolidation of programs within the Pennsylvania Commission on Crime and Delinquency. Aligned programs include several intermediate punishment programs that should serve to more effectively address the root cause of criminal behavior. These programs will help prevent crime from occurring in the first place, provide treatment of causes so crimes are not repeated, and provide support for

reentry into the community. In addition, more than \$2 million is allocated specifically for the safe schools initiative. Successfully addressing all of these issues will make our communities safer and ease the pressure on our corrections system.

Pennsylvania police departments often face violent situations that require medical support. Law enforcement and military services have long recognized that tactical emergency medical support of special operations can enhance the probability of mission success. This type of support requires a unique expertise, which is complementary to the basic qualifications of emergency medical services providers. To support these operations, the Department of Health will launch a Tactical Emergency Medical Support (TEMS) program to develop law enforcement and medically trained personnel who have the ability to assess medical threats, render immediate medical care in hazardous environments, and provide logistical support that will further the health and safety of law enforcement personnel and reduce the incidences of injury, illness, disability and death associated with training and tactical operations. TEMS is an investment in the health and well-being of law enforcement and the citizens of Pennsylvania.

Education

This budget supports an agenda for excellence, a world-class education that enables all Pennsylvania children to achieve to their full potential. Components of the education reform agenda include expanding quality educational options for families and students, maximizing flexibility and providing mandate relief for local school districts and raising the quality of a Pennsylvania publicly supported education. To begin the process of real property tax reform, coordinated with this budget is a proposal to protect Pennsylvania's taxpayers by enacting a cap on property tax increases.

First, this budget grows the Educational Improvement Tax Credit (EITC), increasing the total credits available in 2011-12 to \$75 million to benefit children in pre-kindergarten to twelfth grade in public and private schools. This budget sets the framework for expanding quality educational options for families and students. To enhance access to schools that better meet the individual needs of students and families, this budget begins the process of defining and aligning basic educational funding to support students and learning. Further, access to post-secondary education is an important part of the educational curriculum for students as they pursue their career goals. School choices should not just be limited to selecting a school that best meets a student's overall educational needs, but students should have choices in courses too. By unbundling education funding, high school students will have the ability to earn post-secondary credit through dual enrollment. Dual enrollment both expands educational opportunities for students and produces cost savings for Pennsylvania families and local school districts.

The Department of Education will continue to support the charter school network and will continue to explore ways to enhance the performance of charter schools and provide more students the ability to pursue learning opportunities that are right for them. Such enhancements would address raising performance and ethical standards of charter schools, and making changes in existing contracting, review and certification practices.

Finally, with this budget, the state share of public basic education funding reflects an average annual 2.8 percent increase over the past 10 years while resetting state spending at a reasonable level and not the unsustainable 5 percent and 6 percent annual increases seen in recent years. The funding recommended in this budget is at a level commensurate with maintaining an efficiently operating and outstanding public education system.

To support innovation and achievement in our local school districts, this budget complements a broader mandate relief effort underway for local school districts. The Department of Education will increase the flexibility for school districts by allowing economic furloughs, increasing the minimum bid threshold limits, relieving burdensome advertising requirements, offering flexibility in providing onsite medical staff, aligning mandate relief for public schools with that enjoyed by charter schools, and linking regulatory flexibility with school performance. These relief initiatives along with cost-control authority school districts already possess could save local school districts significant funding annually.

To ensure effective teachers and leaders, the department will undertake and support initiatives relating to merit pay, teacher tenure and alternative certification. The department will encourage and support local school districts in developing merit pay options for school districts to incentivize excellence among teachers. The department will assist school districts in reforming teacher tenure practices by developing a rating system to measure teacher effectiveness. Increasing the pool of potentially outstanding teachers will impact the educational experience for many students as well. To that end, the department will explore expanding alternative pathways to teaching and leadership.

Human Services Safety Net

This budget reflects the compassionate nature of Pennsylvanians. It supports programs that provide a helping hand to our most vulnerable citizens and to those most in need. It focuses our efforts on the core functions of our health and human services programs. However, the national economy continues to exert significant pressures on the state budget. This budget supports critical programs to move people toward self-sufficiency while redirecting and resetting all programs to achieve that mission.

As a result of continued financial pressures, this budget redirects funding in the Department of Health to key core functions including: quality assurance of the health care delivery system in Pennsylvania, treatment and services for rare disease management, emergency preparedness, special medical programs, cancer screening, newborn screening and maternal and child health programs. Funding for the Department of Health is now structured to support direct services and primary core functions critical to the public health infrastructure and where appropriate will integrate education and outreach into service delivery, including drug and alcohol treatment programming.

This budget has approached the challenges of the economy with a focus on efficiencies and a commitment to the careful stewardship of state resources. This budget includes several broad-based cost-containment reforms designed to save millions of dollars in state funds while having a minimal impact on older Pennsylvanians, children, families and other vulnerable citizens. A key component of the Department of Public Welfare's efforts to control costs is reforming the current welfare system.

The commonwealth has been involved for a number of years in multiple strategies to improve services, allow for more choices, rebalance the service delivery system, transition people off of the welfare system and manage care effectively. Even with these programs, waivers and system design efforts, however, the commonwealth has not been successful in effectively reforming programs to focus on competition, prevention, wellness, employment first, integrity, personal responsibility, choice, consumer empowerment and independence. This budget initiates efforts to establish an integrated, coordinated and seamless service delivery system that addresses consumer needs for quality, independence, flexibility and service coordination while addressing the need for cost containment and financial integrity.

This budget contains a number of cost-containment initiatives that address the quality of care and care management for clients, smart purchasing, program integrity and fair share payments. Initiatives in this budget seek to encourage more home and community-based care in our long-term care, child welfare, mental health and intellectual disability programs to achieve a better quality of life for clients and significant programmatic savings. Care management plan administration will be redesigned to incentivize personal responsibility, prevention and wellness to curb the high costs of health care while maintaining high quality levels of care. Smart purchasing strategies will be implemented to promote competition, incentivize cost containment and more closely link payment to quality outcomes. System integrity will be enhanced by a greater focus on preventing fraud and abuse by developing additional financial controls and fiscal accountability. Program integrity will also be maintained by ensuring that rate structures and services are more comparable with other state Medicaid programs. Finally, a goal of any reform must be to ensure a fair and accountable system in which recipients pay their fair share for services and providers charge fair and competitive rates. This goal can be achieved through a work-first approach and tighter timeframes for receiving assistance. Through these efforts we can preserve our compassionate safety net while we maintain fiscal accountability and cost containment.

Free Enterprise

This budget is intended to begin to unshackle free enterprise in Pennsylvania and unleash the potential for Pennsylvania innovation. This budget provides no increase in taxes and shrinks the size of government easing the burdens on Pennsylvania's families and businesses. This budget reinstates the phase-out of the Capital Stock and Franchise Tax (CSFT), improving the economic climate for 101,000 job creators throughout the commonwealth. This budget assumes the phase-out will continue on schedule until it is completely eliminated in 2014. The budget aligns commonwealth tax policy with the federal tax code increasing the bonus depreciation deduction to 100 percent for property placed into service before January 1, 2012. Again, this simple act provides consistency and relief for Pennsylvania job creators.

Government does not create jobs, but can establish an environment where free enterprise can flourish and jobs are created. The use of tax credits as an economic development tool is common and can be most effective in catalyzing industry growth in regions possessing the raw materials, infrastructure or talent resulting in a significant industry cluster. To that end, this budget continues all current tax credits programs and specifically maintains or enhances five key tax credit programs with catalytic potential: Neighborhood Assistance Program (NAP) Tax Credits, Educational Improvement Tax Credit (EITC), Research and Development Tax Credit (R&D),

Job Creation Tax Credit (JCTC) and Film Production Tax Credit. The NAP complements DCED's Keystone Communities initiative fostering investment in Pennsylvania communities by improving their livability and ability to attract and retain creative talent for jobs in the innovation economy. The R&D tax credit fosters investment in research and innovation by our technology intensive industries, further strengthening our growth clusters, enhancing competitiveness and creating jobs. The JCTC provides an incentive for companies to locate and expand in Pennsylvania and rewards them for creating jobs. Similarly, the Film Production Tax Credit has helped to foster a growing film industry presence in Pennsylvania. A growing and stable industry presence helps establish the state or region as a destination for international industry investment resulting in increased employment opportunities for Pennsylvania citizens. As an example, in 2007-2008, it is estimated that just under 4,000 jobs were associated with industry investment tied to Film Production Tax Credits.

This budget reflects the fact that we are in challenging financial times. Even though times are challenging, we cannot abandon our business marketing, attraction and retention efforts, just like any business should not cut its sales and marketing departments if it wants to maintain current customers and attract new ones. To maintain our efforts to create jobs, the Department of Community and Economic Development is investing in retooling its arsenal to better support free enterprise in the commonwealth and attract and retain entrepreneurs and job creators.

The revamped Department of Community and Economic Development will ensure Pennsylvania is open for business through partnerships, performance-based evaluation and competition. The Department will incentivize public-private partnerships through the PA First Fund, support high-growth businesses through Discovered in PA-Developed in PA, and streamline the delivery of economic development services through Partnerships for Regional Economic Performance. Complementing these efforts will be the Liberty Loan Fund, which will pool the commonwealth's existing economic development financing resources to leverage additional private funds with which to invest in economic development activities and create jobs. This budget preserves funding for World Trade PA, which will continue to facilitate foreign investment in Pennsylvania and promote the export of Pennsylvania products worldwide. PENNPorts will concentrate resources on realizing the full potential of Pennsylvania's six ports. Utilizing these programs along with a continued investment in marketing to attract business and tourism, the department will be a strong partner with the private sector in creating a climate for job creation.

To maintain alignment between our workforce investment system and job creators, this budget maintains funding for Industry Partnerships, consortiums of similar companies or industry clusters with similar workforce needs. The intent is to make prudent investments to develop the human capital to support our growing industry sectors and support innovation to create a competitive advantage for our regions and create more jobs. In addition, expanding the EITC to \$75 million will provide approximately 45,000 scholarships to motivated families to help prepare their children for tomorrow's jobs and opportunities.

This budget maintains Pennsylvania's support for agriculture, specifically programs supporting youth in agriculture to ensure that we continue to foster skilled farmers and agriculture professionals. A great asset for Pennsylvania agriculture is the University of Pennsylvania and the veterinary and infectious disease services and expertise the university provides to the industry. The commonwealth will continue to support this vital asset.

One example of free enterprise working for the citizens of the commonwealth is evidenced by the positive impact the Marcellus shale natural gas industry is having on our commonwealth. The industry is investing heavily in Pennsylvania, in its people, in its communities and in its future. To date, without imposing any special tax on the industry, virtually every category of tax collected by the state has increased in Marcellus shale development areas.

The commonwealth has directly accrued an estimated additional \$44.4 million in Sales and Use Tax, Corporate Net Income Tax and Capital Stock and Franchise Tax revenue in 2009. And despite a sales tax exemption for equipment directly used in gas well drilling, the Sales and Use Tax and Employer Withholding Tax increased more than \$20 million in 2010. The growth in rents and royalties income tripled in just a few years. These communities have seen their unemployment rate go down and consequently, the commonwealth is receiving increased Personal Income Tax revenue.

Further, the commonwealth received \$12.4 million in oil and gas permit fees in 2010-11 and is expecting that to increase to \$15.4 million in 2011-12. In 2008-09 and 2009-10, the commonwealth received a windfall in revenue deposited in the Oil and Gas Lease Fund of just under \$430 million and from 2010-11 on will earn steady and increasing royalty revenue starting at just under \$27 million in 2010-11 and expected to grow to \$299 million in 2015-16. These revenues support state forests and parks for all Pennsylvanians to enjoy. Finally, the industry has already invested \$200 million in reconstructing and maintaining our state road system in its

areas of operation. The commonwealth will continue to support this free enterprise success, which is creating jobs and opportunities while at the same time leveraging its success to support key needs in our communities.

Summary

Pennsylvania, like most other states, is facing a protracted economic recovery and one that will take some considerable time and effort to work through. We arrived at our current place after years of spending at a rate greater than our revenue. During that time, we relied on one-time funding gimmicks and non-recurring federal funds to feed our desire to spend. That approach has brought us to a defining moment where we can continue as we have done or choose to reset government to focus on its core functions and responsibilities and lay the foundation for future growth and prosperity.

Through fiscal discipline, this budget begins the climb to economic prosperity. This budget reduces the size of state government, it does not raise any taxes, and it protects the public safety as well as Pennsylvania's most vulnerable citizens. However, this budget is only a first step and will not eliminate all of our challenges. Throughout the next year, we will aggressively analyze all of our spending, assess if all of our assets are achieving the greatest efficiency and return and implement innovative approaches to providing government products and services.

This budget is responsive to fiscal realities and addresses our challenges head on. This budget demonstrates our commitment to taking ownership of our financial burdens and not passing them on to the next generation. This budget is presented with honesty and transparency, and we will be accountable for the results. This budget embraces the great opportunity we have before us to reset state government and choose a course that will renew the founding principles of our democracy's covenant.

Free Enterprise – An Agenda for Jobs

Creating and maintaining an environment in which good, family-sustaining jobs can grow is a core function of state government. Catalyzing the power of free enterprise is critical to revitalizing Pennsylvania's economy to create jobs and opportunities for Pennsylvanians. To fully harness our resources and embrace innovation will require significant changes in state government's approach to supporting private-sector job creation.

Pennsylvania's unemployment rate is the highest it has been in more than a generation. Historically, Pennsylvania has ranked near the bottom of nearly every job creation or economic performance index. Most disturbing is that the key factor for economic competitiveness, productivity, is declining in Pennsylvania, and we are losing competitiveness. The underlying causes of these worrisome trends can be found not in a lack of drive or work ethic on the part of Pennsylvanians but in the climate government has created, which has placed obstacles to innovation, workforce productivity, and job creation.

The strategy to create jobs in Pennsylvania embraces five core components: expanding Pennsylvania's economy through innovation, reforming Pennsylvania's job climate, developing a world-class workforce, growing small business in Pennsylvania, and expanding Pennsylvania worldwide. States with business-friendly policies have been most successful at stemming the loss of manufacturing jobs and creating and retaining new-economy jobs. In contrast, states that have attempted to compensate for a poor economic foundation by relying on economic development incentives for business attraction and retention have been comparably unsuccessful. The fiscal pressures on the state of Pennsylvania and its communities require focus on the five core economic development components in a balanced and effective manner. With this in mind, the following initiatives intertwine and leverage each other, strengthening the economic framework for the state.

Expanding Pennsylvania's Economy Through Innovation

The proposed Fiscal Year 2011-12 budget provides more than \$82 million for programs established specifically to support innovation-based economic development: the new Discovered in PA-Developed in PA initiative, the model Ben Franklin Technology Development program, the Life Sciences Greenhouses, and the Research and Development Tax Credit.

- ✓ **Discovered in PA-Developed in PA:** The state has a history of breakthrough research and entrepreneurship; yet, it lags behind most other states in new business starts and the commercialization of research, where Pennsylvania trails California, North Carolina, Virginia and Massachusetts. The purpose of this initiative is to support the commercialization of research and innovation by aggressively seeking out researchers and entrepreneurs to help them identify the services or resources they would need to commercialize their innovation into a competitive business. The program will also assist small and medium-sized businesses with high growth potential to improve their competitiveness and grow their businesses.

The program will have several components to assist these entrepreneurs. DCED will deploy regional experts who will have knowledge of all technical assistance services available, from business plan development, to marketing, to exporting, and who will serve as consultants and provide portal resources or assistance. These regional experts will also have a thorough understanding of what financing tools are available from which state or regional provider. Regional experts will both respond to inquiries from businesses and proactively seek out businesses and direct them to the organization that can help them access the technical or financial assistance to meet their needs. The program will utilize the Governor's Action Team (GAT) to reach out to high-growth companies, ensure they have what they need to continue growing, and explore the range of opportunities related to a homegrown, high-growth economic development strategy.

- ✓ **Ben Franklin Technology Development Authority (BFTDA):** The Ben Franklin Technology Development Authority has been a benchmark for state technology development programs since its establishment in 1983. This program will continue to advance technology-based and technology-intensive industries in Pennsylvania. The BFTDA funds a series of programs that work together to create a flexible, dynamic framework that is proactive to markets and changing industry sectors. The authority has tailored its programs (one of which is the similarly named Ben Franklin Technology Partners) to companies' needs at different stages of the business life cycle, creating a continuum of support and services to address challenges at each step of company development. The programs provide a vehicle for investment in entrepreneurial and university-based innovation and include the Venture Investment program, which provides risk capital to venture partnerships that invest in Pennsylvania companies; the Technology Development Grant program, which helps to position groups

or consortia of Pennsylvania companies at the cutting edge of emerging technologies; and the University Research Commercialization Grant program, which promotes stronger synergy between university-based research and development and the transfer of technology for economic and workforce development.

- ✓ **Life Sciences Greenhouse:** Through the initial \$100 million investment in the three Life Sciences Greenhouses, approximately 6,000 life sciences jobs have been created. This budget continues operational support for the Life Sciences Greenhouses. In addition, DCED will integrate Greenhouse talent and expertise as part of the programmatic support it provides to entrepreneurs.
- ✓ **Research and Development Tax Credit (R&D):** Investments in research and development create new ideas, technologies and products that improve the quality of life for individuals and increase a state's economic vitality and economic competitiveness. Pennsylvania's R&D tax credit complements the federal R&D tax credit program, incentivizing Pennsylvania-based research and development. Currently, more than 40 states offer some form of tax credit for research and development expenses. In 2009, R&D tax credits were awarded to more than 500 firms to support their research efforts and Pennsylvania jobs. This budget enhances the current R&D tax credit program by increasing the amount of credits that can be awarded from \$40 million to \$55 million, which will facilitate the expansion of research and jobs in Pennsylvania.

Reforming Pennsylvania's Job Climate

The job or business climate may be defined as the aggregate business operating conditions and costs that can be influenced by government action. The business environment is a key differentiator between states and regions and can be largely influenced by state policy and government action.

- ✓ **Legal and Tort Reform:** Excessive and frivolous lawsuits hinder job growth and hurt Pennsylvania taxpayers by increasing costs for businesses, healthcare, and consumer goods and services. Legal reform is critical to reforming Pennsylvania's job climate and allowing entrepreneurs to focus on creating jobs. Pennsylvania should no longer remain one of a few states where the legal system can hold a person, company or local government agency liable for 100 percent of damages despite having had only a minor role in any incident generating a lawsuit. Similarly, for product liability cases, plaintiffs should have to obtain verification from a licensed professional that a product is defective or has caused injury before the start of a product liability action. Innocent sellers should be provided reasonable protections for unknowingly selling a defective product. Finally, the practice of venue shopping must end and litigation should be filed in jurisdictions having some relationship to the defendant or act giving rise to the cause of action. Addressing each of these issues will help to protect innovative entrepreneurs and businesses and lower the cost of doing business in Pennsylvania, improving the state's global competitiveness and creating jobs.
- ✓ **Regulatory Reform:** Friction-free processes for government interaction with job creators are critical to maintain economic momentum and competitiveness. State government needs to be a partner with job creators. To address the length of time agencies take to act on permits and eliminate permit backlogs, PennDOT and DEP have begun auditing and assessing all of their permit processes to make them more responsive to the needs of job creators. In addition, the DCED secretary is empowered to expedite any permit or action pending in any agency where the creation of jobs may be impacted.
- ✓ **Taxes and Tax Credits:** Pennsylvania's tax structure has been one of the most oppressive of any state and is the number one factor impacting the overall economic climate. While some of Pennsylvania's major competitor states like Illinois are raising taxes, other competitors like Ohio are cutting business taxes. This budget contains no increase in taxes and, in fact, it begins the process of easing the tax burden on job creators and laying the foundation for future job-creating tax reforms (Corporate Net Income Tax, Inheritance Tax, Net Operating Loss provisions) in the future.

The Fiscal Year 2011-12 budget reinstates the phase-out of the Capital Stock and Franchise Tax (CSFT), saving 101,000 job creators more than \$70 million. This budget assumes the phase-out will continue on schedule until the CSFT is completely eliminated in 2014.

The budget aligns commonwealth tax policy with the federal tax code by increasing the bonus depreciation deduction to 100 percent. By conforming to the recently enacted federal tax benefits with regard to 100 percent bonus depreciation, approximately 117,000 corporate taxpayers in the state will benefit from lower tax burdens this year, allowing for greater capital investment and encouraging further economic growth. Again, this simple act provides consistency and relief for Pennsylvania job creators.

In addition to enhancing R&D tax credits, this budget provides significant tax credits for job creators: Film Production tax credit - \$60 million; Neighborhood Assistance Tax Credit - \$18 million; Coal Waste Removal and Ultra Clean Fuels Tax Credit - \$18 million; Job Creation Tax Credit – \$10.1 million; and Resource Enhancement and Protection Tax Credit – \$10 million. The use of tax credits as an economic development tool is common and can be most effective in catalyzing industry growth in regions possessing the raw materials, infrastructure or talent that form a significant industry cluster. These tax credit programs have supported the creation of thousands of jobs in Pennsylvania.

- ✓ **Economic Development Programs:** The primary economic development tool for DCED and the Governor's Action Team (GAT) will be the new PA First Fund. To compete with other states like New Jersey and North Carolina who have established “closing” funds, this budget creates the \$25 million PA First program. Through PA First, DCED will offer competitive grants for job creation or retention, infrastructure projects and workforce development and will replace the outdated Opportunity Grant, Customized Job Training, and Infrastructure Development programs. Shedding the existing restrictions and limitations attending these individual programs will enable PA First to provide the flexibility necessary for the commonwealth to rapidly respond to companies' needs, thus facilitating increased investment in Pennsylvania and enabling the commonwealth to compete more effectively with neighboring and competitor states.

PA First will leverage private dollars, stimulate job creation, encourage development of critical infrastructure and advance workforce development efforts. It will secure job creation and economic development opportunities through the preservation and expansion of existing industries and the attraction of additional economic development prospects to the commonwealth. Eligible uses for the grant funding may include customized or advanced training for new, entry-level employees and for retention and upgrade of existing employees to accommodate new technologies; 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 business sites; land and building acquisition and/or improvement costs; machinery and equipment purchases; working capital; and environmental assessment and remediation.

- ✓ **State Government Fiscal Management:** A state's spending and overall fiscal management is a component of its business climate and a contributor to its overall image. Respected national studies consistently conclude that states that are fiscally well-managed, constrain spending, and cut taxes are also the leaders in economic performance and job creation. By constraining spending, promoting efficiencies, and not raising taxes, this budget will improve the overall economic image of Pennsylvania in the eyes of business investors and industry site selectors.

World-Class Workforce

Today's economy is driven by creativity and innovation. Both apply knowledge and skills to work. The quality of the workforce in today's economy is one of the primary issues of concern for job creators. Technical workers make up the fastest-growing occupational group worldwide. Pennsylvania cannot afford to ignore the global pressures in developing talent. Developing talent begins with the public education system, which provides the foundation for lifelong learning.

- ✓ **Education Reform:** This budget supports a number of education reform efforts aimed at improving the academic achievement level of Pennsylvania students, preparing them for the jobs of the future. In addition, expanding the EITC to \$75 million will provide approximately 45,000 scholarships to motivated families to help prepare their children for tomorrow's jobs and opportunities.
- ✓ **Industry Partnerships:** To maintain alignment between our workforce investment system and job creators, this budget maintains funding (\$1.6 million) for Industry Partnerships, which are consortiums of similar companies or industry clusters with similar workforce needs. The intent is to make prudent investments to develop the human capital to support our growing industry sectors and support innovation to create a competitive advantage for our regions and create more jobs.

Growing Small Business

Small businesses drive Pennsylvania's economy, creating employment opportunities and strengthening the fabric of their communities. Pennsylvania has more than 236,000 small businesses, accounting for more than 98 percent of the state's employers and about half of the state's employment.

Partnerships for Regional Economic Performance (PREP): This initiative will encourage regional coordination in economic development efforts, yielding improved customer service to the business community, and specifically small businesses, and a more comprehensive statewide economic development strategy. PREP will provide grants to consortia of economic development service providers in a region (Industrial Development Corporations, Local Development Districts, Small Business Development Centers, Industrial Resource Centers, and economic development organizations) that may co-locate, develop formal partnership agreements, or otherwise create a coordinated and performance-based service delivery system that ensures each inquiry or lead from a business is referred expeditiously to the appropriate service provider in the region. PREP grants will be awarded on a competitive basis with the most developed partnerships receiving the funding necessary to support their efforts. Additionally, the new program will create a public/private advisory board that will help define a comprehensive economic development approach and quantitative metrics to assess performance.

- ✓ **Liberty Loan Fund:** The Liberty Loan Fund will create a new economic development financing partnership by pooling the commonwealth's existing economic development financing resources (loan funds and Commonwealth Financing Authority assets) in a way that will enable the state to leverage additional private funds with which to invest in economic development opportunities.

There are a variety of economic development programs and revolving loan funds that address narrowly defined needs or uses. In addition, these tools are often constrained by enabling legislation that prohibits them from responding to the rapidly changing needs of businesses and reacting to new economic opportunities. By pooling the resources from these funds and programs and unshackling the constraints, the commonwealth will be able to leverage new private dollars using the pooled assets of the existing programs and create flexible financing tools that will be able to quickly adjust with the changing economic conditions.

Expanding Pennsylvania Worldwide

Any region's competitive position and economic opportunities are directly tied to its export capabilities. Expanding Pennsylvania's commercial presence throughout the world is an important part of revitalizing our economy. More than 12,000 Pennsylvania companies sell their goods and services across international borders with yearly exports totaling more than \$34 billion. However, to grow Pennsylvania's economy will require expanding in current international markets, entering new markets, and securing foreign direct investment in Pennsylvania's economy.

- ✓ **World Trade PA:** The World Trade PA program provides over \$6.2 million to promote Pennsylvania exports in key international markets and to attract foreign investments to Pennsylvania. By increasing export capacity and establishing new connections between Pennsylvania companies and customers and partners worldwide, Pennsylvania businesses become more competitive in the global marketplace.

With the global economy beginning to improve, Pennsylvania is well-positioned to reap continued benefits from the growing worldwide economy by leveraging and building upon its international business development program. DCED will expand the existing performance-based compensation system for its international contractors, implement a fee-based menu of export assistance services, and enhance private sector participation in the program by increasing existing sponsorship opportunities and creating an international business advisory board in partnership with the Team PA Foundation, the PA Chamber and other partners, further improving the quality of service delivery and increasing opportunities for competition.

- ✓ **PennPORTS:** This budget establishes PennPORTS as a single operating program, which will include funds for operation and maintenance of the commonwealth's ports. These funds will be distributed among the ports based upon demonstrated need through a competitive application process. Funds will be used to aid in the development of port assets, which not only generate port and shipping-related jobs, but also assist Pennsylvania firms to export and import products.
- ✓ **Marketing to Attract Business:** Marketing to attract business will fund efforts to increase domestic and foreign investment in Pennsylvania through development marketing and advertising, including public relations, creative and print collateral, website maintenance, web development, radio and television advertising, and trade missions and trade shows. Funds will also be used to supplement technical and business assistance provided by the new Discovered in PA-Developed in PA and PREP programs.

Education – A World-Class Education that Enables All Pennsylvania Children to Achieve Their Full Potential

Growing Pennsylvania's economy and nurturing an environment where good, family-sustaining jobs can thrive is state government's most important priority. Job creation, stimulating economic growth and expanding Pennsylvania's economy demands reforms to improve our public education system to make our schools more competitive and raise the quality of education to better prepare our young people for the jobs of today and the careers of tomorrow. Success requires reforms to better meet our children's needs, expanded educational options for families and students, effective teachers and leaders in every public school, greater flexibility and relief from mandates for local educators and schools, and greater accountability and control for local taxpayers.

In guaranteeing every child – regardless of zip code, race or educational status – the opportunity for a world-class education that enables them to achieve their full potential, Pennsylvania faces an enormous challenge both at home and across the globe. While the U.S. educational system once stood unrivaled in the world, our nation now lags behind other industrialized countries. On measures of educational attainment among 30 developed countries, the U.S. places 25th in math, 16th in reading and 12th in science. We rank 10th in the percentage of young people obtaining post-secondary degrees.

Closer to home, Pennsylvania has its own obstacles to overcome. State academic assessments show that over one quarter of all Pennsylvania public students perform below standard in reading and math. Studies have found that 45 percent of Pennsylvania high school graduates received a diploma without meeting standards, while 30,000 students drop out each year, never earning a diploma at all. Though our students have demonstrated some academic gains, Pennsylvania as a whole has failed to show sustained student achievement growth, results supported by national assessments of educational progress. The challenge is clear: Pennsylvania must make our schools more competitive and continuously improve their quality and do so even in the most challenging fiscal environment in recent history.

The tremendous fiscal pressures weighing on Pennsylvania's budget and the budgets of nearly every family across the commonwealth have forced a new fiscal discipline on state government and a rethinking of old spending habits and assumptions. This is no less the case with education and education spending. The presumption of a steady, unbroken stream of revenue increases is no longer a valid organizing principle. Funding systems must be realigned to more directly support students and their learning needs and education dollars made more portable as well as unbundled to put greater control and decision-making into the hands of students and families. Educational choices are expanding as are new ways to train, compensate, and measure the effectiveness of teachers and leaders.

Shifting as well is state government's traditional command and compliance mindset as the focus instead turns to standard- and goal-setting coupled with efforts to empower schools and districts with greater freedom and flexibility to more effectively manage during this period of disruptive change. Eliminating wasteful spending practices and mandates that drive unnecessary spending serves to increase available funding by freeing up dollars that can then be redirected to support students and classrooms. Likewise, new accountability systems that provide taxpayers greater transparency into performance and control over spending can only improve the quality of our public schools and public support for them.

Funding Schools and Students

The proposed 2011-12 budget provides over \$8.6 billion in support of local public schools, an amount Pennsylvania taxpayers can afford and state government can sustain. Basic Education Funding (BEF), the largest single line-item in support of public education, is funded at \$5.226 billion. This level matches the funding provided in the 2008-09 budget, prior to the \$1.7 billion in temporary funding from the American Recovery and Reinvestment Act (ARRA) of 2009 that was provided to public schools over the past two years and is no longer available. The \$5.226 billion funding level is 28 percent greater than the 2002-03 BEF funding of \$4.086 billion, and translates into a 2.8 percent growth rate over the past 10 years. The budget also maintains funding for other core basic education programs such as Special Education, Early Intervention, Career and Technical Education, Pre-K Counts, Head Start Supplemental Assistance, and Pupil Transportation, all of which are funded at or close to 2010-11 funding levels.

- ✓ **Educator Salary Freeze:** The state's extraordinary efforts to maintain significant support for our public schools even in the most challenging fiscal environment in recent history aside, the heavy reliance on temporary federal stimulus money in prior fiscal years made cuts to basic education programs all but inevitable. Minimizing the impact of these cuts to programs and staff that impact directly on students and

Overview: Education – An Agenda for Excellence

schools requires shared sacrifice. Mindful that salaries are determined at a local level and arrived at by contract and collective bargaining, this budget calls for all school district personnel – administrators, teachers, and support staff alike – to accept a one-year salary freeze to help minimize spending cuts. Using conservative calculations, the Pennsylvania Department of Education (PDE) estimates an educator salary freeze would save local school districts approximately \$400 million.

Closely aligned with educator salaries, most if not all Pennsylvania school districts now reward a teacher who obtains a master's degree with additional pay over an otherwise identical teacher with only a bachelor's degree. The practice of the master's "salary bump" is long established, but research finds that except for math and science, a master's degree in education does not improve student achievement, making these salary enhancements of questionable value. Compounding the problem, districts often reimburse the tuition costs of teachers to obtain the master's degree in the first place, a double hit to taxpayers.

- ✓ **Eliminating State Support for Master's Salary Bumps:** At a time of severely constrained resources, it is incumbent upon the state and local school districts to end wasteful spending practices and direct critical education dollars to ways that better support student achievement. Fiscal discipline requires eliminating state support for master's "salary bumps" and the tuition costs to obtain them. Studies suggest by ending master's salary bumps alone, school districts would have about \$200 million that could be saved or redirected to other education initiatives with greater potential to improve student achievement. Even greater savings can be realized by eliminating support for tuition costs as well.

Putting students first also means ensuring the resources intended to support their education actually make it to the schools and classrooms they attend. The unwritten rule in local school districts has often been that schools with the fewest educational challenges receive more funding at the expense of schools with the most. Education funding must be better aligned to support students and learning, and directly linked to students and the schools they attend.

- ✓ **Funding to Support Students and Learning:** PDE will reform existing annual financial reporting to more accurately track actual school spending and the education dollars making it directly to classrooms and schools. PDE will also analyze spending practices to better ensure that schools and students with the greatest educational challenges receive appropriate funding support.

Expanding Quality Educational Options for Families and Students

All students deserve access to a great school and educational opportunities that work for them and their learning needs. Pennsylvania is home to many great schools, but not every school works for every child, and too many of our communities are home to schools that do not work at all. To enhance access to better schools and provide families more options for their children's education, Pennsylvania must:

- ✓ **Provide More Options to Students Attending Failing Schools:** Parents should have the right to choose the public school their child attends. They should also be given a choice outside the public system when their child's public school is a failing one. The state can no longer afford or justify forcing students to remain in failing schools simply because their families lack the resources or ability to enroll their children elsewhere. The budget proposes to enable students trapped in failing public schools to attend the public or non-public school of their choice.
- ✓ **Expand Dual Enrollment Opportunities:** Dual enrollment, where high school students can earn both post-secondary and high school credits, can be vital to achieving education and career goals. Not only can dual enrollment lead students directly to jobs, but with the potential to take a year or even two off the cost of college, it can produce substantial cost savings for Pennsylvania families. Providing students with dual enrollment opportunities in the workforce or post-secondary institutions expands educational options and makes their final years of K-12 more relevant and meaningful. The budget proposes to enable every eligible student to utilize a portion of their basic education funding for dual enrollment in work experiences and/or postsecondary credit-bearing or certificate programs.
- ✓ **Grow the Education Improvement Tax Credit:** The Educational Improvement Tax Credit (EITC) program benefits children – Pre-K through 12th grade – in public and private schools. To date, the EITC has provided 44,000 scholarships annually and hundreds of programs for public school students to pursue educational goals and advanced learning opportunities. This proposal restores previous budget cuts made to the EITC and raises the total credits available in fiscal year 2011-12 to \$75 million.
- ✓ **Enhance Charter School Quality and Accountability:** Charter schools are new kinds of public schools that for over a decade have served the needs of tens of thousands of Pennsylvania students. Charter schools have played a vital role in bringing innovation to our public education system and



Overview: Education – An Agenda for Excellence

expanding the availability of quality educational options to our families. Growing the number of great charter schools and strengthening the ethical and performance standards to which these schools are subjected are critical components of Pennsylvania's education reform strategy.

- **Establish an independent state charter school authorizer.** Modeled after the best practices of charter school authorizers and standards in other states to ensure quality, accountability and transparency, the budget proposes to establish an independent state charter school authorizer. The state authorizer will be charged with setting a uniform application, review and decision-making process for charter schools. The goal – to approve and grow great charter schools, put low-performing schools out of business, and repeat the process over and over. The state authorizer would approve new charter and cyber charter schools, renewals of existing schools, appeals for local district and university authorizer decisions, and assume oversight of existing cyber charters from PDE.

In addition, when a charter school organization has a demonstrated and proven record of success in driving student achievement, that operator would be given the ability to operate multiple schools under a single charter. The state authorizer would also be responsible for enacting reforms and for providing monitoring, oversight and intervention authority. The authorizer will provide greater transparency and accountability for the charter schools in Pennsylvania and encourage the replication of "Schools of Excellence" – high-performing charter schools. The state authorizer would be supported by dedicated funding from the charter schools under its oversight.

- **Strengthen ethical and performance standards for charter schools.** Pennsylvania's charter schools must be held to high standards of accountability and student achievement to ensure that they are delivering a quality education. The budget proposes raising the performance standards for charter schools by requiring charters to contain measurable academic, financial and operational standards to assess local performance. These initiatives include holding board members and administrators to the Pennsylvania Ethics Act; requiring charters to contain measurable academic, financial and operational standards to judge a school's performance; requiring performance contracts for educational service providers and disclosure of any potential conflicts of interest; allowing school districts and Intermediate Units to hold charters; and allowing charter schools to use school district facilities that are not being used and right of first refusal in disposal of district buildings.

Maximize Flexibility and Mandate Relief for Local School Districts

Education in Pennsylvania is driven at the local level – where our students live and learn. Better enabling local public schools to focus on student achievement results and eliminating the barriers that get in the way of achieving educational goals is critical to reforming our education system and making it student-centric. In today's challenging fiscal times, providing greater freedom and flexibility allows districts and schools to better direct resources to best achieve learning goals. State government must eliminate mandates that drive local costs and embrace reforms to allow local districts to manage resources and personnel more effectively and efficiently. The time has come to cut the bureaucratic strings from Harrisburg and change state government's traditional mindset of command and compliance to a focus instead on setting standards and goals, while empowering districts with greater freedom and flexibility to more effectively manage.

- ✓ **Economic Furloughs:** The budget proposes to amend the Public School Code to allow the suspension of professional employees for economic reasons. The proposal allows that if a school board suspends instructional professionals, they must also suspend an equal percentage of administrative staff, and provides a waiver of this requirement may be granted by PDE. The proposal also allows districts to retain the most effective instructional personnel without regard for seniority. Additionally, the proposal authorizes principals – using measures of teacher quality and effectiveness instead of tenure system requirements that consider only longevity of service and advanced degrees – to make staffing decisions for their school when economic furloughs do occur.
- ✓ **Increase Bid Size Limits:** The budget proposes to amend the State Public School Building Authority Act to adjust the minimum threshold for requiring a competitive bidding process from a \$4,000 to a \$25,000 contract, subject to adjustment based on period recalculations in the Consumer Price Index for all Urban Consumers (CPI-U). The proposal would also amend the Public School Code to adjust the minimum threshold for requiring a competitive bidding process from a \$10,000 to a \$25,000 contract, subject to adjustment based on period recalculations in the CPI-U.



Overview: Education – An Agenda for Excellence

- ✓ **Advertising:** The budget proposes permitting school districts to advertise via the Internet and community-based newspapers in lieu of legal notices in broad-circulation newspapers. This proposal would provide flexibility to help control costs.
- ✓ **School Nurses:** The budget proposes to amend the Public School Code to permit school districts to hire nurses who complete a program of in-service training in school nursing approved by the Department of Education. Currently, a nurse must complete an additional certification course before being employed as a public school nurse. Relief from this requirement will give school districts more flexibility in hiring personnel to ensure the health and safety of their students. PDE estimates school districts could save approximately \$50 million by utilizing other trained professionals and still cover the medical needs of students and schools.
- ✓ **Providing Public Schools the Mandate Relief Provided to Charter Schools:** Charter schools in the commonwealth have been given increased flexibility to design their educational programs to best meet the needs of their students by being exempted from certain sections of the Public School Code. This mandate relief recognizes the variety of needs among Pennsylvania students and acknowledges that a one-size-fits-all approach is not always best, particularly where local educators think innovatively. Many charter schools have utilized the mandate relief to successfully deliver a quality education at a lower cost. Public schools in the commonwealth should be given the same flexibility. The budget proposes to amend the Public School Code to allow public schools to apply for some of the same waivers afforded charter schools if the schools can demonstrate a measurable educational or economic benefit.
- ✓ **Embrace Performance-Based Accountability:** To ensure that every Pennsylvania child has a chance to succeed, the state must focus on student performance and learning growth as a core part of our education system. Seeking to reduce barriers to improvement and innovation, the budget proposes a program to enable districts and schools to seek a waiver of state laws and regulations, except for student health and safety, if the waiver increases student achievement gains.

Promoting and Rewarding Effective Teachers and Leaders

Pennsylvania students deserve effective teachers and leaders that can provide them with the opportunities to learn and grow. Teachers who work hard and achieve impressive results in terms of student performance deserve to be rewarded. The budget supports policy initiatives to utilize student performance measures in determining teacher effectiveness, sustained employment, and compensation as well as the expansion of alternative certification pathways to teaching and leadership.

- ✓ **Merit Pay:** Well-designed performance pay systems at a local level can help all students achieve more even as they recognize teachers who perform at high levels with extra compensation for their performance and accomplishments. The budget provides funding for the development of model merit pay plans that would enable local school districts to provide financial incentives for teachers to improve student outcomes, encourage the retention of high quality teachers, and attract high-skilled individuals to our neediest classrooms, particularly in hard-to-staff subject areas such as science and math. State-level resources and data will be available to assist and guide local districts in the development of merit pay plans.
- ✓ **Tenure Reform:** The provision of tenure, which secures the right to continued employment, should be based upon continued evidence of successful student outcomes rather than the current system of rewarding teachers based on years of service and advanced degrees. There is no credible evidence that demonstrates a positive link between student success and a teacher's years of service or advanced degrees. Tenure should be earned, not bequeathed, and once attained should not be used as permanent protection for individuals who are no longer effective or should not be in a classroom. Pennsylvania must revamp its tenure policies to ensure that only the most qualified teachers serve students. The budget provides funding for the development of a multi-measure teacher and principal evaluation system that can be used by school districts to evaluate teacher and leader effectiveness. Once developed and validated, this tool will enhance local school efforts to implement merit pay and improved tenure systems.
- ✓ **Alternative Certification:** School districts are complex organizations, requiring leadership to exhibit a vast range of talents. As programs such as Teach for America or Troops to Teachers demonstrate, citizens of varied backgrounds and skills in a range of areas can provide high quality instruction to students or effectively lead schools. Pennsylvania law, however, limits the ability of school boards to consider these candidates for leadership or classroom positions, needlessly walling off a talented pool from contributing to our public education system. The budget calls for expanding opportunities for



Overview: Education – An Agenda for Excellence

school boards and district leadership to hire qualified individuals from non-traditional backgrounds to ensure that our schools are staffed with the most qualified individuals, regardless of academic or professional experience.

Accountability and Greater Control of Education Spending for Local Taxpayers

In too many districts, public education finance has been organized around an assumption of a steady, unbroken stream of revenues whether rendered by the state or local taxpayers through a seemingly endless string of property tax increases, ensuring an ever continuous flow of new funding. That assumption is no longer valid, but the culture of unchecked and often unquestioned spending it bred remains ingrained. Coupled with the lack of meaningful competition and accountability, this culture has led to a system that wastes millions of taxpayer dollars, denies opportunities to the very children it is obligated to serve, and ultimately undermines public support for the most vital of the commonwealth's institutions.

- ✓ **Property Tax Cap:** At its foundation, reform must seek to rebuild the faith of Pennsylvania taxpayers in our education finance system. Under current laws, exceptions for local school districts to avoid a taxpayer vote on school budgets have become the rule and real voter control over education spending the rare exception. School spending and budgets must be made more transparent and more clearly demonstrate the effective use of precious tax dollars. The budget proposes subjecting local school budgets to voter approval for any spending increases required above increases for inflation.
- ✓ **Develop a School Grading System:** Utilizing national models, the budget proposes a new, unbiased accountability system for public schools to better measure educational success and identify those schools in need of assistance. The grading system will be straightforward and easily understandable for families and taxpayers, enabling them to better assess the quality of our schools and education system. It will also empower parents to “trigger” a turnaround in low-performing schools and continue to push high-achieving schools to do better.

To calculate grades – A, B, C, D, and F – the school grading system will measure both academic achievement and fiscal strength. Academic components will include student performance on state assessments and other objective measures of student achievement such as proficiency rates, learning gains, closing achievement gaps, graduation rates, accelerated coursework and college and workforce readiness. Fiscal measures will provide information on school expenditures, salaries, and costs per student.



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ECONOMIC OUTLOOK

In constructing their tax revenue estimates, the Pennsylvania Department of Revenue and the Office of the Budget are assisted by economic forecasts provided by two main sources of forecast data: 1) IHS Global Insight, Inc., of Lexington, Massachusetts, and 2) Moody's Analytics, of West Chester, Pennsylvania. Both of these firms are private economic forecasting and consulting firms that provide forecast data to the commonwealth and other customers. Various projections from IHS Global Insight's national forecast, as well as a recent forecast produced by Moody's Economy.com, were used to develop the revenue estimates in this document for the budget year and other future fiscal years. Analyses and discussion in this section, as well as the revenue estimates used in the budget, are based on a combination of data from each source and further analysis from the Department of Revenue and the Office of the Budget.

Recent Trends and Current Conditions

By the fall of 2007, the United States economy was beginning to feel the first effects of the housing and financial crisis that was about to unfold. Housing construction and sales of new and existing homes began to slide precipitously. In 2008, new home construction saw its largest decline in fifty years, off 40.5 percent from 2007 levels. The declines in new home construction in 2007, 2008 and 2009 were the three largest declines since the government began keeping such records in 1959. Existing home sale prices fell in 2007 for the first time on record, then plunged another 12 percent in 2008 followed up by yet another 12 percent decline in 2009. New housing starts peaked at 1.7 million units annually in 2005; since then, new housing starts plunged to 442,000 new starts in 2009 – a decline of nearly 75 percent over the same period.

Problems related to housing construction, housing sales and housing finance spread to other areas of the economy, infecting the credit markets and ravaging Wall Street in late 2008 and early 2009. The availability of easy and cheap credit since 2001 had led to a housing boom, aggressive consumer spending and rising debt levels. Home values increased by double-digit rates seemingly every year and housing construction exploded. Historically low interest rates led to many mortgages that were approved for borrowers with less-than-perfect credit (also known as "subprime" mortgages), based on the assumption that home values would continue to rise. Subprime mortgages were peddled extensively in high-growth areas such as California, Arizona, Nevada, Florida and Texas. Invariably, the subprime mortgages were adjustable-rate mortgages, which were affordable to the borrowers only because of their low introductory rates. As interest rates rose and mortgages began to reset at higher rates, many homeowners could no longer afford to make their payments. Defaults and foreclosures began to accelerate in late 2006 and continued through 2010.

As the housing crisis deepened, it rippled through other areas of the economy. Formerly attractive asset-backed securities and mortgage-backed bonds began to lose value as the underlying cash flows from homeowners started to wane. Investment banks and the broader financial markets were hardest hit by the bursting of the housing bubble, as they were forced to write down more than \$1.7 trillion dollars in losses -- primarily based on the crashing values of these asset-backed housing securities. In response to mounting losses associated with housing, financial institutions significantly tightened their lending standards and access to credit virtually dried up for all but the top consumer and business borrowers. Unprecedented losses by financial institutions resulted in the merger, bankruptcy or government bailout of such venerable Wall Street firms as Bear Stearns, Merrill Lynch, Lehman Brothers and Wachovia. Similarly, major mortgage firms such as Countrywide, Washington Mutual and IndyMac filed for bankruptcy. Insurance giant AIG and even the titans of the automotive world (General Motors and Chrysler) faced bankruptcy only to be rescued by the U.S. government.

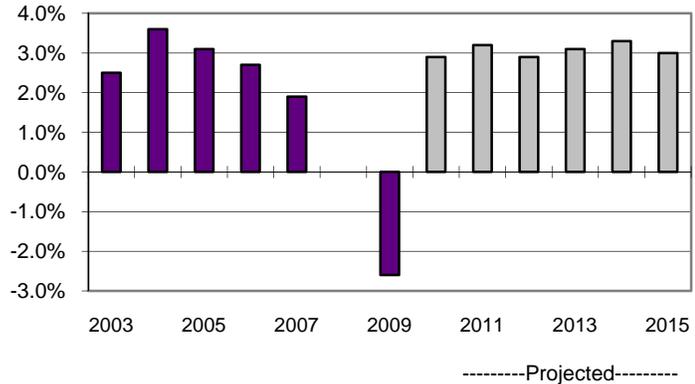
Perhaps most important, housing finance giants Freddie Mac and Fannie Mae were placed in conservatorship by the U.S. government to prevent their collapse in September 2008. Combined, these two government-created firms had lent or underwritten more than \$5.3 trillion of the estimated \$12 trillion in U.S. mortgages – or roughly 45 percent of the mortgage market. These events,

combined with the collapse of the Lehman Brothers investment bank on September 15, 2008 and the federal rescue of AIG Insurance two days later, sent the financial markets into a harrowing dive. By December 1, 2008, the National Bureau of Economic Research announced what was already painfully obvious – the U.S. economy had been in a recession since December 2007.

The U.S. economy, which had been slowing since 2004, officially entered recession in December 2007. Chart 1 displays actual growth in real gross domestic product (GDP) from 2003 to 2009 and projected growth for 2010-2015.

At 19 months, the most recent recession was the longest recession since the Great Depression, which lasted 43 months. It was also nearly double the 10-month length of the average postwar recession. Furthermore, the depth of the recession was much steeper than the two most recent recessions of 2001 and 1991, as peak-to-trough declines in real GDP exceeded those of the 1973-75 and 1980-82 recessions, when the peak-to-trough declines in real GDP were 3.1 percent and 2.6 percent, respectively. Furthermore, in the most recent recession the economic downturn was not confined to just the U.S. During 2009, the economic output of the entire world declined for the first time since the Great Depression.

Chart 1
REAL GROSS DOMESTIC PRODUCT
Annual Growth

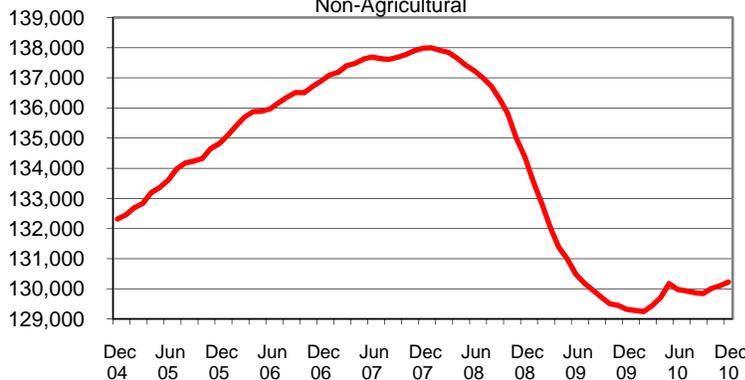


The credit boom of the past decade masked a troubling trend: During that time, strong U.S. productivity growth coincided with declining real incomes for most Americans. The credit crisis likely dispelled the notion that the U.S. economy can expand while its manufacturing base dwindles. Before the most recent recession, the presumption had been that innovation and productivity gains would create wealth and new jobs. Between 2000 and 2010, growth in real GDP averaged 2.7 percent annually but, according to many calculations, U.S. consumers rang up nearly \$3 trillion in excess borrowing and spending over the same period. Thus, the consumption that occurred over the past decade and that supported the economic expansion was made possible not by income growth but by consumer borrowing. Without this artificial boost to spending, real GDP would likely have been considerably lower.

Similarly, the global economic boom was fueled by unsupported and out-of-control borrowing by consumers, businesses and nations. As such, the housing market was not the only sector of the global economy that was not in balance with its underlying fundamentals. Essentially, the entire

economy was outspending its resources. Data from the federal Bureau of Labor Statistics supports this premise. Over the past 10 years, U.S. productivity has risen a total of 29.7 percent while real wages have grown only 2 percent. Real wages and salaries peaked in the U.S. in early 2003. Historically, real wages and productivity have gone up in tandem. Rampant borrowing and spending by consumers masked underlying problems in the economy. Excluding personal

Chart 2
US EMPLOYMENT
Non-Agricultural



consumption, real economic growth averaged only 1.3 percent during the 10 years ending in 2007 – the slowest rate since the 1950s. Therefore, if consumption had not been artificially inflated with excess borrowing, the economy would have appeared much weaker.

The recovery from the 2001 recession created nearly 7.2 million jobs. Chart 2 shows that there was significant growth in U.S. employment from 2004 to late 2007. After peaking in December 2007, employment levels began declining significantly. By the summer of 2008, job losses were occurring more frequently. Monthly claims for unemployment compensation were averaging 625,000 nationally from September 2008 through June 2009. All told, the U.S. economy lost nearly 7.5 million jobs during the most recent recession. These losses wiped out employment gains for the entire past decade. The growth in the U.S. unemployment rate accelerated significantly during 2009, rising from 7.4 percent in January 2009 to 10.1 percent by October 2009, before declining to 10.0 percent by December 2009

As the national economy entered recession in December 2007, businesses again were looking to gains in productivity to soften the impact. Chart 3 provides data on productivity gains from 2001 through 2009 and a forecast of productivity gains for 2010 through 2015. Gains in productivity achieved in 2005 through 2008 were well below the 3 percent to 4 percent annual gains seen during the last “jobless recovery” of the 2002-04 period. Once again, productivity gains were occurring at the expense of job creation, as productivity surged to 3.5 percent in 2009 and 3.6 percent in 2010.

Rising energy prices in 2007 and early 2008 contributed greatly to the recent recession. Every postwar recession had been preceded by a spike in oil prices and the most recent recession was no different, as the price of a barrel of oil reached \$150 by mid-2008. Led by surging energy costs, inflation peaked at 3.8 percent in 2008, as shown in Chart 4. The 2008 peak level of inflation was the highest rate since the 1991 recession, when it was 5.4 percent. Following the collapse of the credit and equity markets in the fall of 2008, consumption declined, wages were depressed and energy prices plunged 18 percent in 2009, resulting in an overall inflation rate of -0.3 percent in 2009.

Chart 3
PRODUCTIVITY GAINS
Annual Growth

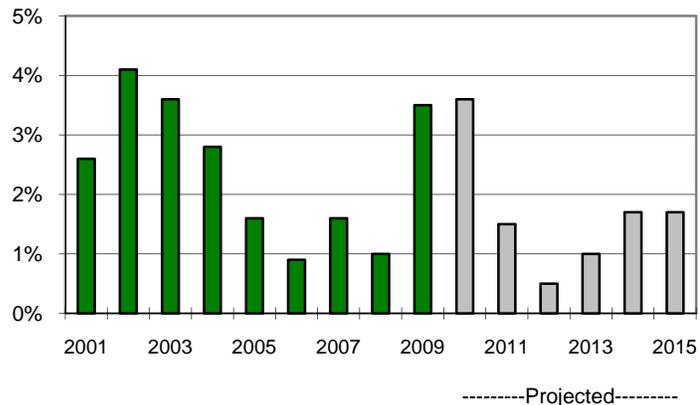
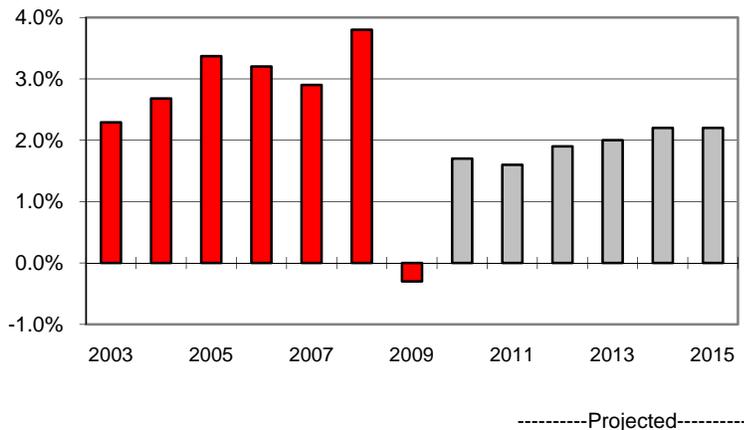


Chart 4
INFLATION-CONSUMER PRICE INDEX
Annual Growth



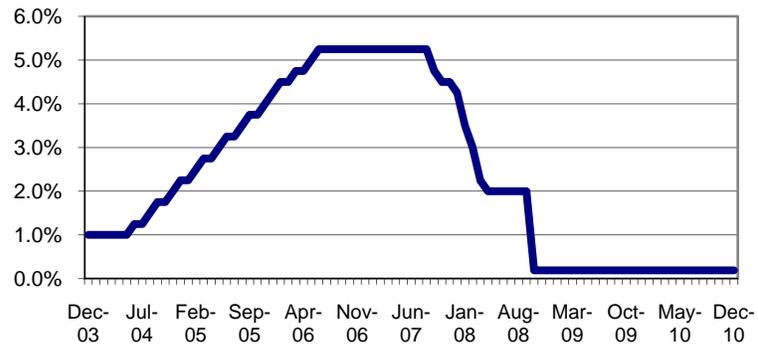
A review of U.S. monetary period during this period shows the many actions the Federal Reserve Board (Fed) took to prevent a worse economic crisis. A slowing economy, lower job growth and a significant recession in the housing market had led the Fed to restart its interest rate cuts in an attempt to keep the broader U.S. economy out of recession during 2007. That year, the Fed lowered the federal funds rate by a full percentage point late in the year. The Fed started with a half-point reduction in the federal funds rate in September, followed by



quarter-point reductions in October and December. Those reductions were combined with corresponding reductions in the discount rate – the rate the Federal Reserve charges to make direct loans to banks. Further, the Fed and the European Central Bank injected trillions of dollars and euros into the world financial markets to try to ease liquidity constraints and avoid a depression. By January 2008, the Fed dramatically lowered the federal funds rate by three-quarters of a point, in response to the deepening housing recession, the continued credit crunch and plunging global financial markets. The same day, the Fed also lowered the discount rate by a corresponding three-quarters of a point. The surprise rate cut was the first monetary policy action taken by the Federal Open Markets Committee between scheduled meetings since September 17, 2001. Chairman Ben Bernanke and the Federal Reserve continued to lower the federal funds rate throughout 2008, finally reaching “a target rate” of between 0.0 and 0.25 percent in December 2008, as shown in Chart 5.

Further, the Federal Reserve and other central banks throughout the world were busy injecting massive amounts of liquidity into the global financial system in an effort to avoid a depression, and the amount of fiscal stimulus was staggering. To date, the Fed and other U.S. agencies have lent, spent or guaranteed \$8.2 trillion in emergency funds to stimulate the economy. The Fed dramatically expanded its balance sheet to inject more than \$2.6 trillion in liquidity into the financial markets in order to stem the credit crisis.

**Chart 5
FEDERAL FUNDS RATE**



U.S. public debt has surged to \$14.1 trillion through 2010, up \$1.8 trillion from a year ago. Total U.S. public debt has nearly doubled since the start of the most recent recession, up from an average of \$8.5 trillion in 2007.

Monetary policy efforts by the Federal Reserve were aimed at the financial markets generally and the mortgage industry in particular. Reductions to the federal funds rate, as shown in Chart 5, were extraordinary in scale and frequency. In December 2008 the Fed announced that it was dropping its target federal funds rate to a range of 0.0 to 0.25 percent – the lowest rate in the history of the Federal Reserve, which was founded in 1913. Additionally, the Fed also bought large volumes of “tainted mortgages” in an effort to stabilize the mortgage industry.

Previously, the Federal Reserve had concentrated on interest rate reductions as its main monetary policy tool. More recently, the Fed adopted a policy it calls “quantitative easing,” which pumped massive volumes of money into the financial system, nearly \$3 trillion to date, affecting the rates of interest on virtually all credit instruments. The implied goal of the Fed was to provide cheaper credit to all parts of the economy, starting with housing. While the federal funds rate cannot go below zero, the Fed has virtually unlimited power to stimulate the economy with monetary policy by buying up mortgage-backed securities, Fannie Mae and Freddie Mac corporate debt and other assets. Such actions have dramatically driven up the Fed’s balance sheet, which currently stands at nearly \$3 trillion, up from \$900 billion in September 2008.

In addition to extensive monetary policy moves orchestrated by the Federal Reserve, the federal government was also aggressive in enacting new legislation to combat the recession. These actions began under President George W. Bush in 2008 and continued with the administration of President Barack Obama in 2009. With the U.S. economy in recession in early 2008, Congress enacted the Economic Stimulus Act of 2008. The act provided an estimated \$152 billion in tax breaks and tax incentives for individuals and businesses. Additionally, the act attempted to assist the housing market by expanding the upper limit on home mortgages eligible for government insurance. Shortly after the stunning collapse of Lehman Brothers in September 2008, Congress enacted the



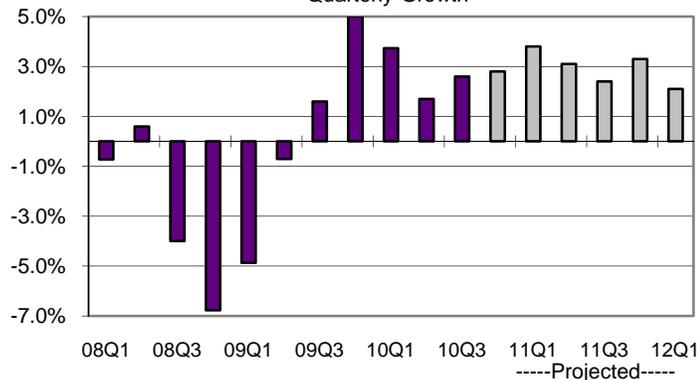
Emergency Economic Stabilization Act of 2008, which created the Troubled Assets Relief Program or TARP. This program authorized the U.S. Treasury to purchase up to \$700 billion in “troubled assets” – largely mortgage-backed securities – and to make direct investments into banks. Additional provisions of the act permitted the Federal Reserve to make higher interest payments to banks for deposits held in reserve. In response, banks immediately began to increase their reserves, from \$10 billion in August 2008 to \$880 billion by January 2009. Other programs enacted by Congress provided for mortgage and foreclosure assistance and an increase in federal insurance on bank deposits. In February 2009 Congress enacted the \$787 billion American Recovery and Reinvestment Act to assist the economy. The act provides: \$288 billion in tax relief (\$237 billion for individuals and \$51 billion for businesses); \$144 billion in state and local government fiscal relief; \$111 billion in enhanced infrastructure and science spending; \$147.7 billion for health care benefits and programs; and \$90 billion for enhanced education programs. Finally, in December 2010, the U.S. Congress passed legislation that President Obama signed into law to: 1) extend the Bush tax cuts for at least two more years; 2) enact a temporary, one-year 2 percent reduction in Social Security withholding taxes; 3) provide a further extension of unemployment benefits; and 4) provide an estate tax reduction, all in an attempt to further stimulate the economy.

Overall real GDP growth for 2009 was -2.6 percent for the year, as shown in Chart 1 earlier. The contraction of the U.S. economy during 2009, as measured by annual growth in real GDP, was the deepest since the Great Depression. Only eight other times since the Great Depression has annual real GDP growth been negative for a full year, and each such occurrence was associated with a recession. However, in seven of the eight instances, the annual contraction of real GDP was -0.5 percent or less.

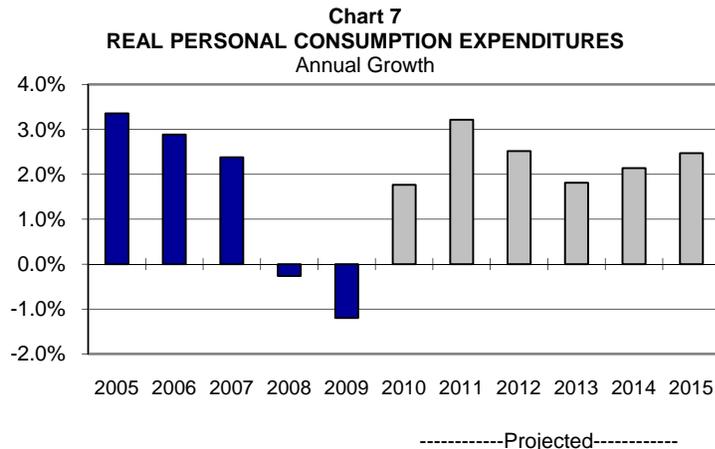
Only during the recession of 1982 did the annual loss in real GDP rival the -2.6 percent loss of 2009. In the depths of the 1982 recession, annual real GDP growth was -1.9 percent for 1982. An examination of real GDP on a quarterly basis, as shown in Chart 6, reveals that the depths of the most recent recession were reached in late 2008 and early 2009. Discounting the short-term effects of the 2008 tax rebates, the U.S. economy contracted in five of the six quarters between January 2008 and June 2009 (the term of the most recent recession). In particular, the economy experienced a 6.8 percent contraction in the fourth quarter of 2008 and a 4.9 percent contraction in the first quarter of 2009. This contraction of -6.8 percent during the fourth quarter of 2008 was the third-highest quarterly loss in the post-war era. The four continuous quarters of losses from September 2008 to June 2009 were the first time since the Great Depression that real GDP declined for four quarters.

Employment in the U.S. peaked in December 2007 just as the recession was beginning, as shown in Chart 3. After that, the number of lost jobs grew every month, reaching 820,000 in January 2009. During all of 2009, U.S. employers eliminated nearly 5.1 million jobs, cutting 3.9 million in the first six months of the year alone. These staggering job losses pushed the October 2009 unemployment figure to 10.1 percent, the highest figure since June 1983. As a result, the labor markets had not been so gloomy since the 1980-82 recession, when unemployment hit 10.8 percent. The loss of jobs was widespread throughout the economy but the manufacturing and construction sectors were hardest hit. During 2009, more than 1.5 million manufacturing jobs were lost and construction jobs were down nearly 1 million from 2008 levels. Slumping retail sales led to the loss of nearly 600,000 retail jobs since December 2008. The professional and business services sector lost nearly 1 million jobs in 2009. Employment in the financial services area fell by 400,000 jobs in 2009. In fact, the only major economic sector adding jobs in 2009 was health care, which added nearly 400,000 positions. During 2010, massive monthly job losses abated and the national economy

Chart 6
REAL GROSS DOMESTIC PRODUCT
Quarterly Growth



managed to add a cumulative 900,000 jobs by the end of the year. However, job growth throughout 2010 was fitful as several early months of job creation were followed by months of net job losses. From March to May, 2010, the national economy generated an average of 300,000 new jobs per month. Fears of the European debt crises, rising energy costs and other factors conspired to weaken job creation during the second and third quarters of 2010. Four consecutive months of net job losses from June through September 2010 negatively impacted the economy. Job creation returned during the fourth quarter of 2010 as nearly 400,000 jobs were created nationally.



Job losses, declines in household wealth and tighter credit were just a few of the factors adversely affecting consumer spending. Widely regarded as the main engine of the U.S. economy and accounting for fully two-thirds of GDP, consumer spending had been in a tailspin since the recession deepened in the summer of 2008. It is estimated that households had lost more than \$14 trillion in net worth from the summer of 2007 through the end of 2009 due to falling home equity and stock prices.

These stunning losses account for the large-scale retreat in consumer spending as shown in Chart 7, which shows the annual average growth in real personal consumption expenditures for the period 2005 through 2009, with forecasts for 2010 to 2015. With consumers no longer able to tap into growing equity in their homes and unemployment levels at 10 percent, consumer spending plunged in both 2008 and 2009. The 2009 decline was the largest since 1974. Furthermore, annual growth in real consumer expenditures had declined only twice before in the post-war period. Declines also occurred in 1974 and 1980, but in the post-war period there had never been two consecutive years of declines until 2008 and 2009.

The Forecast

In June 2009, the U.S. economy emerged from the longest and most severe economic recession since the Great Depression according to the National Bureau of Economic Research. During 2009, the economy contracted 2.6 percent – the largest such contraction in the post-war period. The economy contracted during five of the six quarters between January 1, 2008 and June 30, 2009, as shown in Chart 6. Moderate growth of 2.6 percent returned during the third quarter of 2010 and growth of 2.8 percent is estimated to have occurred during the fourth quarter of 2010. Stronger economic growth of 4.1 percent is forecast for the first quarter of 2011. Further, modest to healthy economic growth is forecast for the national economy through at least the second quarter of 2013, according to a combination of data from both IHS Global Insight and Moody's Economy.com economic forecasts.

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

Indicator	2009	2010p	2011p	2012p
Nominal GDP	-1.7	3.8	4.3	4.1
Real GDP	-2.6	2.9	3.2	2.9
Real Personal Consumption	-1.2	1.8	3.2	2.5
Corporate Profits (After Tax)	3.6	32.6	-23.6	4.9
Unemployment Rate (Rate)	9.3	9.7	9.3	8.7
CPI	-0.6	1.8	1.6	1.8
Federal Funds (Rate)	0.2	0.2	0.2	1.3

*Assumptions in this chart, as well as other assumptions, are incorporated in the 2011-12 fiscal year revenue estimates.

p=projected

Annual growth in real GDP is projected to have been 2.9 percent in 2010. A combination of data from both forecasting sources is highlighted in Table 1. This table presents actual data for 2009 and forecasts for the 2010-2012 periods for several national economic indicators. As noted, both real and nominal GDP contracted during 2009. Similarly, real personal consumption expenditures and inflation also contracted in 2009. The economy rebounded in 2010 and is projected to continue to expand through 2012 and beyond.

Declines in housing construction and housing finance led the economy into recession and, as the housing markets have likely bottomed out and begin to stabilize, the recovery is expected to continue to gain traction. Residential housing construction experienced annual declines of 23.2 percent and 38.4 percent in 2008 and 2009, respectively. The enactment of federal tax breaks for first-time homebuyers boosted activity during late 2009. The extension of these tax breaks into 2010 helped to boost activity during the first half of 2010 before a slowdown in the latter half of the year. For all of 2010, new housing starts grew 6.5 percent on an annual basis. Sales of existing homes rose in 2009 for the first time in four years, however, this growth was short-lived as sales of existing homes declined 5.7 percent in 2010. Median existing housing prices plunged nearly 12 percent in 2009 – the sharpest fall since the Great Depression. Overall median existing housing prices rose 0.1 percent in 2010 but are expected to fall again by 2.3 percent in 2011 before growing minimally in 2012 and 2013, at annual rates of 2.1 percent and 7.1 percent, respectively.

Declining wealth from home values and stock market losses in 2008 and 2009 had erased an estimated \$14 trillion in household wealth since 2007, although 2010 stock market gains likely recouped about one-third of that loss. Nevertheless, the lingering effects of those losses, combined with declining real wages and persistently elevated unemployment, caused U.S. consumers to drastically reduce their spending during 2008 and 2009, as shown in Chart 7. Real consumer spending declined for two straight years through December 2009. During the post-war period, the nation has witnessed only two other years in which real consumer spending declined – 1974 and 1980 – and the decline in each of those years was precipitated by an energy crisis. While spending declined on an annual basis during 2009, the last two quarters of 2009 did provide positive growth as real consumer spending grew an estimated 2.9 percent and 1.7 percent, respectively. Consumer spending began to gain traction during 2010, rising to an annual rate of 4.3 percent by the fourth quarter of 2010. Household purchases climbed at a rate of 4.4 percent during the last quarter of 2010, the largest increase in four years. The forecast for 2011 includes projected growth of 3.2 percent in real consumer expenditures. Beyond 2011, real consumer spending is expected to grow moderately, in the mid 2.0 percent range through 2015. These levels are well below the average annual growth in real consumer spending of 3.6 percent experienced from 1992-2007. It is expected that consumer spending will be constrained by chronically high unemployment, tight credit, diminished household wealth and potentially rising federal income tax rates in 2013.

Personal income growth experienced a similar annual decline in 2009, declining 1.9 percent. Despite elevated unemployment, growth in real personal income is expected to have returned in 2010, growing 1.3 percent annually. Stronger personal income growth is forecast from 2011 through 2015, as shown in Chart 10 below, as the economy continues to expand and as unemployment gradually eases.

The U.S. economy shed nearly 8.7 million jobs during 2008 and 2009. Nearly 5.1 million jobs were lost in 2009, with most of the losses occurring during the first two quarters. The U.S. unemployment rate peaked in October 2009 at 10.1 percent. Since that time, the unemployment rate has improved only minimally, remaining as high as 9.8 percent as late as November, 2010. Employment gains during December 2010 and January 2011 have reduced the unemployment rate to its current level of 9.0 percent. Despite the recent improvement in the unemployment rate, it has been 9 percent or higher since March 2009, the longest period of elevated joblessness since monthly records began in 1948.

Additionally, the unemployment rate provides only a partial snapshot of the tough U.S. labor market. The Bureau of Labor Statistics, the federal agency that tracks unemployment, conducts a monthly survey of households to determine the estimated level of unemployment in the U.S. To be counted as unemployed by the Bureau of Labor Statistics, one must be out of work but actively searching for work. Given the length of the most recent recession and the “jobless” recovery to date, approximately 2.5 million potential workers have given up on finding employment. This subset is termed “discouraged workers;” these workers are not even considered part of the labor force and thus are not counted as unemployed. If the unemployment rate included all 2.5 million discouraged workers, the unemployment rate would likely rise another 1.5 percent, from 9.0 to 10.5 percent in January 2011.

Further, consider that a significant portion of the U.S. labor force is counted as employed even though they are working only part-time because that is the only employment they can find. This portion of the labor force is called “labor underutilization” and currently numbers approximately 9 million persons. If these three categories the unemployed, the discouraged worker and the underutilized worker are combined, the “unemployment” rate climbs to 17 percent – or approximately 26 million Americans.

Finally, the duration in which people remain unemployed is a significant issue impacting economic growth. Currently, more than 6 million people, or 41 percent, of the estimated 15 million unemployed Americans have been without a job for more than 27 weeks. In December 2007, when the most recent recession began, only 1.3 million were unemployed that long. An additional 1.3 million Americans have exhausted their maximum of 99 weeks of unemployment compensation and are receiving no government benefits but remain unemployed.

Economists agree that additional and sustainable gains in employment will be needed to ensure that U.S. consumers continue their recently elevated levels of spending. As during the previous recovery in 2003-2004, job growth will likely be minimal during the recovery. Unemployment rates are expected to remain elevated at 9.3 percent and 8.7 percent in 2011 and 2012, respectively. December 2007 saw peak employment at 138 million people and economists estimate that it will be at least until 2013 before that figure is reached again.

Current geo-political risks remain a significant risk to the economic forecast for growth in the near term. Political unrest has recently erupted in North Africa and has spread to the Middle East, toppling governments in Tunisia and Egypt and threatening to destabilize other countries such as Libya, Bahrain, Yemen, Algeria, Oman and Jordan. The unrest has caused a new shockwave in worldwide oil prices, pushing the benchmark for crude oil over \$100 per barrel on concerns of supply disruptions. Oil prices have risen 7.4 percent since the start of 2011 and gasoline prices are up 10.7 percent. U.S. gasoline prices have been rising during the first quarter of 2011 and are at their highest levels since the last surge in oil prices in March 2008 – a surge that contributed greatly to the most recent recession. During January 2011, gasoline sales accounted for 10.3 percent of all retail sales in the U.S., marking their highest percentage of retail sales since October 2008. It is estimated that each 1 cent increase in the price of gasoline takes about \$1 billion out of the pockets of consumers over the course of a year, leaving less money to spend on other goods and services. The biggest risk to the economy from climbing energy prices lies with consumers. Since consumer spending accounts for roughly 70 percent of real GDP, rising oil and gasoline prices could significantly moderate projected growth in consumer expenditures and real GDP in the near term.

Another risk to the short term forecast remains federal, state and local government spending. State and local government spending contracted at an annual pace of 2.4 percent during the fourth quarter of 2010. Continued governmental shortfalls indicate that additional cutbacks could be forthcoming. Recent changes in the makeup of the U.S. Congress raise the prospect of reduced levels of federal spending.

As noted previously, trillions of dollars were spent between 2007 and 2010 trying to keep the global economy from sinking into depression. Fears are now growing that the massive debt

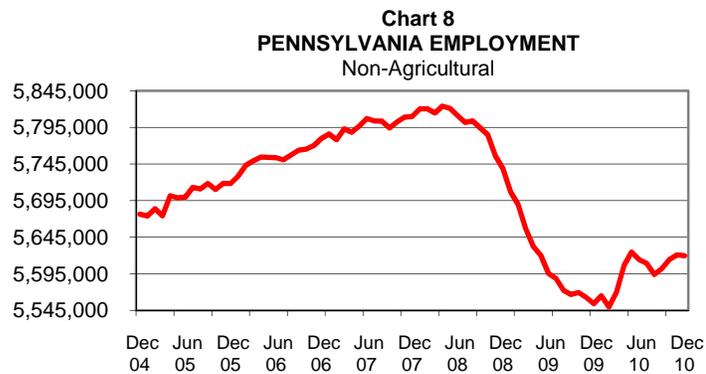


accumulated during the Great Recession will complicate any recovery for years to come. A consensus of economists believes that the Fed will not begin to raise interest rates until at least early 2012. At present, the recovery is too weak to risk raising interest rates, which could kill off any growth. The problem with raising interest rates in the current environment is knowing when to pull the trigger. Doing so too early would undermine the recovery and bring about a greater possibility of a double-dip recession. Waiting too long to raise interest rates could mean a flood of cheap money that could again fuel a new asset bubble. In addition, the Fed must begin to unwind more than a half-dozen lending and market-support programs currently in place, including its first “quantitative easing” program initiated in 2008. It also must drain more than a trillion dollars in excess reserves it has added to the system in the past few years. In response to slow progress on job creation, the Fed recently announced its plans to further bolster the recovery through another round of large-scale asset purchases. This latest program, announced in August 2010 and euphemistically termed “QEII” or “quantitative easing II,” involves an additional purchase of \$600 billion in long-term U.S. Treasuries by the Fed. The goal of QEII is to spark a modest level of inflation to encourage business to begin to hire additional workers. This policy assumes that increased employment would then lead to increased consumption, and a self-sustaining economy recovery would follow.

Pennsylvania Outlook

The commonwealth’s economic performance is largely dependent upon job growth. Pennsylvania’s labor market, specifically the non-agricultural sectors, experienced considerable growth from January 2004 through December 2007 as nearly 200,000 jobs were created within the commonwealth. Continued job creation, combined with somewhat slower growth in the overall labor force, produced a decline in Pennsylvania’s unemployment rate, to a low of 3.8 percent in March 2007. As the U.S. and state economies entered into recession in late 2007, employment in the commonwealth peaked in January 2008 at 5.811 million non-agricultural jobs. During the most recent recession, which officially lasted from December 2007 until June 2009, Pennsylvania lost nearly 214,000 jobs. The loss of jobs in Pennsylvania started slowly in early 2008 and initially was measured in a few thousand per month, as shown in Chart 8.

Beginning in the fall of 2008, job losses began to accelerate, with 26,000 jobs lost in November and 28,000 jobs lost in December 2008. This reduction in jobs was the largest 12-month drop since the 1991 recession. Heavy job losses continued during February through April 2009, as an average of 31,000 jobs were lost in the commonwealth monthly. However, Pennsylvania’s 12-month job loss (as measured from August 2008 to October 2009) rate of -3.2 percent was

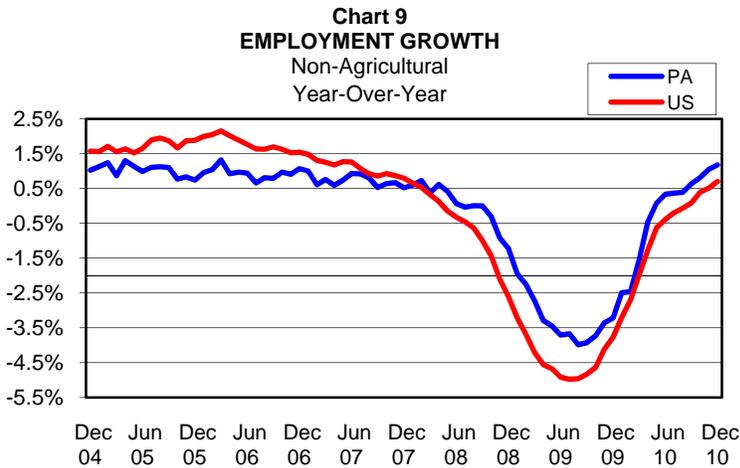


still better than the national average of -3.9 percent. Nationally, Pennsylvania ranked 23rd best in terms of fewest job losses during the most recent recession – placing it just above the middle of the 50-state ranking.. In December 2009, the commonwealth’s unemployment rate was 8.9 percent, its highest level since August 1984, while the national unemployment rate for December 2009 was 10 percent. Since that time, the commonwealth’s unemployment rate has risen as high as 9.3 percent in July 2010 and the national unemployment rate has topped out at 10.1 percent in October 2010. Pennsylvania’s unemployment rate has traditionally been equal to or below the national average following the diversification of the commonwealth economy in the 1980’s and 1990’s. The commonwealth’s unemployment rate is forecast to drop below 9 percent in 2011 and below 8 percent in 2012.

Pennsylvania’s fiscal year 2009 job losses were lower than the national average, and remained less steep than those of the surrounding states of New Jersey, Delaware and Ohio. Further, among



the ten largest states, only Texas, New York and Pennsylvania lost jobs at rates lower than the national average. As job losses were more subdued in Pennsylvania in 2008 and 2009, the commonwealth moved up to 19th in the ranking of average annual state growth in employment (with the first being the best). During 2010, the commonwealth percent change in employment was good enough to move the state up to 13th nationally. Pennsylvania has traditionally been around 40th or below in this ranking, particularly during periods of strong job creation. The comparatively strong ranking, however, is somewhat deceptive: While the state does not generally produce as many new jobs when the economy is going strong, the commonwealth also does not suffer as much as the rest of the country as a whole during periods of economic contraction, as shown in Charts 9 and 10.



This pattern has been evident since the 1990s, following the significant diversification of the Pennsylvania economy in the previous 30 years. A reduced reliance upon manufacturing and mining employment has been part of this trend, along with the expansion of education and health care-related jobs in the commonwealth. Both of these sectors are less prone to recessions.

Employment in the commonwealth saw job losses across all sectors in 2009 except for the educational and health services sectors – which had job growth of 2.0 percent in 2009, and the government sector – which had job growth of 0.1 percent in 2009. The manufacturing and information technology sectors had the worst year-over-year rate of job losses in Pennsylvania in 2009, with manufacturing jobs down 10.3 percent and information technology jobs down 6.6 percent. The construction, natural resources and mining, financial services, and professional and business services sectors also saw significant job losses in 2009, with each sector experiencing year-over-year job losses in excess of 5.4 percent. Similar employment trends continued within the commonwealth during 2010 as most sectors saw declines in employment. The exceptions were the education and health services sector and the leisure and hospitality service sector which had gains of 1.1 percent and 2.3 percent respectively in 2010. The construction, manufacturing and financial services sectors experienced the largest year-over-year declines in employment during 2010: at -2.1 percent, -2.8 percent and -3.0 percent, respectively. The trade and transportation sector and information services also saw job losses during 2010.

As the national economic recovery gains strength, the annual growth in employment levels in Pennsylvania is forecast at 1.5 percent in 2011, while the U.S. employment growth is expected to be 1.3 percent in 2011. Slightly more robust job growth of 1.8 percent is forecast for the commonwealth in 2012. As the national economy gains further strength, the rate of job growth in Pennsylvania is expected to again lag behind the national average beginning in 2012. Total peak-to-trough job losses for the commonwealth during the most recent recession were an estimated 271,000 and the state unemployment rate peaked at 9.3 percent during July 2010. According to forecasts from IHS Global Insight, the commonwealth's unemployment rate is expected to decline to an average 8.1 percent during 2011. Employment levels in Pennsylvania are not expected to surpass the pre-recession peak of 5.811 million until mid-2012, according to current forecasts.

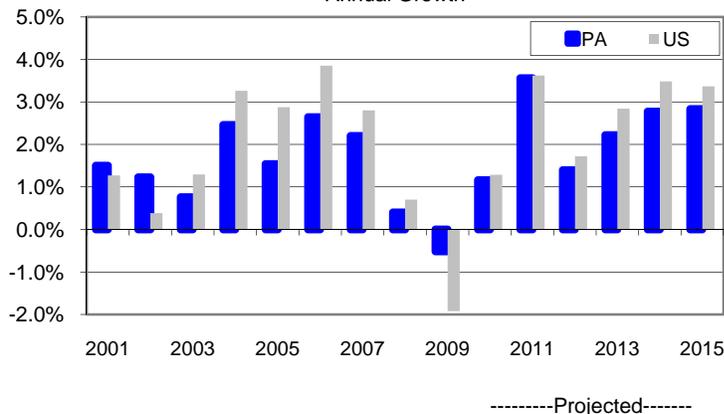
Housing construction bottomed out in Pennsylvania in 2009, down from a high of 45,000 new units in 2005 to just over 16,000 units in 2009. During 2010, new housing starts rebounded in the

commonwealth, growing to nearly 20,000 – or a 21.2 percent increase from the prior year. Economic forecasts project that housing starts will continue to grow in 2011 at an annual growth rate of 14.7 percent, followed by more robust growth of 27.8 percent in 2012. The rate of sales of existing homes, which declined by 17.5 percent during 2008, slowed to an annual decline of 0.2 percent in 2009. Sales of existing homes weakened further during 2010, declining 7.7 percent from the prior year. Economic projections indicate a slow start to a sales rebound, with growth of 1.5 percent forecast in 2011, followed by stronger growth projected in 2012 through 2014.

Pennsylvania has weathered the bursting of the housing bubble better than most other states. The commonwealth ranks 29th in the country in loans in foreclosure and 40th in the nation in terms of new loan foreclosures initiated in 2010. Further, while home prices had been falling dramatically throughout the nation, home price appreciation in Pennsylvania has essentially stalled from 2007 to 2010. Home prices in the commonwealth are forecast to decline minimally in 2011 before home values begin to appreciate in 2012.

Pennsylvania-based energy and mining firms historically led the nation during much of the past two centuries before falling on hard times in the 1980s. Escalating oil and natural gas prices have contributed to increased exploration for new energy reserves. While mining activity has declined significantly within the commonwealth, the emergence of the Marcellus Shale natural gas reserves under much of Pennsylvania is leading to a resurgence in the industry. The Marcellus Shale natural gas field could be the second-largest natural gas field in the world and producers are spending billions in the commonwealth to increase production. Over 1,000 drilling permits have been granted in Pennsylvania in 2010, more than double the rate approved in 2008. Estimated job creation tied to the expanded natural gas industry is forecast to add upwards of 200,000 jobs and more than \$18 billion in output to the state economy by the end of the decade. An illustration of this economic growth potential from Marcellus Shale is being played out in housing prices in the greater Williamsport area, which saw its housing price index grow 8.38 percent in 2010. This growth was second in the nation to only the Texas city of Laredo, which grew 9.52 percent in 2010.

Chart 10
PA AND US REAL PERSONAL INCOME
Annual Growth

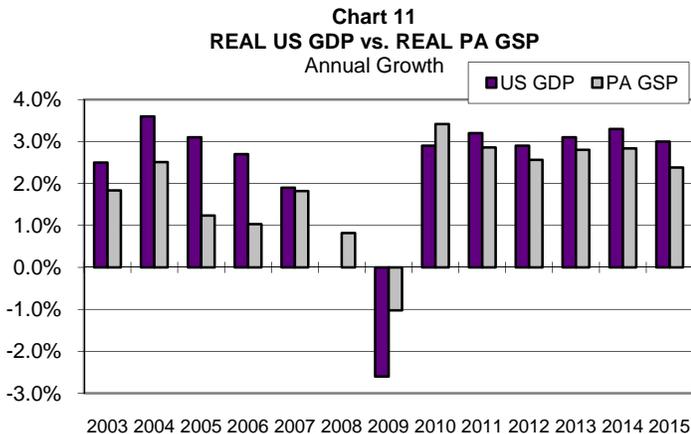


The inverse relationship of the U.S. and the commonwealth growth in personal income re-emerged during the recent recession. Chart 10 plots actual and projected annual real personal income growth for Pennsylvania and the United States for the years 2001 through 2015. As shown, growth in Pennsylvania real personal income exceeded the national average during the 2001 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 – although Pennsylvania’s personal income growth remained strong and positive. As the most recent recession deepened, the rate of growth in real personal income plunged for the nation as a whole, as it did for the commonwealth. However, the decline in the rate of growth was less severe for Pennsylvania than for the rest of the nation. In fact, the commonwealth ranked 12th in the nation in terms of the percent change in personal income during 2008. For all of 2009, Pennsylvania’s rate of growth in real personal income declined only one-quarter of the amount that it did in the nation as a whole – a drop of -0.5 percent for Pennsylvania versus -1.9 percent for the nation. During 2010, the commonwealth’s growth in real personal income mirrored that of the nation at approximately 1.2 to 1.3 percent.

Pennsylvania ranked 25th in the nation in terms of its rate of growth in personal income during 2010. This strong performance is partially the result of the diversification of the Pennsylvania economy and a stronger state labor market. The growth of less recession-prone industries such as health care, pharmaceuticals, education and government has also aided the commonwealth.

The short-term outlook for Pennsylvania is that its economy remains heavily dependent on the national economy. Economic growth in Pennsylvania has a high correlation with growth in the U.S. economy, as illustrated in Chart 11. As with trends in real personal income during expansionary periods, Pennsylvania's gross state product lags behind the rate of growth in U.S. gross domestic product. The greatest recent gap between the two rates of growth was in 2006. Since then, the commonwealth's rate of growth in gross state product has steadily gained on the rate of growth in U.S. gross domestic product.



The commonwealth has actually outperformed the national economy during the three most recent years. During 2008, the commonwealth's economy grew at an annual rate of 0.8 percent while the national economy failed to grow at all, returning a growth rate for 2008 of 0.0 percent. Similarly, during 2009, the state economy again outperformed the national economy by recording a lower loss – -1.0 percent for the commonwealth versus -2.6 percent for the broader U.S. economy. Finally, during 2010 the commonwealth's economy expanded at a rate of 3.4 percent versus 2.9 percent for the nationally economy. As the economic recovery gains strength, the gap between the two rates of growth is expected to re-emerge beginning in 2011 and continuing through at least 2015. However, the commonwealth's economy is expected to expand generally at the same rate as the national economy, lagging behind by an average of 0.5 percent per year through 2015.

SUMMARY OF MAJOR OPERATING FUNDS

The total 2011-12 operating budget for the commonwealth is \$63.6 billion. It includes \$27.3 billion in the General Fund, \$2.6 billion in the Motor License Fund, nearly \$22.1 billion in federal funds and \$11.6 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 over 90 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 74.3 percent of annual General Fund revenue. For non-tax revenue, the largest sources of revenues are typically from 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 2009-10, total General Fund revenue grew by 6.94 percent, an annual rate of 1.7 percent. The rate of growth for revenue during the period has been adversely affected by the recent economic recession as well as 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 alcoholic beverages tax and the cigarette tax. Each had five-year total increases of over 33 percent and 23 percent respectively. Revenue from some tax sources declined over the period. Receipts from the realty transfer tax declined 46.4 percent and corporate tax fell by 24.6 percent. Non-tax revenue sources during this period increased by 466 percent overall or an average of 21.6 percent annually. Increased transfers from other funds during the 2009-10 fiscal year accounted for most of the increase during the period.

Receipts from the personal income tax in recent fiscal years had been steadily improving since the recession of 2001. However, the most recent recession has resulted in year-over-year declines in personal income tax receipts from fiscal year 2007-08 to 2008-09 and then again for fiscal year 2009-10. Annual declines in personal income tax receipts were 6.5 percent and 2.3 percent in the fiscal years ending 2009 and 2010 respectively. Notwithstanding the two year declines in personal income tax revenues and without adjusting for changes in the tax rate, personal income tax collections over the past five completed fiscal years have averaged 4.7 percent annual growth. An upward revision in the personal income tax rate enacted in December 2003 impacted the average annual growth rate calculated above. The most recent national economic recession ended in June 2009 and commonwealth tax receipts have been responding accordingly, performing slightly above estimate for the 2009-10 fiscal year-to-date. Through January 2011, personal income tax receipts are 1.6 percent above the certified revenue estimate for fiscal year 2010-11. Personal income tax receipts are also 4.7 percent above 2009-10 collections through the same period. Personal income tax receipts for fiscal year 2010-11 are expected to grow 1.7 percent over 2009-10 actual collections. For fiscal year 2011-12, personal income tax receipts are expected to grow 6.7 percent above fiscal year 2010-11 levels. 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 weak during the most recent decade when compared to pre-2000 levels. Sales and use tax receipts over the past five completed fiscal years have declined by an average 0.9 percent annual growth. The national economic recession adversely impacted sales and use tax receipts during the three most recently completed fiscal years. Annual declines of 1.1 percent, 4.3 percent and 1.3 percent occurred during the fiscal years-ending 2008, 2009 and 2010. These three year annual declines in sales and use tax receipts were the first such year-over-year declines since 1990-91. This negative trend has ended during the current fiscal year and fiscal year receipts of sales and use tax receipts are growing modestly. Through January 2011, sales and use tax receipts are 2.2 percent above the 2010-11 official estimate. Sales and use tax receipts for all of 2010-11 are projected to increase by 2.0 percent above the 2010-11 official estimate. Sales and use tax receipts have grown 4.6 percent through January 2011 on a year-over-year basis and are expected to grow a total of 5.9 percent on a year-over-year basis during fiscal year 2010-11. For 2011-12, consumer spending is expected to moderate and produce a growth rate of 1.8 percent above the Revised 2010-11 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, have been declining since 2005-06. 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 2013. The most recent economic recession has been very hard on corporate profits. Corporate tax receipts over the past five completed fiscal years have decreased by total of 24.6 percent, as corporate profits plunged in 2008-10. During the last two fiscal years, corporate tax receipts have declined 19.5 percent and 7.8 percent respectively. As result, corporate tax receipts averaged a loss of 6.8 percent annually for each of the past five fiscal years. However, this trend has reversed itself during the current fiscal year. Current fiscal year-to-date corporate tax receipts are 11.3 percent above 2009-10 levels through January 2011 as the national economic recovery gains traction. Corporate net income tax receipts for all of 2010-11 are projected to grow by 3.5 percent above 2009-10 actual receipts and capital stock and franchise tax receipts are expected to grow 8.1 percent above 2009-10 levels. The continued recovery from the national economic recession is expected to positively impact corporate receipts in 2011-12, as such receipts are projects to grow 9.0 percent above the 2010-11 estimates. Additionally, the effects of the continued rate reduction for the capital stock and franchise tax will likely result in a decline of 8.6 percent from this source of corporate taxes in 2011-12. 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. More than three quarters of every dollar is returned to individuals, local governments, institutions, school districts, among others, in the form of grants and subsidies. The remainder pays operating expenses and debt service.

The total General Fund budget proposed for 2011-12 is \$27.3 billion. General Fund expenditure growth is projected to decrease 3.1 percent when accounting for the nearly \$3.1 billion of federal stimulus funds in 2010-11 that offset state General Funds. Major program expenditures occur in the areas of education, public health and welfare and state correctional institutions.

PreK-12 Education (Basic Education): The financial responsibility for public education in Pennsylvania is shared by the commonwealth and 500 local school districts. Funds provided by the commonwealth supplement 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 subsidy, which provides commonwealth aid to local school districts. This budget proposes more than \$5.22 billion for the Basic Education subsidy in state funds in 2011-12. This budget also proposes an increase of \$15.97 million, to more than \$198 million, in state funds for Early Intervention services, which is an increase of 8.8 percent. In total, state funding for basic education is over \$9.1 billion in 2011-12.

Higher Education: Higher education in Pennsylvania is provided through 271 degree-granting institutions, which include the 14 universities of the State System of Higher Education, four state-related universities, community colleges and various other independent institutions. The budget proposes nearly \$1.25 billion for higher education institutions and students in state funds. This includes nearly \$397 million for student financial assistance.

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, intellectual and physical disease and disabilities. For 2011-12, the total public health and human services expenditures from all sources is \$30.3 billion; the amount from the General Fund will be \$11.6 billion, which is an increase of \$2.4 billion or 26.4 percent. After adjusting for \$1.7 billion in nonrecurring enhanced Federal Medical Assistance Percentage (FMAP) funds, the increase is \$687.9 million or 6.3 percent.

The largest component of the public health and welfare expenditures is the Medical Assistance program. In the last ten years, the program grew at an annual rate of 6.3 percent. Caseload growth has increased over the last three years after a period of relatively low growth due to current economic conditions. Technological advances in medicine and general medical inflation, including increases in pharmaceutical prices, result in an increase in overall Medical Assistance expenditures in 2011-12. In an effort to continue to contain costs and operate efficiently, while maintaining the necessary services, this budget continues 2010-11 cost containment initiatives and proposes additional cost containment strategies in 2011-12. Total funding in 2011-12 increased \$0.6 billion from \$18.3 billion to \$18.9 billion. This increase would have been higher if not for the cost containment efforts. State funds are anticipated to increase from \$4.5 billion in 2010-11 to \$6.7 billion in 2011-12, which is an increase of \$2.2 billion or 48.7 percent. After accounting for the nonrecurring FMAP funds, the increase is \$443.2 million or 7.1 percent. The enhanced FMAP provided over \$1.7 billion in 2010-11 and directly offset state fund costs.

Income maintenance, including cash assistance payments and child care services for families in transition to independence and self-sufficiency, totaled \$3.3 billion from all sources for 2010-11. This budget proposes to rightsize employment and training contracts consistent with federal work requirements. As a result, the 2011-12 budget reduces total resources to \$2.9 billion while the commonwealth's General Fund share is decreased from \$1.14 billion to \$1.09 billion. Of the \$2.9 billion, the budget provides a total of \$804 million for child care services.

The 2011-12 budget continues the policy of supporting independence for people with mental health and intellectual disabilities and. In June 2002, the state supported 5,098 institutional beds. By June 2011, that will be reduced to 2,733, a reduction of 46 percent. Over that period, the community budgets will have grown by \$919 million in total funds, an increase of nearly 54 percent.

State Correctional Institutions: The 2011-12 budget proposed for the state correctional system is \$1.9 billion. From 2007-08 to 2011-12, total costs have grown from \$1.6 billion to \$1.9 billion. This is due to the increase in the inmate population in the state correctional system, which has grown from 46,369 inmates in 2007-08 to an estimated 50,775 inmates in 2011-12.

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.

Taxes on various fuels provided approximately 44.8 percent of total Motor License Fund revenues in 2009-10. Revenue from liquid fuels taxes, which have been weak over the past several years, decreased significantly in 2008-09. Revenues from liquid fuels taxes declined 12 percent during 2008-09 but rebounded during 2009-10 to post a year-over-year gain of 5.5 percent. However, for the five-year period ending with 2009-10, liquid fuels tax revenues decreased at an annual average rate of 1.4 percent. Current fiscal year-to-date liquid fuels receipts are 8.7 percent above 2009-10 levels through January 2011. For 2011-12 an increase of 4.5 percent is projected while the budget for 2011-12 projects an increase in liquid fuels tax receipts of 0.5 percent over the revised estimate for 2010-11.

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 been weak. For the five-year period ending with 2009-10, license and fee revenues increased at an annual average of 0.8 percent. However, as the national economy continues to recover, an increase of 2.3 percent in license and fee revenue is projected for fiscal year 2010-11 and for 2011-12 an increase of 2.1 percent is estimated.

Beginning in 2007-08, the commonwealth and the Pennsylvania Turnpike Commission reached an agreement for the Turnpike Commission to provide annual contributions for an expanded highway and bridge program and for local maintenance of roads and bridges. In 2009-10, the agreement called for the Turnpike Commission to provide \$500 million. Beginning in 2010-11, annual contributions are projected at \$200 million.

The budget for 2011-12 recommends nearly \$4.7 billion for construction, reconstruction and maintenance of highways and bridges in the commonwealth. This is a reduction of 4% from 2010-11, primarily due to loss of Turnpike Commission contributions and federal American Recovery and Reinvestment Act (ARRA) funds.

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.

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 assistance in the purchase of pharmaceuticals, property tax and rent assistance, community care programs and public transportation subsidies.

The largest program funded by the Lottery Fund is the Property Tax and Rent Rebate (PTRR) program within the Department of Revenue. This program allows older Pennsylvanians, surviving spouses over age 50 and permanently disabled citizens to lead fuller lives by restoring a portion of their income through property tax and rent rebate assistance.

Act 1 of Special Session No. 1 of 2006 dramatically expanded the current Property Tax / Rent Rebate program to give more Pennsylvanians a rebate while also increasing the amounts of the rebates. The expansion includes increasing the household income limit from \$15,000 to \$35,000 and increasing the maximum rebate from \$500 to \$650.

The Pharmaceutical Assistance Contract for the Elderly (PACE) program is the second largest program in the Lottery Fund. 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.

The PENNCARE program is the third largest in the Lottery Fund. It provides home and community-based services to older Pennsylvanians to enrich their lives and enable them to delay or avoid moving to a nursing home. For 2011-12, \$248.8 million is provided for the PENNCARE appropriation. For additional details, see the Department of Aging presentation.

Act 111 of 2006 created PACE Plus Medicare, which enables cardholders to take advantage of the features of both PACE and Medicare Part D. PACE Plus fills the coverage gaps encountered by cardholders in Medicare Part D, including deductibles, the doughnut hole phase of no Medicare coverage, drugs excluded under Medicare Prescription Drug, Improvement and Modernization Act (MMA) of 2003, drugs not on a plan's formulary and copayment differentials between the Part D plan coverage and the PACE and PACENET copayments. PACE Plus pays the Medicare premiums for Part D coverage for PACE cardholders, while PACENET cardholders must pay the Part D premiums.

Act 44 of 2007 provides a transfer to the Public Transportation Trust Fund for distribution to transit systems providing free rides to older Pennsylvanians.

The Lottery Fund sales estimates in 2011-12 and future fiscal years assume higher levels of prizes and commissions that will grow net ticket revenue and result in more money for programs supporting older Pennsylvanians.

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.

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, tobacco use prevention and cessation, broad-based health research, medical care for workers with disabilities, contributions to the PACENET program 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 8 percent of the annual payment from the MSA have been deposited into the endowment account.

The 2005-06 budget initiated a resource redirection to take into consideration the escalating cost of long-term care services for Pennsylvania seniors and persons with disabilities. At the same time, a significant new revenue stream, the Community Health Reinvestment Agreement with the Blue Cross/Blue Shield plans, became available for this fund's program of health insurance for the uninsured. In 2009-10 and 2010-11, Act 50 of 2009 and Act 46 of 2010 redirected 25 percent of the funds allocated to tobacco use prevention and cessation activities, 33 percent of the funds allocated to health care insurance for uninsured adults, 100 percent of the funds allocated for the Endowment Account, tobacco revenue interest and earnings and the annual strategic contribution payment to offset the cost of long term care. In addition, Act 50 of 2009 redirected 37.5 percent of the funds allocated to tobacco use prevention and cessation to the General Fund and transferred \$150 million from the Endowment Account to the General Fund. Act 46 of 2010 redirects 37.5 percent of the funds allocated to tobacco use prevention and cessation to the General Fund, transfers \$121 million from

the Endowment Account to augment the appropriation for payment of required contributions to the Public School Employees' Retirement System, transfers \$250 million from the Tobacco Settlement Fund to the General Fund, and transfers all remaining assets, cash and investments as of June 1, 2011 to the Tobacco Settlement Fund. This budget proposes to transfer the Tobacco Settlement Fund balance to the General Fund and deposit Tobacco Master Settlement Agreement revenue directly into the General Fund beginning in 2011-12.

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. 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.

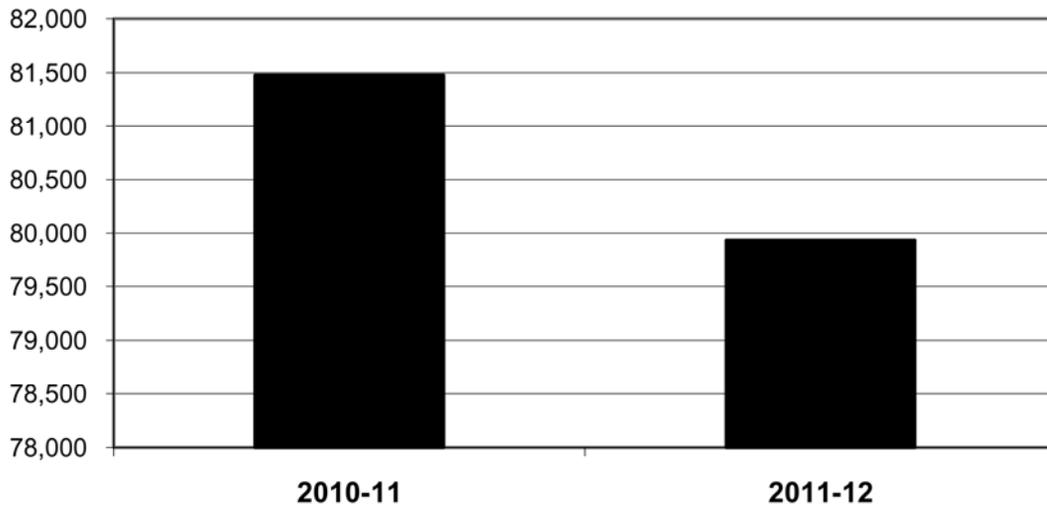
The transfer from the 2003-04 General Fund balance to the Budget Stabilization Reserve Fund of \$190 million exceeded the 25 percent statutory minimum and increased the balance in the Fund to more than \$260 million, bringing it slightly higher than the balance in 1996-97. In accordance with Act 41 of 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. Transfers of 25 percent of the General Fund balance amounted to \$171.4 million in 2005-06 and \$177 million in 2006-07. Act 53 of 2008 suspended the transfer of surplus funds to the Budget Stabilization Reserve Fund for 2007-08.

The downfall in the national economy has negatively impacted the commonwealth's revenues. To help balance the 2009-10 budget, Act 50 of 2009 authorized the transfer of \$755 million from the Budget Stabilization Reserve Fund to the General Fund. Act 46 of 2010 authorized the transfer of \$745,000 to the General 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.

Authorized Complement



This budget proposes an overall reduction in the commonwealth's current authorized FTE salaried complement level in 2011-12 of 1,550 positions, from 81,478 to 79,928 positions.

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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.

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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 2009-10 actual year, 2010-11 available year, 2011-12 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Beginning Balance.....	\$ -2,030,417	\$ -294,233	\$ 586,087	\$ 3,694	\$ 2,683	\$ 4,877	\$ 3,367
Revenues.....	\$ 27,648,162 ^a	\$ 26,790,100	\$ 27,945,058	\$ 29,127,281	\$ 29,811,182	\$ 30,450,329	\$ 31,200,578
Adjustments ^b	-969,591	-945,000	-1,195,000	-1,215,000	-1,235,000	-1,255,000	-1,275,000
Funds Available.....	\$ 24,648,154	\$ 25,550,867	\$ 27,336,145	\$ 27,915,975	\$ 28,578,865	\$ 29,200,206	\$ 29,928,945
Total Spending ^c	-27,640,453	-28,019,772	-27,331,219	-27,912,398	-28,572,362	-29,195,716	-29,924,469
Federal ARRA Offset.....	2,698,066	3,054,992	0	0	0	0	0
Total State Expenditures.....	<u>-24,942,387</u>	<u>-24,964,780</u>	<u>-27,331,219</u>	<u>-27,912,398</u>	<u>-28,572,362</u>	<u>-29,195,716</u>	<u>-29,924,469</u>
Preliminary Balance.....	\$ -294,233	\$ 586,087	\$ 4,926	\$ 3,577	\$ 6,503	\$ 4,490	\$ 4,476
Less Transfer to Budget Stabilization Reserve Fund.....	0	0 ^d	-1,232	-894	-1,626	-1,123	-1,119
Ending Balance.....	<u>\$ -294,233</u>	<u>\$ 586,087</u>	<u>\$ 3,694</u>	<u>\$ 2,683</u>	<u>\$ 4,877</u>	<u>\$ 3,367</u>	<u>\$ 3,357</u>

^a FY 2009-10 revenues include \$755 million transferred from the Budget Stabilization Reserve Fund.

^b Includes refunds, lapses and adjustments to beginning balances.

^c Includes State General Fund appropriations and Federal ARRA funds appropriated from the enhanced Federal Medical Assistance Percentage, the State Fiscal Stabilization Fund and the Education Jobs Fund (in 2010-11).

^d This budget proposes the suspension of the 25% transfer to the Budget Stabilization Reserve Fund for FY 2010-11.

Seven Year Financial Statements By Fund

Motor License Fund^a

	(Dollar Amounts in Thousands)						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Beginning Balance.....	\$ 57,684	\$ 165,145	\$ 277,707	\$ 108,165	\$ 53,757	\$ 28,298	\$ 13,208
Receipts.....	<u>2,735,134</u>	<u>2,528,030</u>	<u>2,410,850</u>	<u>2,445,550</u>	<u>2,468,020</u>	<u>2,484,770</u>	<u>2,504,930</u>
Funds Available.....	\$ 2,792,818	\$ 2,693,175	\$ 2,688,557	\$ 2,553,715	\$ 2,521,777	\$ 2,513,068	\$ 2,518,138
Less Expenditures.....	<u>-2,627,673</u>	<u>-2,415,468</u>	<u>-2,580,392</u>	<u>-2,499,958</u>	<u>-2,493,479</u>	<u>-2,499,860</u>	<u>-2,511,618</u>
Ending Balance.....	<u>\$ 165,145</u>	<u>\$ 277,707</u>	<u>\$ 108,165</u>	<u>\$ 53,757</u>	<u>\$ 28,298</u>	<u>\$ 13,208</u>	<u>\$ 6,520</u>

Banking Department Fund

	(Dollar Amounts in Thousands)						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Beginning Balance.....	\$ 9,842	\$ 8,681	\$ 10,631	\$ 7,116	\$ 3,601	\$ 86	\$ -3,429
Receipts.....	<u>19,898</u>	<u>21,988</u>	<u>17,839</u>	<u>17,839</u>	<u>17,839</u>	<u>17,839</u>	<u>17,839</u>
Funds Available.....	\$ 29,740	\$ 30,669	\$ 28,470	\$ 24,955	\$ 21,440	\$ 17,925	\$ 14,410
Less Expenditures.....	<u>-21,059</u>	<u>-20,038</u>	<u>-21,354</u>	<u>-21,354</u>	<u>-21,354</u>	<u>-21,354</u>	<u>-21,354</u>
Ending Balance.....	<u>\$ 8,681</u>	<u>\$ 10,631</u>	<u>\$ 7,116</u>	<u>\$ 3,601</u>	<u>\$ 86</u>	<u>\$ -3,429</u>	<u>\$ -6,944</u>

Boat Fund

	(Dollar Amounts in Thousands)						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Beginning Balance.....	\$ 16,973	\$ 17,101	\$ 19,762	\$ 16,769	\$ 13,776	\$ 10,783	\$ 7,790
Receipts.....	<u>17,091</u>	<u>22,742</u>	<u>13,572</u>	<u>13,572</u>	<u>13,572</u>	<u>13,572</u>	<u>13,572</u>
Funds Available.....	\$ 34,064	\$ 39,843	\$ 33,334	\$ 30,341	\$ 27,348	\$ 24,355	\$ 21,362
Less Expenditures.....	<u>-16,963</u>	<u>-20,081</u>	<u>-16,565</u>	<u>-16,565</u>	<u>-16,565</u>	<u>-16,565</u>	<u>-16,565</u>
Ending Balance.....	<u>\$ 17,101</u>	<u>\$ 19,762</u>	<u>\$ 16,769</u>	<u>\$ 13,776</u>	<u>\$ 10,783</u>	<u>\$ 7,790</u>	<u>\$ 4,797</u>

^a Excludes restricted revenue.

Seven Year Financial Statements By Fund

Farm Products Show Fund

	(Dollar Amounts in Thousands)						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Beginning Balance.....	\$ 80	\$ 114	\$ 182	\$ 91	\$ 45	\$ 34	\$ 23
Receipts.....	8,942	9,072	8,855	8,900	8,935	8,935	8,935
Funds Available.....	\$ 9,022	\$ 9,186	\$ 9,037	\$ 8,991	\$ 8,980	\$ 8,969	\$ 8,958
Less Expenditures.....	-8,908	-9,004	-8,946	-8,946	-8,946	-8,946	-8,946
Ending Balance.....	<u>\$ 114</u>	<u>\$ 182</u>	<u>\$ 91</u>	<u>\$ 45</u>	<u>\$ 34</u>	<u>\$ 23</u>	<u>\$ 12</u>

Fish Fund

	(Dollar Amounts in Thousands)						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Beginning Balance.....	\$ 30,734	\$ 30,241	\$ 36,150	\$ 31,817	\$ 27,484	\$ 23,151	\$ 18,818
Receipts.....	43,188	49,620	36,738	36,709	36,709	36,709	36,709
Funds Available.....	\$ 73,922	\$ 79,861	\$ 72,888	\$ 68,526	\$ 64,193	\$ 59,860	\$ 55,527
Less Expenditures.....	-43,681	-43,711	-41,071	-41,042	-41,042	-41,042	-41,042
Ending Balance.....	<u>\$ 30,241</u>	<u>\$ 36,150</u>	<u>\$ 31,817</u>	<u>\$ 27,484</u>	<u>\$ 23,151</u>	<u>\$ 18,818</u>	<u>\$ 14,485</u>

Game Fund

	(Dollar Amounts in Thousands)						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Beginning Balance.....	\$ 27,744	\$ 27,054	\$ 23,538	\$ 6,841	\$ 5,216	\$ 3,591	\$ 1,966
Receipts.....	74,660	77,925	67,039	68,648	68,648	68,648	68,648
Funds Available.....	\$ 102,404	\$ 104,979	\$ 90,577	\$ 75,489	\$ 73,864	\$ 72,239	\$ 70,614
Less Expenditures.....	-75,350	-81,441	-83,736	-70,273	-70,273	-70,273	-70,273
Ending Balance.....	<u>\$ 27,054</u>	<u>\$ 23,538</u>	<u>\$ 6,841</u>	<u>\$ 5,216</u>	<u>\$ 3,591</u>	<u>\$ 1,966</u>	<u>\$ 341</u>

Seven Year Financial Statements By Fund

Keystone Recreation, Park and Conservation Fund

(Dollar Amounts in Thousands)

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Beginning Balance.....	\$ 4,447	\$ 0	\$ 6,814	\$ 0	\$ 0	\$ 0	\$ 0
Receipts.....	50,884	50,935	59,442	70,001	77,412	82,318	87,541
Funds Available.....	\$ 55,331	\$ 50,935	\$ 66,256	\$ 70,001	\$ 77,412	\$ 82,318	\$ 87,541
Less Expenditures.....	-55,331	-44,121	-66,256	-70,001	-77,412	-82,318	-87,541
Ending Balance.....	<u>\$ 0</u>	<u>\$ 6,814</u>	$ 0	$ 0	$ 0	$ 0	<u>\$ 0</u>

Lottery Fund

(Dollar Amounts in Thousands)

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Beginning Balance.....	\$ 113,189	\$ 101,362	\$ 133,230	\$ 103,579	\$ 52,331	\$ -16,907	\$ -104,618
Add Reserve From Prior Year.....	0	0	0	0	0	0	0
Receipts.....	1,550,708	1,635,461	1,594,747	1,599,829	1,605,289	1,610,619	1,615,431
Funds Available.....	\$ 1,663,897	\$ 1,736,823	\$ 1,727,977	\$ 1,703,408	\$ 1,657,620	\$ 1,593,712	\$ 1,510,813
Less Expenditures.....	-1,562,535	-1,603,593	-1,624,398	-1,651,077	-1,674,527	-1,698,330	-1,722,306
Less Reserve for Current Year.....	0	0	0	0	0	0	0
Ending Balance.....	<u>\$ 101,362</u>	<u>\$ 133,230</u>	<u>\$ 103,579</u>	<u>\$ 52,331</u>	<u>\$ -16,907</u>	<u>\$ -104,618</u>	<u>\$ -211,493</u>

Racing Fund

(Dollar Amounts in Thousands)

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Beginning Balance.....	\$ 358	\$ 49	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Receipts.....	16,939	18,116	17,666	17,666	17,666	17,666	17,666
Funds Available.....	\$ 17,297	\$ 18,165	\$ 17,666	\$ 17,666	\$ 17,666	\$ 17,666	\$ 17,666
Less Expenditures.....	-17,248	-18,165	-17,666	-17,666	-17,666	-17,666	-17,666
Ending Balance.....	<u>\$ 49</u>	$ 0	$ 0	$ 0	$ 0	$ 0	<u>\$ 0</u>

Seven Year Financial Statements By Fund

Tobacco Settlement Fund

(Dollar Amounts in Thousands)

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Beginning Balance.....	\$ 433,443	\$ 364,091	\$ 360,000	\$ 0	\$ 0	\$ 0	\$ 0
Receipts.....	<u>374,843</u>	<u>610,757</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Funds Available.....	\$ 808,286	\$ 974,848	\$ 360,000	\$ 0	\$ 0	\$ 0	\$ 0
Less Expenditures.....	<u>-444,195</u>	<u>-614,848</u>	<u>-360,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance.....	<u>\$ 364,091</u>	<u>\$ 360,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Overview and Summaries

Seven Year Department Summary by Fund

The following is a summary by department of 2009-10 actual expenditures, the 2010-11 amounts available, the 2011-12 amounts budgeted and future year estimates for the General Fund and selected Special Funds.

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Governor's Office							
General Fund.....	\$ 6,831	\$ 6,400	\$ 6,228	\$ 6,228	\$ 6,228	\$ 6,228	\$ 6,228
Executive Offices							
General Fund.....	\$ 195,068	\$ 168,997	\$ 158,975	\$ 157,381	\$ 157,381	\$ 157,480	\$ 157,381
Motor License Fund.....	22,830	18,777	17,433	17,433	17,433	17,433	17,433
Department Total.....	\$ 217,898	\$ 187,774	\$ 176,408	\$ 174,814	\$ 174,814	\$ 174,913	\$ 174,814
Lieutenant Governor							
General Fund.....	\$ 1,075	\$ 995	\$ 1,359	\$ 1,359	\$ 1,359	\$ 1,359	\$ 1,359
Attorney General							
General Fund.....	\$ 86,522	\$ 83,007	\$ 82,199	\$ 82,199	\$ 82,199	\$ 82,199	\$ 82,199
Auditor General							
General Fund.....	\$ 48,303	\$ 46,245	\$ 45,075	\$ 45,075	\$ 45,075	\$ 45,075	\$ 45,075
Treasury							
General Fund.....	\$ 976,221	\$ 1,023,234	\$ 1,113,193	\$ 1,201,363	\$ 1,252,805	\$ 1,249,124	\$ 1,242,989
Lottery Fund.....	50	50	50	50	50	50	50
Racing Fund.....	10	10	10	10	10	10	10
Motor License Fund.....	36,826	37,145	37,517	31,329	27,098	26,349	26,267
Game Fund.....	5	5	5	5	5	5	5
Fish Fund.....	25	5	5	5	5	5	5
Banking Department Fund.....	5	5	5	5	5	5	5
Farm Products Show Fund.....	5	5	5	5	5	5	5
Boat Fund.....	5	5	5	5	5	5	5
Tobacco Settlement Fund.....	5	5	0	0	0	0	0
Keystone Recreation, Park and Conservation Fund.....	0	5	5	5	5	5	5
Department Total.....	\$ 1,013,157	\$ 1,060,474	\$ 1,150,800	\$ 1,232,782	\$ 1,279,993	\$ 1,275,563	\$ 1,269,346
Aging							
Lottery Fund.....	\$ 472,380	\$ 475,393	\$ 560,740	\$ 580,262	\$ 595,262	\$ 610,262	\$ 625,262
Tobacco Settlement Fund.....	58,695	56,506	0	0	0	0	0
Department Total.....	\$ 531,075	\$ 531,899	\$ 560,740	\$ 580,262	\$ 595,262	\$ 610,262	\$ 625,262
Agriculture							
General Fund.....	\$ 96,257	\$ 93,039	\$ 87,711	\$ 87,711	\$ 87,711	\$ 87,711	\$ 87,711
Racing Fund.....	17,002	17,916	17,417	17,417	17,417	17,417	17,417
Motor License Fund.....	4,689	3,975	4,328	4,328	4,328	4,328	4,328
Farm Products Show Fund.....	6,143	6,394	6,336	6,336	6,336	6,336	6,336
Department Total.....	\$ 124,091	\$ 121,324	\$ 115,792	\$ 115,792	\$ 115,792	\$ 115,792	\$ 115,792
Banking							
Banking Department Fund.....	\$ 21,054	\$ 20,833	\$ 21,349	\$ 21,349	\$ 21,349	\$ 21,349	\$ 21,349
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)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Community and Economic Development							
General Fund.....	\$ 269,068	\$ 337,938	\$ 223,553	\$ 230,504	\$ 230,494	\$ 230,487	\$ 230,478
Tobacco Settlement Fund.....	3,000	3,000	0	0	0	0	0
Department Total.....	\$ 272,068	\$ 340,938	\$ 223,553	\$ 230,504	\$ 230,494	\$ 230,487	\$ 230,478
Conservation and Natural Resources							
General Fund.....	\$ 90,622	\$ 82,480	\$ 58,342	\$ 58,342	\$ 58,342	\$ 58,342	\$ 58,342
Motor License Fund.....	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Keystone Recreation, Park and Conservation Fund.....	35,966	27,703	43,063	45,498	50,315	53,503	56,899
Department Total.....	\$ 127,588	\$ 111,183	\$ 102,405	\$ 104,840	\$ 109,657	\$ 112,845	\$ 116,241
Corrections							
General Fund.....	\$ 1,592,937	\$ 1,694,319	\$ 1,880,810	\$ 1,916,924	\$ 1,960,523	\$ 1,955,856	\$ 1,962,797
Education							
General Fund.....	\$ 10,587,608	\$ 10,375,472	\$ 10,040,143	\$ 10,494,004	\$ 11,062,562	\$ 11,694,148	\$ 12,233,656
Motor License Fund.....	875	1,103	1,103	1,103	1,103	1,103	1,103
Keystone Recreation, Park and Conservation Fund.....	0	1,705	14,575	15,399	17,029	18,109	19,257
Department Total.....	\$ 10,588,483	\$ 10,378,280	\$ 10,055,821	\$ 10,510,506	\$ 11,080,694	\$ 11,713,360	\$ 12,254,016
Emergency Management Agency							
General Fund.....	\$ 19,865	\$ 12,844	\$ 9,690	\$ 9,690	\$ 9,690	\$ 9,690	\$ 9,690
Environmental Protection							
General Fund.....	\$ 155,950	\$ 147,064	\$ 139,968	\$ 139,968	\$ 139,968	\$ 139,968	\$ 139,968
Motor License Fund.....	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Department Total.....	\$ 159,950	\$ 151,064	\$ 143,968	$ 143,968	$ 143,968	$ 143,968	$ 143,968
Ethics Commission							
General Fund.....	\$ 1,980	\$ 1,786	\$ 1,786	\$ 1,786	\$ 1,786	\$ 1,786	\$ 1,786
Fish and Boat Commission							
General Fund.....	\$ 17	\$ 17	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fish Fund.....	32,565	34,095	33,749	33,749	33,749	33,749	33,749
Boat Fund.....	12,641	13,119	13,042	13,042	13,042	13,042	13,042
Department Total.....	\$ 45,223	\$ 47,231	\$ 46,791	$ 46,791	$ 46,791	$ 46,791	$ 46,791
Game Commission							
Game Fund.....	\$ 59,449	\$ 62,352	\$ 64,471	\$ 52,022	\$ 52,022	\$ 52,022	\$ 52,022
General Services							
General Fund.....	\$ 117,649	\$ 119,782	\$ 120,453	\$ 120,453	\$ 120,453	\$ 120,453	\$ 120,453
Motor License Fund.....	12,754	12,779	12,785	12,785	12,785	12,785	12,785
Department Total.....	\$ 130,403	\$ 132,561	\$ 133,238				
Health							
General Fund.....	\$ 235,401	\$ 233,705	\$ 295,225	\$ 295,225	\$ 295,225	\$ 295,225	\$ 295,225
Tobacco Settlement Fund.....	92,251	76,810	0	0	0	0	0
Department Total.....	\$ 327,652	\$ 310,515	\$ 295,225	$ 295,225	$ 295,225	$ 295,225	$ 295,225
Health Care Cost Containment Council							
General Fund.....	\$ 2,844	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710



Overview and Summaries

Seven Year Department Summary by Fund

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Higher Education Assistance Agency							
General Fund.....	\$ 457,922	\$ 441,199	\$ 411,557	\$ 411,557	\$ 411,557	\$ 411,557	\$ 411,557
Historical and Museum Commission							
General Fund.....	\$ 21,162	\$ 18,467	\$ 17,881	\$ 17,881	\$ 17,881	\$ 17,881	\$ 17,881
Keystone Recreation, Park and Conservation Fund.....	0	5,540	8,613	9,099	10,063	10,701	11,380
Department Total.....	\$ 21,162	\$ 24,007	\$ 26,494	\$ 26,980	\$ 27,944	\$ 28,582	\$ 29,261
Insurance							
General Fund.....	\$ 122,425	\$ 121,880	\$ 121,099	\$ 121,099	\$ 121,099	\$ 121,099	\$ 121,099
Tobacco Settlement Fund.....	36,642	21,780	0	0	0	0	0
Department Total.....	\$ 159,067	\$ 143,660	\$ 121,099	\$ 121,099	\$ 121,099	\$ 121,099	\$ 121,099
Labor and Industry							
General Fund.....	\$ 89,340	\$ 86,200	\$ 72,269	\$ 72,269	\$ 72,269	\$ 72,269	\$ 72,269
Military and Veterans Affairs							
General Fund.....	\$ 110,173	\$ 110,334	\$ 129,992	\$ 128,992	\$ 128,992	\$ 128,992	\$ 128,992
Probation and Parole							
General Fund.....	\$ 114,902	\$ 120,578	\$ 128,115	\$ 130,071	\$ 130,071	\$ 130,071	\$ 130,071
Public Welfare							
General Fund.....	\$ 8,576,965	\$ 8,858,582	\$ 11,212,103	\$ 11,212,103	\$ 11,212,103	\$ 11,212,103	\$ 11,409,103
Lottery Fund.....	178,438	178,438	121,255	121,255	121,255	121,255	121,255
Tobacco Settlement Fund.....	235,929	198,880	0	0	0	0	0
Department Total.....	\$ 8,991,332	\$ 9,235,900	\$ 11,333,358	\$ 11,333,358	\$ 11,333,358	\$ 11,333,358	\$ 11,530,358
Revenue							
General Fund.....	\$ 186,382	\$ 189,731	\$ 197,661	\$ 196,671	\$ 193,076	\$ 193,100	\$ 184,647
Lottery Fund.....	744,884	780,013	773,743	776,766	780,886	785,199	789,568
Racing Fund.....	234	238	238	238	238	238	238
Motor License Fund.....	24,197	26,218	26,218	26,218	26,218	26,218	26,218
Department Total.....	\$ 955,697	\$ 996,200	\$ 997,860	\$ 999,893	\$ 1,000,418	\$ 1,004,755	\$ 1,000,671
Securities Commission							
General Fund.....	\$ 1,386	\$ 1,145	\$ 1,131	\$ 1,131	\$ 1,131	\$ 1,131	\$ 1,131
State							
General Fund.....	\$ 9,825	\$ 8,496	\$ 10,242	\$ 8,447	\$ 8,417	\$ 8,417	\$ 8,417
State Employees' Retirement System							
General Fund.....	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4
State Police							
General Fund.....	\$ 180,150	\$ 175,568	\$ 185,578	\$ 189,084	\$ 189,084	\$ 189,084	\$ 189,084
Motor License Fund.....	512,080	533,455	565,060	575,579	575,579	575,579	575,579
Department Total.....	\$ 692,230	\$ 709,023	\$ 750,638	\$ 764,663	\$ 764,663	\$ 764,663	\$ 764,663
Tax Equalization Board							
General Fund.....	\$ 1,147	\$ 1,009	\$ 1,068	\$ 1,068	\$ 1,068	\$ 1,068	\$ 1,068



Overview and Summaries

Seven Year Department Summary by Fund

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Transportation							
General Fund.....	\$ 10,499	\$ 2,187	\$ 2,226	\$ 2,226	\$ 2,226	\$ 2,226	\$ 2,226
Lottery Fund.....	80,186	81,500	79,000	81,386	83,844	86,376	88,984
Motor License Fund.....	2,008,422	1,787,016	1,910,948	1,826,183	1,823,935	1,831,065	1,842,905
Department Total.....	\$ 2,099,107	\$ 1,870,703	\$ 1,992,174	\$ 1,909,795	\$ 1,910,005	\$ 1,919,667	\$ 1,934,115
Legislature							
General Fund.....	\$ 299,026	\$ 300,285	\$ 296,012	\$ 292,012	\$ 292,012	\$ 292,012	\$ 292,012
Judiciary							
General Fund.....	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860
COMMONWEALTH TOTALS:							
General Fund.....	\$ 24,942,387	\$ 25,142,560	\$ 27,331,219	\$ 27,912,398	\$ 28,572,362	\$ 29,195,716	\$ 29,924,469
Lottery Fund.....	1,475,938	1,515,394	1,534,788	1,559,719	1,581,297	1,603,142	1,625,119
Racing Fund.....	17,246	18,164	17,665	17,665	17,665	17,665	17,665
Motor License Fund.....	2,627,673	2,425,468	2,580,392	2,499,958	2,493,479	2,499,860	2,511,618
Game Fund.....	59,454	62,357	64,476	52,027	52,027	52,027	52,027
Fish Fund.....	32,590	34,100	33,754	33,754	33,754	33,754	33,754
Banking Department Fund.....	21,059	20,838	21,354	21,354	21,354	21,354	21,354
Farm Products Show Fund.....	6,148	6,399	6,341	6,341	6,341	6,341	6,341
Boat Fund.....	12,646	13,124	13,047	13,047	13,047	13,047	13,047
Keystone Recreation, Park and Conservation Fund.....	35,966	34,953	66,256	70,001	77,412	82,318	87,541
Tobacco Settlement Fund.....	426,522	356,981	0	0	0	0	0
GRAND TOTAL.....	\$ 29,657,629	\$ 29,630,338	\$ 31,669,292	\$ 32,186,264	\$ 32,868,738	\$ 33,525,224	\$ 34,292,935



General and Special Funds

This table shows a summary by Commonwealth Programs of 2009-10 expenditures, the 2010-11 amounts available, the 2011-12 amounts budgeted and future year estimates for the General Fund and selected Special Funds.

Seven Year Commonwealth Program Summary

Commonwealth Program	(Dollar amounts in Thousands)						
	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Direction and Supportive Services.....	\$ 1,338,817	\$ 1,350,099	\$ 1,346,029	\$ 1,340,161	\$ 1,338,297	\$ 1,340,161	\$ 1,325,416
Protection of Persons and Property.....	3,456,888	3,549,096	3,745,837	3,798,838	3,838,490	3,834,008	3,840,558
Education.....	10,996,863	10,774,870	10,423,134	10,878,601	11,449,473	12,082,969	12,624,498
Health and Human Services.....	10,241,616	10,477,618	12,605,671	12,624,893	12,640,593	12,656,393	12,869,093
Economic Development.....	345,721	412,734	282,316	289,942	290,641	291,379	292,151
Transportation	1,984,939	1,744,992	1,865,748	1,780,668	1,784,795	1,794,272	1,809,111
Recreation and Cultural Enrichment.....	335,462	318,387	313,285	303,907	309,984	314,007	318,290
Debt Service.....	957,323	1,002,542	1,087,272	1,169,254	1,216,465	1,212,035	1,213,818
GENERAL FUND AND SPECIAL							
FUNDS TOTAL.....	<u>\$ 29,657,629</u>	<u>\$ 29,630,338</u>	<u>\$ 31,669,292</u>	<u>\$ 32,186,264</u>	<u>\$ 32,868,738</u>	<u>\$ 33,525,224</u>	<u>\$ 34,292,935</u>

Distribution of the Commonwealth Dollar

**GENERAL FUND AND
SPECIAL FUNDS**

2011-12 Fiscal Year
(Dollar Amounts in Thousands)



Health and Human Services

\$12,605,671 39.8%

Education \$10,423,134 32.9%

Protection of Persons and Property \$3,745,837 11.8%

Transportation \$1,865,748 5.9%

Direction and Supportive Services \$1,346,029 4.3%

Debt Service \$1,087,272 3.4%

TOTAL \$31,669,292

Recreation and Cultural Enrichment \$313,285 1.0%

Economic Development \$282,316 0.9%

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



General Fund

This table shows a summary by Commonwealth Program of 2009-10 expenditures, the 2010-11 amounts available, the 2011-12 amounts budgeted and future year estimates.

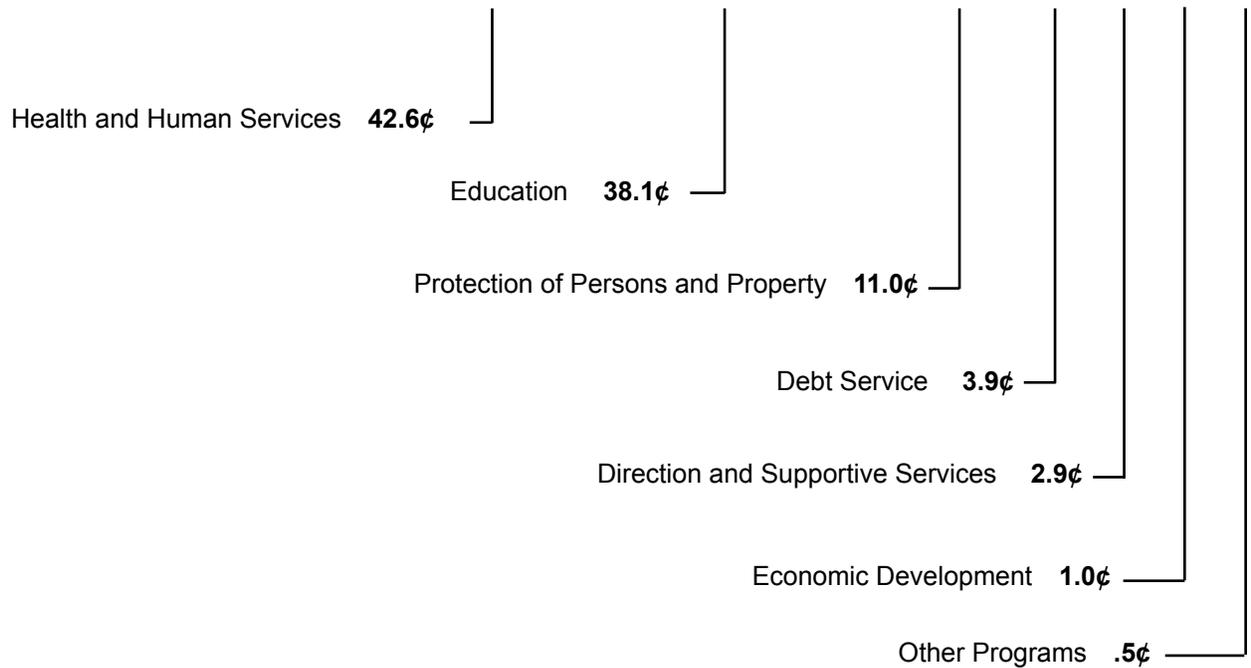
Seven Year Commonwealth Program Summary

	(Dollar amounts in Thousands)						
	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Commonwealth Program							
Direction and Supportive Services.....	\$ 799,718	\$ 785,332	\$ 787,265	\$ 779,074	\$ 773,790	\$ 772,141	\$ 753,727
Protection of Persons and Property.....	2,742,531	2,816,323	3,002,238	3,042,019	3,085,588	3,080,921	3,087,862
Education.....	10,995,988	10,773,767	10,410,106	10,864,899	11,434,437	12,067,050	12,607,639
Health and Human Services.....	8,925,923	9,206,091	11,639,776	11,638,776	11,638,776	11,638,776	11,835,776
Economic Development.....	342,721	409,734	282,316	289,942	290,641	291,379	292,151
Transportation	9,078	896	909	909	909	909	909
Recreation and Cultural Enrichment.....	193,841	172,873	146,697	146,697	146,697	146,697	146,697
Debt Service.....	932,587	977,544	1,061,912	1,150,082	1,201,524	1,197,843	1,199,708
GENERAL FUND TOTAL.....	\$ 24,942,387	\$ 25,142,560	\$ 27,331,219	\$ 27,912,398	\$ 28,572,362	\$ 29,195,716	\$ 29,924,469

Distribution of the Commonwealth Dollar

GENERAL FUND

2011-12 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 2010-11 amounts available and the 2011-12 amounts budgeted and the percent each program represents of the General Fund.

Program Summary

(Dollar Amounts in Thousands)

	2010-11		2011-12	
Commonwealth Program				
Direction and Supportive Services.....	\$ 785,332	3.1%	\$ 787,265	2.9%
Protection of Persons and Property.....	2,816,323	11.2%	3,002,238	11.0%
Education.....	10,773,767	42.9%	10,410,106	38.1%
Health and Human Services.....	9,206,091	36.6%	11,639,776	42.6%
Economic Development.....	409,734	1.6%	282,316	1.0%
Other Programs.....	173,769	0.7%	147,606	0.5%
Debt Service.....	977,544	3.9%	1,061,912	3.9%
GENERAL FUND TOTAL.....	\$ 25,142,560	100.0%	\$ 27,331,219	100.0%

GENERAL FUND

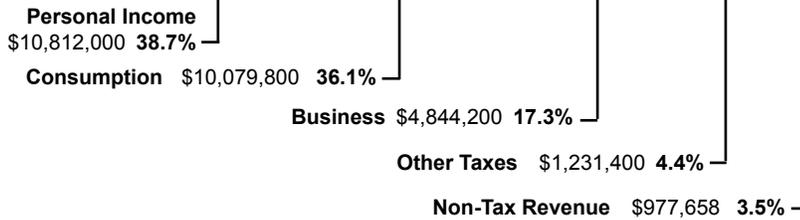
2011-12 Fiscal Year



Income

(Dollar Amounts in Thousands)

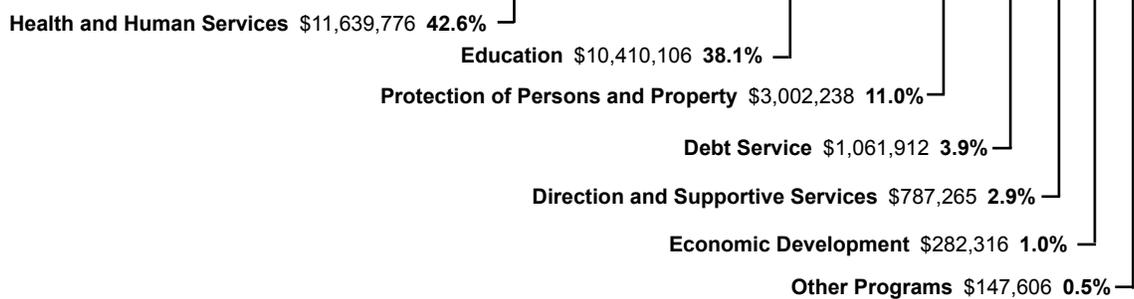
TOTAL INCOME	\$27,945,058
Refunds	-1,195,000
Beginning Balance.....	586,087
<hr/>	
TOTAL	\$27,336,145



Outgo

(Dollar Amounts in Thousands)

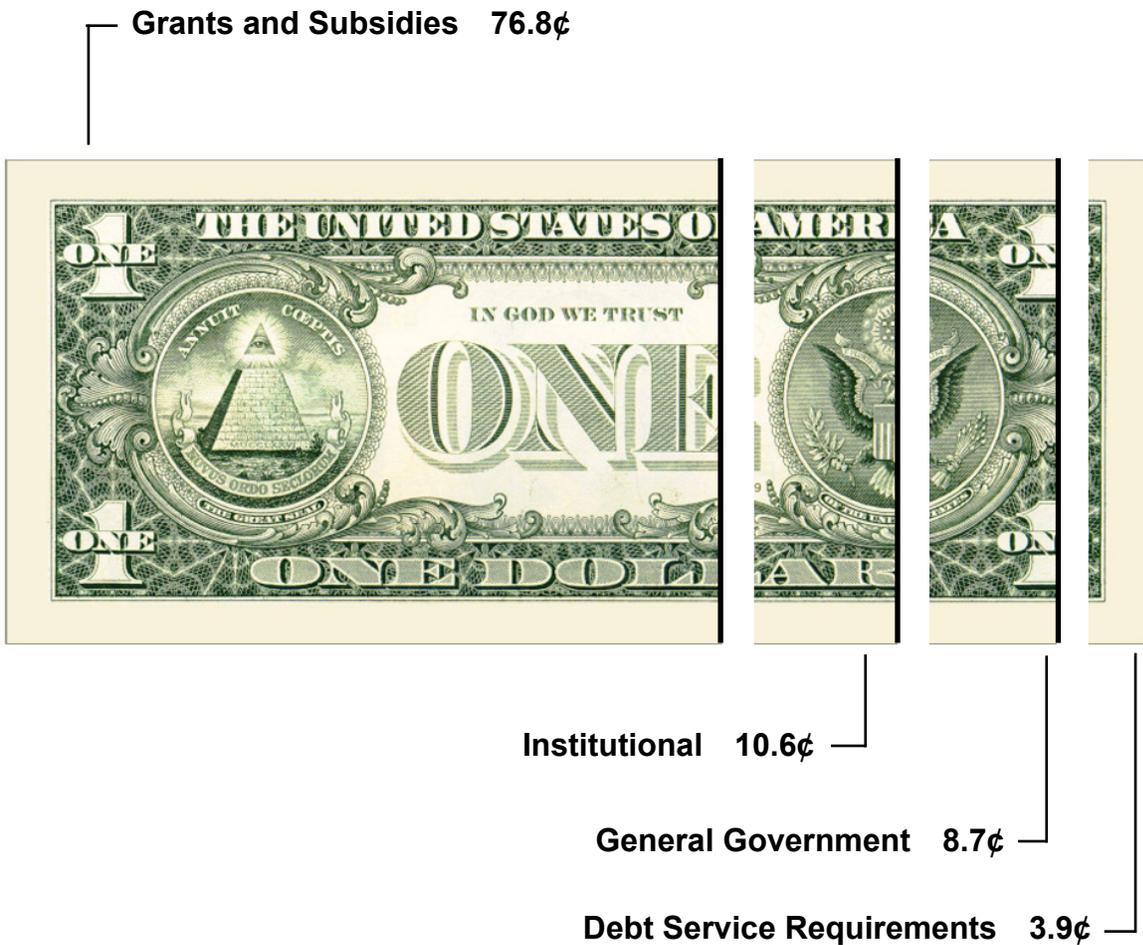
TOTAL OUTGO	\$ 27,331,219
Budget Stabilization	
Reserve Fund	1,232
Plus Ending Surplus	3,694
<hr/>	
TOTAL	\$ 27,336,145



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

2011-12 Fiscal Year



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.



FEDERAL BLOCK GRANTS

The federal government has two primary types of grants: categorical grants and block grants. 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, 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.

In addition, two programs have been included in this presentation because the federal government provides flexibility on the activities eligible for funding. These programs are: Workforce Investment and Anti-Drug Abuse Programs. Beginning in 2005-06, the commonwealth receives funds from the federal Justice Assistance Grants (JAG) in lieu of the Drug Control and System Improvement (DCSI) grants.

Block grants such as Community Services, Workforce Investment and JAG have received additional dollars from the American Recovery and Reinvestment Act of 2009. These funds are noted on the individual block grant pages.

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 2010-11 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 2011-12 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 2009-10 expenditures, 2010-11 available and 2011-12 amounts budgeted as presented in the 2011-12 Governor's Executive Budget.

(Dollar Amounts in Thousands)

	2009-10 Actual Block	2010-11 Available Block	2011-12 Recommended Block
Community Services.....	\$ 73,417	\$ 41,323	\$ 31,007
Maternal and Child Health Services.....	30,965	33,100	36,242
Preventive Health and Health Services.....	6,499	6,880	7,655
Substance Abuse.....	68,715	66,409	66,474
Workforce Investment.....	429,254	429,255	261,900
Child Care and Development Fund.....	375,472	388,764	373,402
Low-Income Home Energy Assistance.....	323,320	372,535	372,535
Mental Health Services.....	14,621	14,813	14,486
Social Services.....	108,425	98,425	98,425
Temporary Assistance to Needy Families.....	671,460	860,871	594,713
Anti-Drug Abuse.....	38,235	79,265	65,239
TOTAL.....	\$ 2,140,383	\$ 2,391,640	\$ 1,922,078

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 for 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.

The American Recovery and Reinvestment Act of 2009 (ARRA) has made additional funds available as listed below.

Department / Appropriation	(Dollar Amounts in Thousands)		
	2009-10 Actual Block	2010-11 Available Block	2011-12 Recommended Block
Community and Economic Development:			
CSBG — Administration.....	\$ 1,507	\$ 1,507	\$ 1,507
ARRA — CSBG Administration.....	210	0	0
Community Services Block Grant.....	29,500	29,500	29,500
ARRA — Community Services Block Grant.....	42,200	0	0
ARRA — Community Services Block Grant Program.....	0	10,316 ^a	0
TOTAL.....	<u>\$ 73,417</u>	<u>\$ 41,323</u>	<u>\$ 31,007</u>

^a Includes carryover.

Maternal and Child Health Services

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 10 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	2009-10 Actual Block	2010-11 Available Block	2011-12 Recommended Block
Health:			
MCHSBG — Administration and Operation.....	\$ 15,683	\$ 15,718	\$ 15,576
MCHSBG — Program Services.....	15,282	15,282	15,282
Subtotal.....	<u>\$ 30,965</u>	<u>\$ 31,000</u>	<u>\$ 30,858</u>
Public Welfare:			
MCHSBG — Administration.....	\$ 0	\$ 0	\$ 208
MCHSBG — Early Childhood Home Visiting.....	0	2,100	5,176
Subtotal.....	<u>\$ 0</u>	<u>\$ 2,100</u>	<u>\$ 5,384</u>
 TOTAL.....	 <u>\$ 30,965</u>	 <u>\$ 33,100</u>	 <u>\$ 36,242</u>

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 10 percent.

(Dollar Amounts in Thousands)

Department / Appropriation	2009-10 Actual Block	2010-11 Available Block	2011-12 Recommended Block
Health:			
PHHSBG — Administration and Operation.....	\$ 2,841	\$ 3,222	\$ 3,274
PHHSBG — Block Program Services.....	3,508	3,508	4,231
Subtotal.....	<u>\$ 6,349</u>	<u>\$ 6,730</u>	<u>\$ 7,505</u>
Public Welfare:			
PHHSBG — Domestic Violence.....	\$ 150	\$ 150	\$ 150
TOTAL.....	<u>\$ 6,499</u>	<u>\$ 6,880</u>	<u>\$ 7,655</u>

Substance Abuse

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

(Dollar Amounts in Thousands)

Department / Appropriation	2009-10 Actual Block	2010-11 Available Block	2011-12 Recommended Block
Corrections:			
SABG — Drug and Alcohol Programs.....	\$ 2,100	\$ 2,100	\$ 2,100
Health:			
SABG — Administration and Operation.....	\$ 8,158	\$ 8,203	\$ 8,203
SABG — Drug and Alcohol Services.....	56,474	54,123	54,188
Subtotal.....	\$ 64,632	\$ 62,326	\$ 62,391
Public Welfare:			
SABG — Homeless Services.....	\$ 1,983	\$ 1,983	\$ 1,983
TOTAL.....	\$ 68,715	\$ 66,409	\$ 66,474

Workforce Investment

The Workforce Investment Act of 1998 authorized the Workforce Investment Block Grant. It has three main program components: Adult, Youth and Dislocated Workers. The purpose of the adult program is to improve the quality of the workforce, reduce welfare dependency and enhance the productivity and competitiveness of the nation's economy by providing workforce investment activities that increase the employment, retention and earnings of participants, and increase occupational skill attainment by the participants. The youth program assists low-income youth between the ages of 14 and 21 to acquire the educational and occupational skills, training and support needed to achieve academic and employment success and successfully transition to careers and productive adulthood. The dislocated worker program shares the same overall purpose of the adult program with emphasis on reemployment of these workers.

The commonwealth distributes funds by formula to 23 local agencies called Local Workforce Investment Areas for the attainment of agreed-upon performance goals.

The American Recovery and Reinvestment Act of 2009 (ARRA) has also made additional funds available as listed below.

Department / Appropriation	(Dollar Amounts in Thousands)		
	2009-10 Actual Block	2010-11 Available Block	2011-12 Recommended Block
Executive Offices:			
<i>Office of the Budget</i>			
WIA — Program Accountability.....	\$ 354	\$ 355	\$ 0
Labor and Industry:			
WIA — Administration.....	\$ 11,000	\$ 11,000	\$ 11,000
ARRA — Workforce Investment Administration.....	5,000	5,000	400
WIA — Adult Employment & Training.....	60,000	60,000	60,000
ARRA — WIA Adult Employment & Training.....	16,000	16,000	0
WIA — Youth Employment & Training.....	52,000	52,000	52,000
ARRA — WIA Youth Employment & Training.....	37,000	37,000	0
WIA — Statewide Activities.....	23,000	23,000	23,000
ARRA — WIA Statewide Activities.....	10,000	10,000	0
WIA — Dislocated Workers.....	109,000	109,000	109,000
ARRA — WIA Dislocated Workers.....	105,000	105,000	5,600
WIA — Veterans Employment and Training.....	900	900	900
Subtotal.....	<u>\$ 428,900</u>	<u>\$ 428,900</u>	<u>\$ 261,900</u>
TOTAL.....	<u><u>\$ 429,254</u></u>	<u><u>\$ 429,255</u></u>	<u><u>\$ 261,900</u></u>

Child Care and Development Fund

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

The American Recovery and Reinvestment Act of 2009 (ARRA) has made additional funds available as listed below.

(Dollar Amounts in Thousands)

Department / Appropriation	2009-10 Actual Block	2010-11 Available Block	2011-12 Recommended Block
Executive Offices:			
<i>Inspector General - Welfare Fraud</i>			
CCDFBG — Subsidized Day Care Fraud.....	\$ 450	\$ 1,000	\$ 1,000
Public Welfare:			
CCDFBG — Administration.....	\$ 13,480	\$ 13,480	\$ 13,754
CCDFBG — Child Care Services.....	190,316	181,735	196,592
ARRA — CCDFBG — Child Care Services.....	22,151	41,693	11,200
CCDFBG — School Age.....	1,260	1,260	1,260
CCDFBG — Child Care Assistance.....	147,815	149,596	149,596
Subtotal.....	\$ 375,022	\$ 387,764	\$ 372,402
TOTAL.....	\$ 375,472	\$ 388,764	\$ 373,402

Low-Income Home Energy Assistance

This block grant provides funds to assist eligible low-income individuals and families in meeting the cost of home energy through cash assistance and to alleviate crisis situations. The amounts below include weather-related contingency funding.

(Dollar Amounts in Thousands)

Department / Appropriation	2009-10 Actual Block	2010-11 Available Block	2011-12 Recommended Block
Community and Economic Development:			
LIHEABG — Administration.....	\$ 535	\$ 535	\$ 535
LIHEABG — Weatherization Program.....	30,000	30,000	30,000
Subtotal.....	\$ 30,535	\$ 30,535	\$ 30,535
Public Welfare:			
LIHEABG — Administration.....	\$ 20,000	\$ 22,000	\$ 22,000
LIHEABG — Low-Income Families and Individuals.....	272,785	320,000	320,000
Subtotal.....	\$ 292,785	\$ 342,000	\$ 342,000
TOTAL.....	\$ 323,320	\$ 372,535	\$ 372,535

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	2009-10 Actual Block	2010-11 Available Block	2011-12 Recommended Block
Public Welfare:			
MHSBG — Administration.....	\$ 210	\$ 273	\$ 273
MHSBG — Community Mental Health.....	14,411	14,540	14,213
TOTAL.....	\$ 14,621	\$ 14,813	\$ 14,486



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	2009-10 Actual Block	2010-11 Available Block	2011-12 Recommended Block
Public Welfare:			
SSBG — Administration.....	\$ 3,641	\$ 3,641	\$ 3,641
SSBG — County Assistance Offices.....	6,262	6,262	6,262
SSBG — Basic Institutional Programs.....	10,000	10,000	10,000
SSBG — Community Mental Health Services.....	10,366	10,366	10,366
SSBG — Community ID Services.....	6,500	6,500	6,500
SSBG — Child Welfare.....	12,021	12,021	12,021
SSBG — Child Care Services.....	30,977	30,977	30,977
SSBG — Domestic Violence Programs.....	5,705	5,705	5,705
SSBG — Rape Crisis.....	1,721	1,721	1,721
SSBG — Family Planning.....	2,000	2,000	2,000
SSBG — Legal Services.....	5,049	5,049	5,049
SSBG — Homeless Services.....	4,183	4,183	4,183
Subtotal.....	<u>\$ 98,425</u>	<u>\$ 98,425</u>	<u>\$ 98,425</u>
Community and Economic Development:			
Enterprise Communities — SSBG.....	\$ 10,000 ^a	\$ 0	\$ 0
TOTAL.....	<u>\$ 108,425</u>	<u>\$ 98,425</u>	<u>\$ 98,425</u>

^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 dependence on government benefits and to provide services for dependent and abused children. In addition, funds may be used 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.

The American Recovery and Reinvestment Act of 2009 (ARRA) has made additional funds available as listed below.

Department / Appropriation	(Dollar Amounts in Thousands)		
	2009-10 Actual Block	2010-11 Available Block	2011-12 Recommended Block
Executive Offices:			
<i>Inspector General - Welfare Fraud</i>			
TANFBG — Program Accountability.....	\$ 1,500	\$ 1,500	\$ 1,500
Education:			
TANFBG — Teenage Parenting Ed. (EA).....	\$ 12,255 ^a	\$ 12,255 ^a	\$ 12,255 ^a
Labor and Industry:			
TANFBG — Youth Employment and Training...	\$ 15,000	\$ 15,000	\$ 15,000
Public Welfare:			
TANFBG — Administration.....	\$ 4,980	\$ 4,980	\$ 4,980
TANFBG — Information Systems.....	9,327	9,327	9,327
TANFBG — Statewide.....	2,150	2,150	2,150
TANFBG — County Assistance Offices.....	42,090	49,190	64,190
TANFBG — New Directions.....	134,473	151,202	124,287
TANFBG — Cash Grants.....	261,371	276,953	283,710
ARRA — TANFBG — Cash Grants.....	100,000	250,000	0
TANFBG — Alternatives to Abortion.....	1,000	1,000	1,000
TANFBG — Child Welfare.....	67,883	67,883	56,883
TANFBG — Child Care Assistance.....	31,686	31,686	31,686
Subtotal.....	\$ 654,960	\$ 844,371	\$ 578,213
TOTAL.....	\$ 671,460 ^b	\$ 860,871 ^b	\$ 594,713 ^b

^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 providing 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. DFSC has not received new federal dollars since FFY 2010 however the Special Program's portion is still receiving federal support.

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

The American Recovery and Reinvestment Act of 2009 (ARRA) has made additional funds available as listed below.

(Dollar Amounts in Thousands)

Department / Appropriation	2009-10 Actual Block	2010-11 Available Block	2011-12 Recommended Block
DRUG CONTROL AND SYSTEM IMPROVEMENT FORMULA GRANT PROGRAM (DCSI) and JUSTICE ASSISTANCE GRANTS (JAG)			
Executive Offices:			
<i>Commonwealth Technology Services</i>			
Electronic Reporting II - Rollout (EA).....	\$ 150 ^a	\$ 0	\$ 0
ARRA — JCJC/JCMS Centralized Database Project (EA).....	0	282 ^a	282 ^a
ARRA — Enhanced Warrant Search Project (EA).....	0	160 ^a	160 ^a
ARRA — Electronic Reporting II - Deployment (EA).....	0	109 ^a	109 ^a
ARRA — Federated Background Search (EA).....	0	255 ^a	255 ^a
Subtotal — Commonwealth Technology Services.....	<u>\$ 150</u>	<u>\$ 806</u>	<u>\$ 806</u>
<i>Juvenile Court Judges Commission</i>			
ARRA — Juvenile Delinquency Records (EA).....	\$ 139 ^a	\$ 177 ^a	\$ 0
JCMS Support and Deployment (EA).....	0	30 ^a	370 ^a
Subtotal — Juvenile Court Judges Commission.....	<u>\$ 139</u>	<u>\$ 207</u>	<u>\$ 370</u>
<i>Commission on Crime and Delinquency</i>			
DCSI — Program Grants.....	\$ 0	\$ 100 ^b	\$ 0
Justice Assistance Grants.....	10,956	30,000	30,000
ARRA — Justice Assistance Grants.....	11,425	30,000	30,000
Justice Assistance Grants — Administration.....	898	1,239	1,239
ARRA — Justice Assistance Grants Administration.....	706	2,500	2,000
Subtotal — Commission on Crime and Delinquency.....	<u>\$ 23,985</u>	<u>\$ 63,839</u>	<u>\$ 63,239</u>
Subtotal — Executive Offices.....	<u>\$ 24,274</u>	<u>\$ 64,852</u>	<u>\$ 64,415</u>
Lieutenant Governor:			
ARRA — Case Management System (EA).....	\$ 78 ^a	\$ 78 ^a	\$ 0
Corrections:			
ARRA — Inmate Transportation Initiative (EA).....	\$ 0	\$ 500 ^a	\$ 200 ^a
ARRA — County Jail Reentry Project (EA).....	0	0	750 ^a
Subtotal.....	<u>\$ 0</u>	<u>\$ 500</u>	<u>\$ 950</u>

Overview and Summaries

Anti-Drug Abuse (continued)

(Dollar Amounts in Thousands)

Department / Appropriation	2009-10 Actual Block	2010-11 Available Block	2011-12 Recommended Block
Probation and Parole:			
JAG — Client Identification (EA).....	\$ 37 ^a	\$ 0	\$ 0
JAG — Violations Sanctioning (EA).....	29 ^a	0	0
ARRA — System Process Enhancements (EA).....	0	129 ^a	0
ARRA — Maximizing Victim Restitution (EA).....	0	75 ^a	15 ^a
ARRA — Laptop Project (EA).....	0	500 ^a	172 ^a
Subtotal.....	\$ 66	\$ 704	\$ 187
State Police:			
ARRA — Stop Violence Against Women (EA).....	\$ 0	\$ 162 ^a	\$ 162 ^a
ARRA — JAG Protection from Abuse Database(EA).....	0	\$ 184 ^a	\$ 185 ^a
ARRA — JAG Instant Check Sytem Rewrite (EA).....	0	\$ 290 ^a	\$ 290 ^a
ARRA — JAG Megan's Law Modernization (EA).....	0	2,000 ^a	2,000 ^a
Subtotal.....	\$ 0	\$ 2,636	\$ 2,637
Legislature:			
<i>Commission on Sentencing</i>			
JAG — Consolidated Project Grants (EA).....	\$ 1,248 ^a	\$ 1,280 ^a	\$ 1,280 ^a
Judiciary:			
<i>Supreme Court</i>			
Drug Court Training (EA).....	\$ 61 ^a	\$ 40 ^a	\$ 0
TOTAL.....	\$ 23,985	\$ 63,839	\$ 63,239
SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES (DFSC)			
Executive Offices:			
<i>Commission on Crime and Delinquency</i>			
DFSC — Special Programs.....	\$ 3,324	\$ 4,500	\$ 2,000
Education:			
DFSC — Administration.....	\$ 850	\$ 850	\$ 0
DFSC — School Districts.....	10,076	10,076	0
Subtotal.....	\$ 10,926	\$ 10,926	\$ 0
Public Welfare:			
DFSC — Juvenile Aftercare Services (EA).....	118 ^a	118 ^a	0
TOTAL.....	\$ 14,250	\$ 15,426	\$ 2,000
GRAND TOTAL ALL PROGRAMS.....	\$ 38,235	\$ 79,265	\$ 65,239

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

^b Carryover.



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 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)	
	2010-11 Estimate	2011-12 Estimate
Governor's Office.....	\$635	\$619
Executive Offices.....	212	207
Aging.....	275	270
Agriculture.....	601	602
Banking.....	245	249
Civil Service Commission.....	53	50
Community and Economic Development.....	308	302
Conservation and Natural Resources.....	262	262
Corrections.....	241	250
Education.....	433	420
Emergency Management Agency.....	179	182
Environmental Protection.....	2,064	2,018
Fish and Boat Commission.....	329	327
Game Commission.....	337	337
General Services.....	110	110
Health.....	571	568
Historical and Museum Commission.....	264	259
Insurance.....	251	251
Labor and Industry.....	559	553
Liquor Control Board.....	489	500
Military and Veterans Affairs.....	243	247
Milk Marketing Board.....	41	43
Probation and Parole Board.....	165	165
Public Utility Commission.....	243	253
Public Welfare.....	294	290
Revenue.....	233	233
Securities Commission.....	121	120
State.....	394	381
State Police.....	448	473
Transportation.....	1,927	1,982
TOTAL	<u>\$12,527</u>	<u>\$12,523</u>

---- *Lottery sales promotion* - \$37 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 2011-12. These expenditures are expected to generate approximately \$3.14 billion in lottery revenues during 2011-12.

---- *Economic development* - A total of \$3.2 million is budgeted in the General Fund to promote tourism and economic development. This will contribute to an estimated \$26.6 billion in 2011-12 travel revenues to Pennsylvania and supports the State's aggressive effort to preserve and create jobs.



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Commonwealth of Pennsylvania

Governor's Executive Budget

PROGRAM
BUDGET
SUMMARY

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COMMONWEALTH PROGRAM BUDGET

This section summarizes the budget by major revenue source and major program area of expenditure. This summary includes programs funded from the General Fund, the eleven 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.

Reader's Guide to the "Summary of Revenues and Expenditures for the Operating Program" Statement

The Summary of Revenues and Expenditures for the Operating Program comprehensive statement shown on page B5 is an "all funds" seven-year summary of revenue and expenditures for the commonwealth operating program. This section is intended to assist readers with interpreting and understanding the revenue and expenditure items presented on the comprehensive statement.

Beginning Balances and Ending Balances

Beginning and Ending Balances are included only for state General Fund and state Special Funds as Federal Funds and Other Funds revenues and expenditures are considered to be self-balancing. While Revenue totals are shown for General Fund, Special Funds, Federal Funds and Other Funds, the Program Expenditures section of the statement aggregates expenditures of these four fund types into the eight Commonwealth Programs for ease of presentation. The General Fund and Special Funds beginning and ending balances are based on their respective financial statements found on pages A2.3 through A2.7 in Section A of this document.

Revenues

All General Fund, Special Funds, Federal Funds and Other Funds revenue contributing toward the commonwealth operating program are shown on the statement.

General Fund – 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. Tax revenue constitutes more than 96 percent of annual General Fund revenue. The largest sources of non-tax revenue are profit transfers from the Pennsylvania Liquor Control Board, earnings of investments and the escheats or "unclaimed property" program. General Fund revenue categories shown on the statement include Corporation Taxes, Personal Income Tax, Sales and Use Taxes, and All Other Revenues/Taxes. A Less Refunds category is also shown as a negative revenue adjustment to account for various tax refunds. Additional information on General Fund revenue sources can be found in Section C1 of this document.

Special Funds – There are 10 Special Funds contributing revenue to the commonwealth operating program. Additional information on Special Funds revenue sources can be found in Sections C2 through C11 of this document.

Federal Funds – All monies received from the federal government are deposited into the State Treasury and thus must be appropriated. The Department of Public Welfare receives the most federal funds. Other agencies receiving significant federal funds include the departments of Education, Aging, and Transportation. Additional information on federal funds budgeted by agency can be found on page C1.9 (for federal funds related to General Fund budgets) and in Section E, Department Presentations, on each agency's Summary by Fund and Appropriation statement.

Other Funds – There are more than 100 Other Funds contributing revenue to the commonwealth operating program. The State Stores Fund, the Public Transportation Trust Fund and the Property Tax Relief Fund contribute significant revenue to the Other Funds revenue total. Additional information on Other Funds revenues can be found in Section E Department Presentations on each agency's Summary by Fund and Appropriation statement.

Program Expenditures

Program expenditures are categorized by the eight Commonwealth Programs beginning with Direction and Supportive Services and ending with Debt Service. These programs include expenditures from all General Fund, Special Funds, Federal Funds and Other Funds contributing to total operating program expenditures as shown on pages B6 and B7. More detailed expenditure breakdowns by program category and subcategory are shown on pages B8 through B17.

Total operating program expenditures are adjusted to include expenditure reductions from General Fund or Special Fund lapses of unspent prior-year funds. Other adjustments, such as fund transfers to the operating program (resulting in expenditure increases) or fund transfers from the operating program (resulting in expenditure decreases) may be shown on the statement and will impact total program expenditures and ending balances.

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)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
BEGINNING BALANCES							
General Fund	\$ -2,030,417	\$ -294,233	\$ 586,087	\$ 3,694	\$ 2,683	\$ 4,877	\$ 3,367
Adjustment to Beginning Balance.....	5,000	0	0	0	0	0	0
Adjusted Beginning Balance.....	<u>\$ -2,025,417</u>	<u>\$ -294,233</u>	<u>\$ 586,087</u>	<u>\$ 3,694</u>	<u>\$ 2,683</u>	<u>\$ 4,877</u>	<u>\$ 3,367</u>
Special Funds	<u>\$ 694,494</u>	<u>\$ 713,838</u>	<u>\$ 868,014</u>	<u>\$ 274,378</u>	<u>\$ 156,210</u>	<u>\$ 49,036</u>	<u>\$ -66,242</u>
REVENUES							
General Fund:							
Corporation Taxes.....	\$ 4,579,207	\$ 4,602,000	\$ 4,844,200	\$ 4,876,700	\$ 4,656,400	\$ 4,338,700	\$ 4,305,800
Personal Income Tax.....	9,968,733	10,133,500	10,812,000	11,491,200	11,867,600	12,401,400	12,780,300
Sales and Use Tax.....	8,029,170	8,503,800	8,659,000	9,176,200	9,514,000	9,817,400	10,101,700
All Other Revenues/Taxes.....	5,071,052	3,550,800	3,629,858	3,583,181	3,773,182	3,892,829	4,012,778
Less Refunds.....	-1,125,000	-1,125,000	-1,195,000	-1,215,000	-1,235,000	-1,255,000	-1,275,000
Total General Fund.....	<u>\$ 26,523,162</u>	<u>\$ 25,665,100</u>	<u>\$ 26,750,058</u>	<u>\$ 27,912,281</u>	<u>\$ 28,576,182</u>	<u>\$ 29,195,329</u>	<u>\$ 29,925,578</u>
Special Funds.....	4,573,021	4,631,154	3,744,437	4,155,698	4,189,202	4,214,230	4,242,426
Federal Funds.....	24,437,968	26,870,474	22,090,123	21,458,160	21,768,373	22,126,325	22,636,304
Other Funds.....	9,481,864	10,333,247	9,820,534	9,670,962	9,707,677	9,737,397	9,785,019
Total Revenues and Balances.....	<u>\$ 63,685,092</u>	<u>\$ 67,919,580</u>	<u>\$ 63,859,253</u>	<u>\$ 63,475,173</u>	<u>\$ 64,400,327</u>	<u>\$ 65,327,194</u>	<u>\$ 66,526,452</u>
PROGRAM EXPENDITURES							
Direction and Supportive							
Services.....	\$ 1,741,267	\$ 1,785,015	\$ 1,766,348	\$ 1,678,149	\$ 1,676,285	\$ 1,678,149	\$ 1,663,404
Protection of Persons and							
Property.....	8,178,108	8,459,651	8,187,786	8,183,950	8,149,178	8,098,398	8,104,197
Education.....	15,500,675	15,414,766	13,404,532	13,807,060	14,377,932	14,927,144	15,468,673
Health and Human Services.....	27,424,314	30,177,202	30,289,581	30,298,096	30,826,926	31,374,659	32,145,151
Economic Development.....	2,850,857	3,037,465	2,087,319	2,125,068	2,046,767	2,047,505	2,048,277
Transportation.....	6,308,484	6,324,615	6,117,588	5,410,840	5,400,681	5,396,563	5,412,789
Recreation and Cultural Enrichment.....	563,003	553,376	552,607	542,079	548,204	552,259	556,576
Debt Service.....	1,010,753	1,081,969	1,174,188	1,270,144	1,318,815	1,314,269	1,315,191
Less General Fund Lapses.....	-150,409	-357,780	0	0	0	0	0
Less Special Fund Lapses.....	-161,565	-10,800	0	0	0	0	0
Total Operating Expenditures.....	<u>\$ 63,265,487</u>	<u>\$ 66,465,479</u>	<u>\$ 63,579,949</u>	<u>\$ 63,315,386</u>	<u>\$ 64,344,788</u>	<u>\$ 65,388,946</u>	<u>\$ 66,714,258</u>
Transfer to Budget Stabilization							
Reserve Fund.....	0	0	-1,232	-894	-1,626	-1,123	-1,119
ENDING BALANCES							
General Fund.....	<u>\$ -294,233</u>	<u>\$ 586,087</u>	<u>\$ 3,694</u>	<u>\$ 2,683</u>	<u>\$ 4,877</u>	<u>\$ 3,367</u>	<u>\$ 3,357</u>
Special Funds	<u>\$ 713,838</u>	<u>\$ 868,014</u>	<u>\$ 274,378</u>	<u>\$ 156,210</u>	<u>\$ 49,036</u>	<u>\$ -66,242</u>	<u>\$ -192,282</u>



Program Budget Summary

Seven Year Summary of Commonwealth Programs

The following is a summary for the seven Commonwealth Programs of 2009-10 actual expenditures, 2010-11 amounts available, 2011-12 amounts budgeted and future year estimates for all the operating funds and capital bond authorizations as presented in the 2011-12 Governor's Executive Budget. A breakdown of each Commonwealth Program by Category and Subcategory is shown on subsequent pages.

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Direction and Supportive Services							
General Fund.....	\$ 799,718	\$ 785,332	\$ 787,265	\$ 779,074	\$ 773,790	\$ 772,141	\$ 753,727
Special Funds.....	539,099	564,767	558,764	561,087	564,507	568,020	571,689
Federal Funds.....	116,074	123,293	113,972	31,768	31,768	31,768	31,768
Other Funds.....	286,376	311,623	306,347	306,220	306,220	306,220	306,220
Total Operating.....	\$ 1,741,267	\$ 1,785,015	\$ 1,766,348	\$ 1,678,149	\$ 1,676,285	\$ 1,678,149	\$ 1,663,404
Protection of Persons and Property							
General Fund.....	\$ 2,742,531	\$ 2,816,323	\$ 3,002,238	\$ 3,042,019	\$ 3,085,588	\$ 3,080,921	\$ 3,087,862
Special Funds.....	714,357	732,773	743,599	756,819	752,902	753,087	752,696
Federal Funds.....	1,672,813	1,826,957	1,444,661	1,396,412	1,321,622	1,275,322	1,274,172
Other Funds.....	3,048,407	3,083,598	2,997,288	2,988,700	2,989,066	2,989,068	2,989,467
Total Operating.....	\$ 8,178,108	\$ 8,459,651	\$ 8,187,786	\$ 8,183,950	\$ 8,149,178	\$ 8,098,398	\$ 8,104,197
Education							
General Fund.....	\$ 10,995,988	\$ 10,773,767	\$ 10,410,106	\$ 10,864,899	\$ 11,434,437	\$ 12,067,050	\$ 12,607,639
Special Funds.....	875	1,103	13,028	13,702	15,036	15,919	16,859
Federal Funds.....	3,747,833	3,696,834	2,170,761	2,113,322	2,113,322	2,029,038	2,029,038
Other Funds.....	755,979	943,062	810,637	815,137	815,137	815,137	815,137
Total Operating.....	\$ 15,500,675	\$ 15,414,766	\$ 13,404,532	\$ 13,807,060	\$ 14,377,932	\$ 14,927,144	\$ 15,468,673
Health and Human Services							
General Fund.....	\$ 8,925,923	\$ 9,206,091	\$ 11,639,776	\$ 11,638,776	\$ 11,638,776	\$ 11,638,776	\$ 11,835,776
Special Funds.....	1,315,693	1,271,527	965,895	986,117	1,001,817	1,017,617	1,033,317
Federal Funds.....	15,440,981	17,418,056	15,499,345	15,467,298	15,931,301	16,419,837	16,930,966
Other Funds.....	1,741,717	2,281,528	2,184,565	2,205,905	2,255,032	2,298,429	2,345,092
Total Operating.....	\$ 27,424,314	\$ 30,177,202	\$ 30,289,581	\$ 30,298,096	\$ 30,826,926	\$ 31,374,659	\$ 32,145,151
Economic Development							
General Fund.....	\$ 342,721	\$ 409,734	\$ 282,316	\$ 289,942	\$ 290,641	\$ 291,379	\$ 292,151
Special Funds.....	3,000	3,000	0	0	0	0	0
Federal Funds.....	1,543,657	1,421,296	849,815	838,965	759,965	759,965	759,965
Other Funds.....	961,479	1,203,435	955,188	996,161	996,161	996,161	996,161
Total Operating.....	\$ 2,850,857	\$ 3,037,465	\$ 2,087,319	\$ 2,125,068	\$ 2,046,767	\$ 2,047,505	\$ 2,048,277



Program Budget Summary

Seven Year Summary of Commonwealth Programs

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Transportation							
General Fund.....	\$ 9,078	\$ 896	\$ 909	\$ 909	\$ 909	\$ 909	\$ 909
Special Funds.....	1,975,861	1,744,096	1,864,839	1,779,759	1,783,886	1,793,363	1,808,202
Federal Funds.....	1,805,420	2,295,715	1,931,749	1,531,749	1,531,749	1,531,749	1,531,749
Other Funds.....	2,518,125	2,283,908	2,320,091	2,098,423	2,084,137	2,070,542	2,071,929
Total Operating.....	\$ 6,308,484	\$ 6,324,615	\$ 6,117,588	\$ 5,410,840	\$ 5,400,681	\$ 5,396,563	\$ 5,412,789
Recreation and Cultural Enrichment							
General Fund.....	\$ 193,841	\$ 172,873	\$ 146,697	\$ 146,697	\$ 146,697	\$ 146,697	\$ 146,697
Special Funds.....	141,621	145,514	166,588	157,210	163,287	167,310	171,593
Federal Funds.....	111,190	88,323	79,820	78,646	78,646	78,646	78,646
Other Funds.....	116,351	146,666	159,502	159,526	159,574	159,606	159,640
Total Operating.....	\$ 563,003	\$ 553,376	\$ 552,607	\$ 542,079	\$ 548,204	\$ 552,259	\$ 556,576
Debt Service							
General Fund.....	\$ 932,587	\$ 977,544	\$ 1,061,912	\$ 1,150,082	\$ 1,201,524	\$ 1,197,843	\$ 1,199,708
Special Funds.....	24,736	24,998	25,360	19,172	14,941	14,192	14,110
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	53,430	79,427	86,916	100,890	102,350	102,234	101,373
Total Operating.....	\$ 1,010,753	\$ 1,081,969	\$ 1,174,188	\$ 1,270,144	\$ 1,318,815	\$ 1,314,269	\$ 1,315,191
Capital Bond Authorizations...	\$ 0	\$ 0	\$ 684,866	\$ 883,207	\$ 903,854	\$ 836,766	\$ 760,390
Program Total.....	\$ 1,010,753	\$ 1,081,969	\$ 1,859,054	\$ 2,153,351	\$ 2,222,669	\$ 2,151,035	\$ 2,075,581
COMMONWEALTH TOTALS							
General Fund.....	\$ 24,942,387	\$ 25,142,560	\$ 27,331,219	\$ 27,912,398	\$ 28,572,362	\$ 29,195,716	\$ 29,924,469
Special Funds.....	4,715,242	4,487,778	4,338,073	4,273,866	4,296,376	4,329,508	4,368,466
Federal Funds.....	24,437,968	26,870,474	22,090,123	21,458,160	21,768,373	22,126,325	22,636,304
Other Funds.....	9,481,864	10,333,247	9,820,534	9,670,962	9,707,677	9,737,397	9,785,019
Total Operating.....	\$ 63,577,461	\$ 66,834,059	\$ 63,579,949	\$ 63,315,386	\$ 64,344,788	\$ 65,388,946	\$ 66,714,258
Capital Bond Authorizations...	\$ 0	\$ 0	\$ 684,866	\$ 883,207	\$ 903,854	\$ 836,766	\$ 760,390
Program Total.....	\$ 63,577,461	\$ 66,834,059	\$ 64,264,815	\$ 64,198,593	\$ 65,248,642	\$ 66,225,712	\$ 67,474,648



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 goals to streamline state government and achieve efficiencies and to refocus the investment of taxpayer dollars on the core functions of government. The Overview theme in the Overview and Summaries section highlights the administration's priorities in this program area.

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 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)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Administrative and Support Services..... \$	157,860 \$	134,578 \$	126,376 \$	124,782 \$	124,782 \$	124,881 \$	124,782
Executive Direction.....	149,125	126,518	118,450	116,856	116,856	116,955	116,856
Personnel Selection.....	1	1	1	1	1	1	1
State Retirement System.....	4	4	4	4	4	4	4
Ethics Commission.....	1,980	1,786	1,786	1,786	1,786	1,786	1,786
Legal Services.....	3,906	3,559	3,425	3,425	3,425	3,425	3,425
Health Care Cost Containment Council.....	2,844	2,710	2,710	2,710	2,710	2,710	2,710
Fiscal Management..... \$	750,549 \$	781,686 \$	789,414 \$	789,140 \$	787,276 \$	789,041 \$	774,395
Revenue Collection and Administration.....	647,391	678,498	681,800	681,526	679,662	681,427	674,781
Disbursement.....	54,855	56,943	62,539	62,539	62,539	62,539	54,539
Auditing.....	48,303	46,245	45,075	45,075	45,075	45,075	45,075
Physical Facilities and Commodities Management..... \$	130,403 \$	132,561 \$	133,238 \$	133,238 \$	133,238 \$	133,238 \$	133,238
Facility, Property and Commodity Management.....	130,403	132,561	133,238	133,238	133,238	133,238	133,238
Legislative Processes..... \$	299,026 \$	300,285 \$	296,012 \$	292,012 \$	292,012 \$	292,012 \$	292,012
Legislature.....	299,026	300,285	296,012	292,012	292,012	292,012	292,012
Interstate Relations..... \$	979 \$	989 \$	989 \$	989 \$	989 \$	989 \$	989
Interstate Relations.....	979	989	989	989	989	989	989
PROGRAM TOTAL..... \$	1,338,817 \$	1,350,099 \$	1,346,029 \$	1,340,161 \$	1,338,297 \$	1,340,161 \$	1,325,416



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 protect the public health and safety of Pennsylvania's citizens. The Overview theme in the Overview and Summaries section highlights the administration's priorities in this program area.

This program addresses the substantive areas of 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, Pennsylvania 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)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
General Administration and Support.....	\$ 42,823	\$ 39,944	\$ 36,048	\$ 36,048	\$ 36,048	\$ 36,048	\$ 36,048
Criminal and Juvenile Justice Planning.....	27,131	25,288	23,335	23,335	23,335	23,335	23,335
Environmental Support Services.....	15,692	14,656	12,713	12,713	12,713	12,713	12,713
Public Protection and Law Enforcement.....	\$ 892,920	\$ 917,741	\$ 959,263	\$ 975,989	\$ 972,072	\$ 972,257	\$ 971,866
State Police.....	692,230	709,023	750,638	764,663	764,663	764,663	764,663
Attorney General.....	86,522	83,007	82,199	82,199	82,199	82,199	82,199
Highway Safety Administration and Licensing.....	114,168	125,711	126,426	129,127	125,210	125,395	125,004
Control and Reduction of Crime.....	\$ 1,707,839	\$ 1,814,897	\$ 2,008,925	\$ 2,046,995	\$ 2,090,594	\$ 2,085,927	\$ 2,092,868
Institutionalization of Offenders.....	1,592,937	1,694,319	1,880,810	1,916,924	1,960,523	1,955,856	1,962,797
Reintegration of Adult Offenders.....	114,902	120,578	128,115	130,071	130,071	130,071	130,071
Juvenile Crime Prevention.....	\$ 20,823	\$ 19,929	\$ 19,796	\$ 19,796	\$ 19,796	\$ 19,796	\$ 19,796
Reintegration of Juvenile Delinquents.....	20,823	19,929	19,796	19,796	19,796	19,796	19,796
Adjudication of Defendants.....	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860
State Judicial System.....	276,860	276,860	276,860	276,860	276,860	276,860	276,860
Public Order and Community Safety.....	\$ 36,704	\$ 29,278	\$ 26,778	\$ 26,778	\$ 26,778	\$ 26,778	\$ 26,778
Emergency Management.....	17,502	10,466	7,581	7,581	7,581	7,581	7,581
State Military Readiness.....	19,202	18,812	19,197	19,197	19,197	19,197	19,197
Protection From Natural Hazards and Disasters.....	\$ 144,258	\$ 136,408	\$ 131,255	\$ 131,255	\$ 131,255	\$ 131,255	\$ 131,255
Environmental Protection and Management.....	144,258	136,408	131,255	131,255	131,255	131,255	131,255
Consumer Protection.....	\$ 295,197	\$ 275,465	\$ 250,000	\$ 248,205	\$ 248,175	\$ 248,175	\$ 248,175
Consumer Protection.....	9,825	8,496	10,242	8,447	8,417	8,417	8,417
Financial Institution Regulation.....	21,054	20,833	21,349	21,349	21,349	21,349	21,349
Securities Industry Regulation.....	1,386	1,145	1,131	1,131	1,131	1,131	1,131
Insurance Industry Regulation.....	159,067	143,660	121,099	121,099	121,099	121,099	121,099



Program Budget Summary

Protection of Persons and Property (continued)

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Horse Racing Regulation.....	17,002	17,916	17,417	17,417	17,417	17,417	17,417
Protection and Development of Agricultural Industries.....	86,863	83,415	78,762	78,762	78,762	78,762	78,762
Community and Occupational Safety and Stability..... \$	28,417	28,016	27,080	27,080	27,080	27,080	27,080
Community and Occupational Safety and Stability.....	26,054	25,638	24,971	24,971	24,971	24,971	24,971
Fire Prevention and Safety.....	2,363	2,378	2,109	2,109	2,109	2,109	2,109
Prevention & Elimination of Discriminatory Practices. \$	11,047	10,558	9,832	9,832	9,832	9,832	9,832
Prevention & Elimination of Discriminatory Practices.....	11,047	10,558	9,832	9,832	9,832	9,832	9,832
PROGRAM TOTAL.....	\$ 3,456,888	\$ 3,549,096	\$ 3,745,837	\$ 3,798,838	\$ 3,838,490	\$ 3,834,008	\$ 3,840,558



Education

The goal of this commonwealth program is to provide a system of learning experiences and opportunities that will permit each individual to achieve his or her full potential intellectual development through quality basic education and special education programs, and through high quality career and technical education and higher education experiences. This commonwealth program supports the administration's goals to support an agenda for excellence, a world-class education that enables all Pennsylvania children to achieve their full potential, and to expand educational opportunities and alternative pathways to teaching and leadership. The Education – A World-Class Education that Enables All Pennsylvania Children to Achieve Their Full Potential 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)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Educational Support Services \$	31,011	29,755	29,783	29,783	29,783	29,783	29,783
Education Support Services.....	31,011	29,755	29,783	29,783	29,783	29,783	29,783
Basic Education \$	9,107,769	8,905,356	9,134,308	9,589,101	10,158,639	10,791,252	11,331,841
PreK-12 Education.....	9,090,190	8,886,677	9,115,653	9,569,514	10,138,072	10,769,658	11,309,166
Public Utility Realty Payments.....	17,579	18,679	18,655	19,587	20,567	21,594	22,675
Higher Education \$	1,858,083	1,839,759	1,259,043	1,259,717	1,261,051	1,261,934	1,262,874
Higher Education.....	1,400,161	1,398,560	847,486	848,160	849,494	850,377	851,317
Financial Assistance to Students.....	426,672	410,127	396,502	396,502	396,502	396,502	396,502
Financial Assistance to Institutions.....	31,250	31,072	15,055	15,055	15,055	15,055	15,055
PROGRAM TOTAL	\$ 10,996,863	\$ 10,774,870	\$ 10,423,134	\$ 10,878,601	\$ 11,449,473	\$ 12,082,969	\$ 12,624,498



Health and Human Services

The goals of this commonwealth program are to ensure access to quality medical care for all citizens, support people seeking self-sufficiency, provide military readiness and assistance to veterans and maximize opportunities for individuals and families to participate in society. The Helping Pennsylvanians Achieve Self-Sufficiency Through Sensible Reforms initiative in the Department of Public Welfare presentation highlights the administration's priorities to maintain essential health and human services while reforming the public welfare system.

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 to address the various issues 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)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Human Services Support.....	\$ 113,759	\$ 113,648	\$ 111,274	\$ 111,274	\$ 111,274	\$ 111,274	\$ 111,274
Human Services Support.....	113,759	113,648	111,274	111,274	111,274	111,274	111,274
Social Development of Individuals.....	\$ 1,688,184	\$ 1,680,637	\$ 1,635,843	\$ 1,635,843	\$ 1,635,843	\$ 1,635,843	\$ 1,635,843
Human Services.....	1,184,218	1,197,336	1,144,010	1,144,010	1,144,010	1,144,010	1,144,010
Child Development.....	503,966	483,301	491,833	491,833	491,833	491,833	491,833
Support of Older Pennsylvanians.....	\$ 809,075	\$ 817,399	\$ 844,640	\$ 864,862	\$ 880,562	\$ 896,362	\$ 912,062
Community Services for Older Pennsylvanians.....	299,655	305,751	310,740	315,262	315,262	315,262	315,262
Homeowners and Renters Assistance.....	278,000	285,500	283,900	284,600	285,300	286,100	286,800
Pharmaceutical Assistance.....	231,420	226,148	250,000	265,000	280,000	295,000	310,000
Income Maintenance.....	\$ 789,884	\$ 794,534	\$ 746,824	\$ 745,824	\$ 745,824	\$ 745,824	\$ 745,824
Income Maintenance.....	777,772	782,949	728,279	728,279	728,279	728,279	728,279
Workers Compensation and Assistance.....	2,360	2,289	2,040	2,040	2,040	2,040	2,040
Military Compensation and Assistance.....	9,752	9,296	16,505	15,505	15,505	15,505	15,505
Physical Health Treatment.....	\$ 5,111,770	\$ 5,288,798	\$ 7,218,148	\$ 7,218,148	\$ 7,218,148	\$ 7,218,148	\$ 7,415,148
Medical Assistance.....	3,614,712	3,639,385	5,188,279	5,188,279	5,188,279	5,188,279	5,341,939
Long Term Living.....	1,067,961	1,236,679	1,620,741	1,620,741	1,620,741	1,620,741	1,664,081
Health Treatment Services.....	14,244	13,665	9,752	9,752	9,752	9,752	9,752
Health Support Services.....	47,098	45,614	46,758	46,758	46,758	46,758	46,758
Health Research.....	85,469	74,899	66,310	66,310	66,310	66,310	66,310
Emergency Food Assistance.....	20,226	19,993	19,613	19,613	19,613	19,613	19,613
Prevention and Treatment of Drug and Alcohol Abuse.....	41,750	41,698	41,698	41,698	41,698	41,698	41,698
Preventive Health.....	139,091	134,639	130,707	130,707	130,707	130,707	130,707
Veterans Homes.....	81,219	82,226	94,290	94,290	94,290	94,290	94,290
Mental Health.....	\$ 764,998	\$ 748,589	\$ 769,886	\$ 769,886	\$ 769,886	\$ 769,886	\$ 769,886
Mental Health.....	764,998	748,589	769,886	769,886	769,886	769,886	769,886



Program Budget Summary

Health and Human Services (continued)

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Mental Retardation.....	\$ 963,946	\$ 1,034,013	\$ 1,279,056	\$ 1,279,056	\$ 1,279,056	\$ 1,279,056	\$ 1,279,056
Mental Retardation.....	963,946	1,034,013	1,279,056	1,279,056	1,279,056	1,279,056	1,279,056
PROGRAM TOTAL.....	\$ 10,241,616	\$ 10,477,618	\$ 12,605,671	\$ 12,624,893	\$ 12,640,593	\$ 12,656,393	\$ 12,869,093



Economic Development

The goal of this commonwealth program is to invest public resources to create jobs for Pennsylvanians. To do so, this program offers a variety of grants, loans and loan guarantees designed to stimulate economic investment, growth and expanded employment. This commonwealth program supports the administration's goal to create and maintain a business climate in which good, family-sustaining jobs can grow and communities can prosper. The Free Enterprise – An Agenda for Jobs 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 and strategically invest resources to expand and retain Pennsylvania-based firms and attract new companies to the commonwealth that will 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)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Economic Development Services..... \$	34,136	33,229	26,912	26,912	26,912	26,912	26,912
Economic Development Services.....	34,136	33,229	26,912	26,912	26,912	26,912	26,912
Commonwealth Economic Development..... \$	191,548	202,225	180,376	187,327	187,317	187,310	187,301
Job Creation.....	162,038	169,202	161,585	168,536	168,526	168,519	168,510
Global Trade and Tourism.....	29,510	33,023	18,791	18,791	18,791	18,791	18,791
Workforce Investment..... \$	60,926	58,273	45,258	45,258	45,258	45,258	45,258
Workforce Development.....	14,221	14,364	1,613	1,613	1,613	1,613	1,613
Vocational Rehabilitation.....	46,705	43,909	43,645	43,645	43,645	43,645	43,645
Community Development..... \$	59,111	119,007	29,770	30,445	31,154	31,899	32,680
PA Communities.....	46,384	105,484	16,265	16,265	16,265	16,265	16,265
Public Utility Realty Payments.....	12,727	13,523	13,505	14,180	14,889	15,634	16,415
PROGRAM TOTAL..... \$	345,721	412,734	282,316	289,942	290,641	291,379	292,151

Program Budget Summary

Transportation

The goal of this commonwealth program is to provide a system for the fast, convenient, efficient and safe movement of individuals and goods within the commonwealth that is interfaced with a national and international system of transportation. This commonwealth program supports the administration's goal to create and maintain a business climate in which good, family-sustaining jobs can grow and communities can prosper. The Free Enterprise – An Agenda for Jobs theme in the Overview and Summaries section highlights the administration's priorities in this program area.

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)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Transportation Systems and Services.....	\$ 1,984,939	\$ 1,744,992	\$ 1,865,748	\$ 1,780,668	\$ 1,784,795	\$ 1,794,272	\$ 1,809,111
Transportation Support Services.....	49,238	54,360	54,956	54,956	54,956	54,956	54,956
Highways and Bridges.....	1,618,055	1,376,136	1,490,955	1,402,339	1,402,788	1,408,305	1,418,891
Local Highway and Bridge Assistance.....	228,382	232,100	239,928	241,078	242,298	243,726	245,371
Intermodal Transportation.....	89,264	82,396	79,909	82,295	84,753	87,285	89,893
PROGRAM TOTAL.....	\$ 1,984,939	\$ 1,744,992	\$ 1,865,748	\$ 1,780,668	\$ 1,784,795	\$ 1,794,272	\$ 1,809,111



Recreation and Cultural Enrichment

The goal of this commonwealth 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.

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 and Council on the Arts contribute to this commonwealth program.

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Recreation.....	\$ 232,260	\$ 220,766	\$ 213,667	\$ 203,653	\$ 208,470	\$ 211,658	\$ 215,054
Parks and Forests Management.....	127,588	111,183	102,405	104,840	109,657	112,845	116,241
Recreational Fishing and Boating.....	45,223	47,231	46,791	46,791	46,791	46,791	46,791
Wildlife Management.....	59,449	62,352	64,471	52,022	52,022	52,022	52,022
Cultural Enrichment.....	\$ 103,202	\$ 97,621	\$ 99,618	\$ 100,254	\$ 101,514	\$ 102,349	\$ 103,236
State Historical Preservation.....	19,348	18,467	17,881	17,881	17,881	17,881	17,881
Local Museum Assistance.....	1,814	5,540	8,613	9,099	10,063	10,701	11,380
Development of Artists and Audiences.....	13,772	9,317	9,157	9,157	9,157	9,157	9,157
State Library Services.....	68,268	64,297	63,967	64,117	64,413	64,610	64,818
PROGRAM TOTAL.....	\$ 335,462	\$ 318,387	\$ 313,285	\$ 303,907	\$ 309,984	\$ 314,007	\$ 318,290



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 and voter-approved bond referenda 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)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Debt Service.....	\$ 957,323	\$ 1,002,542	\$ 1,087,272	\$ 1,169,254	\$ 1,216,465	\$ 1,212,035	\$ 1,213,818
Debt Service.....	957,323	1,002,542	1,087,272	1,169,254	1,216,465	1,212,035	1,213,818
PROGRAM TOTAL.....	\$ 957,323	\$ 1,002,542	\$ 1,087,272	\$ 1,169,254	\$ 1,216,465	\$ 1,212,035	\$ 1,213,818



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Commonwealth of Pennsylvania

Governor's Executive Budget

SUMMARY

BY

FUND

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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.



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FINANCIAL STATEMENT

The following financial statement and accompanying notes are a summary of the General Fund revenues and expenditures for the 2009-10 actual year, 2010-11 available year and 2011-12 budget year. The financial statement excludes augmentations and Federal funds that are detailed in subsequent tables.

	(Dollar Amounts in Thousands)		
	2009-10 Actual	2010-11 Available	2011-12 Estimated
Beginning Balance	\$ -2,030,417	\$ -294,233	\$ 586,087
Adjustment to Beginning Balance.....	5,000	0	0
Adjusted Beginning Balance.....	\$ -2,025,417	\$ -294,233	\$ 586,087
Revenue:			
Revenue Receipts.....	\$ 27,648,162 ^a	\$ 26,790,100	\$ 27,405,000
Proposed Revenue Changes.....	0	0	540,058
Less Refunds.....	-1,125,000	-1,125,000	-1,195,000
Total Revenue.....	\$ 26,523,162	\$ 25,665,100	\$ 26,750,058
Prior Year Lapses.....	150,409	180,000	0
Funds Available.....	\$ 24,648,154	\$ 25,550,867	\$ 27,336,145
Expenditures:			
Appropriations.....	\$ 27,640,453 ^b	\$ 28,034,937 ^b	\$ 27,331,219
Supplemental Appropriations.....	0	162,615	0
Less Federal ARRA Funds:			
Enhanced Medical Assistance Percentage.....	-1,776,682	-1,745,792	0
State Fiscal Stabilization Fund.....	-921,384	-921,384	0
Education Jobs Fund.....	0	-387,816	0
Less Current Year Lapses.....	0	-177,780	0
Total State Expenditures.....	\$ 24,942,387	\$ 24,964,780	\$ 27,331,219
Preliminary Balance.....	\$ -294,233	\$ 586,087	\$ 4,926
Less Transfer to Budget Stabilization Reserve Fund.....	0	0 ^c	-1,232
Ending Balance	<u>\$ -294,233</u>	<u>\$ 586,087</u>	<u>\$ 3,694</u>

^a Includes \$755 million transferred from the Budget Stabilization Reserve Fund in accordance with Act 50 of 2009.

^b Includes State General Fund appropriations and Federal ARRA funds appropriated from the enhanced Federal Medical Assistance Percentage, the State Fiscal Stabilization Fund and the Education Jobs Fund (in 2010-11).

^c This budget proposes the suspension of the 25% transfer to the Budget Stabilization Reserve Fund for FY 2010-11.



NOTES ON FINANCIAL STATEMENT
(Dollar Amounts in Thousands)

PROPOSED TAX AND REVENUE MODIFICATIONS

	2011-12 Estimated
Tax Revenue:	
Film Production Tax Credit	\$ 5,100
A decrease of \$15 million to the \$75 million annual cap on total film production tax credits is proposed to be effective for credits awarded after July 1, 2011.	
Research and Development Tax Credit	\$ -200
An increase of \$15 million to the \$40 million annual cap on total research and development tax credits is proposed to be effective for credits awarded after July 1, 2011.	
Job Creation Tax Credit	\$ 4,200
A decrease of \$12.4 million to the \$22.5 million annual cap on total job creation tax credits is proposed to be effective for credits awarded after July 1, 2011.	
 Non-Tax Revenue:	
Transfer from PHEAA	\$ 8,336
A transfer of unused fiscal year 2010-11 funds from PHEAA to the General Fund is proposed.	
Redirection of Moving Violation Surcharge	\$ 44,000
A continued transfer of moving violation surcharges authorized under the Catastrophic Loss Benefits Continuation Fund which had been deposited in the Mcare Fund is proposed.	
Transfer from the Tobacco Settlement Fund	\$ 140,000
The Tobacco Settlement Fund is proposed to be absorbed within the General Fund, and a transfer of the remaining balance in the Tobacco Settlement Fund is proposed.	
Transfer from the Tobacco Settlement Fund	\$ 338,622
The Tobacco Settlement Fund is proposed to be absorbed within the General Fund, and revenues from the Master Settlement Agreement would accrue to the General Fund.	
TOTAL PROPOSED TAX AND REVENUE MODIFICATIONS	\$ <u>540,058</u>

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

SUPPLEMENTAL APPROPRIATIONS

	2010-11 Available
STATE SUPPLEMENTALS	
Education	
Basic Education Funding.....	\$ -387,816
Public Welfare	
Intellectual Disabilities - State Centers.....	\$ 4,222
Payment to Federal Government - Medicare Drug Program.....	13,862
Medical Assistance - Outpatient.....	103,679
Medical Assistance - Inpatient.....	-17,184
Long-Term Care.....	129,750
Medical Assistance - Physician Practice Plans.....	347
Intellectual Disabilities - Intermediate Care Facilities.....	6,809
Intellectual Disabilities - Community Base Program.....	-11,144
Intellectual Disabilities - Community Waiver Program.....	34,902
Early Intervention.....	-12,000
Child Care Assistance.....	-7,471
Services to Persons with Disabilities.....	4,172
Public Welfare Total.....	<u>\$ 249,944</u>
TOTAL STATE SUPPLEMENTALS.....	<u>\$ -137,872</u>
FEDERAL SUPPLEMENTALS	
Education	
Education Jobs Fund.....	\$ 387,816
Public Welfare	
ARRA - Medical Assistance - State Centers.....	\$ -5,496
ARRA - Medical Assistance - Outpatient.....	28,251
ARRA - Medical Assistance - Inpatient.....	4,486
ARRA - Medical Assistance - Capitation.....	-10,351
ARRA - Medical Assistance - Long-Term Care.....	-60,358
ARRA - Medical Assistance - Transportation.....	601
ARRA - Medical Assistance - ICF/ID.....	-6,809
ARRA - Medical Assistance - Community ID Services Base.....	-386
ARRA - Medical Assistance - Community ID Waiver Program.....	-29,046
ARRA - Medical Assistance - Early Intervention.....	2,525
ARRA - Medical Assistance - Services to Persons with Disabilities.....	-4,577
ARRA - Medical Assistance - Attendant Care.....	-6,169
Public Welfare Total.....	<u>\$ -87,329</u>
TOTAL FEDERAL SUPPLEMENTALS.....	<u>\$ 300,487</u>
TOTAL SUPPLEMENTALS.....	<u>\$ 162,615</u>



STATE FUNDS BY DEPARTMENT

The following is a summary, by department, of 2009-10 actual expenditures, the 2010-11 amounts available and the 2011-12 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	2009-10 Actual	2010-11 Available	2011-12 Budget
Governor's Office.....	\$ 6,831	\$ 6,400	\$ 6,228
Executive Offices.....	195,068	168,997	158,975
Lieutenant Governor's Office.....	1,075	995	1,359
Attorney General.....	86,522	83,007	82,199
Auditor General.....	48,303	46,245	45,075
Treasury.....	976,221	1,023,234	1,113,193
Aging.....	-	-	-
Agriculture.....	96,257	93,039	87,711
Civil Service Commission.....	1	1	1
Community and Economic Development *.....	269,068	337,938	223,553
Conservation and Natural Resources.....	90,622	82,480	58,342
Corrections.....	1,592,937	1,694,319	1,880,810
Education**.....	10,587,608	10,375,472	10,040,143
Emergency Management Agency.....	19,865	12,844	9,690
Environmental Protection***.....	155,950	147,064	139,968
Ethics Commission.....	1,980	1,786	1,786
Fish and Boat Commission.....	17	17	-
General Services.....	117,649	119,782	120,453
Health.....	235,401	233,705	295,225
Health Care Cost Containment Council.....	2,844	2,710	2,710
Higher Education Assistance Agency.....	457,922	441,199	411,557
Historical and Museum Commission.....	21,162	18,467	17,881
Insurance.....	122,425	121,880	121,099
Labor and Industry.....	89,340	86,200	72,269
Military and Veterans Affairs.....	110,173	110,334	129,992
Probation and Parole Board.....	114,902	120,578	128,115
Public Welfare.....	8,576,965	8,858,582	11,212,103
Revenue****.....	186,382	189,731	197,661
Securities Commission.....	1,386	1,145	1,131
State.....	9,825	8,496	10,242
State Employees' Retirement System.....	4	4	4
State Police.....	180,150	175,568	185,578
Tax Equalization Board.....	1,147	1,009	1,068
Transportation.....	10,499	2,187	2,226
Legislature.....	299,026	300,285	296,012
Judiciary.....	276,860	276,860	276,860
GRAND TOTAL.....	\$ 24,942,387	\$ 25,142,560	\$ 27,331,219

* Includes Pennsylvania Housing Finance Agency.

** Includes State System of Higher Education and Thaddeus Stevens College of Technology.

*** Includes Environmental Hearing Board.

**** Excludes refunds.



FEDERAL FUNDS BY DEPARTMENT

The following is a summary of Federal funds, by department, of 2009-10 actual expenditures, the 2010-11 amounts available and the 2011-12 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	2009-10 Actual	2010-11 Available	2011-12 Budget
Executive Offices.....	\$ 189,748	\$ 280,898	\$ 247,819
Lieutenant Governor's Office.....	78	78	-
Attorney General.....	18,368	19,016	19,894
Agriculture.....	40,391	40,557	36,910
Community and Economic Development.....	411,328	279,076	119,191
Conservation and Natural Resources.....	64,428	40,327	37,568
Corrections.....	181,233	181,212	8,425
Education.....	3,758,980	3,703,868	2,177,317
Emergency Management Agency.....	289,822	276,629	213,876
Environmental Protection*.....	382,588	390,874	268,578
General Services.....	1,212	750	-
Health.....	544,835	635,174	625,861
Higher Education Assistance Agency.....	1,563	1,575	1,575
Historical and Museum Commission.....	2,630	4,248	3,686
Infrastructure Investment Authority.....	333,164	367,091	221,191
Insurance.....	294,082	357,855	402,764
Labor and Industry.....	917,667	914,512	651,978
Liquor Control Board.....	92	100	100
Military and Veterans Affairs.....	343,341	354,043	339,382
Probation and Parole Board.....	255	879	317
Public Utility Commission.....	4,457	4,757	4,124
Public Welfare.....	14,369,738	16,215,059	14,488,217
State.....	41,732	41,651	27,470
State Police.....	55,506	60,554	48,955
Transportation.....	179,221	341,616	322,903
Legislature.....	1,248	1,280	1,280
Judiciary.....	1,766	2,143	1,420
GRAND TOTAL.....	\$ 22,429,473	\$ 24,515,822	\$ 20,270,801

* Includes Environmental Hearing Board.

AUGMENTATIONS BY DEPARTMENT

The following is a summary of augmentations, by department, of 2009-10 actual expenditures, the 2010-11 amounts available and the 2011-12 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	2009-10 Actual	2010-11 Available	2011-12 Budget
Executive Offices.....	\$ 93,982	\$ 115,602	\$ 114,148
Attorney General*.....	9,534	14,042	14,031
Auditor General.....	11,758	13,500	13,041
Treasury.....	5,714	7,975	8,520
Agriculture.....	5,547	5,427	5,544
Civil Service Commission.....	14,243	14,831	13,917
Community and Economic Development*.....	9,655	7,483	7,451
Conservation and Natural Resources.....	55,397	75,351	84,046
Corrections.....	1,639	2,076	1,873
Education.....	7,968	129,161	8,161
Emergency Management Agency.....	20	27	27
Environmental Protection* **.....	26,708	27,802	29,373
General Services.....	36,753	37,769	34,660
Health*.....	4,900	7,853	7,069
Historical and Museum Commission.....	217	802	1,026
Insurance.....	3,239	3,792	3,717
Labor and Industry*.....	51,726	44,910	43,702
Military and Veterans Affairs.....	30,655	31,557	28,669
Probation and Parole Board.....	20,247	20,739	20,754
Public Utility Commission*.....	52,581	56,003	58,898
Public Welfare.....	1,320,177	1,860,852	1,780,755
Revenue.....	35,504	31,985	29,857
Securities Commission.....	7,727	7,727	8,186
State*.....	47,126	51,856	48,891
State Police*.....	59,751	57,521	56,710
Transportation*.....	1,407	1,483	-
Judiciary*.....	57,048	57,048	57,048
GRAND TOTAL.....	\$ 1,971,223	\$ 2,685,174	\$ 2,480,074

* Includes funds appropriated from restricted revenues.

** Includes Environmental Hearing Board.



General Fund Revenue Summary

Seven Year Summary of Revenues

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

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimated	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
TAX REVENUE							
Corporation Taxes							
Corporate Net Income Tax.....	\$ 1,790,963	\$ 1,853,900	\$ 2,031,400	\$ 2,293,100	\$ 2,235,800	\$ 2,105,900	\$ 2,099,700
Capital Stock and Franchise Taxes.....	761,188	822,500	755,900	478,200	212,900	64,000	35,300
Selective Business:							
Gross Receipts Tax.....	1,286,669	1,220,300	1,336,200	1,366,600	1,450,500	1,401,800	1,393,300
Public Utility Realty Tax.....	39,549	42,400	46,500	47,600	50,000	52,500	54,600
Insurance Premiums Tax.....	459,528	423,700	432,500	446,600	462,900	474,200	488,200
Financial Institutions Tax.....	222,802	224,200	225,800	227,800	226,600	221,600	215,000
Other Selective Business Taxes.....	18,508	15,000	15,900	16,800	17,700	18,700	19,700
Total — Corporation Taxes.....	\$ 4,579,207	\$ 4,602,000	\$ 4,844,200	\$ 4,876,700	\$ 4,656,400	\$ 4,338,700	\$ 4,305,800
Consumption Taxes							
Sales and Use Tax.....	\$ 8,029,170	\$ 8,503,800	\$ 8,659,000	\$ 9,176,200	\$ 9,514,000	\$ 9,817,400	\$ 10,101,700
Cigarette Tax.....	976,056	1,081,600	1,081,600	1,082,700	1,083,800	1,084,900	1,086,000
Malt Beverage Tax.....	26,587	26,000	26,000	26,000	26,000	26,000	26,000
Liquor Tax.....	271,015	284,000	313,200	328,200	344,000	360,600	377,700
Total — Consumption Taxes.....	\$ 9,302,828	\$ 9,895,400	\$ 10,079,800	\$ 10,613,100	\$ 10,967,800	\$ 11,288,900	\$ 11,591,400
Other Taxes							
Personal Income Tax.....	\$ 9,968,733	\$ 10,133,500	\$ 10,812,000	\$ 11,491,200	\$ 11,867,600	\$ 12,401,400	\$ 12,780,300
Realty Transfer Tax.....	296,033	285,700	334,000	391,000	433,000	460,800	490,400
Inheritance Tax.....	753,778	765,000	800,700	839,900	1,040,600	1,137,400	1,207,900
Table Games.....	0	65,400	88,000	77,100	75,400	75,400	75,400
Minor and Repealed Taxes.....	9,349	8,700	8,700	8,700	8,700	8,700	8,700
Total — Other Taxes.....	\$ 11,027,893	\$ 11,258,300	\$ 12,043,400	\$ 12,807,900	\$ 13,425,300	\$ 14,083,700	\$ 14,562,700
TOTAL TAX REVENUE.....	\$ 24,909,929	\$ 25,755,700	\$ 26,967,400	\$ 28,297,700	\$ 29,049,500	\$ 29,711,300	\$ 30,459,900
NONTAX REVENUE							
State Stores Fund Transfer.....	\$ 105,000	\$ 105,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000
Tobacco Master Settlement.....	0	0	338,622	334,781	330,982	327,229	325,878
Licenses, Fees and Miscellaneous:							
Licenses and Fees.....	284,002	135,700	124,500	124,500	124,500	124,500	124,500
Miscellaneous.....	2,322,688	774,600	415,436	271,200	207,100	188,200	191,200
Fines, Penalties and Interest:							
On Taxes.....	24,018	17,000	17,000	17,000	17,000	17,000	17,000
Other.....	2,525	2,100	2,100	2,100	2,100	2,100	2,100
TOTAL NONTAX REVENUES.....	\$ 2,738,233	\$ 1,034,400	\$ 977,658	\$ 829,581	\$ 761,682	\$ 739,029	\$ 740,678
GENERAL FUND TOTAL.....	\$ 27,648,162	\$ 26,790,100	\$ 27,945,058	\$ 29,127,281	\$ 29,811,182	\$ 30,450,329	\$ 31,200,578

Totals may not add due to rounding.



General Fund Revenues

Adjustments to Revenue Estimate

On July 6, 2010, the Official Estimate for fiscal year 2010-11 was certified to be \$26,711,700,000. The adjustments detailed below take into account actual revenue collections through the first six months of the fiscal year and projected collections for the remainder of the fiscal year based on current expectations for the economy and revenue trends.

	(Dollar Amounts in Thousands)		
	2010-11 Official Estimate	Adjustments	2010-11 Revised Estimate
TAX REVENUE			
Corporation Taxes			
Corporate Net Income Tax.....	\$ 1,847,000	\$ 6,900	\$ 1,853,900
Capital Stock and Franchise Taxes.....	767,000	55,500	822,500
Selective Business:			
Gross Receipts Tax.....	1,331,100	-110,800	1,220,300
Public Utility Realty Tax.....	43,200	-800	42,400
Insurance Premiums Tax.....	420,700	3,000	423,700
Financial Institutions Tax.....	220,700	3,500	224,200
Other Selective Business Taxes.....	16,900	-1,900	15,000
Total — Corporation Taxes.....	<u>\$ 4,646,600</u>	<u>\$ -44,600</u>	<u>\$ 4,602,000</u>
Consumption Taxes			
Sales and Use Tax.....	\$ 8,337,300	\$ 166,500	\$ 8,503,800
Cigarette Tax.....	1,092,900	-11,300	1,081,600
Malt Beverage Tax.....	26,000	0	26,000
Liquor Tax.....	284,400	-400	284,000
Total — Consumption Taxes.....	<u>\$ 9,740,600</u>	<u>\$ 154,800</u>	<u>\$ 9,895,400</u>
Other Taxes			
Personal Income Tax.....	\$ 10,124,500	\$ 9,000	\$ 10,133,500
Realty Transfer Tax.....	318,600	-32,900	285,700
Inheritance Tax.....	770,900	-5,900	765,000
Table Games.....	76,400	-11,000	65,400
Minor and Repealed Taxes.....	8,700	0	8,700
Total — Other Taxes.....	<u>\$ 11,299,100</u>	<u>\$ -40,800</u>	<u>\$ 11,258,300</u>
TOTAL TAX REVENUE.....	<u>\$ 25,686,300</u>	<u>\$ 69,400</u>	<u>\$ 25,755,700</u>
NONTAX REVENUE			
State Stores Fund Transfer.....	\$ 105,000	\$ 0	\$ 105,000
Licenses Fees and Miscellaneous:			
Licenses and Fees.....	139,200	-3,500	135,700
Miscellaneous.....	761,000	13,600	774,600
Fines, Penalties and Interest:			
On Taxes.....	17,000	0	17,000
Other.....	3,200	-1,100	2,100
TOTAL NONTAX REVENUES.....	<u>\$ 1,025,400</u>	<u>\$ 9,000</u>	<u>\$ 1,034,400</u>
GENERAL FUND TOTAL.....	<u>\$ 26,711,700</u>	<u>\$ 78,400</u>	<u>\$ 26,790,100</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 83 percent for tax year 2009 and 90 percent for tax year 2010 and beyond.

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 \$160,000 of capital stock value is exempt.

Tax Rates:

January 1, 2009 through December 31, 2011	2.89 mills (including \$40 million transfer to the Hazardous Sites Cleanup Fund). Beginning in 2012, the rate declines by one mill per year until the tax is eliminated on January 1, 2014.
January 1, 2008 through December 31, 2008	2.89 mills.
January 1, 2007 through December 31, 2007	3.89 mills
January 1, 2006 through December 31, 2006	4.89 mills
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 the Hazardous Sites Cleanup Fund referred to as the 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.



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. No surcharge was required for tax year 2006. The surcharge for tax year 2007 was 1.2 mills and the surcharge for tax year 2008 was 2.8 mills. There was no surcharge for tax years 2009 or 2010. The surcharge for tax year 2011 is 1.8 mills.

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 policies written with surplus lines agents or other nonadmitted insurers.

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 Institution 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

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 0.947 percent of revenues from this tax is deposited in the Public Transportation Assistance Fund. Beginning in fiscal year 2007-08, 4.4 percent of receipts are transferred annually to the Public Transportation Trust 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 and little cigars weighing less than 4 pounds per 1,000 sticks within Pennsylvania. Only one sale of the cigarette is taxable.

Tax Rates: The rate is 8.00 cents per cigarette. Beginning in January 2004, 18.52 percent of cigarette tax receipts is transferred to the Health Care Provider Retention Account. This transfer was eliminated beginning November 2009. 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. 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 or 6 fluid ounces or fraction thereof.

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

Liquor Tax

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

Tax 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 trusts 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 through June 2006. The rate reduced to 2.1 percent for July 2006 through June 2007, and returned to 15 percent for July 2007 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.

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 was phased out between 2002 and 2005; the credit is to be fully reinstated in 2011 under current law.

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.

Table Game Taxes

Tax Base: These taxes are imposed on gross table game revenue of licensed gaming entities. Gross table game revenue is defined as total cash or cash equivalents received in the playing of table games, contest or tournament fees or payments, and total amount of rakes collected minus cash or cash equivalents paid out, paid to purchase annuities to fund prizes, and paid for personal property distributed to patrons as a result of playing a table game. The revenue from these taxes are deposited to the General Fund until such time as, on the last day of the fiscal year, the balance in the Budget Stabilization Reserve Fund is certified by the Secretary of the Budget to exceed \$750,000,000. Thereafter, the funds from these taxes are deposited to the Property Tax Relief Fund.

Tax Rates: 14 percent of gross table game revenue for 2 years following commencement of table game operations at the facility; 12 percent thereafter. In addition to the above percentages, 34 percent of gross table game revenue from table games played on fully automated electronic gaming tables.

Reference: Purdon's Title 4 P.S. § 13A62.

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)

	2009-10 Actual	2010-11 Estimated	2011-12 Budget
TAX REVENUE			
Corporate Net Income Tax	\$ 1,790,963	\$ 1,853,900	\$ 2,031,400
Capital Stock and Franchise Taxes			
Capital Stock Taxes — Domestic.....	\$ 211,476	\$ 228,500	\$ 212,900
Franchise Taxes — Foreign.....	549,712	594,000	543,000
SUBTOTAL	\$ 761,188	\$ 822,500	\$ 755,900
Gross Receipts Tax			
Electric, Hydroelectric and Water Power.....	\$ 814,209	\$ 798,600	\$ 890,600
Motor Transportation.....	36	0	0
Telephone and Telegraph.....	468,999	418,300	442,200
Transportation.....	3,425	3,400	3,400
SUBTOTAL	\$ 1,286,669	\$ 1,220,300	\$ 1,336,200
Public Utility Realty Tax	\$ 39,549	\$ 42,400	\$ 46,500
Insurance Premiums Tax			
Domestic Casualty.....	\$ 92,124	\$ 84,900	\$ 86,700
Domestic Fire.....	17,894	16,500	16,800
Domestic Life and Previously Exempted Lines.....	78,798	72,700	74,200
Excess Insurance Brokers.....	20,822	19,200	19,600
Foreign Excess Casualty.....	4,428	4,100	4,200
Foreign Excess Fire.....	1,541	1,400	1,500
Foreign Life.....	232,199	214,100	218,500
Marine.....	338	300	300
Title Insurance.....	5,343	4,900	5,000
Unauthorized Insurance.....	6,040	5,600	5,700
SUBTOTAL	\$ 459,528	\$ 423,700	\$ 432,500
Financial Institutions Taxes			
Federal Mutual Thrift Institutions.....	\$ 4,281	\$ 3,900	\$ 3,900
National Banks.....	159,752	161,500	162,700
State Banks.....	34,343	34,700	35,000
State Mutual Thrift Institutions.....	6,378	5,800	5,800
Trust Companies.....	18,048	18,200	18,400
SUBTOTAL	\$ 222,802	\$ 224,100	\$ 225,800
Other Selective Business Taxes			
Corporate Loans — Domestic.....	\$ 13,895	\$ 9,300	\$ 11,900
Corporate Loans — Foreign.....	1,919	1,900	1,600
Miscellaneous Business Taxes.....	345	500	300
Corporation Taxes — Clearing Accounts Undistributed.....	2,349	3,300	2,000
SUBTOTAL	\$ 18,508	\$ 15,000	\$ 15,800
Sales and Use Tax			
Motor Vehicle.....	\$ 995,712	\$ 1,069,500	\$ 1,172,600
Non-Motor Vehicle.....	7,033,457	7,434,300	7,486,400
SUBTOTAL	\$ 8,029,170	\$ 8,503,800	\$ 8,659,000

* Less than \$500.



General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimated	2011-12 Budget
Cigarette Tax	\$ 976,056	\$ 1,081,600	\$ 1,081,600
Malt Beverage Tax	\$ 26,587	\$ 26,000	\$ 26,000
Liquor Tax	\$ 271,015	\$ 284,000	\$ 313,200
Personal Income Tax			
Non-Withholding.....	\$ 2,117,022	\$ 2,173,000	\$ 2,438,000
Withholding.....	7,851,711	7,960,500	8,374,000
SUBTOTAL	\$ 9,968,733	\$ 10,133,500	\$ 10,812,000
Realty Transfer Tax	\$ 296,033	\$ 285,700	\$ 334,000
Inheritance Tax			
Nonresident Inheritance and Estate Tax.....	\$ 6,821	\$ 6,900	\$ 7,200
Resident Inheritance and Estate Tax.....	746,957	758,100	793,500
SUBTOTAL	\$ 753,778	\$ 765,000	\$ 800,700
Table Games	\$ 0	\$ 65,400	\$ 88,000
Minor and Repealed Taxes			
Spirituos and Vinous Liquors Tax.....	\$ 36	\$ 0	\$ 0
Unallocated EFT Payments.....	-351	-300	-300
Excess Vehicle Rental Tax.....	7,165	6,700	6,700
Payments of Intergrated Taxes (KITS).....	556	500	500
Tax on Writs, Wills and Deeds.....	1,675	1,600	1,600
Clearing of Wage Garnishment Collections.....	269	300	300
SUBTOTAL	\$ 9,349	\$ 8,800	\$ 8,800
TOTAL TAX REVENUE	\$ 24,909,929	\$ 25,755,700	\$ 26,967,400
NONTAX REVENUES			
State Stores Fund Transfer	\$ 105,000	\$ 105,000	\$ 80,000
Tobacco Master Settlement Agreement Payments	\$ 0	\$ 0	\$ 338,622
Licenses, Fees and Miscellaneous			
Governor's Offices			
MISCELLANEOUS REVENUE			
Right To Know.....	\$ 1	\$ 0	\$ 0
Miscellaneous.....	*	0	0
SUBTOTAL	\$ 1	\$ 0	\$ 0
Executive Offices			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 533	\$ 534	\$ 534
Interest Transferred to Employee Benefits.....	-1,590	-1,592	-1,592
Access to Justice Account.....	-12	-12	-12
Right To Know.....	*	1	1
Refunds Of Expenditures Not Credited To Appropriations.....	4	5	5
SUBTOTAL	\$ -1,065	\$ -1,064	\$ -1,064

* Less than \$500.



General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimated	2011-12 Budget
Lieutenant Governor's Office			
LICENSES AND FEES			
Board Of Pardons Fees.....	\$ 18	\$ 18	\$ 18
Board Of Pardons — Filing Fees.....	13	13	13
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ *	\$ 0	\$ 0
SUBTOTAL.....	\$ 31	\$ 31	\$ 31
Auditor General			
LICENSES AND FEES			
Filing Fees — Board of Arbitration of Claims.....	\$ 1	\$ 2	\$ 2
SUBTOTAL.....	\$ 1	\$ 2	\$ 2
Attorney General			
MISCELLANEOUS REVENUE			
Assessed Civil Penalties Payments.....	\$ 149	\$ 255	\$ 255
Miscellaneous Interest Offset for Appropriation 611.....	-87	-113	-113
Miscellaneous.....	4	4	4
Refunds Of Expenditures Not Credited To Appropriations.....	24	22	22
Home Improvement Contractor Fee.....	2,167	1,751	1,751
SUBTOTAL.....	\$ 2,257	\$ 1,919	\$ 1,919
Treasury Department			
MISCELLANEOUS REVENUE			
Allocation Of Treasury Costs.....	\$ 3,918	\$ 0	\$ 0
Contra Account Audit Service fees.....	*	0	-1
Depository Adjustments.....	3	0	4
Dividend Income Reinvested - Long Term.....	797	0	797
Interest Transferred to Asbestos/Lead Account.....	-47	0	-47
Interest Transferred to Hodge Trust Fund.....	*	0	*
Interest on Average Collected Balance - WIC Program.....	3	0	3
Interest On Deposits.....	138	0	138
Interest On Securities — Liquor License Fund.....	6	0	6
Interest On Securities.....	2,441	5,306	16,659
Miscellaneous.....	164	0	0
Redeposit Of Checks.....	2,622	0	2,622
Unclaimed Property — Contra Acct Paypal Fees.....	-11	-150	-10
Unclaimed Property — Claim Payments.....	-97,377	206,220	-100,000
Unclaimed Property — Financial Institution Deposits.....	34,812	26,250	156,098
Unclaimed Property — Other Holder Deposits.....	178,838	-110,090	47,999
SUBTOTAL.....	\$ 126,307	\$ 127,536	\$ 124,268
Department of Agriculture			
LICENSES AND FEES			
Abattoir Licenses.....	\$ *	\$ *	\$ *
Approved Inspectors Certificate And Registration Fees.....	2	3	3
Domestic Animal Dealers' Licenses.....	50	50	50
Eating & Drinking Licenses.....	1,949	1,860	2,000
Egg Certification Fees.....	12	12	12
Egg Opening Licenses.....	*	0	0
Farm Products Inspection Fees.....	56	57	57
Garbage Feeders Licenses.....	*	*	*
Ice Cream Licenses.....	120	107	107
Lab Directors' Exam Fees.....	1	1	1
Livestock Branding Fees.....	*	*	*

* Less than \$500.



General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimated	2011-12 Budget
Department of Agriculture (continued)			
Maple Syrup Program.....	0	*	0
Miscellaneous Licenses And Fees.....	11	14	15
Poultry Technician Licenses.....	4	4	4
Pub Weighmasters (Under Act 155).....	220	201	201
Registration Fee — Food Establishment.....	257	242	243
Rendering Plant Licenses.....	5	6	5
Veterinarian Diagnostic Laboratory Fees.....	513	555	555
MISCELLANEOUS REVENUE			
Interest Earnings Contra BA 68.....	\$ 6	\$ 7	\$ 7
Miscellaneous.....	16	5	6
Refunds Of Expenditures Not Credited To Appropriations.....	*	*	*
Right to Know.....	1	1	1
Sale of Surplus Products.....	0	0	0
SUBTOTAL.....	\$ 3,223	\$ 3,125	\$ 3,267
Civil Service Commission			
MISCELLANEOUS REVENUE			
Refunds of Expend Not Credited to Appropriations.....	\$ 1	\$ 0	\$ 0
SUBTOTAL.....	\$ 1	\$ 0	\$ 0
Department of Community and Economic Development			
LICENSES AND FEES			
Municipal Indebtedness Fees.....	\$ 264	\$ 265	\$ 270
MISCELLANEOUS REVENUE			
Miscellaneous.....	956	980	1,005
General Principal Repayments.....	22	23	20
General Interest on Loans.....	2	3	3
HRA/EDS Principal Repayments.....	230	225	200
HRA/EDS Interest on Loans.....	12	13	13
ID/BID Principal Repayments.....	576	575	575
ID/BID Penalty Charges.....	0	0	0
ID/BID Interest on Loans.....	216	215	220
PNHLA Prior Year In-Transit.....	0	0	0
Refunds of Expenditures Not Credited to Appropriations.....	41	50	50
SUBTOTAL.....	\$ 2,319	\$ 2,349	\$ 2,356
Department of Conservation and Natural Resources			
MISCELLANEOUS REVENUE			
Camp Leases.....	\$ 804	\$ 804	\$ 804
Ground Rents.....	16	15	15
Housing Rents.....	24	24	24
Minerals Sales.....	2	2	2
Miscellaneous.....	3	3	3
Sale of DEP Water Kits.....	2	2	1
Refunds Of Expenditures Not Credited To Appropriations.....	5	1	1
Rights-Of-Way.....	773	773	850
Water Leases.....	7	5	5
SUBTOTAL.....	\$ 1,636	\$ 1,629	\$ 1,705
Department of Corrections			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 33	\$ 20	\$ 20
Refunds Of Expenditures Not Credited To Appropriations.....	-2	2	2
Telephone Commissions.....	7,175	7,400	7,500
SUBTOTAL.....	\$ 7,206	\$ 7,422	\$ 7,522

* Less than \$500.



General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimated	2011-12 Budget
Department of Education			
LICENSES AND FEES			
Fees For GED Transcripts.....	\$ 59	\$ 59	\$ 59
Fees For Licensing Private Schools.....	163	234	234
PDE Fees Transcripts — Closed Private Schools.....	*	*	*
Private Academic School Teacher Certification Fees.....	14	68	67
Fees For Licensing Private Driver Training Schools.....	81	70	70
Secondary Education Evaluation Fees.....	3	10	10
Teacher Certification Fees.....	1,726	3,900	4,000
Fingerprint and FBI Background Check Fees.....	111	124	124
MISCELLANEOUS REVENUE			
Miscellaneous.....	3,761	0	0
Right to Know.....	*	0	0
Refunds of Expenditures Not Credited to Appropriations.....	*	0	0
SUBTOTAL.....	\$ 5,918	\$ 4,465	\$ 4,564
Emergency Management Agency			
MISCELLANEOUS REVENUE			
Interest Earnings Contra BA 31.....	\$ 1	0	0
Refunds of Expenditures Not Credited to Appropriations.....	2	0	0
SUBTOTAL.....	\$ 3	\$ 0	\$ 0
Department of Environmental Protection			
LICENSES AND FEES			
Bituminous Miners' Examination and Certification Fees.....	\$ *	\$ 0	\$ 0
Blasters' Examination and Licensing Fees.....	55	0	0
Dams and Encroachment Fees.....	115	116	116
Examination and Certification Fees.....	*	0	0
Explosives Storage Permit Fees.....	67	67	66
Government Financed Costs Contracts.....	5	0	0
Hazardous Waste Facility Annual Permit Administration Fees.....	40	40	40
Hazardous Waste Facility Permit Application Fees.....	15	2	15
Hazardous Waste Storage-Disposal Fac-Fee.....	45	45	45
Hazardous Waste Transporter License and Fees.....	42	42	42
Infectious and Chemical Waste Transport Fees.....	11	11	11
Municipal Waste Annual Permit Administration Fees.....	204	206	206
Municipal Waste Permit Application Fees.....	102	103	103
Residual Waste Closure Administration Fees.....	9	9	9
Residual Waste Permit Administration Fees.....	185	180	175
Residual Waste Permit Application/Modification Fees.....	84	70	70
Restaurant Licenses.....	0	0	0
Sewage Enforcement+Exam Fees.....	0	0	0
Sewage Permit Fees.....	296	299	299
Submerged Land Fees.....	52	53	53
Tipping Fees.....	0	0	0
Water Bacteriological Examination Fees.....	14	14	14
Water Power and Supply Permit Fees.....	94	74	74
MISCELLANEOUS REVENUE			
Ground Rentals.....	\$ 20	\$ 20	\$ 20
Interest Earnings Contra BA 35.....	1	1	1
Miscellaneous.....	99	21	22
Payment To Occupy Submerged Lands.....	331	301	304
Penalty Charges — Delinquent Interest.....	0	0	0
Refunds of Expenditures Not Credited to Appropriations.....	114	5	5
Repayment Of Loans — Water Facilities.....	0	0	0

* Less than \$500.



General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimated	2011-12 Budget
Department of Environmental Protection (continued)			
MISCELLANEOUS REVENUE			
Rights-of-Way.....	\$ 19	\$ 7	\$ 7
Royalties for Recovery Of Materials — Schuylkill River.....	92	66	67
Sales Tax Escrow Account.....	0	0	0
Sales Tax — Allegheny County.....	0	0	0
Sewage Treatment And Waterworks Application Fees.....	0	0	0
Surface Subsidence Assistance Loans — Repayments.....	0	0	0
SUBTOTAL.....	\$ 2,111	\$ 1,752	\$ 1,764
Department of General Services			
MISCELLANEOUS REVENUE			
Allocation Of Purchasing Costs Job 7.....	\$ 2,717	\$ 2,631	\$ 2,697
Miscellaneous.....	4	4	4
Real Estate Services.....	257	263	270
Rebates to be Distributed.....	87	87	87
Refunds of Expenditures Not Credited to Appropriations.....	1	1	1
Rental Of State Property.....	186	100	100
Right To Know.....	2	3	3
Sale Of Publications.....	-2	0	0
Sale Of State Property.....	1,521	28,000	5,000
Sale Of Unserviceable Property.....	28	267	267
Sale Of Property Escrow.....	3	3	3
Reading State Office Building.....	207	212	217
Scranton State Office Building.....	1,125	1,153	1,182
Altoona State Office Building.....	0	0	0
SUBTOTAL.....	\$ 6,136	\$ 32,724	\$ 9,831
Department of Health			
LICENSES AND FEES			
Bathing Place Program — Application Fees.....	\$ 1	\$ 1	\$ 1
Cre Certification Fees.....	19	20	20
Home Care Agency Licensure Fees.....	94	109	109
Hospice Licensing Fees.....	25	29	29
Immunization Service Fees.....	19	20	20
Life Safety Code Inspection Fees.....	0	0	0
Miscellaneous Licensure Fees.....	141	139	139
Nursing Home Licenses.....	305	306	306
Pediatric Extended Care Licensing Fees.....	3	2	2
Profit Making Hospital Licenses.....	267	242	242
Organized Camps Program Fees.....	4	4	4
Registration Fees — Hearing Aid Act.....	109	106	106
Registration Fees — Drugs Devices and Cosmetics Act.....	451	465	480
Vital Statistics Fees.....	5,344	5,367	5,367
Wholesale Prescription Drug Distribution Licenses.....	81	87	94
MISCELLANEOUS REVENUE			
Interest Transferred to Share Loan Program.....	1	-2	-2
Miscellaneous.....	65	64	64
Right to Know.....	1	1	1
Refunds of Expenditures Not Credited to Appropriations.....	-1	0	0
SUBTOTAL.....	\$ 6,929	\$ 6,960	\$ 6,982
Historical and Museum Commission			
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations.....	6	6	6
SUBTOTAL.....	\$ 6	\$ 6	\$ 6

* Less than \$500.



General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimated	2011-12 Budget
Insurance Department			
LICENSES AND FEES			
Agents' Licenses.....	28,051	\$ 27,500	\$ 27,500
Brokers' Licenses.....	8,241	8,900	8,900
Division of Companies Certification — Certificates and Filing Fees.....	2,135	2,000	2,000
Examination Fees and Expenses.....	2,523	2,600	2,600
Market Conduct Examination Fees.....	985	1,000	1,000
Miscellaneous Fees.....	637	550	550
Miscellaneous Licenses.....	0	0	0
New Applicants.....	0	0	0
Physical Damage Appraiser License.....	0	0	0
Renewals.....	0	0	0
Valuation of Policies Fees.....	3,871	3,750	3,750
MISCELLANEOUS REVENUE			
Contra to Revenue Code 001780-009696-102.....	\$ -3	\$ 0	\$ 0
Miscellaneous.....	\$ 8	\$ 5	\$ 5
Refunds of Expenditures Not Credited to Appropriations.....	1	2	2
SUBTOTAL.....	\$ 46,449	\$ 46,307	\$ 46,307
Department of Labor and Industry			
LICENSES AND FEES			
Accessibility.....	\$ 55	\$ 55	\$ 55
Approval of Building Plan Fees.....	532	532	500
Approval of Elevator Plan Fees.....	480	480	475
Bedding And Upholstery Fees.....	671	671	650
Boiler Inspection Fees.....	4,341	4,341	4,200
Boiler Plan Fees.....	51	51	50
Elevator Inspection Fees.....	585	585	580
Employment Agency Licenses.....	22	22	22
Employment Agents' Registration Fees.....	2	2	3
Flammable Liquids Storage Fees.....	36	36	35
Industrial Board.....	65	65	65
Liquefied Petroleum Gas Plan Fees.....	10	10	9
Liquefied Petroleum Gas Registration Fees.....	235	212	200
Stuffed Toys Manufacturers' Registration Fees.....	69	69	67
UCC Certifications.....	87	87	80
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 28	\$ 28	\$ 28
Refunds of Expenditures Not Credited to Appropriations.....	64	63	63
SUBTOTAL.....	\$ 7,275	\$ 7,309	\$ 7,082
Department of Military and Veterans Affairs			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 2	\$ 0	\$ 0
Refunds of Expenditures Not Credited to Appropriations.....	\$ 1	\$ 1	\$ 1
Right To know.....	0	*	*
SUBTOTAL.....	\$ 3	\$ 1	\$ 1
Board of Probation and Parole			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ *	\$ 0	\$ 0
Refunds of Expenditures Not Credited to Appropriations.....	*	\$ 0	\$ 0
SUBTOTAL.....	\$ 0	\$ 0	\$ 0

* Less than \$500.



General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimated	2011-12 Budget
Department of Public Welfare			
LICENSES AND FEES			
Private Mental Hospital Licenses.....	\$ 46	\$ 46	\$ 46
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 125	50	50
Refunds of Expenditures Not Credited to Appropriations.....	-2	2	3
SUBTOTAL.....	\$ 169	\$ 98	\$ 99
Department of Revenue			
LICENSES AND FEES			
Certification And Copy Fees.....	\$ 30	\$ 30	\$ 30
Cigarette Permit Fees.....	436	400	400
Domestic Violence and Rape Crisis Program Fee.....	1,578	1,400	1,300
Autho Fees/ Act 2010.....	165,000	15,000	0
MISCELLANEOUS REVENUE			
Exempt Collections Per Act 1992-67.....	\$ 18,034	18,600	19,200
District Justice Costs.....	7,631	7,600	7,600
Miscellaneous.....	7,859	200	200
Distribution Due Absentee.....	74	85	85
Donations.....	0	0	0
Conscience Money.....	1	1	1
Table License Fees Man S.....	530	315	315
Right to Know.....	*	0	0
Refunds of Expenditures Not Credited to Appropriations.....	5	10	10
SUBTOTAL.....	\$ 201,178	\$ 43,641	\$ 29,141
Securities Commission			
LICENSES AND FEES			
Associated Persons — Initial.....	\$ 98	\$ 112	\$ 123
Associated Persons — Renewal.....	395	415	456
Associated Persons — Transfer.....	7	4	8
Brokers, Dealers Registration Fees — Initial.....	57	61	65
Brokers, Dealers Registration Fees — Renewal.....	811	840	927
Costs — Examination, Auditing, Investigation, Prosecution — Except Takeover Costs.....	0	1	1
Investment Advisors' Filing Fees — Initial.....	24	29	33
Investment Advisors' Filing Fees — Renewal.....	187	197	226
Investment Advisors' — Notice Filings Initial.....	75	82	88
Investment Advisors' — Notice Filings Renewal.....	563	592	621
Mutual Funds — Increase in Amount of Filing.....	576	850	850
Mutual Funds — Initial Filing.....	497	500	50
Mutual Funds — Renewal Filing.....	2,815	3,500	3,500
506 RD Filings.....	1,069	1,400	1,400

* Less than \$500.



General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimated	2011-12 Budget
Securities Commission (continued)			
LICENSES AND FEES			
Section 203 (D) — Initial Filing.....	7	8	8
Section 203 (I) (O) (II) — Initial Filing.....	0	*	*
Section 203(P) — Initial Filing.....	*	*	*
Section 203(S) — Initial Filing.....	3	5	5
Section 203(T) — Filing.....	0	7	7
Section 205 — Security Registration and Amendment Fees.....	28	50	50
Section 206 — Increase in Amount of Filing.....	0	1	1
Section 206 — Qualification Filing — Initial.....	101	160	160
Securities Agents' Filing Fees — Initial.....	3,003	3,152	3,310
Securities Agents' Filing Fees — Renewal.....	12,279	12,880	13,266
Securities Agents' Filing Fees — Transfer.....	285	500	500
Takeover Disclosure Filing Fees + Sct Iv Rgtr.....	0	6	6
MISCELLANEOUS REVENUE			
Miscellaneous.....	*	0	0
SUBTOTAL.....	\$ 22,880	\$ 25,352	\$ 25,661
Department of State			
LICENSES AND FEES			
Charities Bureau Registration Fees.....	\$ 2,086	\$ 2,000	\$ 2,000
Commission and Filing Fees — Bureau Of Elections.....	834	84	86
Commission and Filing Fees — Corporation Bureau.....	22,601	23,226	23,691
Commission Fees.....	1	577	584
Notary Public Commission Fees.....	883	983	1,027
MISCELLANEOUS REVENUE			
Prof. & Occupational Affairs Credit Card Transfers.....	-1,146	0	0
Interest Transferred to HAVA Program.....	-141	0	0
Refunds of Expenditures Not Credited to Appropriations.....	2	0	0
Right To Know.....	1	1	1
SUBTOTAL.....	\$ 25,121	\$ 26,871	\$ 27,389
State Police			
MISCELLANEOUS REVENUE			
Act 64 - Contra Miscellaneous Revenue	\$ -3	\$ 0	\$ 0
Miscellaneous.....	277	350	350
Reimbursement For Lost Property.....	19	1	1
Refunds of Expenditures Not Credited to Appropriations.....	63	300	300
SUBTOTAL.....	\$ 356	\$ 651	\$ 651
Department of Transportation			
MISCELLANEOUS REVENUE			
Interest on Securities — Railroad Rehabilitation & Improve.....	\$ 1	\$ 0	\$ 0
SUBTOTAL.....	\$ 1	\$ 0	\$ 0
Other			
MISCELLANEOUS REVENUE			
Payments in Lieu of Taxes — SWIF.....	\$ 4,130	\$ 3,000	\$ 3,000
Gaming Control Board - Miscellaneous.....	0	100	100
State Ethics Commission - Refunds of Expend Not Credited to Approp	2	2	2
State Tax Equalization Board - Right to Know.....	*	1	1
Supreme Court.....	65	63	63
Transfers From Special Funds.....	2,136,041	568,000	237,236
SUBTOTAL.....	\$ 2,140,238	\$ 571,166	\$ 240,402
Total Licenses, Fees and Miscellaneous.....	\$ 2,606,690	\$ 910,252	\$ 539,886
Fines, Penalties and Interest on Taxes			
Corporation Net Income Tax.....	\$ 11,313	\$ 8,000	\$ 8,000
Interest on Excise Taxes — Corporations (Department of Revenue).....	12,065	8,500	8,500
Penalties on Excise Taxes — Corporations.....	639	500	500
SUBTOTAL.....	\$ 24,017	\$ 17,000	\$ 17,000

* Less than \$500.



General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimated	2011-12 Budget
Other Fines and Penalties			
Department of Agriculture			
Amusement Rides and Attractions — Fines.....	\$ 1	\$ 1	\$ 1
General Food Fines.....	4	2	3
Harness Racing Fines and Penalties.....	135	145	148
Horse Racing Fines and Penalties.....	162	156	158
Miscellaneous Fines.....	*	3	3
Civil Penalties - Food Establishments.....	3	2	4
Seasonal Farm Laborers Fines & Penalties.....	1	1	1
Weights & Mearsures Division - Fines.....	0	7	1
Department of Conservation and Natural Resources			
Miscellaneous Fines.....	9	2	2
Ethics Commission			
Violations-Act 1978-170.....	81	75	75
Gaming Control Board			
Miscellaneous Fines and Penalties.....	751	400	400
Department of Health			
Non-Compliance Fines And Penalties.....	0	30	30
Department of Insurance			
Miscellaneous Fines.....	934	1,000	1,000
Department of Labor and Industry			
Minor Labor Law Fines.....	*	1	1
Miscellaneous Fines.....	62	65	65
Public Utility Commission			
Violation Of Order Fines.....	373	250	250
Department of Revenue			
Malt Liquor Fines and Penalties.....	10	8	8
SUBTOTAL.....	\$ 2,526	\$ 2,148	\$ 2,150
Total Fines, Penalties and Interest.....	\$ 26,543	\$ 19,148	\$ 19,150
TOTAL NONTAX REVENUES.....	\$ 2,738,233	\$ 1,034,400	\$ 977,658
TOTAL GENERAL FUND REVENUES.....	\$ 27,648,162	\$ 26,790,100	\$ 27,945,058

* 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)					
	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Actual
TAX REVENUE						
Corporation Taxes						
Corporate Net Income Tax.....	\$ 1,921,406	\$ 2,301,968	\$ 2,492,482	\$ 2,417,657	\$ 1,979,889	\$ 1,790,963
Capital Stock and Franchise Taxes..	1,025,904	1,080,874	999,954	1,019,942	787,704	761,188
Selective Business:						
Gross Receipts Tax.....	1,125,913	1,150,987	1,293,311	1,348,878	1,376,796	1,286,669
Public Utility Realty Tax.....	41,178	40,209	47,518	44,689	41,867	39,549
Insurance Premiums Tax.....	410,700	390,371	412,490	418,229	431,535	459,528
Financial Institutions Tax.....	208,924	204,657	213,645	191,839	198,505	222,802
Other Selective Business Taxes....	17,695	21,039	16,893	16,435	17,994	18,508
Total — Corporation Taxes.....	\$ 4,751,720	\$ 5,190,105	\$ 5,476,294	\$ 5,457,670	\$ 4,834,291	\$ 4,579,207
Consumption Taxes						
Sales and Use Tax.....	\$ 7,999,952	\$ 8,334,249	\$ 8,590,769	\$ 8,496,554	\$ 8,135,508	\$ 8,029,170
Cigarette Tax.....	784,371	792,124	778,582	784,055	754,159	976,056
Malt Beverage Tax.....	24,904	26,158	25,171	26,289	25,970	26,587
Liquor Tax.....	212,501	223,036	239,494	251,138	266,540	271,015
Total — Consumption Taxes.....	\$ 9,021,728	\$ 9,375,567	\$ 9,634,016	\$ 9,558,036	\$ 9,182,177	\$ 9,302,828
Other Taxes						
Personal Income Tax.....	\$ 8,746,793	\$ 9,524,139	\$ 10,261,619	\$ 10,907,741	\$ 10,198,646	\$ 9,968,733
Realty Transfer Tax.....	472,539	552,450	570,994	429,540	294,464	296,033
Inheritance Tax.....	716,148	745,245	756,553	828,628	772,165	753,778
Minor and Repealed Taxes.....	3,593	-17,366	-15,461	111,569	12,819	9,349
Total — Other Taxes.....	\$ 9,939,073	\$ 10,804,468	\$ 11,573,705	\$ 12,277,478	\$ 11,278,094	\$ 11,027,893
TOTAL TAX REVENUE.....	\$ 23,712,521	\$ 25,370,140	\$ 26,684,015	\$ 27,293,184	\$ 25,294,563	\$ 24,909,929
NONTAX REVENUE						
State Stores Fund Transfer.....	\$ 54,900	\$ 80,000	\$ 150,000	\$ 80,000	\$ 125,000	\$ 105,000
Licenses, Fees and Miscellaneous:						
Licenses and Fees.....	121,131	115,836	119,587	122,422	120,715	284,002
Miscellaneous.....	387,994	252,798	454,037	383,904	-30,556	2,322,688
Fines, Penalties and Interest:						
On Taxes.....	24,067	32,584	38,287	36,753	17,242	24,018
Other.....	7,927	2,938	3,410	11,799	2,839	2,525
TOTAL NONTAX REVENUES.....	\$ 596,019	\$ 484,156	\$ 765,321	\$ 634,878	\$ 235,240	\$ 2,738,233
GENERAL FUND TOTAL.....	\$ 24,308,540	\$ 25,854,296	\$ 27,449,336	\$ 27,928,062	\$ 25,529,803	\$ 27,648,162

Totals may not add due to rounding.





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)

	<u>2009-10 Actual</u>	<u>2010-11 Available</u>	<u>2011-12 Estimated</u>
Beginning Balance.....	\$ 57,684	\$ 165,145	\$ 277,707
Revenue:			
Revenue Receipts.....	\$ 2,641,066	\$ 2,323,640	\$ 2,410,850
Adjustment to Official Estimate.....	0	186,390	0
Prior Year Lapses.....	<u>94,068</u>	<u>18,000</u>	<u>0</u>
Funds Available	<u>\$ 2,792,818</u>	<u>\$ 2,693,175</u>	<u>\$ 2,688,557</u>
Expenditures:			
Appropriations.....	<u>\$ 2,627,673</u>	<u>\$ 2,425,468</u>	<u>\$ 2,580,392</u>
Less Current Year Lapses.....	<u>0</u>	<u>-10,000</u>	<u>0</u>
Estimated Expenditures.....	<u>\$ -2,627,673</u>	<u>\$ -2,415,468</u>	<u>\$ -2,580,392</u>
Ending Balance	<u><u>\$ 165,145</u></u>	<u><u>\$ 277,707</u></u>	<u><u>\$ 108,165</u></u>

* Excludes restricted revenue.

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

PROPOSED REVENUE MODIFICATIONS

	<u>2011-12 Estimated</u>
Non-Tax Revenue	
Vehicle Code Fines	\$ 6,750
<p>This budget proposes that the Motor License Fund retain 100% of vehicle fine revenue generated in municipalities where the State Police serves as the primary police force.</p>	
TOTAL PROPOSED MOTOR LICENSE FUND CHANGES IN FISCAL YEAR 2011-12	<u><u>\$ 6,750</u></u>



Summary by Department

	(Dollar Amounts in Thousands)		
	2009-10 Actual	2010-11 Estimate	2011-12 Budget
Executive Offices			
General Government			
Office of the Budget — Comptroller Operations.....	\$ 5,827	\$ 0	\$ 0
Statewide Public Safety Radio System.....	14,757	16,224	14,878
Commonwealth Technology Services.....	2,246	2,553	2,555
DEPARTMENT TOTAL.....	<u>\$ 22,830</u>	<u>\$ 18,777</u>	<u>\$ 17,433</u>
Treasury Department			
General Government			
Administration of Refunding Liquid Fuel Tax.....	\$ 490	\$ 547	\$ 557
Refunding Liquid Fuel Tax — Agricultural (EA).....	3,800	3,800	3,800
Refunding Liquid Fuel Tax — State Share (EA).....	1,000	1,500	1,000
Refunding Liquid Fuel Tax — Political Subdivisions (EA).....	3,000	2,500	3,000
Refunding Liquid Fuel Tax — Volunteer Services (EA).....	400	400	400
Refunding Liquid Fuel Tax — Snowmobiles and ATV's (EA).....	1,000	1,000	1,000
Refunding Liquid Fuel Tax — Boat Fund (EA).....	2,300	2,300	2,300
Replacement Checks (EA).....	100	100	100
Subtotal.....	<u>\$ 12,090</u>	<u>\$ 12,147</u>	<u>\$ 12,157</u>
Debt Service Requirements			
Capital Debt — Transportation Projects.....	\$ 11,634	\$ 11,379	\$ 10,510
General Obligation Debt Service.....	13,052	13,569	14,800
Loan and Transfer Agent.....	50	50	50
Subtotal.....	<u>\$ 24,736</u>	<u>\$ 24,998</u>	<u>\$ 25,360</u>
TOTAL STATE FUNDS	<u>\$ 36,826</u>	<u>\$ 37,145</u>	<u>\$ 37,517</u>
Restricted Revenue.....	\$ 24,635	\$ 42,574	\$ 47,685
DEPARTMENT TOTAL.....	<u>\$ 61,461</u>	<u>\$ 79,719</u>	<u>\$ 85,202</u>
Department of Agriculture			
Weights and Measures.....	\$ 4,689	\$ 3,975	\$ 4,328
DEPARTMENT TOTAL.....	<u>\$ 4,689</u>	<u>\$ 3,975</u>	<u>\$ 4,328</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.....	\$ 7,000	\$ 7,000	\$ 3,000
DEPARTMENT TOTAL.....	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ 4,000</u>
Department of Education			
Grants and Subsidies			
Safe Driving Course.....	\$ 875	\$ 1,103	\$ 1,103
DEPARTMENT TOTAL.....	<u>\$ 875</u>	<u>\$ 1,103</u>	<u>\$ 1,103</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>

Summary by Department (continued)

	(Dollar Amounts in Thousands)		
	2009-10 Actual	2010-11 Estimate	2011-12 Budget
Department of General Services			
Tort Claims Payments.....	\$ 12,500	\$ 12,500	\$ 12,500
Harristown Rental Charges (EA).....	78	89	92
Harristown Utility and Municipal Charges (EA).....	176	190	193
DEPARTMENT TOTAL.....	<u>\$ 12,754</u>	<u>\$ 12,779</u>	<u>\$ 12,785</u>
Department of Revenue			
General Government			
Collections — Liquid Fuels Tax.....	\$ 14,197	\$ 15,218	\$ 15,218
Refunding Liquid Fuels Tax.....	10,000	11,000	11,000
TOTAL STATE FUNDS.....	<u>\$ 24,197</u>	<u>\$ 26,218</u>	<u>\$ 26,218</u>
Federal Funds.....	\$ 342	\$ 130	\$ 250
DEPARTMENT TOTAL.....	<u>\$ 24,539</u>	<u>\$ 26,348</u>	<u>\$ 26,468</u>
State Police			
General Government			
General Government Operations.....	\$ 472,406	\$ 493,312	\$ 524,619
Law Enforcement Information Technology.....	19,512	19,821	19,503
Municipal Police Training.....	1,018	1,103	1,081
Patrol Vehicles.....	11,000	11,000	11,000
Automated Fingerprint Identification System	91	92	87
Commercial Vehicle Inspection.....	8,053	8,127	8,770
TOTAL STATE FUNDS.....	<u>\$ 512,080</u>	<u>\$ 533,455</u>	<u>\$ 565,060</u>
Augmentations.....	\$ 1,046	\$ 552	\$ 0
Restricted Revenue.....	0	2,000	2,000
DEPARTMENT TOTAL.....	<u>\$ 513,126</u>	<u>\$ 536,007</u>	<u>\$ 567,060</u>
Department of Transportation			
General Government			
General Government Operations.....	\$ 47,738	\$ 51,860	\$ 52,456
Welcome Centers.....	2,528	3,064	3,158
Highway and Safety Improvements.....	92,225	102,885	110,000
Expanded Highway and Bridge Program.....	465,000	165,000	165,000
Highway Capital Projects (EA).....	201,000	205,000	215,000
Highway Maintenance.....	754,159	799,147	890,000
Secondary Roads — Maintenance & Resurfacing (EA).....	63,143	61,040	63,797
Reinvestment — Facilities.....	12,000	12,000	16,000
Safety Administration and Licensing.....	112,747	124,420	125,109
Refunding Collected Monies (EA).....	1,500	2,500	2,500
Subtotal.....	<u>\$ 1,752,040</u>	<u>\$ 1,526,916</u>	<u>\$ 1,643,020</u>

Motor License Fund

Summary by Department (continued)

	(Dollar Amounts in Thousands)		
	2009-10 Actual	2010-11 Estimate	2011-12 Budget
Grants and Subsidies			
Local Road Maintenance and Construction Payments.....	\$ 188,382	\$ 192,100	\$ 199,928
Municipal Roads and Bridges.....	30,000	30,000	30,000
Maintenance and Construction of County Bridges.....	5,000	5,000	5,000
Supplemental Local Road Maintenance and Construction Payments.....	5,000	5,000	5,000
Payment to Turnpike Commission (EA).....	28,000	28,000	28,000
Subtotal.....	<u>\$ 256,382</u>	<u>\$ 260,100</u>	<u>\$ 267,928</u>
SUBTOTAL STATE FUNDS.....	<u>\$ 2,008,422</u>	<u>\$ 1,787,016</u>	<u>\$ 1,910,948</u>
Federal Funds.....	\$ 1,632,477	\$ 1,961,616	\$ 1,616,063
Augmentations.....	299,830	268,084	268,584
Restricted Revenue.....	858,149	829,214	857,654
DEPARTMENT TOTAL.....	<u>\$ 4,798,878</u>	<u>\$ 4,845,930</u>	<u>\$ 4,653,249</u>
Fund Summary			
State Funds — Transportation.....	\$ 2,008,422	\$ 1,787,016	\$ 1,910,948
State Funds — Other Departments.....	619,251	638,452	669,444
TOTAL STATE FUNDS.....	<u>\$ 2,627,673</u>	<u>\$ 2,425,468</u>	<u>\$ 2,580,392</u>
Motor License Fund Total—All Funds			
State Funds.....	\$ 2,627,673	\$ 2,425,468	\$ 2,580,392
Federal Funds.....	1,632,819	1,961,746	1,616,313
Augmentations.....	300,876	268,636	268,584
Restricted Revenue.....	889,784	880,788	910,339
FUND TOTAL.....	<u>\$ 5,451,152</u>	<u>\$ 5,536,638</u>	<u>\$ 5,375,628</u>



REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	2009-10 Actual	2010-11 Estimated	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Liquid Fuels Taxes.....	\$ 1,183,922	\$ 1,226,330	\$ 1,232,470	\$ 1,239,830	\$ 1,248,410	\$ 1,258,270	\$ 1,269,420
Motor Licenses and Fees.....	857,666	875,670	894,310	917,910	927,530	929,560	933,040
Other Motor License Fund Revenues.....	599,478	408,030	284,070	287,810	292,080	296,940	302,470
TOTAL MOTOR LICENSE FUND REVENUES.....	\$ 2,641,066	\$ 2,510,030	\$ 2,410,850	\$ 2,445,550	\$ 2,468,020	\$ 2,484,770	\$ 2,504,930
Aviation Restricted Revenues.....	\$ 8,038	\$ 7,330	\$ 7,670	\$ 8,300	\$ 8,340	\$ 8,390	\$ 8,450
Highway Bridge Improvement Restricted Revenues.....	\$ 98,255	\$ 102,250	\$ 102,480	\$ 102,780	\$ 103,210	\$ 103,740	\$ 104,360
State Highway Transfer Restricted Revenues.....	\$ 23,570	\$ 23,980	\$ 24,100	\$ 24,250	\$ 24,420	\$ 24,610	\$ 24,840
Oil Company Franchise Tax Restricted Revenues.....	\$ 432,131	\$ 439,720	\$ 441,920	\$ 444,570	\$ 447,680	\$ 451,260	\$ 455,320
Supplemental Maintenance Restricted Revenues.....	\$ 302,492	\$ 307,800	\$ 309,340	\$ 311,200	\$ 313,380	\$ 315,880	\$ 318,730

Adjustments to 2010-11 Revenue Estimate

On July 6, 2010, an official estimate for the 2010-11 fiscal year of \$2,323,640 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.

	2010-11 Official Estimate	Adjustments	2010-11 Revised Estimate
Liquid Fuels Taxes.....	\$ 1,181,510	\$ 44,820	\$ 1,226,330
Motor Licenses and Fees.....	855,650	20,020	875,670
Other Motor License Fund Revenues.....	286,480	121,550	408,030
TOTAL.....	\$ 2,323,640	\$ 186,390	\$ 2,510,030

Revenue Sources

Liquid Fuels Taxes

	Actual		Estimated
2004-05.....	\$ 1,159,874	2010-11.....	\$ 1,226,330
2005-06.....	1,226,094	2011-12.....	1,232,470
2006-07.....	1,255,361	2012-13.....	1,239,830
2007-08.....	1,236,469	2013-14.....	1,248,410
2008-09.....	1,163,233	2014-15.....	1,258,270
2009-10.....	1,183,922	2015-16.....	1,269,420

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 12 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 12 cents 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 55 mill addition to the oil company franchise tax rate, imposed on fuels effective October 1, 1997. The 55 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 the 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	
2004-05.....	\$ 876,897	2010-11.....	\$ 875,670
2005-06.....	877,813	2011-12.....	894,310
2006-07.....	870,038	2012-13.....	917,910
2007-08.....	872,063	2013-14.....	927,530
2008-09.....	883,846	2014-15.....	929,560
2009-10.....	857,666	2015-16.....	933,040

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	
2004-05.....	\$ 120,101	2010-11.....	\$ 408,030
2005-06.....	161,985	2011-12.....	284,070
2006-07.....	165,377	2012-13.....	287,810
2007-08.....	559,399	2013-14.....	292,080
2008-09.....	509,665	2014-15.....	296,940
2009-10.....	599,478	2015-16.....	302,470

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, 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.

In addition, the Motor License Fund receives payments from the Pennsylvania Turnpike Commission in accordance with Act 44 of 2007.

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)

	2009-10 Actual	2010-11 Estimate	2011-12 Budget
LIQUID FUELS TAXES			
Liquid Fuels Tax			
Liquid Fuels Tax.....	\$ 547,263	\$ 578,940	\$ 581,840
Liquid Fuels Tax Interest.....	24	20	20
Liquid Fuels Tax Penalties.....	1,597	1,690	1,700
Subtotal.....	\$ 548,884	\$ 580,650	\$ 583,560
Fuel Use Tax			
Fuel Use Tax.....	\$ 145,333	\$ 149,370	\$ 150,110
Fuel Use Tax Interest.....	0	0	0
Fuel Use Tax Penalties.....	0	0	0
Subtotal.....	\$ 145,333	\$ 149,370	\$ 150,110
Alternative Fuel Tax			
Alternative Fuel Tax.....	\$ 896	\$ 920	\$ 940
Alternative Fuel Tax Penalties and Interest.....	-323	-330	-340
Subtotal.....	\$ 573	\$ 590	\$ 600
Motor Carriers Road Tax — International Fuel Tax Agreement			
Motor Carriers Road/IFTA — Fuels Tax.....	\$ 40,250	\$ 39,140	\$ 39,340
Motor Carriers Road/IFTA — Registration Fees,			
Special Permit Fees and Fines.....	896	870	870
Subtotal.....	\$ 41,146	\$ 40,010	\$ 40,210
Oil Company Franchise Tax.....	\$ 447,986	\$ 455,710	\$ 457,990
TOTAL LIQUID FUELS TAXES.....	\$ 1,183,922	\$ 1,226,330	\$ 1,232,470
MOTOR LICENSES AND FEES			
Operators' Licenses.....	\$ 60,526	\$ 60,820	\$ 62,580
Other Fees Collected by Bureau of Motor Vehicles.....	30,054	30,210	29,330
Registration Fees Received from Other States/IRP.....	80,466	80,420	80,970
Special Hauling Permit Fees.....	18,445	20,630	21,150
Vehicle Registration and Titling.....	668,175	683,590	700,280
Subtotal.....	\$ 857,666	\$ 875,670	\$ 894,310
OTHER MOTOR LICENSE FUND REVENUES			
Gross Receipts Tax.....	\$ -15	\$ 0	\$ 0
Fines and Penalties			
Department of Revenue			
Vehicle Code Fines.....	\$ 24,314	\$ 24,350	\$ 31,100
Department of Transportation			
Vehicle Code Fines.....	5,545	5,550	5,550
Subtotal.....	\$ 29,859	\$ 29,900	\$ 36,650



Revenue Detail (continued)

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimate	2011-12 Budget
Miscellaneous Revenues			
Treasury Department			
Interest on Deposits - Cash Advancement Accounts	\$ 0	\$ 0	\$ 0
Interest Income Reinvested - Long Term.....	183	690	110
Interest on Securities.....	40,949	154,270	23,890
Interest on Securities - Liquid Fuels Tax Fund.....	32	120	20
Redeposit of Checks.....	-27	-100	-20
Subtotal.....	\$ 41,137	\$ 154,980	\$ 24,000
Department of General Services			
Rent of State Property.....	\$ 0	\$ 0	\$ 0
Sale of Unserviceable Property.....	903	1,130	1,140
Subtotal.....	\$ 903	\$ 1,130	\$ 1,140
Department of Transportation			
Fees for Reclaiming Abandoned Vehicles.....	\$ 38	\$ 40	\$ 40
Highway Bridge Income.....	150	150	150
Highway Encroachment Permits.....	1,208	1,190	1,200
Interest Earned - Restricted Revenue.....	-496 ^a	-490 ^a	-490 ^a
Loan Repayments - Interest.....	5,164	0	0
Miscellaneous Revenues.....	102	100	100
Recovered Damages.....	178	180	180
Refunds of Expenditures Not Credited to			
Appropriations or Allocations.....	3	0	0
Sale of Inspection Stickers.....	21,041	20,800	21,010
Sale of Maps and Plans.....	94	90	90
Subtotal.....	\$ 27,482	\$ 22,060	\$ 22,280
Department of Revenue			
Miscellaneous.....	\$ 112	\$ 0	\$ 0
Refunds of Expenditures Not Credited to			
Appropriations or Allocations.....	0	-40	0
Subtotal.....	\$ 112	\$ -40	\$ 0
Pennsylvania Turnpike			
Annual Payments.....	\$ 500,000	\$ 200,000	\$ 200,000
TOTAL OTHER MOTOR LICENSE FUND REVENUES.....	\$ 599,478	\$ 408,030	\$ 284,070
TOTAL MOTOR LICENSE FUND REVENUES.....	\$ 2,641,066	\$ 2,510,030	\$ 2,410,850

^a Amounts transferred to restricted revenue account.



Restricted Revenues Not Included in Department Total

Aviation Revenues

	Actual		Estimated
2004-05.....	\$ 11,158	2010-11.....	\$ 7,330
2005-06.....	10,574	2011-12.....	7,670
2006-07.....	11,748	2012-13.....	8,300
2007-08.....	9,694	2013-14.....	8,340
2008-09.....	7,944	2014-15.....	8,390
2009-10.....	8,038	2015-16.....	8,450

Aviation revenue includes taxes levied on aviation gasoline and jet fuel, and income earned at state-owned airports. Effective January 2, 1998, in accordance with Act 60 of 1997, ownership of these airports was transferred to a local authority. Therefore, starting with 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, 2011, is 5.5 cents per gallon on aviation gasoline and 1.7 cents per gallon on jet fuel. Aviation restricted revenues are not included in Motor License Fund revenue totals.

	2009-10 Actual	2010-11 Estimate	2011-12 Budget
AVIATION REVENUES			
Aviation Liquid Fuels Tax.....	\$ 7,542	\$ 6,960	\$ 7,410
Interest.....	496	370	260
TOTAL AVIATION REVENUES.....	\$ 8,038	\$ 7,330	\$ 7,670

Highway Bridge Improvement Revenues

	Actual		Estimated
2004-05.....	\$ 96,956	2010-11.....	\$ 102,250
2005-06.....	115,339	2011-12.....	102,480
2006-07.....	118,025	2012-13.....	102,780
2007-08.....	109,171	2013-14.....	103,210
2008-09.....	103,723	2014-15.....	103,740
2009-10.....	98,255	2015-16.....	104,360

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.

	2009-10 Actual	2010-11 Estimate	2011-12 Budget
HIGHWAY BRIDGE IMPROVEMENT REVENUES			
Registration Fee Portion-PA-Based Motor Vehicles.....	\$ 11,550	\$ 11,680	\$ 11,450
Temporary Permit Fees.....	325	410	420
Oil Company Fanchise Tax.....	86,380	90,160	90,610
TOTAL HIGHWAY BRIDGE REVENUES.....	\$ 98,255	\$ 102,250	\$ 102,480



Restricted Revenues Not Included in Department Total (continued)

State Highway Transfer Revenues

Actual		Estimated	
2004-05.....	\$ 20,068	2010-11.....	\$ 23,980
2005-06.....	23,433	2011-12.....	24,100
2006-07.....	24,360	2012-13.....	24,250
2007-08.....	23,555	2013-14.....	24,420
2008-09.....	23,836	2014-15.....	24,610
2009-10.....	23,570	2015-16.....	24,840

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	
2004-05.....	\$ 367,952	2010-11.....	\$ 439,720
2005-06.....	429,607	2011-12.....	441,920
2006-07.....	446,540	2012-13.....	444,570
2007-08.....	431,835	2013-14.....	447,680
2008-09.....	437,007	2014-15.....	451,260
2009-10.....	432,131	2015-16.....	455,320

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	
2004-05.....	\$ 257,541	2010-11.....	\$ 307,800
2005-06.....	300,728	2011-12.....	309,340
2006-07.....	312,580	2012-13.....	311,200
2007-08.....	302,285	2013-14.....	313,380
2008-09.....	305,905	2014-15.....	315,880
2009-10.....	302,492	2015-16.....	318,730

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)

	2009-10 <u>Actual</u>	2010-11 <u>Available</u>	2011-12 <u>Estimated</u>
Beginning Balance	\$ 9,842	\$ 8,681	\$ 10,631
Receipts:			
Revenue Estimate.....	\$ 16,373	\$ 19,290	\$ 17,839
Prior Year Lapses.....	3,525	2,698	0
Total Receipts.....	<u>\$ 19,898</u>	<u>\$ 21,988</u>	<u>\$ 17,839</u>
Funds Available	<u>\$ 29,740</u>	<u>\$ 30,669</u>	<u>\$ 28,470</u>
Expenditures:			
Appropriated.....	\$ 21,059	\$ 20,838	\$ 21,354
Less: Current Year Lapses	0	-800	0
Estimated Expenditures.....	<u>-21,059</u>	<u>-20,038</u>	<u>-21,354</u>
Ending Balance	<u><u>\$ 8,681</u></u>	<u><u>\$ 10,631</u></u>	<u><u>\$ 7,116</u></u>

Summary by Department

(Dollar Amounts in Thousands)

	2009-10 <u>Actual</u>	2010-11 <u>Estimate</u>	2011-12 <u>Budget</u>
Treasury Department			
General Government			
Replacement Checks.....	\$ 5	\$ 5	\$ 5
Banking Department			
General Government			
General Government Operations.....	\$ 21,054	\$ 20,833	\$ 21,349
FUND TOTAL	<u><u>\$ 21,059</u></u>	<u><u>\$ 20,838</u></u>	<u><u>\$ 21,354</u></u>



REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	2009-10 Actual	2010-11 Estimated	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Licenses and Fees.....	\$ 15,831	\$ 16,170	\$ 16,134	\$ 16,134	\$ 16,134	\$ 16,134	\$ 16,134
Fines and Penalties.....	762	1,500	1,500	1,500	1,500	1,500	1,500
Miscellaneous.....	-220	1,620	205	205	205	205	205
TOTAL BANKING DEPARTMENT FUND REVENUES.....	\$ 16,373	\$ 19,290	\$ 17,839	\$ 17,839	\$ 17,839	\$ 17,839	\$ 17,839

Revenue Sources

Licenses and Fees

Actual	Estimated
2004-05..... \$ 13,945	2010-11..... \$ 16,170
2005-06..... 15,782	2011-12..... 16,134
2006-07..... 15,843	2012-13..... 16,134
2007-08..... 14,760	2013-14..... 16,134
2008-09..... 15,766	2014-15..... 16,134
2009-10..... 15,831	2015-16..... 16,134

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, mortgage companies, installment sellers, loan brokers, money transmitters, pawnbrokers and sales finance companies.

Fines and Penalties

Actual	Estimated
2004-05..... \$ 282	2010-11..... \$ 1,500
2005-06..... 907	2011-12..... 1,500
2006-07..... 495	2012-13..... 1,500
2007-08..... 659	2013-14..... 1,500
2008-09..... 474	2014-15..... 1,500
2009-10..... 762	2015-16..... 1,500

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.



Revenue Sources (continued)

Miscellaneous Revenue

	Actual		Estimated	
2004-05.....	\$ 1,348		2010-11.....	\$ 1,620
2005-06.....	2,263		2011-12.....	205
2006-07.....	2,271		2012-13.....	205
2007-08.....	1,648		2013-14.....	205
2008-09.....	285		2014-15.....	205
2009-10.....	-220		2015-16.....	205

Miscellaneous revenues are earned interest.

Revenue Detail

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

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimate	2011-12 Budget
Licenses and Fees			
Bank — Application Fees	\$ 75	\$ 60	\$ 61
Savings Associations — Examinations	33	101	16
Savings Associations — Overhead Assessments	37	36	36
Non Depository Examinations.....	973	975	975
Credit Unions — Overhead Assessments	836	840	855
Examinations — Credit Union	652	650	660
Examinations — Trust Companies	127	150	150
Overhead Assessments — Trust Companies	73	73	75
Total Assessment Charges — Banks	8,596	8,529	8,550
Licenses — Application Fees	4,412	4,752	4,752
Miscellaneous	17	4	4
TOTAL	\$ 15,831	\$ 16,170	\$ 16,134
Fines and Penalties			
Banking Law — Fines and Penalties	\$ 762	\$ 1,500	\$ 1,500
Miscellaneous Revenue			
Interest on Securities.....	\$ -220	\$ 1,620	\$ 205
TOTAL REVENUES	\$ 16,373	\$ 19,290	\$ 17,839



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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Beginning Balance	\$ 16,973	\$ 17,101	\$ 19,762
Receipts:			
Revenue Estimate.....	\$ 12,361	\$ 18,951	\$ 13,572
Prior Year Lapses.....	4,730	3,791	0
Total Receipts.....	<u>\$ 17,091</u>	<u>\$ 22,742</u>	<u>\$ 13,572</u>
Funds Available	\$ 34,064	\$ 39,843	\$ 33,334
Expenditures:			
Appropriated.....	\$ 16,963	\$ 20,081	\$ 16,565
Estimated Expenditures.....	-16,963	-20,081	-16,565
Ending Balance	<u>\$ 17,101</u>	<u>\$ 19,762</u>	<u>\$ 16,769</u>

Summary by Department

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimate	2011-12 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 5	\$ 5	\$ 5
Fish and Boat Commission			
General Government			
General Operations.....	\$ 12,641	\$ 13,119	\$ 13,042
TOTAL STATE FUNDS	<u>\$ 12,646</u>	<u>\$ 13,124</u>	<u>\$ 13,047</u>
Federal Funds.....	\$ 4,267	\$ 6,939	\$ 3,500
Other Funds.....	50	18	18
FUND TOTAL	<u>\$ 16,963</u>	<u>\$ 20,081</u>	<u>\$ 16,565</u>



REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	2009-10 Actual	2010-11 Estimated	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Licenses and Fees.....	\$ 5,990	\$ 6,996	\$ 6,996	\$ 6,996	\$ 6,996	\$ 6,996	\$ 6,996
Fines and Penalties.....	182	200	250	250	250	250	250
Miscellaneous.....	1,872	4,798	2,808	2,808	2,808	2,808	2,808
TOTAL BOAT FUND REVENUES.....	\$ 8,044	\$ 11,994	\$ 10,054	\$ 10,054	\$ 10,054	\$ 10,054	\$ 10,054
Augmentations.....	\$ 4,317	\$ 6,957	\$ 3,518	\$ 3,518	\$ 3,518	\$ 3,518	\$ 3,518
TOTAL BOAT FUND RECEIPTS.....	\$ 12,361	\$ 18,951	\$ 13,572	\$ 13,572	\$ 13,572	\$ 13,572	\$ 13,572

Revenue Sources

Licenses and Fees

Actual	Estimated
2004-05..... \$ 6,552	2010-11..... \$ 6,996
2005-06..... 6,958	2011-12..... 6,996
2006-07..... 6,724	2012-13..... 6,996
2007-08..... 6,593	2013-14..... 6,996
2008-09..... 6,898	2014-15..... 6,996
2009-10..... 5,990	2015-16..... 6,996

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
2004-05..... \$ 221	2010-11..... \$ 200
2005-06..... 270	2011-12..... 250
2006-07..... 213	2012-13..... 250
2007-08..... 241	2013-14..... 250
2008-09..... 236	2014-15..... 250
2009-10..... 182	2015-16..... 250

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



Revenue Sources (continued)

Miscellaneous Revenue

Actual		Estimated	
2004-05.....	\$ 3,123	2010-11.....	\$ 4,798
2005-06.....	3,650	2011-12.....	2,808
2006-07.....	3,824	2012-13.....	2,808
2007-08.....	2,896	2013-14.....	2,808
2008-09.....	1,990	2014-15.....	2,808
2009-10.....	1,872	2015-16.....	2,808

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)

	2009-10 Actual	2010-11 Estimate	2011-12 Budget
Licenses and Fees			
Motor Boat Registration Fees.....	\$ 5,292	\$ 6,290	\$ 6,290
Boat Mooring Permits — Walnut Creek Access.....	25	50	50
Boating Safety Curriculum Fees.....	208	200	200
Boat Capacity Plate Fees.....	4	6	6
Boat Titling Fees.....	461	450	450
TOTAL.....	\$ 5,990	\$ 6,996	\$ 6,996
Fines and Penalties			
Motor Boat Fines.....	\$ 182	\$ 200	\$ 250
TOTAL.....	\$ 182	\$ 200	\$ 250
Miscellaneous Revenues			
Transfer from Motor License and Liquid Fuels			
Tax Funds.....	\$ 1,587	\$ 1,670	\$ 1,670
Miscellaneous.....	53	75	77
Interest on Securities.....	182	2,992	1,000
Sale of Unserviceable Property.....	0	10	10
Sales Tax Agent Fee PFC Share.....	39	40	40
North East Marina.....	11	11	11
TOTAL.....	\$ 1,872	\$ 4,798	\$ 2,808
Augmentations			
Sale of Automobiles.....	\$ 10	\$ 18	\$ 18
U.S. Coast Guard Grant for Boating Safety.....	2,760	2,512	2,500
State Reimbursement for Services.....	40	0	0
Boating Infrastructure Grant (BIG).....	200	2,550	0
Sport Fish Restoration.....	1,267	1,877	1,000
Clean Vessel Act.....	40	0	0
TOTAL.....	\$ 4,317	\$ 6,957	\$ 3,518
TOTAL RECEIPTS.....	\$ 12,361	\$ 18,951	\$ 13,572





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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Beginning Balance	\$ 80	\$ 114	\$ 182
Receipts:			
Revenue Estimate.....	\$ 5,849	\$ 6,003	\$ 6,250
Transfer from General Fund.....	2,760	2,605	2,605
Prior Year Lapses.....	333	464	0
Total Receipts.....	<u>\$ 8,942</u>	<u>\$ 9,072</u>	<u>\$ 8,855</u>
Funds Available	<u>\$ 9,022</u>	<u>\$ 9,186</u>	<u>\$ 9,037</u>
Expenditures:			
Appropriated.....	\$ 8,908	\$ 9,004	\$ 8,946
Less Current Year Lapses.....	0	0	0
Estimated Expenditures.....	<u>-8,908</u>	<u>-9,004</u>	<u>-8,946</u>
Ending Balance	<u><u>\$ 114</u></u>	<u><u>\$ 182</u></u>	<u><u>\$ 91</u></u>

Summary by Department

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimate	2011-12 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 5	\$ 5	\$ 5
Department of Agriculture			
General Government			
General Operations.....	\$ 6,143	\$ 6,394	\$ 6,336
TOTAL STATE FUNDS	<u><u>\$ 6,148</u></u>	<u><u>\$ 6,399</u></u>	<u><u>\$ 6,341</u></u>
Augmentations.....	\$ 2,760	\$ 2,605	\$ 2,605
FUND TOTAL	<u><u>\$ 8,908</u></u>	<u><u>\$ 9,004</u></u>	<u><u>\$ 8,946</u></u>



REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	2009-10 Actual	2010-11 Estimated	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Licenses and Fees.....	\$ 350	\$ 381	\$ 381	\$ 385	\$ 385	\$ 385	\$ 385
Miscellaneous.....	5,499	5,622	5,869	5,910	5,945	5,945	5,945
TOTAL FARM PRODUCTS SHOW FUND REVENUES.....	\$ 5,849	\$ 6,003	\$ 6,250	\$ 6,295	\$ 6,330	\$ 6,330	\$ 6,330
Augmentations.....	\$ 2,760	\$ 2,605	\$ 2,605	\$ 2,605	\$ 2,605	\$ 2,605	\$ 2,605
TOTAL FARM PRODUCTS SHOW FUND RECEIPTS.....	\$ 8,609	\$ 8,608	\$ 8,855	\$ 8,900	\$ 8,935	\$ 8,935	\$ 8,935

Revenue Sources

Licenses and Fees

Actual	Estimated
2004-05..... \$ 288	2010-11..... \$ 381
2005-06..... 274	2011-12..... 381
2006-07..... 279	2012-13..... 385
2007-08..... 271	2013-14..... 385
2008-09..... 314	2014-15..... 385
2009-10..... 350	2015-16..... 385

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
2004-05..... \$ 4,946	2010-11..... \$ 5,622
2005-06..... 5,341	2011-12..... 5,869
2006-07..... 5,597	2012-13..... 5,910
2007-08..... 5,570	2013-14..... 5,945
2008-09..... 5,667	2014-15..... 5,945
2009-10..... 5,499	2015-16..... 5,945

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.



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)

	2009-10 <u>Actual</u>	2010-11 <u>Estimate</u>	2011-12 <u>Budget</u>
Licenses and Fees			
Exhibit Fees — Competitive — Farm Show.....	\$ 45	\$ 46	\$ 46
Exhibit — Commercial.....	305	310	310
Branding / Advertisement.....	<u>0</u>	<u>25</u>	<u>25</u>
TOTAL.....	<u>\$ 350</u>	<u>\$ 381</u>	<u>\$ 381</u>
Miscellaneous Revenue			
Concession Revenue.....	\$ 883	\$ 888	\$ 938
Service Charges.....	588	598	616
Rentals.....	2,216	2,230	2,395
Miscellaneous Revenue.....	156	157	167
Interest on Securities, Deposits, Returned Checks.....	5	70	5
Parking Fees.....	<u>1,651</u>	<u>1,679</u>	<u>1,748</u>
TOTAL.....	<u>\$ 5,499</u>	<u>\$ 5,622</u>	<u>\$ 5,869</u>
Augmentations			
Transfer from General Fund.....	<u>\$ 2,760</u>	<u>\$ 2,605</u>	<u>\$ 2,605</u>
TOTAL.....	<u>\$ 2,760</u>	<u>\$ 2,605</u>	<u>\$ 2,605</u>
TOTAL RECEIPTS.....	<u><u>\$ 8,609</u></u>	<u><u>\$ 8,608</u></u>	<u><u>\$ 8,855</u></u>



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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Beginning Balance	\$ 30,734	\$ 30,241	\$ 36,150
Receipts:			
Revenue Estimate.....	\$ 38,626	\$ 42,378	\$ 36,738
Prior Year Lapses.....	4,562	7,242	0
Total Receipts.....	<u>\$ 43,188</u>	<u>\$ 49,620</u>	<u>\$ 36,738</u>
Funds Available	\$ 73,922	\$ 79,861	\$ 72,888
Expenditures:			
Appropriated.....	\$ 43,681	\$ 43,711	\$ 41,071
Estimated Expenditures.....	<u>-43,681</u>	<u>-43,711</u>	<u>-41,071</u>
Ending Balance	<u>\$ 30,241</u>	<u>\$ 36,150</u>	<u>\$ 31,817</u>

Summary by Department

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimate	2011-12 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 25	\$ 5	\$ 5
Fish and Boat Commission			
General Government			
General Operations.....	\$ 32,565	\$ 34,095	\$ 33,749
TOTAL STATE FUNDS	<u>\$ 32,590</u>	<u>\$ 34,100</u>	<u>\$ 33,754</u>
Federal Funds.....	\$ 10,381	\$ 8,633	\$ 7,092
Other Funds.....	710	978	225
FUND TOTAL	<u>\$ 43,681</u>	<u>\$ 43,711</u>	<u>\$ 41,071</u>



REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	2009-10 Actual	2010-11 Estimated	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Licenses and Fees.....	\$ 25,522	\$ 26,158	\$ 26,203	\$ 26,203	\$ 26,203	\$ 26,203	\$ 26,203
Fines and Penalties.....	414	450	450	450	450	450	450
Miscellaneous.....	1,599	6,159	2,768	2,768	2,768	2,768	2,768
TOTAL FISH FUND REVENUES.....	\$ 27,535	\$ 32,767	\$ 29,421	\$ 29,421	\$ 29,421	\$ 29,421	\$ 29,421
Augmentations.....	\$ 11,091	\$ 9,611	\$ 7,317	\$ 7,288	\$ 7,288	\$ 7,288	\$ 7,288
TOTAL FISH FUND RECEIPTS.....	\$ 38,626	\$ 42,378	\$ 36,738	\$ 36,709	\$ 36,709	\$ 36,709	\$ 36,709

Revenue Sources

Licenses and Fees

Actual	Estimated
2004-05..... \$ 21,992	2010-11..... \$ 26,158
2005-06..... 24,187	2011-12..... 26,203
2006-07..... 24,197	2012-13..... 26,203
2007-08..... 26,444	2013-14..... 26,203
2008-09..... 26,481	2014-15..... 26,203
2009-10..... 25,522	2015-16..... 26,203

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
2004-05..... \$ 431	2010-11..... \$ 450
2005-06..... 446	2011-12..... 450
2006-07..... 448	2012-13..... 450
2007-08..... 470	2013-14..... 450
2008-09..... 460	2014-15..... 450
2009-10..... 414	2015-16..... 450

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	
2004-05.....	\$ 2,139	2010-11.....	\$ 6,159
2005-06.....	3,057	2011-12.....	2,768
2006-07.....	3,684	2012-13.....	2,768
2007-08.....	3,471	2013-14.....	2,768
2008-09.....	1,132	2014-15.....	2,768
2009-10.....	1,599	2015-16.....	2,768

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)

	2009-10 Actual	2010-11 Estimate	2011-12 Budget
Licenses and Fees			
Resident Fishing Licenses.....	\$ 15,535	\$ 16,000	\$ 16,000
Resident Senior Fishing Licenses.....	176	190	190
Nonresident Fishing Licenses.....	2,116	2,100	2,100
Tourist Fishing Licenses - 1 Day.....	142	150	150
Tourist Fishing Licenses - 3 Day.....	648	650	650
Tourist Fishing Licenses - 7 Day.....	245	230	230
Lake Erie Licenses.....	1	1	1
Fishing Lake Licenses.....	16	20	20
Miscellaneous Permits and Fees.....	205	175	200
1 Day Fishing Licenses.....	38	65	65
Resident Charter Boat/Fishing Guide Permit.....	34	30	30
Non-Resident Charter Boat/Fishing Guide Permit.....	16	15	15
PA National Guard Fishing License.....	1	1	1
Senior Lifetime Upgrade.....	45	50	50
Scientific Collector's Permits.....	31	30	30
Lifetime Fishing Licenses - Senior Resident.....	677	720	720
PALS Transaction Fee.....	1,009	980	1,000
H.R. Stackhouse Facilities User Fees.....	0	1	1
Trout/Salmon Stamp.....	4,587	4,750	4,750
TOTAL.....	\$ 25,522	\$ 26,158	\$ 26,203
Fines and Penalties			
Fish Law Fines.....	\$ 414	\$ 450	\$ 450
TOTAL.....	\$ 414	\$ 450	\$ 450



Revenue Detail (continued)

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimated	2011-12 Budget
Miscellaneous Revenue			
Sale of Publications.....	\$ 17	\$ 30	\$ 30
Sale of Unserviceable Property.....	29	10	10
Miscellaneous Revenue.....	57	100	100
Interest on Securities and Deposits.....	295	4,710	1,300
Rental of Fish and Boat Commission Property.....	12	45	45
Income from Sand and Gravel Dredging.....	743	750	750
Sale of Pennsylvania Angler & Boater.....	135	140	140
Sales Tax & Donations Collected.....	13	10	9
Pollution and Stream Disturbance Settlements.....	283	275	275
Sale of Recreational Fishing Promotional Items.....	4	9	9
Royalty Payments.....	4	10	10
Refunds of Expenditures.....	0	50	50
Sale of Patches.....	7	20	20
Sale of Timber.....	0	0	20
TOTAL.....	\$ 1,599	\$ 6,159	\$ 2,768
TOTAL REVENUES.....	\$ 27,535	\$ 32,767	\$ 29,421
Augmentations			
Sale of Automobiles and Other Vehicles.....	\$ 51	\$ 40	\$ 40
Reimbursement for Services - Department of Transportation.....	80	186	185
Reimbursement for Services - Miscellaneous.....	456	690	0
Reimbursement for Services - DEP/EPA Projects.....	83	62	0
Department of Transportation Endangered/Threatened	0	47	0
Federal Reimbursement - Sport Fish Restoration.....	8,776	5,821	6,000
Federal Reimbursement - NOAA.....	207	276	110
Federal Reimbursement - Miscellaneous.....	4	120	30
Federal Reimbursement - Surface Mine Regulation.....	0	50	52
USFWS - Partner for Fish and Wildlife.....	0	1,119	0
Wildlife Conservation and Restoration - Non-Game.....	104	0	0
Three River Ecological Center.....	40	0	0
State Wildlife Grant.....	1,290	1,200	900
TOTAL.....	\$ 11,091	\$ 9,611	\$ 7,317
TOTAL RECEIPTS.....	\$ 38,626	\$ 42,378	\$ 36,738



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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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Beginning Balance	\$ 27,744	\$ 27,054	\$ 23,538
Receipts:			
Revenue Estimate.....	\$ 61,295	\$ 70,281	\$ 67,039
Prior Year Lapses.....	13,365	7,644	0
Total Receipts.....	<u>\$ 74,660</u>	<u>\$ 77,925</u>	<u>\$ 67,039</u>
Funds Available	<u>\$ 102,404</u>	<u>\$ 104,979</u>	<u>\$ 90,577</u>
Expenditures:			
Appropriated.....	\$ 75,350	\$ 81,441	\$ 83,736
Estimated Expenditures.....	<u>-75,350</u>	<u>-81,441</u>	<u>-83,736</u>
Ending Balance	<u><u>\$ 27,054</u></u>	<u><u>\$ 23,538</u></u>	<u><u>\$ 6,841</u></u>

Summary by Department

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimate	2011-12 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 5	\$ 5	\$ 5
Game Commission			
General Government			
General Operations.....	\$ 59,299	\$ 62,202	\$ 64,321
Land Acquisition and Development.....	150	150	150
DEPARTMENT TOTAL.....	<u>\$ 59,449</u>	<u>\$ 62,352</u>	<u>\$ 64,471</u>
TOTAL STATE FUNDS	<u><u>\$ 59,454</u></u>	<u><u>\$ 62,357</u></u>	<u><u>\$ 64,476</u></u>
Federal Funds.....	\$ 15,337	\$ 18,376	\$ 18,552
Other Funds.....	<u>559</u>	<u>708</u>	<u>708</u>
FUND TOTAL.....	<u><u>\$ 75,350</u></u>	<u><u>\$ 81,441</u></u>	<u><u>\$ 83,736</u></u>



REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	2009-10 Actual	2010-11 Estimated	2011-2012 Budget	2012-2013 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Licenses and Fees.....	\$ 33,480	\$ 32,011	\$ 30,499	\$ 30,499	\$ 30,499	\$ 30,499	\$ 30,499
Fines and Penalties.....	1,104	1,025	1,025	1,025	1,025	1,025	1,025
Miscellaneous.....	10,815	18,161	16,255	18,878	18,878	18,878	18,878
TOTAL GAME FUND REVENUES.....	\$ 45,399	\$ 51,197	\$ 47,779	\$ 50,402	\$ 50,402	\$ 50,402	\$ 50,402
Augmentations.....	\$ 15,896	\$ 19,084	\$ 19,260	\$ 18,246	\$ 18,246	\$ 18,246	\$ 18,246
TOTAL GAME FUND RECEIPTS.....	\$ 61,295	\$ 70,281	\$ 67,039	\$ 68,648	\$ 68,648	\$ 68,648	\$ 68,648

Revenue Sources

Licenses and Fees

Actual	Estimated
2004-05..... \$ 32,468	2010-11..... \$ 32,011
2005-06..... 29,258	2011-12..... 30,499
2006-07..... 28,728	2012-13..... 30,499
2007-08..... 29,725	2013-14..... 30,499
2008-09..... 29,901	2014-15..... 30,499
2009-10..... 33,480	2015-16..... 30,499

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.

Fines and Penalties

Actual	Estimated
2004-05..... \$ 1,319	2010-11..... \$ 1,025
2005-06..... 1,217	2011-12..... 1,025
2006-07..... 1,207	2012-13..... 1,025
2007-08..... 1,112	2013-14..... 1,025
2008-09..... 1,174	2014-15..... 1,025
2009-10..... 1,104	2015-16..... 1,025

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



Revenue Sources (continued)

Miscellaneous Revenue

Actual		Estimated	
2004-05.....	\$ 23,434	2010-11.....	\$ 18,161
2005-06.....	24,495	2011-12.....	16,255
2006-07.....	24,578	2012-13.....	18,878
2007-08.....	18,870	2013-14.....	18,878
2008-09.....	14,008	2014-15.....	18,878
2009-10.....	10,815	2015-16.....	18,878

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)		
	2009-10 Actual	2010-11 Estimate	2011-12 Budget
Licenses and Fees			
Resident Hunting Licenses.....	\$ 12,568	\$ 12,257	\$ 12,595
Resident Junior Hunting Licenses.....	193	195	195
Nonresident Hunting Licenses.....	5,109	4,784	5,117
Special Game Permits.....	221	175	175
Antlerless Deer Licenses.....	4,245	3,925	4,056
Archery Licenses.....	4,136	4,159	4,000
Landowner Hunting Licenses.....	3	4	4
Resident Senior Hunting Licenses.....	312	369	311
Muzzleloading Hunting Licenses.....	1,859	1,736	1,860
Right-of-Way Licenses.....	2,315	4,276	2,000
Resident Bear Licenses.....	2,157	2,342	2,100
Nonresident Bear Licenses.....	162	175	175
Hunting License Issuing Agents' Application Fees.....	23	7	120
Nonresident Junior Hunting License.....	83	83	83
Nonresident 7-Day Hunting License.....	67	65	65
Senior Resident - Lifetime Hunting License.....	287	151	151
Adult Resident Furtaker License.....	571	643	550
Junior Resident Furtaker License.....	1	1	1
Senior Resident Furtaker License.....	6	8	8
Nonresident Adult Furtaker License.....	58	18	18
Resident Special Wild Turkey.....	263	185	185
Non-Resident Special Wild Turkey.....	26	14	14
PALS Transaction Fee.....	1,956	1,600	1,800
Mentor Youth Permit Licenses.....	30	9	9
Junior Combination License.....	394	391	391
Nonresident Archery License.....	296	294	277
Nonresident Muzzleloading Hunting License.....	133	151	151
Nonresident Migratory Game Bird.....	19	21	21
Nonresident Antlerless Deer License.....	529	452	518
Senior Resident - Lifetime Combination License.....	592	430	411
Nonresident Junior Combination License.....	27	29	29
Elk License & Bobcat Permit Applications.....	242	76	123
DMAP Harvest Permit.....	288	269	269
Resident Military Personnel Hunting.....	2	3	3
Migratory Game Bird License.....	210	214	214
TOTAL.....	\$ 39,383	\$ 39,511	\$ 37,999
Restricted Revenue			
Transfer to General Habitat Improvement.....	-5,903	-7,500	-7,500
TOTAL.....	\$ -5,903	\$ -7,500	\$ -7,500
Net Licenses and Fees			
TOTAL.....	\$ 33,480	\$ 32,011	\$ 30,499



Revenue Detail (continued)

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimate	2011-12 Budget
Fines and Penalties			
Game Law Fines.....	\$ 1,104	\$ 1,025	\$ 1,025
TOTAL.....	\$ 1,104	\$ 1,025	\$ 1,025
Miscellaneous Revenue			
Sports Promotional Publications and Materials.....	\$ 4	\$ 2	\$ 4
Wildlife Promotional Publications amd Material.....	227	275	275
Sale of Coal.....	452	750	750
Sale of Stone, Sand, Gravel & Limestone.....	23	15	15
Sale of Miscellaneous Mineral Permits.....	6	10	10
Sale of Wood Products.....	5,472	5,100	8,100
Sale of Skins and Guns.....	24	15	15
Rental of State Property.....	5	8	8
Miscellaneous Revenue.....	2	50	50
Interest on Securities.....	346	6,290	1,300
Gas and Oil Ground Rentals and Royalties.....	1,655	3,900	3,900
Refund of Expenditures Not Credited to Appropriations.....	0	20	20
Miscellaneous Revenue License Division.....	18	1	1
Sale of Game News.....	774	634	775
Sale of Grain and Hay.....	36	10	10
Sale of Nonusable Property.....	14	4	4
Sale of Maps.....	0	0	1
Wildlife Management Promotional Revenue.....	77	50	50
Sale of Wood Products - PR Tracts.....	651	400	400
Howard Nursery.....	156	110	110
Working Together For Wildlife - Non-Game Fund.....	90	75	75
Oil and Gas Recovery Support.....	759	350	350
Waterfowl Management Stamp Sales and Royalties.....	24	92	32
TOTAL.....	\$ 10,815	\$ 18,161	\$ 16,255
TOTAL REVENUES.....	\$ 45,399	\$ 51,197	\$ 47,779
Augmentations			
Sale of Automobiles.....	\$ 37	\$ 100	\$ 100
Federal Reimbursement - Pittman Robinson Act.....	12,954	16,000	16,000
Endangered Species Program.....	35	123	123
Pennsylvania Conservation Corps.....	109	111	111
Federal Reimbursement - Surface Mine Regulation.....	67	90	90
Federal Reimbursement - WCRA/SWG.....	1,368	1,918	2,094
Federal Reimbursement - Chronic Wasting Disease.....	61	70	70
Federal Reimbursement - LIP.....	845	0	175
Federal Reimbursement - Other Wildlife Grants.....	6	175	0
Private Donations.....	81	25	25
Middlecreek Exhibit Donations.....	5	5	5
Reimbursement of Services.....	186	396	396
PennDot Reimbursement - Deer Roadkill.....	0	0	0
Reimbursement from PA Fish and Boat Commission.....	72	0	0
PennDot Reimbursement - Environmental Assessments.....	31	71	71
Hunter Education	35	0	0
Black Duck Banding.....	4	0	0
TOTAL.....	\$ 15,896	\$ 19,084	\$ 19,260
TOTAL RECEIPTS.....	\$ 61,295	\$ 70,281	\$ 67,039



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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)		
	2009-10 Actual	2010-11 Available	2011-12 Estimated
Beginning Balance	\$ 4,447	\$ 0	\$ 6,814
Receipts:			
Revenue Estimate.....	\$ 50,879	\$ 50,935	\$ 59,442
Prior Year Lapses.....	5	0	0
Total Receipts.....	<u>\$ 50,884</u>	<u>\$ 50,935</u>	<u>\$ 59,442</u>
Funds Available	<u>\$ 55,331</u>	<u>\$ 50,935</u>	<u>\$ 66,256</u>
Expenditures:			
Appropriated.....	\$ 55,331	\$ 44,121	\$ 66,256
Estimated Expenditures.....	<u>-55,331</u>	<u>-44,121</u>	<u>-66,256</u>
Ending Balance	<u><u>\$ 0</u></u>	<u><u>\$ 6,814</u></u>	<u><u>\$ 0</u></u>

Summary by Department

	(Dollar Amounts in Thousands)		
	2009-10 Actual	2010-11 Estimate	2011-12 Budget
Treasury			
Replacement Checks.....	\$ 0	\$ 5	\$ 5
Department of Conservation and Natural Resources			
General Government			
Parks and Forest Facility Rehabilitation.....	\$ 16,600	\$ 12,786	\$ 19,875
Grants and Subsidies			
Grants for Local Recreation.....	\$ 13,833	\$ 10,655	\$ 16,563
Grants to Land Trusts.....	5,532	4,262	6,625
Subtotal.....	<u>\$ 19,365</u>	<u>\$ 14,917</u>	<u>\$ 23,188</u>
DEPARTMENT TOTAL.....	<u>\$ 35,965</u>	<u>\$ 27,703</u>	<u>\$ 43,063</u>
Department of Education			
Grants and Subsidies			
Local Libraries Rehabilitation and Development.....	\$ 0	\$ 1,705	\$ 2,650
State System of Higher Education —			
Deferred Maintenance	0	0	11,925
DEPARTMENT TOTAL.....	<u>\$ 0</u>	<u>\$ 1,705</u>	<u>\$ 14,575</u>
Executive Offices			
General Government			
Transfer to the General Fund.....	\$ 19,366 ^a	\$ 9,168 ^b	\$ 0
Historical and Museum Commission			
Grants and Subsidies			
Historic Site Development	\$ 0	\$ 5,540	\$ 8,613
FUND TOTAL.....	<u><u>\$ 55,331</u></u>	<u><u>\$ 44,121</u></u>	<u><u>\$ 66,256</u></u>

^a Amount transferred to General Fund per Act 10-A of 2009.

^b Amount transferred to General Fund per Act 46 of 2010.

Keystone Recreation, Park and Conservation Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	2009-10 Actual	2010-11 Estimated	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Realty Transfer Tax.....	\$ 50,392	\$ 50,435	\$ 58,942	\$ 69,001	\$ 76,412	\$ 81,318	\$ 86,541
Miscellaneous.....	487	500	500	1,000	1,000	1,000	1,000
TOTAL KEYSTONE RECREATION, PARK AND CONSERVATION FUND RECEIPTS.....	\$ 50,879	\$ 50,935	\$ 59,442	\$ 70,001	\$ 77,412	\$ 82,318	\$ 87,541

Revenue Sources

Realty Transfer Tax

Actual	Estimated
2004-05..... \$ 81,929	2010-11..... \$ 50,435
2005-06..... 96,879	2011-12..... 58,942
2006-07..... 12,415	2012-13..... 69,001
2007-08..... 77,200	2013-14..... 76,412
2008-09..... 54,029	2014-15..... 81,318
2009-10..... 50,392	2015-16..... 86,541

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. Act 67 of 2006 decreased the transfer rate from 15% to 2.1% for the 2006-07 fiscal year.

Miscellaneous Revenues

Actual	Estimated
2004-05..... \$ 3,003	2010-11..... \$ 500
2005-06..... 7,221	2011-12..... 500
2006-07..... 9,757	2012-13..... 1,000
2007-08..... 7,071	2013-14..... 1,000
2008-09..... 2,625	2014-15..... 1,000
2009-10..... 487	2015-16..... 1,000

Miscellaneous revenues are earned interest.



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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)

	2009-10 <u>Actual</u>	2010-11 <u>Available</u>	2011-12 <u>Estimated</u>
Beginning Balance	\$ 113,189	\$ 101,362	\$ 133,230
Receipts:			
Gross Ticket Sales.....	\$ 3,065,717	\$ 3,121,800	\$ 3,139,100
Less Field Paid Prizes and Commissions.....	-1,733,141	-1,699,031	-1,710,953
Transfers and Earnings.....	<u>177,810</u>	<u>171,312</u>	<u>166,600</u>
Net Revenue Estimate.....	\$ 1,510,386	\$ 1,594,081	\$ 1,594,747
Prior Year Lapses.....	<u>40,322</u>	<u>41,380</u>	<u>0</u>
Total Receipts.....	<u>\$ 1,550,708</u>	<u>\$ 1,635,461</u>	<u>\$ 1,594,747</u>
Funds Available	<u>\$ 1,663,897</u>	<u>\$ 1,736,823</u>	<u>\$ 1,727,977</u>
Expenditures:			
Appropriated.....	<u>\$1,562,535</u>	<u>\$1,603,593</u>	<u>\$1,624,398</u>
Estimated Expenditures.....	<u>-1,562,535</u>	<u>-1,603,593</u>	<u>-1,624,398</u>
Ending Balance	<u><u>\$ 101,362</u></u>	<u><u>\$ 133,230</u></u>	<u><u>\$ 103,579</u></u>



Summary by Department

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimate	2011-12 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 50	\$ 50	\$ 50
Department of Aging			
General Government			
General Government Operations.....	\$ 7,790	\$ 7,745	\$ 6,705
Grants and Subsidies			
PENNCARE.....	\$ 241,414	\$ 244,560	\$ 248,764
Pre-Admission Assessment.....	10,823	10,735	10,735
Family Caregiver.....	12,103	12,103	12,103
Alzheimer's Outreach.....	250	250	250
Pharmaceutical Assistance Fund.....	200,000	200,000	250,000
Home and Community-Based Services.....	0	0	32,183
Subtotal.....	<u>\$ 464,590</u>	<u>\$ 467,648</u>	<u>\$ 554,035</u>
TOTAL STATE FUNDS.....	<u>\$ 472,380</u>	<u>\$ 475,393</u>	<u>\$ 560,740</u>
Federal Funds.....	\$ 143,715	\$ 139,353	\$ 173,865
Augmentations.....	12	57	57
DEPARTMENT TOTAL.....	<u>\$ 616,107</u>	<u>\$ 614,803</u>	<u>\$ 734,662</u>
Department of Public Welfare			
Grants and Subsidies			
Medical Assistance - Long-Term Care.....	\$ 178,438	\$ 178,438	\$ 121,255
Department of Revenue			
General Government			
General Operations.....	\$ 38,726	\$ 40,976	\$ 39,897
Lottery Advertising.....	37,900	37,000	37,000
Property Tax Rent Rebate - General Operations.....	13,407	14,046	13,847
On-line Vendor Commissions.....	29,441	32,018	30,653
Instant Vendor Commissions.....	18,043	22,132	21,032
Payment of Prize Money.....	329,367	348,341	347,414
Subtotal.....	<u>\$ 466,884</u>	<u>\$ 494,513</u>	<u>\$ 489,843</u>
Grants and Subsidies			
Property Tax and Rent Assistance for Older Pennsylvanians.....	<u>\$ 278,000</u>	<u>\$ 285,500</u>	<u>\$ 283,900</u>
TOTAL STATE FUNDS.....	<u>\$ 744,884</u>	<u>\$ 780,013</u>	<u>\$ 773,743</u>
Augmentations.....	3,479	176	355
DEPARTMENT TOTAL.....	<u>\$ 748,363</u>	<u>\$ 780,189</u>	<u>\$ 774,098</u>



Summary by Department

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimate	2011-12 Budget
Department of Transportation			
Grants and Subsidies			
Transfer to Public Transportation Trust Fund.....	\$ 86,597	\$ 88,199	\$ 89,610
Older Pennsylvanians Shared Rides.....	80,186	81,500	79,000
DEPARTMENT TOTAL.....	\$ 166,783	\$ 169,699	\$ 168,610
TOTAL STATE FUNDS.....	\$ 1,562,535	\$ 1,603,593	\$ 1,624,398
Federal Funds.....	\$ 143,715	\$ 139,353	\$ 173,865
Other Funds.....	3,491	233	412
FUND TOTAL.....	\$ 1,709,741	\$ 1,743,179	\$ 1,798,675



REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	2009-10 Actual	2010-11 Estimated	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Collections.....	\$ 1,332,576	\$ 1,422,769	\$ 1,428,147	\$ 1,432,429	\$ 1,437,089	\$ 1,441,619	\$ 1,446,431
Gaming Fund Transfers.....	176,700	165,900	164,100	164,900	165,700	166,500	166,500
Miscellaneous Revenue.....	1,110	5,412	2,500	2,500	2,500	2,500	2,500
TOTAL LOTTERY FUND REVENUES.....	\$ 1,510,386	\$ 1,594,081	\$ 1,594,747	\$ 1,599,829	\$ 1,605,289	\$ 1,610,619	\$ 1,615,431

Revenue Sources

Net Lottery Collections

	Actual	Estimated
2004-05.....	\$ 1,194,007	2010-11..... \$ 1,422,769
2005-06.....	1,430,050	2011-12..... 1,428,147
2006-07.....	1,365,596	2012-13..... 1,432,429
2007-08.....	1,403,742	2013-14..... 1,437,089
2008-09.....	1,367,700	2014-15..... 1,441,619
2009-10.....	1,332,576	2015-16..... 1,446,431

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 nine 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, Treasure Hunt began in 2007, Quinto was introduced in 2008, and "Match 6" was re-introduced during June 2010. These games utilize computer sales terminals located across the commonwealth. Powerball began in 2002 as the first multi-state game and was followed by Mega Millions in 2010. 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; \$1 dollar for "Treasure Hunt" which is made up of 1 play to pick 5 of 30 numbers as an exclusively "mid-day" game. "Quinto" is \$1 per play and has a mid-day and evening drawing with a five digit base and is similar in play to the "Daily Number" and "Big 4". "Daily Number" and "Big 4" game ticket prices range from \$0.50 to \$5. "Match 6" is a \$2 play to pick six numbers in a range from 1 to 49. The "Instant Game" ticket prices range from \$1 to \$25. 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.

Mega Millions is another multi-state jackpot game which is played for \$1 per play and has a beginning jackpot of \$12 million dollars. It is accompanied by a \$1 Megaplier option similar to Powerplay.

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

The Lottery Fund sales estimates in 2011-12 and future fiscal years assume higher levels of prizes and commissions that will grow net ticket revenue and result in more money for programs supporting older Pennsylvanians.

(Dollar Amounts in Thousands)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Ticket Sales.....	\$ 3,065,717	\$ 3,121,800	\$ 3,139,100	\$ 3,155,200	\$ 3,172,500	\$ 3,189,600	\$ 3,207,358
Commissions.....	-157,987	-160,840	-161,770	-162,639	-163,572	-164,494	-165,450
Field Paid Prizes.....	-1,575,154	-1,538,191	-1,549,183	-1,560,132	-1,571,839	-1,583,487	-1,595,477
NET LOTTERY COLLECTIONS.....	\$ 1,332,576	\$ 1,422,769	\$ 1,428,147	\$ 1,432,429	\$ 1,437,089	\$ 1,441,619	\$ 1,446,431

Revenue Sources (continued)

Gaming Fund Repayments

Actual		Estimated	
2004-05.....	\$ 0	2010-11.....	\$ 9,900
2005-06.....	0	2011-12.....	0
2006-07.....	100,000	2012-13.....	0
2007-08.....	100,000	2013-14.....	0
2008-09.....	0	2014-15.....	0
2009-10.....	40,000	2015-16.....	0

Under Act 1 of Special Session No. 1 of 2006 the Gaming Fund is required to repay the Lottery Fund for Property Tax and Rent Rebate program expansions under that Act which were initially paid by the Lottery Fund.

Gaming Fund Transfers

Actual		Estimated	
2004-05.....	\$ 0	2010-11.....	\$ 156,000
2005-06.....	0	2011-12.....	164,100
2006-07.....	0	2012-13.....	164,900
2007-08.....	0	2013-14.....	165,700
2008-09.....	48,500	2014-15.....	166,500
2009-10.....	136,700	2015-16.....	166,500

Under Act 1 of Special Session No. 1 of 2006 the Gaming Fund is required to completely pay for Property Tax and Rent Rebate program expansion costs under that Act beginning in 2009-10 and thereafter.

Miscellaneous Revenue

Actual		Estimated	
2004-05.....	\$ 17,909	2010-11.....	\$ 5,412
2005-06.....	29,459	2011-12.....	2,500
2006-07.....	33,056	2012-13.....	2,500
2007-08.....	14,692	2013-14.....	2,500
2008-09.....	-27,314	2014-15.....	2,500
2009-10.....	1,110	2015-16.....	2,500

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





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.



Financial Statement

(Dollar Amounts in Thousands)

	2009-10 <u>Actual</u>	2010-11 <u>Available</u>	2011-12 <u>Estimated</u>
Beginning Balance	\$ 358	\$ 49	\$ 0
Receipts:			
Revenue Estimate.....	\$ 16,282	\$ 18,115	\$ 17,665
Prior Year Lapses.....	655	0	0
Total Receipts.....	<u>\$ 16,937</u>	<u>\$ 18,115</u>	<u>\$ 17,665</u>
Funds Available	<u>\$ 17,295</u>	<u>\$ 18,164</u>	<u>\$ 17,665</u>
Expenditures:			
Appropriated.....	\$ 17,246	\$ 18,164	\$ 17,665
Estimated Expenditures.....	<u>-17,246</u>	<u>-18,164</u>	<u>-17,665</u>
Ending Balance	<u>\$ 49</u>	<u>\$ 0</u>	<u>\$ 0</u>

Summary by Department

(Dollar Amounts in Thousands)

	2009-10 <u>Actual</u>	2010-11 <u>Estimate</u>	2011-12 <u>Budget</u>
Treasury Department			
General Government			
Replacement Checks.....	\$ 10	\$ 10	\$ 10
Department of Agriculture			
General Government			
State Racing Commissions.....	\$ 13,547	\$ 14,495	\$ 14,054
Equine Toxicology and Research Laboratory.....	3,193	3,159	3,104
Pennsylvania Fairs—Administration.....	262	262	259
Subtotal	<u>\$ 17,002</u>	<u>\$ 17,916</u>	<u>\$ 17,417</u>
TOTAL STATE FUNDS	<u>\$ 17,002</u>	<u>\$ 17,916</u>	<u>\$ 17,417</u>
Augmentations.....	0	1	1
DEPARTMENT TOTAL.....	<u>\$ 17,002</u>	<u>\$ 17,917</u>	<u>\$ 17,418</u>
Department of Revenue			
General Government			
Collections—Racing.....	\$ 234	\$ 238	\$ 238
TOTAL STATE FUNDS	<u>\$ 17,246</u>	<u>\$ 18,164</u>	<u>\$ 17,665</u>
Other Funds.....	2	1	1
FUND TOTAL.....	<u>\$ 17,248</u>	<u>\$ 18,165</u>	<u>\$ 17,666</u>

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	2009-10 Actual	2010-11 Estimated	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Tax Revenues.....	\$ 13,213	\$ 12,307	\$ 14,350	\$ 14,350	\$ 14,350	\$ 14,350	\$ 14,350
Licenses and Fees.....	645	708	795	795	795	795	795
Miscellaneous Revenue.....	2,424	5,100	2,520	2,520	2,520	2,520	2,520
TOTAL RACING FUND REVENUES.....	\$ 16,282	\$ 18,115	\$ 17,665	\$ 17,665	\$ 17,665	\$ 17,665	\$ 17,665

Revenue Sources

Tax Revenues

Actual		Estimated	
2004-05.....	\$ 11,402	2010-11.....	\$ 12,307
2005-06.....	11,684	2011-12.....	14,350
2006-07.....	11,253	2012-13.....	14,350
2007-08.....	10,384	2013-14.....	14,350
2008-09.....	13,939	2014-15.....	14,350
2009-10.....	13,213	2015-16.....	14,350

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	
2004-05.....	\$ 456	2010-11.....	\$ 708
2005-06.....	510	2011-12.....	795
2006-07.....	485	2012-13.....	795
2007-08.....	878	2013-14.....	795
2008-09.....	760	2014-15.....	795
2009-10.....	645	2015-16.....	795

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	
2004-05.....	\$ 3,656	2010-11.....	\$ 5,100
2005-06.....	3,523	2011-12.....	2,520
2006-07.....	3,646	2012-13.....	2,520
2007-08.....	3,581	2013-14.....	2,520
2008-09.....	2,230	2014-15.....	2,520
2009-10.....	2,424	2015-16.....	2,520

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)

	2009-10 Actual	2010-11 Estimate	2011-12 Budget
Tax Revenues			
State Admission Tax.....	\$ 51	\$ 35	\$ 39
Wagering Tax.....	12,634	11,807	13,811
Breakage Tax.....	528	465	500
TOTAL.....	\$ 13,213	\$ 12,307	\$ 14,350
Licenses and Fees			
License Fees.....	\$ 645	\$ 708	\$ 795
Miscellaneous Revenues			
Uncashed Tickets.....	\$ 2,277	\$ 2,270	\$ 2,300
Interest on Securities.....	147	2,830	220
TOTAL.....	\$ 2,424	\$ 5,100	\$ 2,520
TOTAL REVENUES.....	\$ 16,282	\$ 18,115	\$ 17,665



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.



Tobacco Settlement Fund

Act 77 of 2001 created the Tobacco Settlement Fund (TSF) to receive the revenues from the Master Settlement Agreement (MSA) that was reached with the five major tobacco companies on December 17, 1999. The TSF was established to provide 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, hospital uncompensated care and an endowment component to preserve a portion of the receipts for future use. With the expiration of the 2005 Annual Community Health Reinvestment funding agreement between the commonwealth and Pennsylvania's Blue Cross/Blue Shield plans, which augmented the tobacco funds for health care insurance coverage for uninsured adults, and the increased funding needs of the Medical Assistance for Workers with Disabilities program, the adultBasic program expired on February 28, 2011.

A portion of the tobacco revenue has been used in recent years to offset the escalating cost of long-term care services for persons with disabilities and seniors. In 2010-11, Act 46 of 2010 continued to redirect 25 percent of the funds allocated to tobacco use prevention and cessation activities, 33 percent of the funds allocated to health care insurance for uninsured adults, 100 percent of the funds allocated for the Endowment Account and the annual strategic contribution payment and tobacco revenue interest and earnings to offset the cost of long-term care. In addition, Act 46 of 2010 redirects 37.5 percent of the funds allocated to tobacco use prevention and cessation to the General Fund, transfers \$121 million from the Endowment Account to augment the appropriation for payment of required contributions to the Public School Employees' Retirement System, transfers \$250 million from the TSF to the General Fund, and transfers all remaining assets, cash and investments as of June 1, 2011 to the TSF.

To meet the transfer obligations from the TSF to the General Fund, funding from the April 2011 MSA annual payment will be used. As a result, sufficient program funding for 2011-12 would not be available until the April 2012 MSA payment is received. To mitigate cash flow issues, this budget proposes to move the tobacco-funded programs and tobacco revenue to the General Fund. In addition, all future MSA annual payments, strategic contributions and all related revenue will be deposited directly into the General Fund. As a result of this shift, there will be a one-time benefit to the General Fund of \$140 million. This budget also proposes to transfer \$220 million in assets and investments from the TSF to the proposed Liberty Loan Fund in the Department of Community and Economic Development in 2011-12.

This budget estimates that \$338.6 million will be received from the Tobacco Master Settlement Agreement in 2011-12 and deposited into the General Fund. Assuming the same program redirects as 2010-11, including the 37.5% of the Tobacco Prevention and Cessation funds remain in the General Fund, this budget recommends funding for the remaining health care related programs in 2011-12 as noted in the table below. Where Tobacco and Lottery funds provide support to the same programs, this budget recommends additional Lottery Funds to replace Tobacco Funds. In return, the amount appropriated from the Lottery Fund to the Medical Assistance – Long-Term Care appropriation in the Department of Public Welfare will be reduced, resulting in no net cost increase to the Lottery Fund.

Dollar Amounts in Thousands

General Fund:

Department of Community and Economic Development

Life Sciences Greenhouses \$ 3,000

Department of Health

Health Research \$ 59,861

Tobacco Use Prevention and Cessation 14,177

Department of Public Welfare

Long-Term Care * \$ 152,656

Uncompensated Care 31,505

Medical Assistance for Workers with Disabilities * 63,042

General Fund Total \$ 324,241

Lottery Fund:

Department of Aging

Home and Community-Based Services \$ 32,183

Pharmaceutical Assistance Fund * 25,000

Department of Public Welfare

Medical Assistance – Long-Term Care * -57,183

Lottery Fund Total \$ 0

TOTAL FUNDS \$ 324,241

* Amounts reflect changes to the 2011-12 recommendations for existing General Fund and Lottery Fund appropriations.



Financial Statement

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Beginning Balance	\$ 433,443	\$ 364,091	\$ 360,000
Receipts:			
Revenue Estimate.....	\$ 374,843	\$ 359,986	\$ 0
Transfer from Health Endowment Account for Long-Term Hope.....	0	250,771	0
Prior Year Lapses.....	0 *	0 *	0
Total Receipts.....	374,843	610,757	0
Funds Available	\$ 808,286	\$ 974,848	\$ 360,000
Expenditures:			
Appropriated.....	\$ 444,195	\$ 364,848	\$ 0
Transfer to Liberty Loan Fund.....	0	0	220,000
Transfer to General Fund.....	0	250,000	140,000
Estimated Expenditures.....	444,195	614,848	360,000
Ending Balance	\$ 364,091	\$ 360,000	\$ 0

* Excludes lapses redistributed within the Home and Community-Based Services and Health Investment Insurance programs as prescribed under Act 77 of 2001.



Tobacco Settlement Fund

Summary by Department

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimate	2011-12 Budget
Executive Offices			
General Government			
Transfer to Health Endowment Account (EA).....	\$ 0	\$ 0	\$ 0
Transfer to General Fund (EA).....	0	250,000	0
DEPARTMENT TOTAL.....	<u>\$ 0</u>	<u>\$ 250,000</u>	<u>\$ 0</u>
Treasury Department			
General Government			
Replacement Checks - Tobacco Settlement Fund (EA).....	\$ 5	\$ 5	\$ 0
DEPARTMENT TOTAL.....	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 0</u>
Department of Aging and Long Term Living			
Grants and Subsidies			
Home and Community-Based Services (EA).....	\$ 27,275	\$ 30,358	\$ 0
PACENET Transfer (EA).....	31,420	26,148	0
TOTAL STATE FUNDS	<u>\$ 58,695</u>	<u>\$ 56,506</u>	<u>\$ 0</u>
Federal Funds.....	\$ 30,065	\$ 33,472	\$ 0
DEPARTMENT TOTAL.....	<u>\$ 88,760</u>	<u>\$ 89,978</u>	<u>\$ 0</u>
Department of Community and Economic Development			
Grants and Subsidies			
Tobacco Settlement Investment Board.....	\$ 0 ^a	\$ 0 ^a	\$ 0
Life Sciences Greenhouses.....	3,000	3,000	0
DEPARTMENT TOTAL.....	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 0</u>
Department of Health			
Grants and Subsidies			
Health Research - Health Priorities (EA).....	\$ 70,696	\$ 58,833	\$ 0
Health Research - National Cancer Institute (EA).....	3,928	3,269	0
Tobacco Use Prevention and Cessation (EA).....	17,627	14,708	0
Transfer to General Fund (EA).....	17,673	14,708	0
DEPARTMENT TOTAL.....	<u>\$ 109,924</u>	<u>\$ 91,518</u>	<u>\$ 0</u>
Insurance Department			
Grants and Subsidies			
Adult Health Insurance (EA).....	\$ 36,642	\$ 21,780	\$ 0
DEPARTMENT TOTAL.....	<u>\$ 36,642</u>	<u>\$ 21,780</u>	<u>\$ 0</u>



Summary by Department (continued)

(Dollar Amounts in Thousands)

	<u>2009-10</u> Actual	<u>2010-11</u> Estimate	<u>2011-12</u> Budget
Department of Public Welfare			
Grants and Subsidies			
Medical Care for Workers with Disabilities (EA).....	\$ 41,948	\$ 43,623	\$ 0
Home and Community-Based Services (EA).....	23,783	12,132 ^b	0
Medical Assistance - Long-Term Care.....	130,923	103,599	0
Uncompensated Care (EA).....	<u>39,275</u>	<u>32,685</u>	<u>0</u>
TOTAL STATE FUNDS.....	<u>\$ 235,929</u>	<u>\$ 192,039</u>	<u>\$ 0</u>
Federal Funds.....	<u>\$ 171,911</u>	<u>\$ 186,133</u>	<u>\$ 0</u>
DEPARTMENT TOTAL.....	<u>\$ 407,840</u>	<u>\$ 378,172</u>	<u>\$ 0</u>
TOTAL STATE FUNDS.....	<u>\$ 444,195</u>	<u>\$ 614,848</u>	<u>\$ 0</u>
Federal Funds.....	<u>\$ 201,976</u>	<u>\$ 219,605</u>	<u>\$ 0</u>
FUND TOTAL.....	<u>\$ 646,171</u>	<u>\$ 834,453</u>	<u>\$ 0</u>

^a Excludes \$961,000 in 2009-10 and \$714,000 in 2010-11 appropriated to the Tobacco Settlement Investment Board (actually funded by the Health Endowment Account for Long-Term Hope).

^b Authorized as \$18,972,588, but excludes redistributed lapses to avoid double counting.



REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	2009-10 Actual	2010-11 Estimated	2011-12 Budget	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated
Tobacco Settlement Revenue.....	\$ 349,843	\$ 344,986	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Miscellaneous Revenue.....	25,000	15,000	0	0	0	0	0
TOTAL TOBACCO FUND REVENUES.....	\$ 374,843	\$ 359,986	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Revenue Sources

Tobacco Settlement Revenue

Actual	Estimated
2004-05..... \$ 366,258	2010-11..... \$ 344,986
2005-06..... 336,227	2011-12..... 0
2006-07..... 351,928	2012-13..... 0
2007-08..... 382,003	2013-14..... 0
2008-09..... 419,238	2014-15..... 0
2009-10..... 349,843	2015-16..... 0

Tobacco Settlement revenue includes payments from all tobacco settlements under the Tobacco Master Settlement Agreement except for payments set aside in the Health Endowment Account for Long-Term Hope. Act 46 of 2010 redirects the 2010 strategic contribution payment and the eight percent of the annual payment from the Health Endowment Account for Long-Term Hope to the Tobacco Settlement Fund to support health-related expenditures. This budget proposes to deposit the Tobacco Master Settlement Agreement revenue directly into the General Fund beginning in 2011-12.

Miscellaneous Revenue

Actual	Estimated
2004-05..... \$ 26,454	2010-11..... \$ 15,000
2005-06..... 62,778	2011-12..... 0
2006-07..... 14,755	2012-13..... 0
2007-08..... 51,250	2013-14..... 0
2008-09..... 65,000	2014-15..... 0
2009-10..... 25,000	2015-16..... 0

Miscellaneous Revenue includes investment earnings that would have otherwise been deposited to or retained in the Health Endowment Account for Long-Term Hope, but were specified for retention within the fund itself by Act 41 of 2005, Act 66 of 2006, Act 42 of 2007, Act 53 of 2008, Act 50 of 2009 and Act 46 of 2010.

Revenue Detail

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

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimate	2011-12 Budget
Gross Settlements.....	\$ 326,850	\$ 321,046	\$ 0 ^a
Strategic Contributions.....	22,993	23,940	0 ^a
NET TOBACCO SETTLEMENT REVENUE.....	\$ 349,843	\$ 344,986	\$ 0

^a This budget proposes to deposit Tobacco Master Settlement Agreement revenue directly into the General Fund beginning in 2011-12.



Restricted Revenues

Health Endowment Account for Long-Term Hope Revenue

(Dollar Amounts in Thousands)

Actual	Estimated
2004-05..... \$ 37,723	2010-11..... \$ -250,771
2005-06..... 32,844	2011-12..... 0
2006-07..... 120,018	2012-13..... 0
2007-08..... 42,841	2013-14..... 0
2008-09..... -71,799	2014-15..... 0
2009-10..... -161,088	2015-16..... 0

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. The 2008-09 actual amount includes the transfers to the Tobacco Settlement Fund per Act 53 of 2008 and net investment earnings. The 2009-10 actual amount includes the transfers to the Tobacco Settlement Fund per Act 50 of 2009 including the transfer of \$150 million to the General Fund. Act 46 of 2010 directs the transfer of all remaining assets, cash and investments in the Health Endowment Account to the Tobacco Settlement Fund by June 1, 2011. This budget proposes the deposit of Tobacco Master Settlement Agreement funds directly into the General Fund beginning in 2011-12.

Tobacco Settlement Investment Board Account

(Dollar Amounts in Thousands)

Actual	Estimated
2004-05..... \$ 276	2010-11..... \$ 714
2005-06..... 376	2011-12..... 0
2006-07..... 659	2012-13..... 0
2007-08..... 813	2013-14..... 0
2008-09..... 903	2014-15..... 0

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. These funds are appropriated from the account.

Community Health Reinvestment Account

(Dollar Amounts in Thousands)

Actual	Estimated
2004-05..... \$ 0	2010-11..... \$ 114,001
2005-06..... 59,159	2011-12..... 0
2006-07..... 94,963	2012-13..... 0
2007-08..... 109,041	2013-14..... 0
2008-09..... 126,348	2014-15..... 0
2009-10..... 106,263	2015-16..... 0

The account is used for the restricted receipt and disbursement of funds received in accordance with the Community Health Reinvestment Agreement entered into February 2, 2005 by the Insurance Department. The Community Health Reinvestment program disburses funds in the Insurance Department in support of basic health care for adults in accordance with Act 77 of 2001. The Community Health Reinvestment Agreement expired December 31, 2010. An additional agreement was signed thru June 30, 2011 which will fund the Adult Health Insurance program through February 28, 2011. This budget assumes no additional Community Health Reinvestment contributions.



Restricted Revenues

Health Venture Investment Account

(Dollar Amounts in Thousands)

Actual		Estimated	
2004-05.....	\$ 0	2010-11.....	\$ 0
2005-06.....	0	2011-12.....	0
2006-07.....	0	2012-13.....	0
2007-08.....	0	2013-14.....	0
2008-09.....	6,000	2014-15.....	0
2009-10.....	0	2015-16.....	0

The Health Venture Investment account revenues were provided by a one-time appropriation of \$60 million from the Tobacco Settlement Fund as a result of Act 77 of 2001 and the transfer of funds from the Machinery and Equipment Loan Fund as a result of Act 53 of 2008. Funds are invested in one or more limited partnerships that make venture capital investments by acquiring debt and equity interests in health care, biotechnology or in other health-related businesses that are expected to grow substantially in the future in accordance with Act 77 of 2001.

Biotechnology Commercialization Account

(Dollar Amounts in Thousands)

Actual		Estimated	
2004-05.....	\$ 0	2010-11.....	\$ 0
2005-06.....	0	2011-12.....	0
2006-07.....	0	2012-13.....	0
2007-08.....	0	2013-14.....	0
2008-09.....	6,000	2014-15.....	0
2009-10.....	0	2015-16.....	0

The Biotechnology Commercialization account revenues were provided by the transfer of funds from the Machinery and Equipment Loan Fund as a result of Act 53 of 2008. Funds are distributed equally to regional biotechnology research centers to continue support for the three Life Sciences Greenhouses that invest in companies focused on research, development and commercialization of cutting-edge therapies and medical technologies in accordance with Act 77 of 2001.





Commonwealth of Pennsylvania

Governor's Executive Budget

TAX
EXPENDITURES

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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 2011-12 Governor’s Executive Budget presents this tax expenditure analysis covering commonwealth taxes with annual receipts of at least \$20 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
- (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
- (6) Is not an appropriation

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), corporations doing business in Pennsylvania and subject to the corporate net income tax and the capital stock/foreign franchise tax, and pass-through entities. In order to qualify, the business entity must 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, 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.

Several parameters of the program were amended by Act 55 of 2007. Pass-through entities will now be eligible for this credit. If the entity cannot use this credit, the entity may elect to transfer the credit to its shareholders, members or partners. Therefore, taxpayers may also apply the credit against personal income tax. The amount of credit that may be awarded to a taxpayer is 55 percent, increased from 50 percent, of the amount contributed by a business firm, or 75 percent, increased from 70 percent, of the amount contributed to special program priorities defined by the Department of Community and Economic Development in regulations. For private companies, the amount is 25 percent, increased from 20 percent, of the amount of qualified investment, or 35 percent, increased from 30 percent, of the amount invested in special program priorities. A credit equal to 75 percent of the contributions made by a business firm during a taxable year for comprehensive service projects with a five-year commitment may be awarded. A credit equal to 80 percent of the contributions made by a business firm during a taxable year for comprehensive service projects with a six-year commitment may be awarded. The amount of the credits awarded annually cannot exceed \$500,000, for contributions or investments for single projects or \$1,250,000 for contributions or investments to four or more projects.

Act 55 of 2007 also provides that credits may now be sold or assigned to other taxpayers. The total amount of credits awarded to all taxpayers remains \$18 million in a fiscal year. However, \$2 million is to be allocated exclusively for pass-through entities. If the \$2 million is not used, then the unused portion is to be available for other taxpayers.

Act 48 of 2009 reduced the amount of tax credit that could be awarded per program in fiscal years 2009-10 and 2010-11 by 50 percent and 55 percent respectively.

The estimate for fiscal year 2009-10 reflects actual credits awarded under the program for that period. The estimates for fiscal years 2011-12 forward 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 9.0	\$ 8.1	\$ 18.0	\$ 18.0	\$ 18.0	\$ 18.0	\$ 18.0

Beneficiaries: Approximately 370 companies doing business in Pennsylvania benefit from this tax expenditure.

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. Act 48 of 2009 reduced the amount of tax credit that could be awarded per employer in fiscal years 2009-10 by 50 percent.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 12.5	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

Beneficiaries: Employers of approximately 6,000 qualifying employees in Pennsylvania are expected to benefit from this tax expenditure.

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. Act 48 of 2009 reduced the amount of tax credit that could be awarded per job commitment in fiscal years 2009-10 and 2010-11 by 50 percent and 55 percent respectively. The estimate for fiscal year 2009-10 reflects actual credits awarded under the program for that period. The estimates for fiscal years 2011-12 forward 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 Credit 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 11.3	\$ 10.1	\$ 22.5	\$ 22.5	\$ 22.5	\$ 22.5	\$ 22.5

Beneficiaries: Approximately 115 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. Beginning in December 2007, total credits in any one fiscal year are capped at \$40 million, with \$8 million of the total earmarked exclusively for small businesses. For all credits issued, prior to December 2006 the credit equals 10 percent of the increase in qualified research expenses for the current taxable year over a base period. For credits issued beginning in December 2006, the credit equals 20 percent of the increase in qualified research expenses for the current taxable year over a base period for small businesses. The credit remains at 10 percent for businesses that are not small businesses. 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. Unused credits may be carried forward fifteen taxable years. Credits are available for tax years ending on or before December 31, 2015. Act 48 of 2009 reduced the amount of tax credit that could be awarded in fiscal years 2009-10 and 2010-11 to \$20.0 million and \$18.0 million respectively. The estimate for fiscal year 2009-10 reflects actual credits awarded under the program for that period. The estimates for future fiscal years reflect the program cap including the impact of Act 48 of 2009.

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 Credit 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 20.0	\$ 18.0	\$ 40.0	\$ 40.0	\$ 40.0	\$ 40.0	\$ 40.0

Beneficiaries: Approximately 470 companies performing qualified research and development in Pennsylvania benefit from this tax expenditure.

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 (KOZs), 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.

Act 72 of 2008 granted KOZs that are set to expire within the next five to ten years the option of extending their associated benefits for seven to ten years. Act 72 of 2008 also allows the department of Community and Economic Development to designate up to fifteen additional KOZs beginning in January 1, 2010. Under this legislation, contractors, pursuant to a contract with a qualified business, landowner or lessee, may purchase, exempt from sales and use tax any tangible personal property or services for use in the zone by the qualified business.

Furthermore, the formula for calculating the taxable income of a corporation in a zone is now based only on the payroll and property factors under Act 72. The sales factor has been eliminated from the calculation.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 21.0	\$ 18.8	\$ 18.7	\$ 16.8	\$ 16.3	\$ 16.0	\$ 15.8

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

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

EDUCATIONAL IMPROVEMENT TAX CREDIT

Authorization: Article XVII-F 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, 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.

Act 61 of 2008 increased the annual limit per taxpayer from \$200,000 to \$300,000 for scholarship and education improvement organizations and increased the annual credit limit for contributions to pre-kindergarten scholarship organizations from \$100,000 to \$150,000. Act 61 also provided that S corporations and other pass-through entities are eligible for the program.

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. Beginning in fiscal year 2008-09, the cap on credits awarded increased to \$75 million per fiscal year, including \$44.7 million for scholarship organizations, \$22.3 million for contributions to educational improvement organizations, and \$8.0 million for contributions to pre kindergarten scholarship organizations. Act 48 of 2009 reduced the amount of tax credit that could be awarded in fiscal years 2009-10 and 2010-11 to \$60.0 million and \$50 million respectively. Act 46 of 2010 increased the cap to \$60 million for fiscal year 2010-11. The estimate for fiscal year 2009-10 reflects actual credits awarded under the program for that period. The estimates for future fiscal years reflect the program cap including the impact of Act 48 of 2009 and Act 46 of 2010.

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 the Educational Improvement Tax Credit program 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)

Estimates:	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 60.0	\$ 60.0	\$ 75.0	\$ 75.0	\$ 75.0	\$ 75.0	\$ 75.0

Beneficiaries Approximately 2,930 companies and 630 scholarship organizations, educational improvement organizations, and pre-kindergarten scholarship organizations benefit from this tax expenditure.

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 began awarding credits during fiscal year 2006-07. The estimate for fiscal year 2009-10 reflects actual credits awarded under the program for that period. The estimates for future fiscal years reflect the program cap.

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: Cost to administer the KIZ program, including the review and award of KIZ tax credits, are borne by the Department of Community and Economic Development. The Department of Revenue is 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 12.9	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0

Beneficiaries: Approximately 125 taxpayers will benefit from this expenditure.

FILM PRODUCTION TAX CREDIT

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

Description: Act 95 of 2004 created a tax credit equal to 20 percent of qualified film production expenses incurred in Pennsylvania after June 30, 2004. The total amount of tax credits that could be awarded in any fiscal year was \$10 million. Beginning in fiscal year 2006-07, the credit program was replaced with a grant program. Act 55 of 2007 created a new film tax credit in the amount of 25 percent of qualified film production expenses incurred in Pennsylvania after fiscal year 2006-07. The total amount of tax credits that can be awarded in any fiscal year is \$75 million. 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 have been incurred in the production of a film, television commercial, or certain television shows intended for a national audience. At least 60 percent of total production expenses must have been incurred in Pennsylvania. Act 48 of 2009 reduced the amount of tax credits that could be awarded in fiscal years 2009-10 and 2010-11 to \$42 million and \$60 million respectively.

The estimate for fiscal year 2009-10 reflects actual credits awarded under the program for that period. The estimates for future fiscal years reflect the program cap including the impact of Act 48 of 2009.

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.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 7.9	\$ 60.0	\$ 75.0	\$ 75.0	\$ 75.0	\$ 75.0	\$ 75.0

Beneficiaries: Approximately 75 filmmakers that produce films and television shows in Pennsylvania will benefit from this expenditure.

ORGAN AND BONE MARROW DONOR TAX CREDIT

Authorization: Act 65 of July 2, 2006

Description: Act 65 of 2006 created the Organ and Bone Marrow Donor Tax Credit for business firms subject to personal income tax, corporate net income tax, capital stock/franchise tax, bank and trust company shares tax, title insurance companies shares tax, or mutual thrift institutions tax. The amount of the credit is equal to the employee compensation paid during the leave of absence, the cost of temporary replacement help, and any miscellaneous expenses authorized by regulation incurred with the leave of absence period. Credits cannot be applied against employer withholding tax under Article III. Credits can be carried forward for three taxable years; however, they cannot be carried back to previous taxable years, and they are not refundable. The credit against personal income tax may be passed through proportionately to the shareholders of S corporations, members of limited liability companies, or partners.

Purpose: The purpose of these provisions is to create a greater willingness to donate organs and/or bone marrow through employer tax credits and public education.

Administrative Costs: Costs to administer the Organ and Bone Marrow Tax Credit program are borne by the Department of Revenue. Estimated costs are expected to total \$0.1 million per year.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	0.0	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: A minimal number of taxpayers will benefit from this tax expenditure.

ALTERNATIVE ENERGY PRODUCTION TAX CREDIT

Authorization: Act 1 of the Special Session of July 9, 2008

Description: Act 1 of the Special Session of 2008 created the Alternative Energy Production Tax Credit. Taxpayers that develop or construct energy production projects located within the commonwealth, which have a useful life of at least four years, may apply to the Department of Environmental Protection for a tax credit beginning in September 2009. The amount of the tax credit may be up to 15 percent of the amount paid for the development and construction of alternative energy production projects but may not exceed \$1 million per taxpayer. Unused portions of the tax credit may be carried forward for up to five taxable years from the year in which the credit is awarded. Credits may not be carried back. Additionally, taxpayers may sell or assign unused portions of the tax credit upon approval by the Department of Revenue and the Department of Environmental Protection. The total amount of tax credit that can be awarded is from \$2 million to \$10 million per fiscal year depending on the fiscal year. Act 48 of 2009 prohibits that any amount of tax credit be awarded in fiscal years 2009-10 and 2010-11. The estimates for future fiscal years reflect the program cap.

Purpose: The purpose of this tax credit is to create an incentive to develop alternative energy sources within the Commonwealth.

Administrative Costs: Costs to administer the Alternative Energy Production Tax Credit program are borne by the Department of Environmental Protection and the Department of Revenue.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ --	\$ --	\$ 5.0	\$ 7.0	\$ 10.0	\$ 10.0	\$ 10.0

Beneficiaries: An unknown number of taxpayers will benefit from this tax expenditure.



STRATEGIC DEVELOPMENT AREAS

Authorization: Act 151 of November 20, 2006

Description: The Strategic Development Areas (SDA) program was established in 2006 to provide incentives for economic development in designated areas. Act 151 of 2006 created the program to provide tax relief and tax credits to qualified companies within the SDA. The designation would be effective for a 15-year period and must be approved by the political subdivision in which it is located. By waiving these taxes for a series of years, the program hopes to foster growth in those areas. The Department of Community and Economic Development administers the program for the commonwealth.

Among the state taxes waived by the program are corporate net income, capital stock/foreign franchise, and personal income. Insurance companies and certain regulated transportation companies may earn tax credits based on the number of jobs created in a zone. Businesses operating in a zone are exempted from paying sales and use taxes on items purchased for consumption in the area. At the local level, property taxes, earned income and net profit taxes, mercantile license tax, and local sales and use tax are waived for area businesses. Tax benefits may not extend beyond December 31, 2022.

Purpose: This program provides incentives for economic development in designated areas to foster growth.

Administrative Costs: Costs to administer the Strategic Development Areas 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.

<i>Estimates:</i>	(Dollar Amounts in Millions)					
<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
NA	NA	NA	NA	NA	NA	NA

Beneficiaries: A minimal number of taxpayers are expected to benefit from this credit program.

RESOURCE ENHANCEMENT AND PROTECTION TAX CREDIT

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

Description: Act 55 of 2007 created the Resource Enhancement and Protection (REAP) Tax Credit to encourage the development of riparian forest buffers and the remediation of legacy sediment on commonwealth farmland. Depending on the type of development, a taxpayer may receive a credit of up to 75 percent of cost of a project. A maximum of \$150,000 in tax credits may be awarded per eligible applicant, and the total amount of credits awarded in one fiscal year cannot exceed \$10 million. The tax credit may be used against personal income tax, corporate net income tax, capital stock/foreign franchise tax, bank shares tax, title insurance company premiums tax, insurance premiums tax, and mutual thrift institutions tax. Credits for legacy sediment cannot be issued prior to July 1, 2008. Credits will first be awarded in fiscal year 2007-08. Act 48 of 2009 reduced the amount of tax credits to be awarded in fiscal years 2009-10 and 2010-11 by 50 percent and 55 percent respectively.

The estimate for fiscal year 2009-10 reflects actual credits awarded under the program for that period. The estimates for fiscal years reflect the program cap.

Purpose: This credit encourages private investment in the implementation of best management practices on agricultural operations, the planting of riparian forest buffers, and the remediation of legacy sediment.

Administrative Costs: Costs to administer the REAP Tax Credit are borne by the State Conservation Commission and the Department of Revenue. Estimated costs total \$0.1 million per year.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 3.8	\$ 4.5	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0

Beneficiaries: Approximately 350 taxpayers will benefit from this tax expenditure.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 2.3	\$ 2.3	\$ 2.4	\$ 2.5	\$ 2.5	\$ 2.6	\$ 2.7
	Selective Business Taxes:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</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.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 25.5	\$ 25.7	\$ 26.0	\$ 26.2	\$ 26.5	\$ 26.8	\$ 27.0

Beneficiaries: Approximately 1,200 nonprofit corporations operating in Pennsylvania with unrelated business income benefit from this tax expenditure.

SALES FACTOR APPORTIONMENT WEIGHT

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. Act 116 of 2006 provided for the sales factor to be weighted 70 percent of the total beginning in tax year 2007. Therefore, the sales factor in the numerator is multiplied by 70, the property and payroll factors are multiplied by 15, and the denominator is 100. Act 48 of 2009 provided for the sales factor to be weighted 83 percent of the total beginning in tax year 2009. The sales factor in the numerator is multiplied by 83 percent, the property and payroll factors are multiplied by 8.5 percent and the denominator is 100. For tax year 2010 and beyond the sales factor will be weighted as 90 percent of the total. The sales factor in the numerator is multiplied by 90 the property and payroll factors are multiplied by 5 and the denominator is 100.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 210.0	\$ 225.5	\$ 230.2	\$ 232.2	\$ 233.4	\$ 234.6	\$ 235.8

Beneficiaries: More than 34,100 corporations are affected by this expenditure. Of those, 12,000 benefit (i.e., have their taxable income reduced) from the expenditure. The estimates shown above reflect the net impact and represent the change in corporate net income tax 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.

FICA TAX ON TIPS

Description: Eating and drinking establishments can claim a deduction from their Pennsylvania taxable income equal to the amount of 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 2.1	\$ 2.1	\$ 2.2	\$ 2.2	\$ 2.3	\$ 2.3	\$ 2.3

Beneficiaries: Approximately 2,000 taxpayers representing eating and drinking establishments could benefit from this tax expenditure.

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. Act 116 of 2006 increased the annual cap on deductions to \$3 million or 12.5 percent of taxable income, whichever is greater, in each of the twenty years following the loss, effective January 1, 2007. Act 48 of 2009 increased the annual cap on deductions for tax year 2009 to \$3 million or 15% of taxable income, whichever is greater, in each of the twenty years following the loss, effective January 1, 2009. For tax year 2010 and beyond, the annual cap on deductions is amended to \$3 million or 20% of taxable income, whichever is greater, in each of the twenty years following the loss.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 270.1	\$ 284.5	\$ 310.6	\$ 342.4	\$ 374.6	\$ 407.6	\$ 441.3

Beneficiaries: Approximately 22,700 businesses per year benefit from this tax expenditure.

NON-PROFIT NONSTOCK COMMODITY OR STOCK EXCHANGE

Description: Act 40 of 2005 excluded non-profit nonstock commodity or stock exchanges 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: A minimal number of corporate taxpayers benefit from this tax expenditure.

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. Act 67 of 2006 requires a federal S corporation to be a PA S corporation unless it files an election. If a small corporation opts out, then its choice shall remain in effect for five years. The Act also links the Pennsylvania definition of an S corporation more closely to the federal law, permitting Pennsylvania S corporations to have as many as 100 unrelated shareholders (formerly 75).

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 711.7	\$ 701.9	\$ 704.9	\$ 712.0	\$ 719.1	\$ 726.3	\$ 733.5

Beneficiaries: Approximately 165,000 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 287.7	\$ 295.6	\$ 307.6	\$ 321.3	\$ 335.1	\$ 349.0	\$ 363.1

Beneficiaries: As many as 125,500 companies doing business in Pennsylvania benefit from this tax expenditure.



POWDERED METALLURGY NEXUS

Description: Act 55 of 2007 created a nexus exemption for the out-of-state customers of Pennsylvania powdered metallurgy parts manufacturers. This nexus exemption applies retroactively to taxable years beginning after December 31, 2004, as well as taxable years to which there is an appeal prior to the effective date.

Purpose: This nexus exemption ensures that Pennsylvania powdered metallurgy parts manufacturers will not lose business due to a concern that out-of-state customers may be unduly subject to Pennsylvania taxation only for contracting with such a company.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.3	\$ 0.1

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 \$150,000. Act 67 of 2006 authorized the increase of the valuation deduction from \$125,000 to \$150,000. 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 thereafter until the tax is eliminated. Act 67 of 2006 modified the Act 46 of 2003 phase-out schedule by reducing the 2006 rate to 4.89 mills, and then reducing the rate by 1 mill per year until the tax was to be eliminated for all tax years beginning after December 31, 2010. Act 48 of 2009 modified the Act 67 of 2006 by freezing the rate of tax years 2009 through 2011 at 2.89 mills, and then reducing the rate by 1 mill per year beginning in tax year 2012 until the tax is eliminated for all tax years beginning after December 31, 2013.

Act 77 of 2007 amended the HSCF transfer, setting it at \$40 million per fiscal year, beginning in fiscal year 2008-09. 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 9.3	\$ 9.2	\$ 8.4	\$ 5.7	\$ 2.7	\$ 0.5	\$ 0.1

Beneficiaries: Approximately 2,590 nonprofit corporations benefit from this tax expenditure.

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 as 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	Nominal	Nominal	Nominal

Beneficiaries: Approximately 540 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 256.2	\$ 253.9	\$ 230.3	\$ 157.1	\$ 74.9	\$ 14.1	\$ 2.5

Beneficiaries: Approximately 5,500 corporations operating in Pennsylvania benefit from this tax expenditure.

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 the 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 172.1	\$ 170.6	\$ 154.7	\$ 105.5	\$ 50.3	\$ 9.5	\$ 1.7

Beneficiaries: Approximately 6,075 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.1	\$ 0.1	\$ 0.1	Nominal	Nominal	Nominal	Nominal

Beneficiaries: Approximately 20 companies doing business in Pennsylvania benefit from this tax expenditure.

DEDUCTION FROM THE FIXED FORMULA

Description: Act 48 of 2009 establishes that for tax years beginning in 2010 and thereafter, corporations may deduct \$160,000 from the capital stock value which is then subject to apportionment to determine the taxable base. The valuation deduction was \$150,000 for tax years 2007 through 2009. The valuation deduction for tax years 1997 through 2006 was \$125,000. 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 61.8	\$ 64.3	\$ 59.8	\$ 41.0	\$ 19.4	\$ 3.7	\$ 0.6

Beneficiaries: Approximately 224,100 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 159.3	\$ 157.9	\$143.2	\$ 97.6	\$ 46.5	\$ 8.8	\$ 1.5

Beneficiaries: Approximately 440 companies doing business in Pennsylvania benefit from this tax expenditure.

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 percent 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	Nominal	Nominal	Nominal

Beneficiaries: At least 120 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.

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. Act 67 of 2006 eliminated single member restricted professional companies from being subject to the capital stock and franchise tax unless they are classified as a corporation for federal income tax purposes, effective for tax years beginning after December 31, 2005.

The cost estimates shown below only reflect the cost of the single member RPC exemption.

Purpose: RPCs perform valuable professional services for citizens of the commonwealth.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 8.6	\$ 8.5	\$ 7.7	\$ 5.3	\$ 2.5	\$ 0.5	\$ 0.5

Beneficiaries: Approximately 2,270 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</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 benefit from 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: A minimal number of corporate taxpayers benefit from this tax expenditure.

POWDERED METALLURGY NEXUS

Description: Act 55 of 2007 created a nexus exemption for the out-of-state customers of Pennsylvania powdered metallurgy parts manufacturers. This nexus exemption applies retroactively to taxable years beginning after December 31, 2004, as well as taxable years to which there is an appeal prior to the effective date.

Purpose: This nexus exemption ensures that Pennsylvania powdered metallurgy parts manufacturers will not lose business due to a concern that out-of-state customers may be unduly subject to Pennsylvania taxation only for contracting with such a company.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal						

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 and managed care organizations. The tax collected from managed care organizations is not deposited in the General Fund. 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; as well as intrastate and interstate telephone and telegraph messages transmitted on land line or cellular systems. A tax is levied at 44 mills on the sale 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 10.7	\$ 11.0	\$ 11.5	\$ 12.2	\$ 12.9	\$ 13.6	\$ 14.4

Beneficiaries: The 31 municipally-owned utilities operating in the commonwealth benefit from this tax expenditure.

NUCLEAR GENERATING FACILITY DAMAGE

Description: Gross receipts derived from the sale of electricity by an electric light company which are attributable to the recovery of purchased energy costs, clean-up costs, and investment write-off costs due to damage to a nuclear generating facility are exempt from tax.

Purpose: This tax relief alleviates the financial hardship faced by the public utility as a result of damage caused by an accident or natural disaster. It also benefits consumers to the extent the tax relief is reflected in lower utility rates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: 45 electric suppliers could potentially benefit from this tax expenditure.

General Fund Tax Expenditures

ELECTRIC COOPERATIVES

Description: Gross receipts of electric cooperatives are exempt from the tax. 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 19.5	\$ 20.0	\$ 21.1	\$ 22.3	\$ 23.5	\$ 24.8	\$ 26.2

Beneficiaries: The 13 cooperatives in the commonwealth 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 3.3	\$ 3.5	\$ 3.7	\$ 3.8	\$ 4.0	\$ 4.2	\$ 4.4

Beneficiaries: The 320 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 3.0	\$ 3.1	\$ 3.2	\$ 3.4	\$ 3.5	\$ 3.7	\$ 3.9

Beneficiaries: The 320 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 6.9	\$ 7.2	\$ 7.5	\$ 7.9	\$ 8.2	\$ 8.6	\$ 9.0

Beneficiaries: The 76 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 6.1	\$ 6.3	\$ 6.6	\$ 6.9	\$ 7.3	\$ 7.6	\$ 7.9

Beneficiaries: The 64 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 3.7	\$ 3.9	\$ 4.1	\$ 4.3	\$ 4.5	\$ 4.7	\$ 4.9

Beneficiaries: The 542 municipal authorities and the 35 municipal public utilities benefit from this tax expenditure.



ELECTRIC GENERATION FACILITIES

Description: After December 31, 1999, land and improvements indispensable to the generation of electricity 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 27.6	\$ 28.8	\$ 30.1	\$ 31.5	\$ 32.9	\$ 34.4	\$ 36.0

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal						

Beneficiaries: Approximately 70 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 7.9	\$ 8.9	\$ 9.8	\$ 10.0	\$ 10.5	\$ 11.0	\$ 11.6

Beneficiaries: The 63 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., 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 109.0	\$ 113.0	\$ 118.1	\$ 124.6	\$ 131.0	\$ 137.2	\$ 145.6

Beneficiaries: The 12 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

Beneficiaries: The 806 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal						

Beneficiaries: The 466 life, accident, and health insurance companies doing business in Pennsylvania may benefit from this tax expenditure.



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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 6.5	\$ 7.7	\$ 8.9	\$ 10.2	\$ 11.6	\$ 13.0	\$ 6.8

Beneficiaries: Approximately 1,050 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.

GOODWILL DEDUCTION

Description: Act 55 of 2007 allows for goodwill generated by a combination to be subtracted from a bank's book value of total equity capital when calculating its shares history.

Purpose: This deduction is intended to avoid the artificial inflation of a bank's tax liability simply because it has combined with another bank.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 28.4	\$ 28.6	\$ 28.6	\$ 28.4	\$ 30.3	\$ 30.7	\$ 31.2

Beneficiaries: Any Pennsylvania bank involved in combination activity could benefit from this tax expenditure.

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 principles 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8

Beneficiaries: The 115 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 11.8	\$ 11.8	\$ 12.2	\$ 12.6	\$ 13.0	\$ 13.5	\$ 14.0

Beneficiaries: The 565 state and federal credit unions operating in Pennsylvania benefit from this tax expenditure.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 13.2	\$ 13.4	\$ 13.6	\$ 13.8	\$ 14.0	\$ 14.2	\$ 14.4

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$1,220.9	\$1,266.7	\$1,308.2	\$1,339.8	\$1,368.2	\$1,399.0	\$1,430.1

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 89.7	\$ 93.1	\$ 96.1	\$ 98.5	\$ 100.5	\$ 102.8	\$ 105.1

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

PERSONAL HYGIENE PRODUCTS

Description: The purchase at retail or use of disposable diapers, incontinence products, toilet paper, feminine hygiene products, toothpaste, toothbrushes, and 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 40.4	\$ 41.8	\$ 43.2	\$ 44.3	\$ 45.3	\$ 46.7	\$ 48.3

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 52.3	\$ 52.3	\$ 52.5	\$ 52.7	\$ 53.0	\$ 53.6	\$ 54.5

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.



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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 9.3	\$ 9.4	\$ 9.5	\$ 9.6	\$ 9.8	\$ 10.0	\$ 10.2

Beneficiaries: Approximately 2.5 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 735.4	\$ 745.7	\$ 755.1	\$ 763.7	\$ 774.7	\$ 792.3	\$ 813.1

Beneficiaries: Virtually all 4.9 million households benefit from this tax expenditure.

PRESCRIPTION DRUGS AND ORTHOPEDIC EQUIPMENT

Description: The purchase at retail or use of prescription drugs and orthopedic equipment is exempt from taxation. Such equipment includes crutches, wheelchairs, false teeth and dental materials, eyeglasses, artificial limbs and eyes, hearing devices, braces, and supports. Also included are devices to alleviate a physical incapacity such as a hospital bed or 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 610.2	\$ 648.2	\$ 697.6	\$ 747.8	\$ 797.6	\$ 855.8	\$ 927.0

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.



General Fund Tax Expenditures

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 56.4	\$ 60.0	\$ 64.6	\$ 69.3	\$ 73.9	\$ 79.4	\$ 86.1

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 153.0	\$ 160.6	\$ 168.2	\$ 174.8	\$ 180.6	\$ 186.9	\$ 193.5

Beneficiaries: Approximately 4.9 million people benefit from this tax expenditure.

CHARGES FOR RETURNABLE CONTAINERS

Description: Separately stated deposit charges for returnable containers are excluded from the purchase price and are exempt from taxation.

Purpose: Deposit charges usually represent 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 8.2	\$ 8.4	\$ 8.5	\$ 8.7	\$ 8.9	\$ 9.1	\$ 9.3

Beneficiaries: Approximately 273,800 business establishments and an unknown number of households may 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 15.7	\$ 16.1	\$ 16.7	\$ 17.3	\$ 17.9	\$ 18.5	\$ 19.3

Beneficiaries: As many as 124,000 households benefit from this tax expenditure annually.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 1.9	\$ 2.0	\$ 2.0	\$ 2.1	\$ 2.1	\$ 2.2	\$ 2.3

Beneficiaries: Approximately 2.5 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 25.2	\$ 25.1	\$ 25.2	\$ 25.3	\$ 25.4	\$ 25.7	\$ 26.1

Beneficiaries: As many as 703,100 college students may benefit from this tax expenditure.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 5.6	\$ 6.1	\$ 6.6	\$ 7.2	\$ 7.8	\$ 8.4	\$ 9.1

Beneficiaries: Approximately 551,100 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 63.0	\$ 66.1	\$ 69.3	\$ 71.9	\$ 74.3	\$ 76.9	\$ 79.7

Beneficiaries: Approximately 4.4 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 127.0	\$ 116.2	\$ 119.5	\$ 123.5	\$ 126.7	\$ 128.9	\$ 130.9

Beneficiaries: Approximately 121,000 households and 6,800 businesses benefit from this tax expenditure.



General Fund Tax Expenditures

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

Beneficiaries: Approximately 901,900 households that use firewood or wood pellets as their primary heat source benefit from this tax expenditure. Also, there are an estimated 859,300 households with usable, wood burning fireplaces that may benefit from this tax expenditure.

RESIDENTIAL UTILITIES

Description: As defined by law, “tangible personal property” specifies taxable items. Specifically omitted from this definition are electricity, steam, natural, manufactured and bottled gas and fuel oil, basic local telecommunications service when purchased directly by the user solely for his residential use, and charges for coin-operated telephone calls. Court decisions have expanded the electricity exemption to include purchases for residential use through an agent, where there is no commercial interest.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Electric:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 415.6	\$ 437.4	\$ 453.4	\$ 478.7	\$ 507.8	\$ 532.0	\$ 557.3
	Fuel Oil/Gas:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 268.7	\$ 286.5	\$ 322.7	\$ 337.5	\$ 341.5	\$ 351.4	\$ 361.0
	Telephone:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 101.2	\$ 100.4	\$ 99.1	\$ 97.0	\$ 94.8	\$ 94.1	\$ 93.8

Beneficiaries: Approximately 4.4 million households (electricity), 3.7 million households (fuel oil/gas), and 4.3 million households (telephone) benefit from this tax expenditure.



General Fund Tax Expenditures

WATER AND SEWAGE SERVICES

Description: The purchase at retail or use of water (including ice) or sewage services 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 124.4	\$ 127.3	\$ 130.8	\$ 135.0	\$ 139.4	\$ 143.9	\$ 148.6

Beneficiaries: Approximately 4.1 million households and about 304,100 businesses benefit from this tax expenditure.

GASOLINE AND MOTOR FUELS

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

Purpose: Because these items are already subject to fuels taxes, the legislature has provided for their exemption from the sales and use tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$1,005.3	\$1,062.8	\$1,145.7	\$1,192.3	\$1,230.2	\$1,257.3	\$1,286.0

Beneficiaries: Approximately 4.3 million households and owners of more than 1.5 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 110.4	\$ 119.4	\$ 129.1	\$ 139.5	\$ 150.8	\$ 163.0	\$ 176.2

Beneficiaries: Approximately 7,500 common carriers could benefit from this tax expenditure.



General Fund Tax Expenditures

COMMERCIAL VESSELS (Construction and Repair)

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 1.2	\$ 1.2	\$ 1.3	\$ 1.4	\$ 1.4	\$ 1.5	\$ 1.6

Beneficiaries: As many as 9 establishments may benefit from this tax expenditure.

COMMERCIAL VESSELS (Equipment and 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 2.8	\$ 2.9	\$ 2.9	\$ 3.1	\$ 3.2	\$ 3.3	\$ 3.5

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

HELICOPTERS

Description: An exemption is provided for the sale at retail, rental, or lease of helicopters and similar rotorcraft vehicles. In addition, there is an exemption for the sale at retail of repair and replacement parts for helicopters and similar rotorcraft vehicles.

Purpose: This exclusion places Pennsylvania helicopter manufactures at a competitively neutral position relative to manufacturers in those states allowing this exemption.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.2

Beneficiaries: Approximately 560 companies may benefit from this expenditure.



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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 15.5	\$ 15.7	\$ 15.9	\$ 16.1	\$ 16.3	\$ 16.6	\$ 16.8

Beneficiaries: Approximately 900 private contractors and 5,742 schools benefit from this tax expenditure.

PRODUCTION EXPENDITURES

MANUFACTURING EXEMPTION (Manufacture and Processing)

Description: An exemption is provided for the purchase or use of machinery, equipment, parts and supplies or the use of services or utilities used directly in the manufacturing and processing of personal property. 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 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 887.4	\$ 914.4	\$ 986.1	\$1,075.1	\$1,154.8	\$1,222.6	\$1,290.4

Beneficiaries: Approximately 14,845 manufacturers and an unknown number of processors and remanufacturers benefit from this tax expenditure.

General Fund Tax Expenditures

MANUFACTURING EXEMPTION (Agriculture)

Description: An exemption is provided for the purchase or use of machinery, equipment, parts and supplies or the use of services or utilities used directly in farming, dairying, horticulture, floriculture, or aquaculture. This exemption does not apply to motor vehicles, maintenance facilities, managerial or other nonoperational activities or materials, supplies, or equipment used relative to real estate, 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 115.9	\$ 117.5	\$ 120.2	\$ 122.7	\$ 124.4	\$ 125.4	\$ 125.5

Beneficiaries: Approximately 58,000 farm operators benefit from this tax expenditure.

MANUFACTURING EXEMPTION (Public Utility)

Description: An exemption is provided for the purchase or use of machinery, equipment, parts and supplies or the use of services or utilities used directly 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 59.4	\$ 60.2	\$ 61.1	\$ 62.2	\$ 63.1	\$ 63.8	\$ 64.4

Beneficiaries: Approximately 8,000 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 1.9	\$ 2.0	\$ 2.1	\$ 2.3	\$ 2.4	\$ 2.5	\$ 2.6

Beneficiaries: Approximately 81,400 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 36.1	\$ 38.4	\$ 40.8	\$ 43.4	\$ 46.2	\$ 49.1	\$ 52.2

Beneficiaries: An unknown number of businesses engaged in contract farming 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.6	\$ 0.6	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.8

Beneficiaries: Approximately 25 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 2.6	\$ 2.7	\$ 2.9	\$ 3.1	\$ 3.3	\$ 3.5	\$ 3.7

Beneficiaries: As many as 500 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

Beneficiaries: Approximately 5,100 persons benefit from this tax expenditure.

COMMISSION

Description: A licensed vendor is permitted a 1 percent 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 71.7	\$ 73.6	\$ 76.0	\$ 79.1	\$ 81.8	\$ 84.5	\$ 87.4

Beneficiaries: Approximately 194,700 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.



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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 196.7	\$ 217.8	\$ 251.6	\$ 276.7	\$ 287.8	\$ 299.4	\$ 311.4

Beneficiaries: Approximately 100 purchasers of aircraft, 13,300 purchasers of computers, 11,300 purchasers of boats, and 499,600 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 103.2	\$ 105.9	\$ 109.3	\$ 113.8	\$ 117.7	\$ 121.6	\$ 125.7

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.



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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 3.9	\$ 3.9	\$ 3.9	\$ 3.9	\$ 3.9	\$ 3.9	\$ 3.9

Beneficiaries: Approximately 2,200 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.



General Fund Tax Expenditures

PURELY PUBLIC CHARITIES

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 140.6	\$ 146.5	\$ 156.0	\$ 166.3	\$ 176.2	\$ 186.2	\$ 196.1
	Volunteer Firemen's Organizations:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 62.8	\$ 64.6	\$ 67.3	\$ 70.4	\$ 73.4	\$ 76.6	\$ 79.9
	Nonprofit Educational Institutions:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 185.6	\$ 187.5	\$ 190.0	\$ 193.7	\$ 197.5	\$ 202.4	\$ 208.0
	Religious Organizations:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 87.2	\$ 90.9	\$ 96.7	\$ 103.2	\$ 109.3	\$ 115.5	\$ 121.6
	Health & Social Assistance Organizations:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 500.1	\$ 509.9	\$ 523.1	\$ 538.0	\$ 552.8	\$ 569.4	\$ 587.6

Beneficiaries: Approximately 31,700 organizations currently benefit from this tax expenditure.

EXEMPT GOVERNMENTAL UNITS

Description: The sale of tangible personal property or services to or for use by the federal government, the commonwealth or its instrumentalities, or political subdivisions is exempt from taxation. Act 45 of 1998 extended this exemption to include the purchase or use of certain machinery or equipment used in a construction contract 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 413.5	\$ 419.9	\$ 429.9	\$ 445.0	\$ 459.8	\$ 471.1	\$ 483.1

Beneficiaries: Approximately 3,100 governmental units benefit from this tax expenditure.



General Fund Tax Expenditures

SUBSTITUTED TAX BASE

Description: The tax on tangible personal property purchased at least six months prior to the first taxable use in Pennsylvania may be based on the prevailing market price at the time of the taxable use. This substituted base would be in lieu of taxing the original purchase price.

Purpose: This alternative tax base permits taxpayers to pay tax relative to the current market value of such assets that most closely approximates current taxable value.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

RAIL TRANSPORTATION EQUIPMENT

Description: The purchase or use of rail transportation equipment by a business 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 19.4	\$ 20.2	\$ 21.5	\$ 22.9	\$ 24.1	\$ 25.3	\$ 26.5

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.



General Fund Tax Expenditures

FISH FEED

Description: The purchase or use of fish feed by sportsmen's clubs, fish cooperatives, or nurseries approved by the Pennsylvania Fish Commission is exempt from taxation.

Purpose: The exemption provides special treatment benefiting organizations that raise fish intended for human consumption.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal						

Beneficiaries: The 170 cooperative nurseries and an unknown number of other entities benefit from this tax expenditure.

TOURIST PROMOTION AGENCIES

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

Purpose: Excluding supplies and materials used by tourist promotion agencies 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.5	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6

Beneficiaries: All 46 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal						

Beneficiaries: Approximately 59 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 107.4	\$ 111.7	\$ 119.0	\$ 127.1	\$ 134.3	\$ 141.1	\$ 148.1

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

Beneficiaries: As many as 1.2 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 100 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. Act 55 of 2007 provided that the refund for sales tax remitted and attributable to bad debt is now expanded to private label credit cards. This change will apply to amounts deducted as bad debts on federal income tax returns required to be filed after January 1, 2008. No refund is granted for interest, finance charges, or expenses incurred in attempting to collect receivables.

Purpose: The bad debt refund provision lessens the economic impact experienced by vendors when they extend credit to customers for taxable purchases and subsequently incur uncollectible accounts receivable (bad debts).

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 7.4	\$ 8.2	\$ 7.6	\$ 6.9	\$ 6.7	\$ 6.6	\$ 6.5

Beneficiaries: Any of the 248,800 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)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 1.6	\$ 1.7	\$ 1.7	\$ 1.8	\$ 1.9	\$ 1.9	\$ 2.0

Beneficiaries: As many as 127,945 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. Act 48 of 2009 reduced the amount of tax credit that could be awarded per program in fiscal years 2009-10 and 2010-11 by 50 percent and 55 percent respectively. The estimate for fiscal year 2009-10 reflects actual credits awarded under the program for that period. The estimates for fiscal years 2011-12 forward 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)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.4	\$ 13.5	\$ 30.0	\$ 30.0	\$ 30.0	\$ 30.0	\$ 30.0

Beneficiaries: Approximately 20 call centers located in Pennsylvania will benefit from this tax credit.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 28.1	\$ 31.6	\$ 36.0	\$ 40.8	\$ 42.9	\$ 44.2	\$ 45.4

Beneficiaries: Approximately 200 motion picture and video exhibition companies, 70 television broadcasting stations, and 15 cable and subscription programming companies benefit from this expenditure.

COPIES OF AN OFFICIAL DOCUMENT

Description: The sale at retail or use of copies of an official document sold by a government agency or court are exempt from taxation. Included in copies of official documents are any copies in tangible form, including compact discs, microfilm, and similar forms of electronic media. Examples of such documents include notes of court testimony, deposition transcripts, driving records, accident reports, birth and death certificates, deeds, divorce decrees, and other similar documents.

Purpose: This provision eases reporting and administrative burdens on state, county, and local governments, including courts and political subdivisions.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.8

Beneficiaries: An unknown number of individuals and businesses benefit from this tax expenditure.

INVESTMENT METAL BULLION AND INVESTMENT COINS

Description: The purchase or use of investment metal bullion and investment coins are exempt from taxation. This exemption includes the purchase or use of precious metals, where the value of the metal is primarily a function of the metal content, or a coin, where the market value exceeds the face value. This exemption does not include jewelry, works of art made from coins, or medallions.

Purpose: These purchases are generally for investment purposes only and, as such, are exempt from tax.

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 2.7	\$ 2.9	\$ 3.2	\$ 3.4	\$ 3.7	\$ 4.1	\$ 4.4

Beneficiaries: An unknown number of individuals and businesses engaged in the purchase and sale of investment bullion and coins 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 2.3	\$ 2.3	\$ 2.4	\$ 2.5	\$ 2.5	\$ 2.6	\$ 2.7

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 62,500 retail and wholesale establishments benefit from this tax expenditure.

General Fund Tax Expenditures

SERVICES

Description: Expenditures for services are not taxable under the sales and use tax except when specifically taxed by law.

Purpose: Because the 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
LODGING							
Recreational parks, camps & campgrounds.....	\$ 40.5	\$ 41.7	\$ 42.7	\$ 43.7	\$ 44.7	\$ 45.9	\$ 47.1
PERSONAL SERVICES							
Dry-cleaning & laundry services.....	\$ 38.4	\$ 39.6	\$ 41.3	\$ 43.1	\$ 45.0	\$ 46.9	\$ 49.2
Personal care services.....	121.3	124.6	128.7	133.1	137.6	142.7	148.1
Funeral parlors, crematories & death care services....	48.6	49.9	51.5	53.3	55.1	57.1	59.3
Other: personal services.....	44.2	45.4	47.1	48.7	50.4	52.3	54.4
BUSINESS SERVICES							
Advertising, public relations, & related services.....	\$ 665.2	\$ 689.3	\$ 728.8	\$ 771.5	\$ 810.9	\$ 849.9	\$ 890.1
Services to buildings and dwellings.....	148.4	153.1	161.0	169.6	177.4	185.0	192.8
Consulting (scientific, environmental, & technical).....	303.5	314.4	332.4	352.1	370.6	388.8	407.6
Scientific research & development services.....	212.8	220.4	233.5	248.1	262.6	277.7	293.8
Information services.....	17.1	17.4	17.9	18.4	19.0	19.8	20.6
Administrative services.....	422.2	436.1	459.3	484.8	508.4	531.5	555.3
COMPUTER SERVICES							
Custom programming, design & data processing.....	\$ 313.2	\$ 324.0	\$ 342.7	\$ 363.1	\$ 381.9	\$ 399.9	\$ 418.1
AUTOMOTIVE SERVICES							
Parking lots & garages.....	\$ 75.5	\$ 77.6	\$ 80.3	\$ 83.2	\$ 86.1	\$ 89.4	\$ 92.9
RECREATION SERVICES							
Spectator sports admissions (excludes schools).....	\$ 27.1	\$ 29.0	\$ 31.0	\$ 33.1	\$ 35.3	\$ 37.7	\$ 40.2
Theater, dance, music & performing arts admissions..	17.3	19.0	20.8	22.8	24.9	27.3	29.9
Amusement & recreation industries.....	134.1	137.7	142.5	147.5	152.7	158.4	164.5
Museums, historical sites, zoos & parks.....	10.6	10.4	10.2	9.9	9.7	9.5	9.3
HEALTH SERVICES							
Home health care, nursing care, & other ambulatory health care services.....	\$ 396.6	\$ 412.0	\$ 429.8	\$ 447.8	\$ 466.2	\$ 487.9	\$ 513.5
Hospitals.....	770.4	800.8	835.7	871.2	907.3	949.8	1,000.3
Physician & dental services.....	929.7	966.4	1,008.5	1,051.3	1,094.9	1,146.2	1,174.5
Social assistance including day care.....	155.2	161.3	168.3	175.5	182.7	191.3	201.5
PROFESSIONAL SERVICES							
Legal.....	\$ 549.4	\$ 565.9	\$ 591.7	\$ 619.3	\$ 645.3	\$ 671.5	\$ 698.9
Architectural, engineering, & related services.....	247.5	252.7	269.4	288.0	302.5	313.2	322.6
Accounting, auditing and bookkeeping services.....	260.0	268.7	283.0	298.5	312.7	326.5	340.7
Specialized design.....	61.8	63.5	67.0	71.0	74.7	78.2	81.6
All other professional and technical services.....	156.3	161.4	170.1	179.8	188.6	197.1	205.7
TRANSPORTATION SERVICES							
Transit & ground transportation.....	\$ 43.4	\$ 43.9	\$ 45.2	\$ 47.0	\$ 49.1	\$ 51.0	\$ 52.4
Air transportation.....	20.4	20.6	21.1	22.0	22.9	23.8	24.4
Truck transportation.....	48.5	49.9	52.4	55.3	58.0	60.6	63.1
Other transportation.....	0.9	1.0	1.0	1.1	1.1	1.2	1.2
MISCELLANEOUS SERVICES							
Basic television.....	\$ 155.7	\$ 156.8	\$ 159.0	\$ 160.6	\$ 161.8	\$ 164.2	\$ 167.2
Tuition (college, vocational training & instruction).....	626.0	642.9	664.6	687.2	710.3	736.5	764.7
Electrical, plumbing, heating & AC service fees.....	NA	NA	NA	NA	NA	NA	NA
Veterinary fees.....	43.6	44.8	46.3	47.9	49.5	51.3	53.2
Financial institution fees.....	332.7	343.3	355.6	371.7	388.2	411.1	432.6
Waste management and remediation services.....	121.7	125.5	131.4	137.7	143.7	149.6	155.7

Beneficiaries: Virtually all 4.9 million households and all 304,000 business establishments benefit from one or more of these service 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 8 cents per cigarette, levied on the sale or possession of cigarettes in Pennsylvania. Prior to November 1, 2009, the tax rate was 6.75 cents per cigarette. Effective November 1, 2009, the cigarette tax will also be imposed on little cigars weighing no more than 4 pounds per thousand sticks. 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 HCPRA transfer was repealed beginning November 1, 2009. 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3

Beneficiaries: Residents in six 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

COMMISSIONS ON SALES OF STAMPS

Description: Cigarette stamping agents are permitted a commission of 0.87 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 November 1, 2009, the commission was equal to 0.98 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 9.5	\$ 9.6	\$ 9.6	\$ 9.6	\$ 9.6	\$ 9.6	\$ 9.6

Beneficiaries: Approximately 100 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.

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

LIQUOR TAX

Authorization: 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. Additionally, administrative costs for inheritance tax are also included in these estimates. 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 2.9	\$ 3.0	\$ 3.1	\$ 3.2	\$ 3.3	\$ 3.4	\$ 3.5

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$2,246.8	\$2,334.5	\$2,460.7	\$2,593.6	\$2,733.8	\$2,881.5	\$3,037.2

Beneficiaries: As many as 2.4 million retired residents and their survivors benefit from this tax expenditure.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 909.3	\$ 936.1	\$ 973.6	\$1,015.6	\$1,058.1	\$1,100.0	\$1,142.1

Beneficiaries: As many as 5.8 million employees benefit from this tax expenditure.

NONQUALIFIED DEFERRED COMPENSATION

Description: Following the federal constructive receipt rule, Act 40 of 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 28.3	\$ 29.2	\$ 30.0	\$ 30.9	\$ 31.9	\$ 32.8	\$ 33.8

Beneficiaries: Approximately 30,000 residents benefit from this tax expenditure.

HEALTH SAVINGS ACCOUNTS/ARCHER MEDICAL SAVINGS ACCOUNTS (ARCHER MSAs)

Description: Act 67 of 2006 provides a personal income tax exemption for contributions made to Health Savings Accounts and Archer Medical Accounts, consistent with the federal treatment of such accounts. Distributions that are not used for qualified medical expenses will be taxable as interest income. These changes will apply to tax years beginning after December 31, 2005.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 4.0	\$ 4.2	\$ 4.4	\$ 4.7	\$ 5.1	\$ 5.4	\$ 5.7

Beneficiaries: Individuals filing approximately 41,000 returns are estimated to benefit from this tax expenditure. This number is expected to rise over time.

General Fund Tax Expenditures

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$1,036.3	\$1,080.3	\$1,153.2	\$1,237.3	\$1,320.7	\$1,400.7	\$1,478.0

Beneficiaries: As many as 5.6 million employees benefit from this tax expenditure.

CAFETERIA PLANS

Description: Payments made by employers, on behalf of employees, into a qualifying cafeteria plan are exempt from taxation if the program does not discriminate in favor of highly compensated individuals. This exemption parallels the limited exemption treatment of employee benefit programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits, or strike benefits. Effective January 1, 1998, this expenditure also includes payments made on behalf of employees for personal use of employer provided property and services.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 95.5	\$ 98.4	\$ 102.5	\$ 107.0	\$ 111.6	\$ 116.1	\$ 120.5

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 102.6	\$ 106.4	\$ 110.4	\$ 114.6	\$ 118.9	\$ 123.4	\$ 128.1

Beneficiaries: The death payment beneficiaries of approximately 180,000 life insurance policies benefit from this tax expenditure.



General Fund Tax Expenditures

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 152.9	\$ 163.6	\$ 151.5	\$ 141.3	\$ 133.8	\$ 127.3	\$ 123.4

Beneficiaries: Approximately 690,000 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 85.4	\$ 87.5	\$ 89.6	\$ 91.7	\$ 93.9	\$ 96.2	\$ 95.5

Beneficiaries: As many as 105,000 residents benefit from this tax expenditure.



General Fund Tax Expenditures

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 13.5	\$ 14.2	\$ 15.2	\$ 16.1	\$ 17.1	\$ 18.1	\$ 19.3

Beneficiaries: Approximately 270,000 people benefit from this tax expenditure.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 175.6	\$ 178.3	\$ 182.2	\$ 185.7	\$ 189.3	\$ 193.0	\$ 196.7

Beneficiaries: The owners of approximately 174,700 principal residences that are sold each year in Pennsylvania benefit from this tax expenditure.



General Fund Tax Expenditures

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. Income received for active state duty for emergency within or outside Pennsylvania 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 71.6	\$ 73.1	\$ 75.0	\$ 77.3	\$ 79.6	\$ 82.3	\$ 85.0

Beneficiaries: Approximately 45,000 residents benefit from this tax expenditure.

SCHOLARSHIPS, GRANTS, FELLOWSHIPS, AND STIPENDS

Description: Scholarships, grants, fellowships, and stipends awarded on the basis of need or academic achievement for the purpose of encouraging or allowing the recipient to further their 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 89.4	\$ 91.3	\$ 94.9	\$ 99.0	\$ 103.4	\$ 107.6	\$ 111.9

Beneficiaries: The recipients of approximately 230,000 state and federal grants and scholarships, and an unknown number of private scholarships, grants, fellowships, and stipends benefit from this tax expenditure.

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 ensures 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.



General Fund Tax Expenditures

UNREIMBURSED EXPENSES

Description: Unreimbursed expenditures made by employees are excludable from compensation if they are necessary to enable the taxpayer to 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 104.3	\$ 109.3	\$ 114.6	\$ 120.1	\$ 125.9	\$ 131.9	\$ 138.3

Beneficiaries: Individuals filing approximately 1.3 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 76.8	\$ 79.2	\$ 81.3	\$ 83.2	\$ 85.0	\$ 87.5	\$ 90.1
	<i>Other:</i>						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$1,192.5	\$1,230.4	\$1,263.8	\$1,292.5	\$1,321.0	\$1,358.7	\$1,400.1

Beneficiaries: Approximately 1.3 million businesses and professions benefit from this tax expenditure.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 4.8	\$ 4.6	\$ 4.5	\$ 4.4	\$ 4.3	\$ 4.1	\$ 4.0

Beneficiaries: The foster parents of approximately 13,000 children benefit from this tax expenditure.



QUALIFIED TUITION PROGRAMS

Description: Act 67 of 2006 provides a personal income tax deduction for qualified tuition program contributions. Rollovers, undistributed earnings, and distributions used for qualified higher education expenses are not taxable. This applies to taxable years beginning after December 31, 2005.

Purpose: These provisions lessen the burden of tax on families saving for college education.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 18.1	\$ 20.0	\$ 22.4	\$ 25.3	\$ 28.6	\$ 32.5	\$ 37.0

Beneficiaries: At least 79,000 taxpayers benefit from this tax expenditure.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.8	\$ 0.8	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 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.

Purpose: This provision provides an additional benefit to individuals winning lottery prizes.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 10.6	\$ 11.1	\$ 11.4	\$ 11.8	\$ 12.2	\$ 12.7	\$ 13.2

Beneficiaries: Approximately 45,000 residents benefit from this expenditure.

STATE/LOCAL OBLIGATIONS

Description: State and local governments and authorities may issue bonds to raise funds in order to finance a variety of public projects, including infrastructure improvement or construction, and provide essential services. When a bond is issued, the issuer is obligated to repay the borrowed bond proceeds, at a specified rate of interest, by some future date. Interest paid on Pennsylvania government-issued municipal bonds is exempt from Pennsylvania state income taxes.

Purpose: Because of this tax exempt feature, investors will usually accept lower interest payments than on other types of borrowing, lowering the overall cost for the government bond issuer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 80.6	\$ 75.7	\$ 82.5	\$ 91.8	\$ 93.4	\$ 102.2	\$ 101.6

Beneficiaries: Approximately 270,000 Pennsylvanians benefit from this expenditure.

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 2008, 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 292.1	\$ 283.3	\$ 274.8	\$ 266.6	\$ 258.6	\$ 250.8	\$ 243.3

Beneficiaries: Individuals filing approximately 1.3 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 Pennsylvania taxable income earned in the other state or country, multiplied by the current Pennsylvania 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 273.9	\$ 283.0	\$ 295.0	\$ 308.1	\$ 321.3	\$ 333.8	\$ 346.6

Beneficiaries: Individuals filing approximately 143,990 returns benefit from this tax expenditure.

VOLUNTEER RESPONDER RETENTION AND RECRUITMENT TAX CREDIT

Description: Act 66 of 2008 created a one-time tax credit awardable for the 2008 taxable year and available to a volunteer for a volunteer ambulance service, volunteer fire company, or volunteer rescue company. Eligibility and credit amount for the credit is determined by a points system and the number of months as an active volunteer. The maximum credit per volunteer is one hundred dollars, which will be awarded in order of applications received until the \$4.5 million credit cap is met. Any unused credits may be carried forward for up to three years; however, they may not be sold, reassigned, carried back, or refunded.

Purpose: The purpose of the tax credit is to recruit and retain active volunteer responders.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.2	Nominal	Nominal	Nominal	\$ --	\$ --	\$ --

Beneficiaries: The 85,000 volunteer responders in Pennsylvania could benefit from the tax credit.

ESTIMATED TAXES

ESTIMATED TAXES FOR FIDUCIARIES

Description: Act 40 of 2005 states 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: The adoption of annualized federal rules for calculating estimated payments for estates and trusts allow fiduciaries to have consistent payments between state and federal laws.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 7.7	\$ 9.1	\$ 6.4	\$ 6.4	\$ 6.4	\$ 6.8	\$ 6.6

Beneficiaries: Approximately 50,800 fiduciaries are estimated to benefit from this tax expenditure.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.3	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

Beneficiaries: Farmers operating approximately 58,000 farms benefit from this tax expenditure.

General Fund Tax Expenditures

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.1

Beneficiaries: Approximately 1.7 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. Act 67 of 2006 lowered the transfer rate to 2.1 percent for Fiscal Year 2006-07 only. For July 2007 and thereafter the rate will return 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 2.2	\$ 2.4	\$ 2.5	\$ 2.8	\$ 3.0	\$ 3.2	\$ 3.4

Beneficiaries: Approximately 3,200 local governmental units could benefit from this tax expenditure.

PARTITION OF REALTY BY CO-TENANTS

Description: A partition of realty, passed by testate or intestate succession and held by co-tenants, into two or more distinctive portions with each party taking shares equal to their undivided interest, is an excluded transaction.

Purpose: Tax relief is given to the heirs to assist in the equitable settlement of the estate. Heirs to realty do not always want joint ownership in the realty willed to them as co-tenants. This exemption enables the parties to partition the realty into two or more distinct portions with each party taking shares equal to their undivided interest without incurring tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal						

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 41.8	\$ 46.4	\$ 49.1	\$ 53.1	\$ 57.2	\$ 61.5	\$ 66.2

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.3	\$ 1.4	\$ 1.5

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 2.1	\$ 2.4	\$ 2.5	\$ 2.7	\$ 2.9	\$ 3.1	\$ 3.4

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.8	\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.2	\$ 1.3

Beneficiaries: Approximately 16,250 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 3,820 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 3,820 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 one hundred dollars or less are thought to be greater than the revenue.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal						

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 1,185 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal						

Beneficiaries: The 320 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.



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 included in the personal income tax administrative cost estimates. 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 928.4	\$ 923.5	\$ 932.5	\$ 945.6	\$ 959.7	\$ 973.9	\$ 988.4

Beneficiaries: Approximately 35,100 estates benefit from this tax expenditure.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$1,321.5	\$1,341.1	\$1,361.1	\$1,381.3	\$1,401.8	\$1,422.6	\$1,443.8

Beneficiaries: Approximately 34,000 estates benefit from this tax expenditure.

General Fund Tax Expenditures

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 1.0

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 22.6	\$ 22.5	\$ 22.7	\$ 23.0	\$ 23.4	\$ 23.7	\$ 24.1

Beneficiaries: Approximately 5,300 estates benefit from this tax expenditure.

LIFE INSURANCE PROCEEDS

Description: Life insurance proceeds, whether or not payable to the estate of the decedent, are exempt from inheritance tax.

Purpose: This provision lessens the tax burden on the insurance beneficiaries of the decedent, who are likely to be family members. A common reason for purchasing life insurance is to assist with the payment of inheritance and estate taxes.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 100.0	\$ 105.0	\$ 110.2	\$ 115.7	\$ 121.5	\$ 127.6	\$ 134.0

Beneficiaries: Estates of the decedents associated with approximately 188,000 life insurance policies benefit from this expenditure.



General Fund Tax Expenditures

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.3	\$ 0.3	NA	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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.7	\$ 1.7	\$ 1.7

Beneficiaries: Approximately 8,200 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 15.7	\$ 16.6	\$ 17.5	\$ 18.6	\$ 19.6	\$ 20.8	\$ 22.0

Beneficiaries: Estates of the approximately 7,000 decedents of working age and under 59½ at death may benefit from this tax expenditure.



General Fund Tax Expenditures

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 62.0	\$ 62.9	\$ 63.9	\$ 64.8	\$ 65.8	\$ 66.7	\$ 67.7

Beneficiaries: Approximately 49,800 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 ensuring 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 50.6	\$ 51.3	\$ 52.1	\$ 52.9	\$ 53.6	\$ 54.4	\$ 55.2

Beneficiaries: Approximately 35,600 estates benefit from this tax expenditure.

SOCIAL SECURITY DEATH PAYMENTS

Description: The lump-sum social security death benefit is exempt from inheritance tax.

Purpose: This provision helps limit the impact of the tax on poorer beneficiaries. The social security death benefit could comprise the majority of assets for many small taxable estates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0

Beneficiaries: As many as 56,000 estates may 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal						

Beneficiaries: An estimated 300 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 56,000 estates might benefit from this tax expenditure.

PROPERTY SUBJECT TO POWER OF APPOINTMENT

Description: Property left to a trust by the decedent (grantor) subject to a power of appointment (by a grantee), whether or not exercised and notwithstanding any blending of such property with property of the grantee, is exempt from inheritance tax in the estate of the grantee.

Purpose: Pennsylvania taxes the transfer of these assets subject to a power of appointment at the time the interest is created (when the grantor dies). The grantee may have a life interest in the estate with any remainder passing to some other person. This provision prevents taxation when the property is subsequently distributed upon the death of the grantee, having already been taxed in the estate of the grantor.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

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 twenty 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this expenditure is unknown.

PREFERENTIAL VALUATION OF AGRICULTURAL CONSERVATION EASEMENTS ---

Description: An agricultural conservation easement is a deed restriction landowners voluntarily place on their property to protect productive agricultural land. They are used to authorize a qualified conservation organization or public agency to monitor and enforce the restrictions set forth in the agreement. Act 67 of 2006 provided that the value of an agricultural conservation easement is set at 50 percent of what the land would otherwise be valued for purposes of inheritance tax assessments.

Purpose: This provision helps to maintain family farms and increase participation in the preservation of the commonwealth's farmland.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.4	\$ 0.5	\$ 0.6	\$ 0.6

Beneficiaries: The owners of 63,200 farms might benefit from this tax expenditure.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8

Beneficiaries: Approximately 4,200 governmental units could benefit from this tax expenditure.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 115.8	\$ 117.6	\$ 119.3	\$ 121.1	\$ 122.9	\$ 124.7	\$ 126.6

Beneficiaries: An estimated 32,300 charitable and fraternal organizations might benefit from this tax expenditure.

TABLE GAME TAXES

Authorization: Chapter 13A of Title 4 of the Pennsylvania Consolidated Statutes.

Act 1 of January 7, 2010, (P.L. 1, No. 1) imposed table game taxes on gross table game revenue of licensed gaming entities in Pennsylvania.

The table game taxes are imposed on gross table game revenue, which is defined as total cash or cash equivalents received in the playing of table games, contest or tournament fees or payments, and total amount of rakes collected minus cash or cash equivalents paid out, paid to purchase annuities to fund prizes, and paid for personal property distributed to patrons as a result of playing a table game.

The tax rates are 14 percent of gross table game revenue for 2 years following commencement of table game operations at the facility and 12 percent thereafter, and an additional 34 percent of gross table game revenue from table games played on fully automated electronic gaming tables.

Table game taxes contain no tax expenditures as defined for this tax expenditure analysis.

LIQUID FUELS AND FUELS TAX

Authorization: Chapter 90 of Title 75 of the Pennsylvania Consolidated Statutes.

The Act of April 17, 1997 (P.L. 1531, No. 3) established 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. Prior to Act 3, 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, 2010, the tax rate for aviation gasoline is 5.4 cents per gallon, and the tax rate for jet fuels is 1.6 cents per gallon.

OIL COMPANY FRANCHISE TAX

Authorization: Chapter 95 of Title 75 of the Pennsylvania Consolidated Statutes.

The Act of April 17, 1997 (P.L. 1531, No. 3) of 1997 imposed a tax of 153.5 mills for all taxable liquid fuels and 208.5 mills for all taxable fuels on oil companies conducting business in Pennsylvania. The Oil Franchise tax is calculated annually by multiplying total gallons of fuels and liquid fuels by the average wholesale price established by the Department of Revenue. Minimum and maximum average wholesale prices are statutorily set at \$0.90 and \$1.25 per gallon, respectively. The tax rate for calendar year 2010 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.

ALTERNATIVE FUELS TAX

Authorization: Chapter 90 of Title 75 of the Pennsylvania Consolidated Statutes.

The Act of April 17, 1997 (P.L. 1531, No. 3) imposed a tax 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.7	\$ 0.7

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)

<i>Estimates:</i>	Liquid Fuels:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 4.2	\$ 4.2	\$ 4.2	\$ 4.3	\$ 4.3	\$ 4.4	\$ 4.4
	Jet Fuel & Aviation Gasoline:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 5.9	\$ 6.0	\$ 6.0	\$ 6.0	\$ 6.0	\$ 6.1	\$ 6.1
	Oil Company Franchise:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 19.6	\$ 19.7	\$ 19.8	\$ 19.9	\$ 20.1	\$ 20.3	\$ 20.5

Beneficiaries: Approximately 3,130 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)

<i>Estimates:</i>	Liquid Fuels:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5
	Jet Fuel & Aviation Gasoline:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 2.3	\$ 2.3	\$ 2.4	\$ 2.4	\$ 2.4	\$ 2.4	\$ 2.4
	Oil Company Franchise:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 5.8	\$ 5.8	\$ 5.9	\$ 5.9	\$ 6.0	\$ 6.0	\$ 6.1

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Jet Fuel & Aviation Gasoline:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Oil Company Franchise:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA
	Jet Fuel & Aviation Gasoline:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA
	Fuels:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA
	Oil Company Franchise:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: One second class county port authority benefits from this tax expenditure.



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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Jet Fuel & Aviation Gasoline:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Oil Company Franchise:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

Beneficiaries: There are 14 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9
	Jet Fuel & Aviation Gasoline:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2
	Oil Company Franchise:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 2.0

Beneficiaries: Individuals operating approximately 63,200 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)

Estimates: **Liquid Fuels:**

<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
NA	NA	NA	NA	NA	NA	NA

Fuels:

<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7

Oil Company Franchise:

<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4

Beneficiaries: Approximately 275 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 or unload farm feed, feed products, lime, or limestone products for agricultural use at a farm. 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)

Estimates: **Liquid Fuels:**

<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Nominal						

Fuels:

<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Nominal						

Oil Company Franchise:

<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 4.2	\$ 4.2	\$ 4.3	\$ 4.3	\$ 4.3	\$ 4.4	\$ 4.4
	Jet Fuel & Aviation Gasoline:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4

Beneficiaries: Approximately 760 distributors benefit from these tax expenditures.

FOREIGN DIPLOMATS

Description: Fuel purchased by foreign diplomats whose countries have 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA
	Jet Fuel & Aviation Gasoline:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA
	Fuels:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA
	Oil Company Franchise:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

Beneficiaries: Approximately 90 bus companies benefit from this tax expenditure.



Motor License Fund Tax Expenditures

MOTOR CARRIERS ROAD TAX / IFTA

Authorization: Chapter 96 of Title 75 of the Pennsylvania Consolidated Statutes.

The motor carriers road tax is 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.1

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 15.3	\$ 15.4	\$ 15.5	\$ 15.6	\$ 15.7	\$ 15.8	\$ 16.0

Beneficiaries: Approximately 3,130 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 4.4	\$ 4.4	\$ 4.5	\$ 4.5	\$ 4.5	\$ 4.6	\$ 4.6

Beneficiaries: Individuals operating approximately 58,200 farms benefit from this tax expenditure.



Motor License Fund Tax Expenditures

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 7.8	\$ 7.8	\$ 7.9	\$ 7.9	\$ 8.0	\$ 8.0	\$ 8.1

Beneficiaries: Approximately 2,400 fire departments and an unknown number of other organizations benefit from this tax expenditure.

SPECIAL MOBILE EQUIPMENT

Description: Vehicles not designed or used primarily for the transportation of persons or property 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal						

Beneficiaries: The owners of approximately 2,300 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal						

Beneficiaries: The owners of approximately 200 implements of husbandry vehicles benefit from this tax expenditure.



Motor License Fund Tax Expenditures

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 1.8	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9

Beneficiaries: Approximately 27,000 charitable and religious organizations may benefit from this tax expenditure.

CHURCHES

Description: A motorbus owned by and registered to a church, exempt under section 1901 of Title 75, is exempt from the motor carriers road tax.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: As many as 12,500 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: There are 14 cooperatives in the commonwealth that benefit from this tax expenditure.



Motor License Fund Tax Expenditures

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of individuals benefiting from this tax expenditure is unknown.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this tax expenditure is unknown.

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 9.0	\$ 9.0	\$ 9.0	\$ 9.1	\$ 9.2	\$ 9.2	\$ 9.3

Beneficiaries: Approximately 5,700 schools benefit from this tax expenditure.



Motor License Fund Tax Expenditures

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of taxpayers benefiting from this tax expenditure is unknown.



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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</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 a motor vehicle 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

Beneficiaries: The owners of approximately 4,600 vehicles benefit from this tax expenditure.

Charitable Organizations:

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2

Beneficiaries: The owners of approximately 16,600 vehicles benefit from this tax expenditure.

Former Prisoners of War:

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal						

Beneficiaries: The owners of approximately 600 vehicles benefit from this tax expenditure.

Farm Trucks:

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 3.3	\$ 3.3	\$ 3.4	\$ 3.4	\$ 3.4	\$ 3.5	\$ 3.5

Beneficiaries: The owners of approximately 10,600 farm trucks benefit from this tax expenditure.



Motor License Fund Tax Expenditures

Emergency Vehicles:

<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
\$ 6.4	\$ 6.5	\$ 6.6	\$ 6.6	\$ 6.7	\$ 6.8	\$ 6.8

Beneficiaries: Approximately 2,500 volunteer fire departments and an unknown number of other organizations benefit from this tax expenditure.

Fire Department Vehicles:

<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

Beneficiaries: A limited number of fire departments benefit from this tax expenditure. Fire department plates were discontinued in August 2006 in favor of emergency vehicle plates.

Political Subdivisions:

<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
\$ 17.3	\$ 17.5	\$ 17.7	\$ 17.9	\$ 18.0	\$ 18.2	\$ 18.4

Beneficiaries: Approximately 3,130 governmental units benefit from this tax expenditure.

Older Pennsylvanians:

<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
\$ 5.3	\$ 5.4	\$ 5.6	\$ 5.9	\$ 6.2	\$ 6.5	\$ 6.9

Beneficiaries: Older Pennsylvanians owning approximately 156,700 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal						

Beneficiaries: The owners of approximately 105 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

Beneficiaries: The owners of approximately 8,400 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

Beneficiaries: Approximately 3,130 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal						

Beneficiaries: As many as 3,130 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 that 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal						

Beneficiaries: As many as 3,130 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal						

Beneficiaries: As many as 3,130 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. 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 of 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$7,710.6	\$8,815.9	\$9,480.1	\$9,999.2	\$10,524.1	\$11,040.3	\$11,556.6

Beneficiaries: Pennsylvania's unemployment compensation tax system is legislatively designed to generate a sufficient amount of revenue to meet annual benefit payments and maintain an adequate reserve in the state's Unemployment Compensation Trust Fund. Since the tax rates are a function of taxable wages, an increase in the amount of taxable wages to total wages would result in a decrease in the assigned tax rates (trigger mechanism). Ultimately, this would maintain revenues at a level comparable to the current tax structure. This situation, however, involves special treatment for some employers compared to others based upon the level of wages paid to the employees. This special treatment (tax expenditure) would be different for every contributory employer in each major industry division and would have to be calculated on an individual employer basis. In general, under the current system, an employer with higher wage employees benefits by paying on a small portion of total wages. If the taxable wage base were total wages paid to employees, the employer with higher employee wages would have to pay a greater amount in taxes, even though the rate would be reduced significantly.

As of the first quarter of 2010 there were 269,344 contributory employers to the Unemployment Compensation Fund. The following is a breakdown of these employers according to major industry division¹:

Natural Resources and Mining	2,787	Financial Activities.....	17,900
Construction	28,851	Professional and Business Services	48,487
Manufacturing	14,104	Education and Health Services	43,704
Trade.....	48,631	Leisure and Hospitality	25,741
Transportation, Warehousing, Utilities....	7,066	Other Services	27,769
Information	3,099	Local Government.....	981

¹/Based 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA
	Motor Vehicle Rentals:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 7,200 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8
	Motor Vehicle Rentals:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</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 charitable organization, volunteer fireman's organization, nonprofit educational institution, or 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)

<i>Estimates:</i>	Motor Vehicle Leases:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA
	Motor Vehicle Rentals:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 30,700 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)

<i>Estimates:</i>	Motor Vehicle Leases:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.0
	Motor Vehicle Rentals:						
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.5	\$ 0.5	\$ 0.5

Beneficiaries: Approximately 3,130 political subdivisions may benefit from this tax expenditure.



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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Nominal						

Beneficiaries: Approximately 3,130 political subdivisions may benefit from this tax expenditure.

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Commonwealth of Pennsylvania

Governor's Executive Budget

DEPARTMENT PRESENTATIONS

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GOVERNOR'S OFFICE

The Governor directs and coordinates the work of state government and guides the programs of the agencies in the direction that ensures compliance with existing law, definable needs and administration goals.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

GENERAL FUND:

General Government:

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
Governor's Office.....	\$ 6,831	\$ 6,400	\$ 6,228



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 6,831	\$ 6,400	\$ 6,228	\$ 6,228	\$ 6,228	\$ 6,228	\$ 6,228
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 6,831	\$ 6,400	\$ 6,228	\$ 6,228	\$ 6,228	\$ 6,228	\$ 6,228
ALL PROGRAMS:							
GENERAL FUND.....	\$ 6,831	\$ 6,400	\$ 6,228	\$ 6,228	\$ 6,228	\$ 6,228	\$ 6,228
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.....	\$ 6,831	\$ 6,400	\$ 6,228	\$ 6,228	\$ 6,228	\$ 6,228	\$ 6,228

PROGRAM OBJECTIVE: To provide an effective administrative system through which the substantive program goals of the commonwealth can be accomplished.

Program: Executive Direction

The Pennsylvania Constitution vests the executive authority of the commonwealth in the Governor. 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
\$	-121	—nonrecurring 2010-11 budgetary freeze amount.
	-51	—reduction in administrative costs.
\$	-172	<i>Appropriation Decrease</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Governor's Office	\$ 6,831	\$ 6,400	\$ 6,228	\$ 6,228	\$ 6,228	\$ 6,228	\$ 6,228

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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 promotes equal opportunities for all people in employment, housing, public accommodations and education. The Office of Public Liaison provides advocacy services for the commonwealth's Latino, African-American and Asian-American communities. The office also advocates for women and girls.

The Council on the Arts provides for encouragement and development of the arts in Pennsylvania. The Public Employee Retirement Commission monitors public employee retirement plans to assure their actuarial viability.

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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
General Government:			
Office of Administration	\$ 8,895	\$ 8,802	\$ 8,618
(F)State Homeland Security Strategies (EA).....	0	980	980
(A)Benefit Administration.....	400	400	400
(A)Classification and Pay Services.....	2,888	2,888	2,888
(A)Workplace Support Division (SEAP).....	2,539	2,739	2,849
(A)Temporary Clerical Pool.....	4,266	4,000	4,284
(A)Office of Strategic Services.....	2,386	2,499	2,518
(A)Executive Board/Directives Management.....	300	0	0
(A)CDL Drug and Alcohol Testing.....	249	240	240
(A)Labor Relations.....	1,100	3,000	2,120
(A)Managing for Government Responsiveness Training.....	99	325	325
(A)Group Life Insurance Program Commissions.....	88	88	88
(A)Leadership Development Institute.....	67	77	70
(A)HR Shared Services Center.....	3,367	6,883	7,036
(A)PHMC Personnel Services.....	0	100	100
Subtotal.....	<u>\$ 26,644</u>	<u>\$ 33,021</u>	<u>\$ 32,516</u>
Unemployment Compensation and Transition Costs	2,750	1,835	1,495
Medicare Part B Penalties	375	366	295
Commonwealth Technology Services	44,796	42,521	41,460
(F)ARRA - Broadband Technology Opportunities.....	3,047	29,000 ^a	29,000
(F)Electronic Cancer Registry (EA).....	28	0	0
(F)Electronic Reporting II - Rollout (EA).....	150	0	0
(F)ARRA - Broadband Technology Opportunities - Mapping.....	1,409	4,500	4,500
(F)ARRA - JCJC/JCMS Centralized Database Project (EA).....	0	282	282
(F)ARRA - Enhanced Warrant Search Project (EA).....	0	160	160
(F)ARRA - Electronic Reporting II - Deployment (EA).....	0	109	109
(F)ARRA - Federated Background Search (EA).....	0	255	255
(A)Integrated Enterprise System.....	38,907	38,297	38,656
(A)Project Management Resources.....	5	50	50
Subtotal.....	<u>\$ 88,342</u>	<u>\$ 115,174</u>	<u>\$ 114,472</u>
Health Information Exchange	940	893	808
(F)ARRA - Health Information Technology.....	60,000	18,000	18,000
Subtotal.....	<u>\$ 60,940</u>	<u>\$ 18,893</u>	<u>\$ 18,808</u>
Public Television Technology	985	0	0
Statewide Public Safety Radio System	9,043	7,202	6,861
(F)Public Safety Interoperable Communications (EA).....	32,450	23,455	15,310
(F)Interoperable Emergency Communication Grant (EA).....	0	288	594
(F)ARRA - Broadband Project for Northern PA (EA).....	3,048	28,748	28,784
Subtotal.....	<u>\$ 44,541</u>	<u>\$ 59,693</u>	<u>\$ 51,549</u>
Office of Inspector General	2,654	2,483	2,483
(A)Reimbursements for Special Fund Investigations.....	1,100	1,100	1,100
Subtotal.....	<u>\$ 3,754</u>	<u>\$ 3,583</u>	<u>\$ 3,583</u>
Inspector General - Welfare Fraud	10,538	10,705	10,705
(F)TANFBG - Program Accountability.....	1,500	1,500	1,500
(F)Food Stamps - Program Accountability.....	7,000	7,000	7,000
(F)Medical Assistance - Program Accountability.....	3,200	4,200	4,200
(F)CCDFBG - Subsidized Day Care Fraud.....	450	1,000	1,000
Subtotal.....	<u>\$ 22,688</u>	<u>\$ 24,405</u>	<u>\$ 24,405</u>
Office of the Budget	28,938	20,957	19,909
(F)WIA - Program Accountability.....	354	355	0



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
(F)ARRA - Fiscal Stabilization - Administration.....	0	421	134
(A)ARRA - Accountability Office.....	0	508	127
(A)Support for Commonwealth Payroll Operations.....	7,050	6,896	6,994
(A)BOA - Single Audit.....	393	490	474
(A)Comptroller Single Audit.....	3,522	2,796	2,803
(A)Support for PLCB Comptroller's Office.....	5,700	5,960	6,107
(A)Support for Comptroller Services.....	16,945	33,518	34,807
(A)OAS Support Services.....	15	20	20
Subtotal.....	<u>\$ 62,917</u>	<u>\$ 71,921</u>	<u>\$ 71,375</u>
Audit of the Auditor General.....	0	0	99
Office of Health Care Reform.....	990	895	0
Office of General Counsel.....	3,906	3,559	3,425
(A)CLE Registration Fees.....	64	64	64
Subtotal.....	<u>\$ 3,970</u>	<u>\$ 3,623</u>	<u>\$ 3,489</u>
Human Relations Commission.....	10,246	9,780	9,491
(F)EEOC - Special Project Grant.....	2,000	2,000	2,000
(F)HUD - Special Project Grant.....	1,500	1,500	1,500
(A)Miscellaneous Revenues.....	6	25	25
Subtotal.....	<u>\$ 13,752</u>	<u>\$ 13,305</u>	<u>\$ 13,016</u>
Office of Public Liaison.....	801^b	778^c	341
Council on the Arts.....	982	895	895
(F)NEA - Grants to the Arts - Administration.....	360	360	360
Subtotal.....	<u>\$ 1,342</u>	<u>\$ 1,255</u>	<u>\$ 1,255</u>
Juvenile Court Judges Commission.....	2,297	2,284	2,486
(F)ARRA - Juvenile Delinquent Records Improvement (EA).....	139	177	0
(F)JCMS Support and Deployment (EA).....	0	30	370
Subtotal.....	<u>\$ 2,436</u>	<u>\$ 2,491</u>	<u>\$ 2,856</u>
Public Employee Retirement Commission.....	685	687	697
(A)Actuarial Services.....	0	50	0
Subtotal.....	<u>\$ 685</u>	<u>\$ 737</u>	<u>\$ 697</u>
Commission on Crime and Delinquency.....	3,399	3,393	3,247
(F)Plan for Juvenile Justice.....	248	268	268
(F)DCSI - Program Grants.....	0	100	0
(F)Justice Assistance Grants.....	10,956	30,000	30,000
(F)ARRA - Justice Assistance Grants.....	11,425	30,000	30,000
(F)Justice Assistance Grants - Administration.....	898	1,239	1,239
(F)ARRA - Justice Assistance Grants - Administration.....	706	2,500	2,000
(F)Juvenile Justice - Title V.....	82	700	300
(F)Statistical Analysis Center.....	36	150	60
(F)Criminal Identification Technology.....	21	3,000	1,300
(F)Crime Victims Compensation Services.....	5,073	7,500	7,500
(F)ARRA - Crime Victims Compensation Services.....	1,459	100	75
(F)ARRA - Crime Victims Compensation Services - Administration.....	100	100	100
(F)Crime Victims Assistance.....	13,431	20,000	20,000
(F)ARRA - Crime Victims Assistance.....	653	1,400	600
(F)Violence Against Women.....	3,880	5,500	5,500
(F)ARRA - Violence Against Women.....	1,334	5,000	3,000
(F)Violence Against Women - Administration.....	196	300	300
(F)ARRA - Violence Against Women - Administration.....	107	500	250
(F)Residential Substance Abuse Treatment Program.....	450	2,000	2,000
(F)DFSC - Special Programs.....	3,324	4,500	2,000
(F)Crime Victims Assistance (VOCA) - Admin/Operations.....	1,094	1,094	1,094
(F)Assault Services Program.....	348	2,000	800

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
(F)Incentive Grants Program.....	0	1,000	1,000
(F)Second Chance Act- Reentry.....	0	750	0
(F)Second Chance Act - Mentoring.....	0	625	625
(F)Second Chance Act - Juvenile Offender Reentry.....	0	200	1,500
(F)Juvenile Accountability Incentive Program.....	1,494	5,000	5,000
(F)Juvenile Accountability Incentive Program - Administration.....	76	119	119
(F)Combat Underage Drinking Program.....	326	800	0
(F)Pennsylvanians Against Underage Drinking.....	0	500	0
(F)Juvenile Justice and Delinquency Prevention.....	1,501	4,500	4,500
(F)Project Safe Neighborhoods.....	530	2,200	1,200
(F)Forensic Science Program.....	710	1,000	0
(F)Victims' Rights Compliance Project.....	40	0	0
(F)Protection Orders.....	0	1,500	0
(F)Statewide Automated Victim Information Notification.....	920	2,000	1,500
(F)Byrne Discretionary Grant Program.....	0	10,000	0
(F)High-Risk Youth Offender Reentry.....	0	1,000	0
(F)Pittsburgh Shooting Response.....	0	100	0
(F)Youth Offender Reentry.....	0	1,700	1,000
(F)Community Based Violence Prevention.....	0	0	750
(F)Justice and Mental Health Collaboration.....	0	250	250
(F)NICS Act Record Improvement Program.....	0	2,000	2,000
(F)Juvenile Delinquency Court Improvement Initiative.....	0	0	500
(F)Community Strategic Planning Demonstration Project.....	0	0	36
(F)Pennsylvania Capital Litigation Training Program.....	60	250	350
(F)Youth Promise Act.....	0	1,000	1,000
(F)Prosecutor and Defender Incentives.....	0	500	500
(F)G20 Summit Security Assistance Reimbursement (EA).....	10,000	0	0
(A)PCCD - Special Projects.....	1	3	3
(A)Center of Excellence.....	1,000	836	0
Subtotal.....	\$ 75,878	\$ 159,177	\$ 133,466
Victims of Juvenile Crime.....	1,298	718	0
Violence Prevention Programs.....	2,196 d	1,945 e	1,921
(A)County Child Welfare.....	1,525	1,750	0
Subtotal.....	\$ 3,721	\$ 3,695	\$ 1,921
Weed and Seed Program.....	653	413	0
Intermediate Punishment Treatment Programs.....	19,000 f	18,519 g	18,167
(F)Office of Homeland Security (EA).....	558	700	634
Subtotal - State Funds.....	\$ 156,367	\$ 139,630	\$ 133,403
Subtotal - Federal Funds.....	188,671	279,965	246,888
Subtotal - Augmentations.....	93,982	115,602	114,148
Total - General Government.....	\$ 439,020	\$ 535,197	\$ 494,439
Grants and Subsidies:			
Juvenile Probation Services.....	\$ 18,526 h	\$ 17,645 i	\$ 17,310
Violence Reduction.....	225	125	0
Public Television Station Grants.....	900	0	0
Law Enforcement Activities.....	5,900	3,000	0
Safe Neighborhoods.....	360	175	0
Grants to the Arts.....	10,000	8,422	8,262
(F)NEA - Grants to the Arts.....	677	831 j	931
(F)ARRA - NEA - Grants to the Arts.....	400	0	0
(F)ARRA - NEA - Grants to the Arts (EA).....	0	102	0
Subtotal.....	\$ 11,077	\$ 9,355	\$ 9,193



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
Cultural Preservation Assistance.....	2,790	0	0
Subtotal - State Funds.....	\$ 38,701	\$ 29,367	\$ 25,572
Subtotal - Federal Funds.....	1,077	933	931
Total - Grants and Subsidies.....	<u>\$ 39,778</u>	<u>\$ 30,300</u>	<u>\$ 26,503</u>
STATE FUNDS.....	\$ 195,068	\$ 168,997	\$ 158,975
FEDERAL FUNDS.....	189,748	280,898	247,819
AUGMENTATIONS.....	93,982	115,602	114,148
GENERAL FUND TOTAL.....	<u>\$ 478,798</u>	<u>\$ 565,497</u>	<u>\$ 520,942</u>
<u>MOTOR LICENSE FUND:</u>			
General Government:			
Office of the Budget.....	\$ 5,827	\$ 0	\$ 0
Statewide Public Safety Radio System.....	14,757	16,224	14,878
Commonwealth Technology Services.....	2,246	2,553	2,555
Total - General Government.....	<u>\$ 22,830</u>	<u>\$ 18,777</u>	<u>\$ 17,433</u>
MOTOR LICENSE FUND TOTAL.....	<u>\$ 22,830</u>	<u>\$ 18,777</u>	<u>\$ 17,433</u>
<u>OTHER FUNDS:</u>			
GENERAL FUND:			
Victim/Witness Services.....	\$ 7,396	\$ 9,456	\$ 7,063
Crime Victims Reimbursements.....	8,561	11,032	12,269
Constables Education and Training Account.....	2,468	2,938	2,715
Special Juvenile Victim Compensation Fund.....	0	500	0
Deputy Sheriffs Education and Training Account.....	3,487	6,385	4,289
Firearms License to Carry Modernization Account.....	476	2,070	0
GENERAL FUND TOTAL.....	<u>\$ 22,388</u>	<u>\$ 32,381</u>	<u>\$ 26,336</u>
SUBSTANCE ABUSE EDUCATION AND DEMAND REDUCTION FUND:			
Substance Abuse Education & Demand Reduction Programs (EA).....	\$ 6,350	\$ 6,350	\$ 6,350
Substance Abuse Education & Demand Reduction - Admin (EA).....	150	150	150
SUBSTANCE ABUSE EDUCATION AND DEMAND REDUCTION FUND TOTAL.....	<u>\$ 6,500</u>	<u>\$ 6,500</u>	<u>\$ 6,500</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 195,068	\$ 168,997	\$ 158,975
SPECIAL FUNDS.....	22,830	18,777	17,433
FEDERAL FUNDS.....	189,748	280,898	247,819
AUGMENTATIONS.....	93,982	115,602	114,148
OTHER FUNDS.....	28,888	38,881	32,836
TOTAL ALL FUNDS.....	<u>\$ 530,516</u>	<u>\$ 623,155</u>	<u>\$ 571,211</u>

Summary by Fund and Appropriation

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- ^a Appropriated as \$291,000,000. Amount shown is the best current estimate of the amount available for 2010-11. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
 - ^b Appropriated as \$151,000 for Latino Affairs Commission, \$246,000 for African American Affairs Commission, \$166,000 for Asian American Affairs Commission and \$238,000 for Commission for Women.
 - ^c Appropriated as \$170,000 for Latino Affairs Commission, \$234,000 for African American Affairs Commission, \$150,000 for Asian American Affairs Commission and \$224,000 for Commission for Women.
 - ^d Appropriated as \$1,196,000 for Evidence-Based Prevention and Intervention and \$1,000,000 for Research-Based Violence Prevention.
 - ^e Appropriated as \$1,020,000 for Evidence-Based Prevention and Intervention and \$925,000 for Research-Based Violence Prevention.
 - ^f Appropriated as \$3,000,000 for Intermediate Punishment Programs and \$16,000,000 for Intermediate Punishment Drug and Alcohol Treatment.
 - ^g Appropriated as \$2,876,000 for Intermediate Punishment Programs and \$15,643,000 for Intermediate Punishment Drug and Alcohol Treatment.
 - ^h Appropriated as \$5,550,000 for Improvement of Juvenile Probation Services and \$12,976,000 for Specialized Probation Services.
 - ⁱ Appropriated as \$5,286,000 for Improvement of Juvenile Probation Services and \$12,359,000 for Specialized Probation Services.
 - ^j Includes recommended supplemental appropriation of \$154,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 118,389	\$ 100,346	\$ 93,430	\$ 91,836	\$ 91,836	\$ 91,935	\$ 91,836
SPECIAL FUNDS.....	22,830	18,777	17,433	17,433	17,433	17,433	17,433
FEDERAL FUNDS.....	113,194	121,055	112,442	30,238	30,238	30,238	30,238
OTHER FUNDS.....	91,386	112,924	114,056	113,929	113,929	113,929	113,929
SUBCATEGORY TOTAL.....	\$ 345,799	\$ 353,102	\$ 337,361	\$ 253,436	\$ 253,436	\$ 253,535	\$ 253,436
LEGAL SERVICES							
GENERAL FUND.....	\$ 3,906	\$ 3,559	\$ 3,425	\$ 3,425	\$ 3,425	\$ 3,425	\$ 3,425
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	64	64	64	64	64	64	64
SUBCATEGORY TOTAL.....	\$ 3,970	\$ 3,623	\$ 3,489	\$ 3,489	\$ 3,489	\$ 3,489	\$ 3,489
PREVENTION AND ELIMINATION OF DISCRIMINATORY PRACTICES							
GENERAL FUND.....	\$ 11,047	\$ 10,558	\$ 9,832	\$ 9,832	\$ 9,832	\$ 9,832	\$ 9,832
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	3,500	3,500	3,500	3,500	3,500	3,500	3,500
OTHER FUNDS.....	6	25	25	25	25	25	25
SUBCATEGORY TOTAL.....	\$ 14,553	\$ 14,083	\$ 13,357	\$ 13,357	\$ 13,357	\$ 13,357	\$ 13,357
DEVELOPMENT OF ARTISTS AND AUDIENCES							
GENERAL FUND.....	\$ 13,772	\$ 9,317	\$ 9,157	\$ 9,157	\$ 9,157	\$ 9,157	\$ 9,157
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,437	1,191	1,291	1,160	1,160	1,160	1,160
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 15,209	\$ 10,508	\$ 10,448	\$ 10,317	\$ 10,317	\$ 10,317	\$ 10,317
CRIMINAL AND JUVENILE JUSTICE PLANNING AND COORDINATION							
GENERAL FUND.....	\$ 27,131	\$ 25,288	\$ 23,335	\$ 23,335	\$ 23,335	\$ 23,335	\$ 23,335
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	71,478	154,945	130,216	122,952	92,952	92,952	92,952
OTHER FUNDS.....	31,414	41,470	32,839	32,839	32,839	32,839	32,839
SUBCATEGORY TOTAL.....	\$ 130,023	\$ 221,703	\$ 186,390	\$ 179,126	\$ 149,126	\$ 149,126	\$ 149,126
REINTEGRATION OF JUVENILE DELINQUENTS							
GENERAL FUND.....	\$ 20,823	\$ 19,929	\$ 19,796	\$ 19,796	\$ 19,796	\$ 19,796	\$ 19,796
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	139	207	370	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 20,962	\$ 20,136	\$ 20,166	\$ 19,796	\$ 19,796	\$ 19,796	\$ 19,796



Program Funding Summary

	(Dollar Amounts in Thousands)							
	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated	
ALL PROGRAMS:								
GENERAL FUND.....	\$ 195,068	\$ 168,997	\$ 158,975	\$ 157,381	\$ 157,381	\$ 157,480	\$ 157,381	
SPECIAL FUNDS.....	22,830	18,777	17,433	17,433	17,433	17,433	17,433	
FEDERAL FUNDS.....	189,748	280,898	247,819	157,850	127,850	127,850	127,850	
OTHER FUNDS.....	122,870	154,483	146,984	146,857	146,857	146,857	146,857	
DEPARTMENT TOTAL.....	<u>\$ 530,516</u>	<u>\$ 623,155</u>	<u>\$ 571,211</u>	<u>\$ 479,521</u>	<u>\$ 449,521</u>	<u>\$ 449,620</u>	<u>\$ 449,521</u>	

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 (IES). 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. In 2010, the Office of Administration opened a new Human Resources Shared Services Center to consolidate transaction processing and generate operating efficiencies for agencies it serves. The Office of Administration also assures a diverse workforce and workplace free from discrimination by administering the commonwealth's equal employment opportunity 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 Strategic Services and 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).

Program Element: Information Technology

The Office of Administration is responsible for developing and administering statewide policies and standards governing the management and use of the commonwealth's information technology (IT) resources.

The Deputy Secretary for Information Technology/State Chief Information Officer is responsible for developing and implementing the Commonwealth's overall IT strategy, overseeing enterprise-level IT operations and administering statewide policies and standards governing the management and use of the commonwealth's IT

resources. The deputy oversees enterprise-wide initiatives such as enterprise computing, shared services, statewide voice and data networks, application development, and security operations to safeguard critical business systems, resources and data.

Enterprise Technology Services manages the commonwealth's enterprise server farm, a state of the art, highly secure computing environment that houses and maintains servers and storage for commonwealth agencies. This office also manages the delivery of shared services to commonwealth agencies such as email, help desk operations, the statewide telecommunications network, and technology support functions.

The Enterprise Services and Solutions group builds and maintains business applications for agencies, develops web-based applications and maintains the commonwealth's enterprise web portal. Additionally, this group manages the Integrated Enterprise System. The Integrated Enterprise System serves to maintain, improve and grow the enterprise resource planning 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 (Office of the Budget, Comptroller Operations, Department of General Services and the Office of Administration) to refine business processes and system operating efficiencies. In addition, IES has supported the deployment of additional modules like Plant Maintenance with the Pennsylvania Department of Transportation.

Enterprise Policy and Planning (EPP) conducts research and maintains the commonwealth's enterprise architecture and issues technology standards. EPP is also responsible for strategic planning and project management activities that are carried out through Communities of Practice.

Communities of Practice (CoP) monitor agency IT project performance, set strategic direction, approve plans, address IT staff and budget issues and drive agencies toward consolidation, system integration and shared application and maintenance paradigms. There are three CoPs: General Government Operations, Public Safety & Environmental and Health & Human Services.

The Public Safety Radio System manages and maintains the PA-STARNet system. PA-STARNet is one of the largest public safety communications systems in North America and is one of the largest private microwave networks anywhere. It is used by state and local government agencies and business partners for agency dispatch and mobile voice and data communication for public safety and emergency response.

Program: Executive Direction (continued)

Program Element: Fraud Detection and Prevention

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

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 Recommendations:

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

GENERAL FUND			
	Office of Administration		Statewide Public Safety Radio System
\$	-167	—nonrecurring 2010-11 budgetary freeze amount.	\$ -136
	-17	—reduction in administrative costs.	-205
\$	-184	<i>Appropriation Decrease</i>	\$ -341
			<i>Appropriation Decrease</i>
	Unemployment Compensation and Transition Costs		Office of the Budget
\$	-35	—nonrecurring 2010-11 budgetary freeze amount.	\$ -527
	-305	—reduction in administrative costs.	-521
\$	-340	<i>Appropriation Decrease</i>	\$ -1,048
			<i>Appropriation Decrease</i>
	Medicare Part B Penalties		Audit of the Auditor General
\$	-71	—reduction in required payments.	\$ 99
			—triennial audit of the Department of the Auditor General.
	Commonwealth Technology Services		Office of Health Care Reform
\$	-806	—nonrecurring 2010-11 budgetary freeze amount.	\$ -895
	-255	—reduction in administrative costs.	
\$	-1,061	<i>Appropriation Decrease</i>	Public Employee Retirement Commission
			\$ -13
	Health Information Exchange		23
\$	-17	—nonrecurring 2010-11 budgetary freeze amount.	\$ 10
	-68	—reduction in administrative costs.	<i>Appropriation Increase</i>
\$	-85	<i>Appropriation Decrease</i>	

Program: Executive Direction (continued)

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

	Law Enforcement Activities	
\$	-3,000	—funding elimination.
MOTOR LICENSE FUND		
Statewide Public Safety Radio System		
\$	-1,326	—nonrecurring 2010-11 budgetary freeze amount.
	-20	—to continue current program.
\$	-1,346	<i>Appropriation Decrease</i>
Commonwealth Technology Services		
\$	-149	—nonrecurring 2010-11 budgetary freeze amount.
	151	—to continue current program.
\$	2	<i>Appropriation Increase</i>

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Office of Administration.....	\$ 8,895	\$ 8,802	\$ 8,618	\$ 8,618	\$ 8,618	\$ 8,618	\$ 8,618
Unemployment Compensation and Transition Costs	2,750	1,835	1,495	0	0	0	0
Medicare Part B Penalties	375	366	295	295	295	295	295
Commonwealth Technology Services.....	44,796	42,521	41,460	41,460	41,460	41,460	41,460
Health Information Exchange	940	893	808	808	808	808	808
Public Television Technology	985	0	0	0	0	0	0
Statewide Public Safety Radio System	9,043	7,202	6,861	6,861	6,861	6,861	6,861
Office of Inspector General.....	2,654	2,483	2,483	2,483	2,483	2,483	2,483
Inspector General - Welfare Fraud	10,538	10,705	10,705	10,705	10,705	10,705	10,705
Office of the Budget.....	28,938	20,957	19,909	19,909	19,909	19,909	19,909
Audit of the Auditor General	0	0	99	0	0	99	0
Office of Health Care Reform	990	895	0	0	0	0	0
Public Employee Retirement Commission	685	687	697	697	697	697	697
Public Television Station Grants	900	0	0	0	0	0	0
Law Enforcement Activities.....	5,900	3,000	0	0	0	0	0
TOTAL GENERAL FUND	\$ 118,389	\$ 100,346	\$ 93,430	\$ 91,836	\$ 91,836	\$ 91,935	\$ 91,836
MOTOR LICENSE FUND:							
Office of the Budget.....	\$ 5,827	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Statewide Public Safety Radio System	14,757	16,224	14,878	14,878	14,878	14,878	14,878
Commonwealth Technology Services.....	2,246	2,553	2,555	2,555	2,555	2,555	2,555
TOTAL MOTOR LICENSE FUND.....	\$ 22,830	\$ 18,777	\$ 17,433	\$ 17,433	\$ 17,433	\$ 17,433	\$ 17,433



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 General Counsel (OGC) was created by Act 164 of 1980. The General Counsel serves as the chief legal advisor to the Governor, heads the Office of General Counsel, and appoints deputies general counsel, chief counsel and assistant counsel to assist in the performance of the responsibilities of OGC. The office represents the commonwealth, the Governor, members of his Cabinet, and more than 30 agencies that conduct the business of the commonwealth. This includes rendering legal advice and representation concerning matters and issues arising in connection with the operation of executive agencies under the Governor's jurisdiction. The office also reviews and approves for form and legality all commonwealth deeds, leases, contracts, rules and regulations. The office provides advice to the Governor on pending legislative matters and issues and reviews for constitutionality and legality all legislation presented to the Governor for approval.

The Office of General Counsel is responsible for initiating appropriate actions or defending the commonwealth when the Attorney General declines to initiate appropriate proceedings or delegates that responsibility to OGC. Upon request by the Governor, the office also has the authority to intervene in any action by or against an agency under the Governor's jurisdiction.

The General Counsel administers the operations of the Juvenile Court Judges' Commission and supervises the legal representation for this agency as well as all other state agencies with legal staff assigned therein.

In addition, the General Counsel serves as a member of the Board of Commissioners on Uniform State Laws, the Pennsylvania Emergency Management Agency, the Joint Committee on Documents, the Board of Property, the Local Government Records Committee, the Medical Advisory Board, the Board of Finance and Revenue and the Civil Disorder Commission.

Program Recommendations:

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

		Office of General Counsel
\$	-68	—nonrecurring 2010-11 budgetary freeze amount.
	-66	—reduction in administrative costs.
\$	-134	<i>Appropriation Decrease</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Office of General Counsel	\$ 3,906	\$ 3,559	\$ 3,425	\$ 3,425	\$ 3,425	\$ 3,425	\$ 3,425



PROGRAM OBJECTIVE: To ensure 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 used 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 Office of Public Liaison functions as an advocate for the commonwealth's Latino, African American and Asian American communities. The office also provides advocacy for women's issues and is responsible for developing and implementing policies and programs that work to ensure equal opportunity.

Program Recommendations:

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

<p>Human Relations Commission</p> <p>\$ -186 —nonrecurring 2010-11 budgetary freeze amount.</p> <p>-103 —reduction in administrative costs.</p> <p>\$ -289 <i>Appropriation Decrease</i></p>	<p>Office of Public Liaison</p> <p>\$ -437 —administrative savings from consolidation of Latino Affairs Commission, African American Affairs Commission, Asian American Affairs Commission and Commission for Women.</p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Human Relations Commission	\$ 10,246	\$ 9,780	\$ 9,491	\$ 9,491	\$ 9,491	\$ 9,491	\$ 9,491
Office of Public Liaison	801	778	341	341	341	341	341
TOTAL GENERAL FUND	\$ 11,047	\$ 10,558	\$ 9,832	\$ 9,832	\$ 9,832	\$ 9,832	\$ 9,832



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 council supports Pennsylvanians in providing arts and cultural programs and services to their fellow citizens and communities with funding, information and other resources for arts organizations, arts programs and projects, artists, schools, educational and community organizations.

The 19-member council supports the arts through grant programs, services and a network of community-based 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 has a nationally recognized funding process. It uses an advisory review process administered in Harrisburg and 13 regions of the state, whereby local citizens review applications and make recommendations for funding to best serve their region. The council functions with input from more than 50 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: a grants program that responds to most applications and program initiatives either directly or through a decentralized network of 13 regional funding partners; 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 additional services directly provided by staff and through partnerships with state, regional and national service organizations.

The Council on the Arts is an important partner in advising and assisting with downtown revitalization efforts, including the development of the first three cultural plans for counties in Pennsylvania: Lackawanna, York and Erie with others in progress. 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 Recommendations:

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

Council on the Arts

—The Council on the Arts is recommended at the current year funding level.

\$

–160

Grants to the Arts

—nonrecurring 2010-11 budgetary freeze amount.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Council on the Arts	\$ 982	\$ 895	\$ 895	\$ 895	\$ 895	\$ 895	\$ 895
Grants to the Arts.....	10,000	8,422	8,262	8,262	8,262	8,262	8,262
Cultural Preservation Assistance.....	2,790	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 13,772	\$ 9,317	\$ 9,157	\$ 9,157	\$ 9,157	\$ 9,157	\$ 9,157



PROGRAM OBJECTIVE: To provide criminal and juvenile justice system policy analysis, coordination and planning to improve criminal justice programs.

Program: Criminal and Juvenile Justice Planning and Coordination

The Pennsylvania Commission on Crime and Delinquency's (PCCD) mission is to improve the commonwealth's criminal and juvenile justice systems. It accomplishes this by facilitating cooperation and planning by local agencies which have direct responsibility for or which serve in ancillary roles in ensuring public safety, providing justice statistical and analytical services to commonwealth and local agencies and the General Assembly, and delivery of training and technical assistance to justice components. It is assisted in this effort through several advisory committees, task forces, other advisory and planning groups and commission staff. A major part of the commission's work is accomplished through its award and administration of grants provided through state and federal funding streams.

With the assistance of its Research, Evaluation, Data Collection and Analysis Advisory Committee and staff in its Office of Research, Evaluation and Strategic Policy Development, PCCD conducts evaluations on the performance of grant recipient projects, develops best practices, and researches trends in the criminal and juvenile justice arenas to ensure federal and state grant funds are allocated to the most effective initiatives. The commission also compiles crime, corrections and sentencing data; provides objective, independent, and comprehensive policy-relevant information; and responds to special requests for criminal justice information and research from federal, state, and local agencies, as well as private citizens.

Through its Juvenile Justice and Delinquency Prevention Advisory Committee and its Office of Juvenile Justice and Delinquency Prevention, PCCD prepares and updates a biennial comprehensive juvenile justice and delinquency prevention plan on behalf of the commonwealth. This plan is mandated by statute. The commission also plays a central role in furthering collaborative juvenile justice and delinquency prevention initiatives with the Department of Public Welfare, the Juvenile Court Judges' Commission, the Council of Chief Juvenile Probation Officers, the Department of Education and other agencies. It has facilitated the proliferation of violence prevention and intervention programs through its violence prevention program since fiscal year 1998-99. This program supports the implementation of intensive as well as non-intensive prevention/intervention models. The commission is the state's lead agency for promoting local efforts to implement risk-focused, community mobilization programming directed toward preventing delinquency, violence, substance abuse and other adolescent problem behaviors. The commission supports the Communities That Care risk-focused prevention initiative by providing planning,

assessment and implementation funding, as well as training and technical assistance to communities.

The commission administers the federal Juvenile Justice and Delinquency Prevention Act Formula Grant program, as well as the Juvenile Accountability block grant program—both provide funds that support treatment/intervention programs and juvenile justice system improvement projects. Likewise, PCCD administers federal Enforcing Underage Drinking Laws block grant funds, which support enforcement efforts and the Campus/Community Underage Drinking Prevention Coalition Project.

On the advice of its Public Safety Advisory Committee, its Mental Health and Justice Advisory Committee and staff in its Office of Criminal Justice System Improvements, PCCD works with local leadership to improve county justice and local law enforcement systems. The commission serves as a catalyst to coordinate activities among criminal justice agencies by identifying issues, developing statewide policies and programs, and implementing innovative justice improvement solutions that enhance public safety. Through programmatic and fiscal monitoring of state and federally funded public safety programs, PCCD is able to assess outcome results and determine the extent of project implementation.

The commission assists communities in dealing with the role that mental health issues play in the criminal justice system. It has been responsible for institutionalizing County Criminal Justice Advisory Boards. These boards, which consist of top-level county officials, address criminal justice issues from a systemic and policy level perspective, study best practices in the administration and delivery of criminal justice and make recommendations and establish consensus among the members to improve the effectiveness and efficiency of the county's criminal justice system. To date, 63 counties have implemented these boards.

The commission provides training and technical assistance to county prison boards and local officials through the County Intermediate Punishment Act. This act assists in the development of various intermediate punishment programs for nonviolent offenders to alleviate overcrowding in the county prisons. Additionally, PCCD administers the Intermediate Punishment Treatment program, which provides support to counties for drug and alcohol assessment, evaluation, and treatment services in combination with court-ordered restrictive punishments.

The commission's Bureau of Training Services oversees several justice training programs, including the legislatively mandated basic and continuing education training of

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

deputy sheriffs and constables. The commission provides quality, relevant, and current job-related training for local justice practitioners. The bureau also ensures coordination of PCCD training-related initiatives with other federal, state and local criminal justice training entities, and the review and development of training-related policy and legislation.

Program Element: Victim Services

Through its Victims' Services Advisory Committee and its Office of Victims Services, PCCD works to ensure that victims of crime get the help they need to transcend their trauma and move forward with their lives. Victim Services has two components, the Victims Compensation Assistance program and the Victims Services program.

The commission's Victims Compensation Assistance program, created by Act 139 of 1976, responds to financial losses incurred by victims of crime. The money to pay crime victims comes from Pennsylvania's Crime Victims Fund, which is supported primarily by costs assessed against certain convicted offenders, as well as restitution, donations and reimbursements from victims who are awarded civil settlements. Additionally, federal funding under the Victims of Crime Act reimburses Pennsylvania, based on a formula of prior year payments to victims. In fiscal year 2009-10, PCCD paid \$13.3 million to or on behalf of Pennsylvania crime victims and processed 8,390 claims.

The commission's Victims Services program administers a variety of state and federal grants designed to assist victims of crime. These include the Rights and Services Act (RASA) program. Funds are made available for the RASA program through a \$25 penalty assessment on convicted/diverted offenders. The commission also administers the following federal grant programs: Victims of Crime Act, STOP Violence Against Women Act program and the Sexual Assault Services program.

The commission provides both procedural services and direct services to victims of crime. Procedural services, such as courtroom orientation and accompaniment, victim rights notification and assistance with victim impact

statements, help crime victims obtain the rights to which they are entitled under Pennsylvania's Crime Victims Act and also help them understand the progression of their case through the criminal or juvenile justice systems. On average, procedural services are provided to more than 215,000 victims and witnesses per year. Direct services are activities that help victims of crime to cope with the physical, emotional and criminal justice issues associated with crime and help them stabilize their lives in the aftermath of trauma. Some examples include crisis intervention, shelter for domestic violence victims, long and short-term counseling and other emergency services that are intended to restore a victim's sense of security. Federal funding is provided to all 67 counties in Pennsylvania to support rape crisis centers, domestic violence shelters, and programs that assist victims of drunken driving, child abuse, and survivors of homicide. On average, these programs provide assistance to more than 120,000 Pennsylvania crime victims per year.

The commission also administers the STOP Violence Against Women Program, established through the Violence Against Women Act of 1994 (reauthorized in 2005). This program exists to develop the nation's capacity to reduce domestic violence, sexual assault, stalking and dating violence. The STOP program requires collaboration among law enforcement, victim services and prosecutors to provide effective response, investigation and prosecution of violence against women cases. Currently, 29 of Pennsylvania's 67 counties participate in the STOP program. The federal Sexual Assault Services program, also established through the Violence Against Women Act, supports rape crisis centers across the commonwealth in providing a variety of direct services to meet the needs of victims of sexual assault. On average, STOP funded programs annually provide assistance to more than 22,000 victims of domestic violence, sexual assault, stalking and dating violence in Pennsylvania.

Program Recommendations:

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

GENERAL FUND			Victims of Juvenile Crime	
	Commission on Crime and Delinquency			—program elimination.
\$	—61 —nonrecurring 2010-11 budgetary freeze amount.	\$	-718	
	—85 —reduction in administrative costs.	\$	-37	Violence Prevention Programs
				—nonrecurring 2010-11 budgetary freeze amount.
\$	-146 <i>Appropriation Decrease</i>		13	—to continue current program.
		\$	-24	<i>Appropriation Decrease</i>

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

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

\$	-413	Weed and Seed Program —program elimination.	\$	-125	Violence Reduction —funding elimination.
		Intermediate Punishment Treatment Programs —nonrecurring 2010-11 budgetary freeze amount.			Safe Neighborhoods —funding elimination.
\$	-352		\$	-175	

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Commission on Crime and Delinquency ...	\$ 3,399	\$ 3,393	\$ 3,247	\$ 3,247	\$ 3,247	\$ 3,247	\$ 3,247
Victims of Juvenile Crime	1,298	718	0	0	0	0	0
Violence Prevention Programs	2,196	1,945	1,921	1,921	1,921	1,921	1,921
Weed and Seed Program	653	413	0	0	0	0	0
Intermediate Punishment Treatment Programs	19,000	18,519	18,167	18,167	18,167	18,167	18,167
Violence Reduction	225	125	0	0	0	0	0
Safe Neighborhoods	360	175	0	0	0	0	0
TOTAL GENERAL FUND.....	\$ 27,131	\$ 25,288	\$ 23,335	\$ 23,335	\$ 23,335	\$ 23,335	\$ 23,335

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, graduate education, research, statistical information, and the development and enhancement of specialized probation services for juveniles have significantly improved the quality of service within the commonwealth's juvenile justice system.

All 67 of the commonwealth's counties participated in the commission's grant-in-aid program in 2010-11 and adopted the commission's required Juvenile Court Standards, participated in sponsored training programs and complied with all 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, graduate education and specialized projects, such as the provision of liability insurance for community service programs and software to enable counties to participate in the commission's juvenile probation management information system.

The commission annually sponsors 40 to 45 state-of-the-art-training programs for juvenile justice practitioners. In addition to the provision of training, the commission, in conjunction with Shippensburg University, provides support to enable probation officers to receive Master of Science degrees in the Administration of Justice. By the

end of 2011-12, 594 juvenile justice professionals will have earned graduate degrees through this program since its inception in 1982.

The commission continues to support the Juvenile Probation Services program, including school-based probation, community-based probation, intensive probation and aftercare services. The commission provides support for 383 specialized probation officers pursuant to commission standards. Of these positions, 98 are for school-based probation, 179 are for community-based probation, 34 are for intensive probation, 45 are for aftercare services and 27 are specialized probation services supervisors.

The commission's Drug and Alcohol initiative continues to be a priority. Fifty-one of the commonwealth's counties receive funds to support urinalysis drug testing techniques on those juvenile offenders 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.

Juvenile arrests for violent crimes (murder, forcible rape, robbery and aggravated assault) decreased from 5,340 in 2008 to 4,580 in 2009. The arrest rate per 100,000 juveniles decreased from 413 in 2008 to 355 in 2009.

The JCJC participates in the commonwealth's Justice Network (JNET). The commission's primary role in the project is to assist in the design, development and implementation of the Juvenile Tracking System, which is part of JNET. The system electronically connects criminal justice agencies to facilitate information sharing.

Program Recommendations:

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

		Juvenile Court Judges' Commission
\$	-43	—nonrecurring 2010-11 budgetary freeze amount.
	245	—to continue current program.
\$	202	<i>Appropriation Increase</i>
		Juvenile Probation Services
\$	-335	—nonrecurring 2010-11 budgetary freeze amount.



Program: Reintegration of Juvenile Delinquents (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Juvenile Court Judges Commission	\$ 2,297	\$ 2,284	\$ 2,486	\$ 2,486	\$ 2,486	\$ 2,486	\$ 2,486
Juvenile Probation Services	18,526	17,645	17,310	17,310	17,310	17,310	17,310
TOTAL GENERAL FUND	\$ 20,823	\$ 19,929	\$ 19,796	\$ 19,796	\$ 19,796	\$ 19,796	\$ 19,796



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Executive Direction							
Office of Administration - Human Resources							
Time required to review and approve agency requests for classification actions on vacant positions (in days)	22	23	23	23	23	23	23
Days required to process requests for clerks from the temporary clerical pool**	3.9	6.8	6.8	6.8	6.8	6.8	6.8
Days required to process requests for typists from the temporary clerical pool	7.6	6.4	6.4	6.4	6.4	6.4	6.4
Course offerings through the Enterprise Learning Management System at both the enterprise and agency level	1,094	1,364	1,364	1,364	1,364	1,364	1,364
Completion rate for mandatory Enterprise Learning Management System courses	82.5%	77%	79%	81%	83%	85%	87%
Completion rate for optional Enterprise Learning Management System courses	71.1%	82%	84%	86%	88%	90%	92%
Hours dedicated by agencies and vendors to safety programs	15,780	13,400	13,400	13,400	13,400	13,400	13,400
Workers' compensation claims filed and accepted	5,876	6,150	6,000	5,900	5,800	5,700	5,700
Office of Administration - Office of Public Safety Radio Services							
Percentage of Statewide land area coverage of the radio system	96%	96.8%	97%	97.1%	97.2%	97.3%	97.4%
Percentage of Statewide road coverage	96.7%	97.2%	97.3%	97.4%	97.5%	97.6%	97.7%
Radio Interoperability with County 911 and Emergency Operations	62	64	67	67	67	67	67
Percentage of registered radios on the network	88%	90%	91%	96%	100%	100%	100%
Average monthly transmissions	3,693,683	4,100,000	4,600,000	5,000,000	5,600,000	6,200,000	6,900,000
Office of Administration - Office of Enterprise Records Management							
Percent of Issuances and Resolutions updated*	58.6%	60%	70%	80%	90%	100%	100%
Increased number of program awareness offerings through training, workshops, and agency informational meetings*	20	15	15	15	15	15	15

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Commonwealth Technology Services							
Enterprise savings from the negotiation of shared service technology contracts	\$27,363,000	\$30,793,000	\$35,499,000	\$34,583,000	\$35,926,000	\$15,934,000	\$15,934,000
Percentage of cyber attacks thwarted	99.4%	99.4%	99.6%	99.9%	99.9%	99.9%	99.9%
Percentage of virus events actively blocked	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%
Percentage of SPAM messages blocked	95.4%	97%	98%	99%	99%	99%	99%
Office of the Budget							
Agency/Purchasing/Corporate credit card rebates earned	\$2,353,583	\$2,400,000	\$2,500,000	\$2,600,000	\$2,700,000	\$2,800,000	\$2,800,000
Percent of federal funds drawn within seven calendar days	98%	99%	99%	99%	99%	99%	99%
Employee payments issued	2,283,469	2,150,000	2,150,000	2,150,000	2,150,000	2,150,000	2,150,000
Invoices processed	1,421,469	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000
Percentage of internal audit recommendations accepted	91%	95%	96%	97%	98%	99%	99%
Average number of payments issued per processor	N/A	25,000	25,000	25,000	25,000	25,000	25,000
Office of Inspector General							
General investigations	225	250	250	250	250	250	250
Arrest investigations	12	20	20	20	20	20	20
Pre-employment background investigations	158	100	175	175	175	175	175
Office of Inspector General - Welfare Fund							
Fraud Prevention: investigations	27,645	27,000	27,000	27,000	27,000	27,000	27,000
Fraud Prevention: ineligibility determinations	12,902	12,000	12,000	12,000	12,000	12,000	12,000
Average amount of cost savings per Welfare Fraud Investigator	\$929,344	\$920,000	\$920,000	\$920,000	\$920,000	\$920,000	\$920,000
Amount of cost savings based on ineligibility determinations	\$60,407,389	\$60,000,000	\$60,000,000	\$60,000,000	\$60,000,000	\$60,000,000	\$60,000,000
Fraud investigations	5,742	5,700	5,700	5,700	5,700	5,700	5,700
Amount of overpaid benefits collected through various means	\$43,323,351	\$43,000,000	\$43,000,000	\$43,000,000	\$43,000,000	\$43,000,000	\$43,000,000
Average amount of collections and cost savings per Claims Investigation Agent	\$1,068,569	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000
Ratio of cost savings and collections to investigative expenditures	\$13.40	\$13	\$13	\$13	\$13	\$13	\$13

* New Program Measure

**Agency demand for clerk positions has increased since 2009-10. This has resulted in an increase in processing time for clerical support requests from state agencies.



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Prevention and Elimination of Discriminatory Practices							
Human Relations Commission							
Percentage of cases under investigation which are two or more years old	15.4%	14.5%	12%	12%	12%	12%	12%
Predetermination case settlement rate	40%	40%	33%	33%	33%	33%	33%
Formal complaint investigation:							
Average complaints active	7,935	8,379	7,000	7,000	7,000	7,000	7,000
Complaints closed	3,232	4,000	4,000	4,000	4,000	4,000	4,000
Financial awards to complainants (in thousands)	\$8,488	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Case settlement rate	40%	40%	33%	33%	33%	33%	33%
Program: Development of Artists and Audiences							
Council on the Arts							
Attendance at supported events (in thousands)	15,747	15,800	15,810	15,820	15,830	15,840	15,850
Grant applications received/reviewed	1,935	1,950	1,975	2,000	2,050	2,100	2,150
Grant awards made	1,762	1,800	1,820	1,850	1,900	1,950	2,000
Program: Criminal and Juvenile Justice Planning and Coordination							
Commission on Crime and Delinquency							
Planning and Coordination: Youth							
Percentage of youth served in intensive evidence-based programs with improved school attendance	60.9%	65%	70%	75%	75%	75%	75%
Percentage of youth participating in research-based programs with a demonstrated improvement related to the program's targeted behavioral outcome	40.4%	45%	50%	55%	60%	65%	65%
Planning and Coordination: Adult							
Percent of active offenders sentenced to the Intermediate Punishment Treatment Program successfully completing their sentence (as determined by the Court)	82%	78%	78%	78%	78%	78%	78%
Average number of jail days saved per active offender through participation in the Intermediate Punishment Treatment Program	91	94	94	94	94	94	94
Percentage of Active offenders in the program who successfully completed the treatment-based restrictive portion of their sentence	65.2%	65%	65%	66%	66%	67%	67%
Average number of jail days saved per active offender through participation in the treatment-based restrictive portion of their sentence	292	300	300	300	300	300	300

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Victim Services							
Victims compensation claim processing time - new claims (in weeks)	5.8	6.5	6	6	6	6	6
Victims compensation claims paid	5,468	5,700	6,000	6,300	6,600	7,000	7,300
Program: Reintegration of Juvenile Delinquents							
Juvenile Court Judges Commission							
Children referred to court	41,561	44,000	44,000	44,000	44,000	44,000	44,000
Commitments as a percentage of referrals	6.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%
Children arrested for violent crime	4,580	5,000	5,000	5,000	5,000	5,000	5,000
Juvenile cases closed that received probation or other services	17,702	17,000	17,000	17,000	17,000	17,000	17,000
Percentage employed or engaged in an educational/vocational activity at case closing.	84%	84%	84.5%	85%	85%	85%	85%
Juvenile offenders who completed supervision without a new offense resulting in a Consent Decree, adjudication of delinquency, Accelerated Rehabilitation Disposition, Nolo Contendere, or finding of guilt in a criminal proceeding.	14,940	14,290	14,290	14,290	14,290	14,290	14,290



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.

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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Lieutenant Governor's Office.....	\$ 650	\$ 494	\$ 867
Board of Pardons.....	425	501	492
(F)ARRA - Case Management System (EA).....	78	78	0
Subtotal - State Funds.....	\$ 1,075	\$ 995	\$ 1,359
Subtotal - Federal Funds.....	78	78	0
Total - General Government.....	<u>\$ 1,153</u>	<u>\$ 1,073</u>	<u>\$ 1,359</u>
STATE FUNDS.....	\$ 1,075	\$ 995	\$ 1,359
FEDERAL FUNDS.....	78	78	0
GENERAL FUND TOTAL.....	<u>\$ 1,153</u>	<u>\$ 1,073</u>	<u>\$ 1,359</u>

Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 1,075	\$ 995	\$ 1,359	\$ 1,359	\$ 1,359	\$ 1,359	\$ 1,359
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	78	78	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 1,153	\$ 1,073	\$ 1,359	\$ 1,359	\$ 1,359	\$ 1,359	\$ 1,359
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1,075	\$ 995	\$ 1,359	\$ 1,359	\$ 1,359	\$ 1,359	\$ 1,359
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	78	78	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 1,153	\$ 1,073	\$ 1,359	\$ 1,359	\$ 1,359	\$ 1,359	\$ 1,359

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 State 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.

The Lieutenant Governor will also chair the newly created Marcellus Shale Advisory Commission. The commission's mission will be to undertake a comprehensive review of Pennsylvania's statutes, regulations and policies and provide recommendations on how the commonwealth can develop this tremendous resource in a safe and environmentally responsible manner.

Program Recommendations:

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

\$	373	Lieutenant Governor	\$	-9	Board of Pardons
		—for operation of the Lieutenant Governor's Office.*			—reduction in administrative costs.

* The Lieutenant Governor's Office 2011-12 funding amount represents an increase from the prior year due to the Senate President Pro Tempore serving as the Lieutenant Governor until January 2011. Despite this increase, the 2011-12 funding amount is \$202,000, or 19 percent, less than the spending in 2007-08, the last full year in which an elected Lieutenant Governor served in office.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Lieutenant Governor's Office.....	\$ 650	\$ 494	\$ 867	\$ 867	\$ 867	\$ 867	\$ 867
Board of Pardons.....	425	501	492	492	492	492	492
TOTAL GENERAL FUND	\$ 1,075	\$ 995	\$ 1,359	\$ 1,359	\$ 1,359	\$ 1,359	\$ 1,359



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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 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.

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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 40,418	\$ 38,496	\$ 37,688
(F)Medicaid Fraud.....	4,482	3,766	3,596
(F)MAGLOCLEN.....	10,219	11,252	11,994
(A)Legal Fees Reimbursement.....	12	10	10
(A)Medicaid Fraud Reimbursements.....	2	5	5
(A)Investigative Costs Reimbursements.....	50	50	50
(A)Environmental Crimes Investigative Costs.....	3	10	10
(A)Continuing Legal Education.....	1	5	5
(A)Miscellaneous Revenue.....	8	6	6
Subtotal.....	<u>\$ 55,195</u>	<u>\$ 53,600</u>	<u>\$ 53,364</u>
(R)Office of Consumer Advocate.....	5,124	5,200	5,189
Drug Law Enforcement.....	25,694	24,472	24,472
(F)High Intensity Drug Trafficking Areas.....	3,667	3,998	4,304
(A)Recovery of Narcotics Investigation Overtime Costs.....	50	50	50
Subtotal.....	<u>\$ 29,411</u>	<u>\$ 28,520</u>	<u>\$ 28,826</u>
Local Drug Task Forces.....	10,501	10,001	10,001
Drug Strike Task Force.....	2,185	2,081	2,081
Witness Relocation.....	385	717	717
Joint Local-State Firearm Task Force.....	3,000	3,107	3,107
Violence Reduction Witness Relocation.....	500	476	476
Child Predator Interception Unit.....	1,439	1,371	1,371
Subtotal.....	<u>\$ 1,439</u>	<u>\$ 1,371</u>	<u>\$ 1,371</u>
Capital Appeals Case Unit.....	569	542	542
Charitable Nonprofit Conversions.....	1,022	974	974
Tobacco Law Enforcement.....	691	658	658
Subtotal - State Funds.....	\$ 86,404	\$ 82,895	\$ 82,087
Subtotal - Federal Funds.....	18,368	19,016	19,894
Subtotal - Augmentations.....	126	136	136
Subtotal - Restricted Revenues.....	5,124	5,200	5,189
Total - General Government.....	<u>\$ 110,022</u>	<u>\$ 107,247</u>	<u>\$ 107,306</u>
Grants and Subsidies:			
County Trial Reimbursement.....	\$ 118	\$ 112	\$ 112
(R)Reimbursement to Counties - Full Time District Attorney (EA).....	4,284	8,706	8,706
Subtotal - State Funds.....	\$ 118	\$ 112	\$ 112
Subtotal - Restricted Revenues.....	4,284	8,706	8,706
Total - Grants and Subsidies.....	<u>\$ 4,402</u>	<u>\$ 8,818</u>	<u>\$ 8,818</u>
STATE FUNDS.....	\$ 86,522	\$ 83,007	\$ 82,199
FEDERAL FUNDS.....	18,368	19,016	19,894
AUGMENTATIONS.....	126	136	136
RESTRICTED REVENUES.....	9,408	13,906	13,895
GENERAL FUND TOTAL.....	<u>\$ 114,424</u>	<u>\$ 116,065</u>	<u>\$ 116,124</u>



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
OTHER FUNDS:			
GENERAL FUND:			
Seized/Forfeited Property - State Court Awarded.....	\$ 3,808	\$ 9,903	\$ 9,704
Seized/Forfeited Property - U.S. Department of Justice.....	282	583	1,212
OAG Investigative Funds - Outside Sources.....	4,440	4,858	5,102
Seized/Forfeited Property - U.S. Treasury Department.....	111	287	340
Public Protection Law Enforcement.....	5,010	7,801	9,639
Coroner's Education Board.....	46	0	65
Community Drug Abuse Prevention Program.....	165	440	430
Seized/Forfeited Property - U.S. Homeland Security.....	643	451	601
GENERAL FUND TOTAL.....	\$ 14,505	\$ 24,323	\$ 27,093
STATE GAMING FUND:			
(R) Gaming Enforcement.....	\$ 914	\$ 994	\$ 976
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 86,522	\$ 83,007	\$ 82,199
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	18,368	19,016	19,894
AUGMENTATIONS.....	126	136	136
RESTRICTED.....	9,408	13,906	13,895
OTHER FUNDS.....	15,419	25,317	28,069
TOTAL ALL FUNDS.....	\$ 129,843	\$ 141,382	\$ 144,193



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
PUBLIC PROTECTION AND LAW ENFORCEMENT							
GENERAL FUND.....	\$ 86,522	\$ 83,007	\$ 82,199	\$ 82,199	\$ 82,199	\$ 82,199	\$ 82,199
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	18,368	19,016	19,894	19,894	19,894	19,894	19,894
OTHER FUNDS.....	24,953	39,359	42,100	42,100	42,100	42,100	42,100
SUBCATEGORY TOTAL.....	\$ 129,843	\$ 141,382	\$ 144,193	\$ 144,193	\$ 144,193	\$ 144,193	\$ 144,193
ALL PROGRAMS:							
GENERAL FUND.....	\$ 86,522	\$ 83,007	\$ 82,199	\$ 82,199	\$ 82,199	\$ 82,199	\$ 82,199
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	18,368	19,016	19,894	19,894	19,894	19,894	19,894
OTHER FUNDS.....	24,953	39,359	42,100	42,100	42,100	42,100	42,100
DEPARTMENT TOTAL.....	\$ 129,843	\$ 141,382	\$ 144,193	\$ 144,193	\$ 144,193	\$ 144,193	\$ 144,193



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 uses statewide investigative grand juries as appropriate. The Office of Attorney General works with the State Police to curtail drug abuse in the commonwealth by apprehending illegal drug traffickers. Act 166 of 1994 established a section of Insurance Fraud within the Office of Attorney General to prosecute and investigate insurance fraud. Responsibilities also include the investigation and prosecution of Medicaid fraud, environmental crimes and cases referred by district attorneys across the state that have a conflict of interest or lack the resources to prosecute certain crimes.

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; investigating and prosecuting consumer fraud, unfair trade practices, antitrust violations, civil rights violations and charitable scams; 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.

This program also provides legal services for governmental agencies of the commonwealth, as required by Section 204 of the Commonwealth Attorneys Act. Specifically, the Office of the Attorney General 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 under certain conditions. The salary to be paid the full-time district attorney is set at \$1,000 annually less than a common pleas court judge in that county. The commonwealth annually reimburses counties for 65 percent of the salary for the full-time district attorney which began in calendar year 2006. Act 30 of 2007 established the Criminal Justice Enhancement Account, which provides funding sources for the commonwealth's share.

The Joint Local-State Firearm Task Force is comprised of the Philadelphia District Attorney's Office, the Philadelphia Police Department and the Office of Attorney General and is established to fight increasing gun violence in the Philadelphia area.

Act 42 of 2008, the Cigarette Fire Safety and Firefighter Protection Act, authorizes the office to file actions in state court when the act's requirements are violated. The Straw Purchase Prevention Education program, as created by Act 131 of 2008, authorizes the Attorney General to implement a program of outreach and education for the public and firearms dealers regarding straw purchases. Act 132 of 2008 established the Home Improvement Consumer Protection Act which requires home improvement contractors to register with the Bureau of Consumer Protection. The agency will investigate alleged violations regarding home improvement contractors.

Program Recommendations:

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

GENERAL FUND
General Government Operations
 \$ -808 —funding reduction.

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

This budget also recommends the following for the Office of the Consumer Advocate and the Reimbursement to Counties - Full Time District Attorneys from their restricted accounts in the General Fund.

Office of the Consumer Advocate
 \$ -11 —to continue current program.

Reimbursement to Counties - Full Time District Attorneys is recommended at the current year funding level.



Program: Public Protection and Law Enforcement (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
General Government Operations	\$ 40,418	\$ 38,496	\$ 37,688	\$ 37,688	\$ 37,688	\$ 37,688	\$ 37,688
Drug Law Enforcement.....	25,694	24,472	24,472	24,472	24,472	24,472	24,472
Local Drug Task Forces.....	10,501	10,001	10,001	10,001	10,001	10,001	10,001
Drug Strike Task Force.....	2,185	2,081	2,081	2,081	2,081	2,081	2,081
Witness Relocation.....	385	717	717	717	717	717	717
Joint Local-State Firearm Task Force.....	3,000	3,107	3,107	3,107	3,107	3,107	3,107
Violence Reduction Witness Relocation....	500	476	476	476	476	476	476
Child Predator Interception Unit	1,439	1,371	1,371	1,371	1,371	1,371	1,371
Capital Appeals Case Unit.....	569	542	542	542	542	542	542
Charitable Nonprofit Conversions.....	1,022	974	974	974	974	974	974
Tobacco Law Enforcement	691	658	658	658	658	658	658
County Trial Reimbursement.....	118	112	112	112	112	112	112
TOTAL GENERAL FUND	\$ 86,522	\$ 83,007	\$ 82,199	\$ 82,199	\$ 82,199	\$ 82,199	\$ 82,199



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Public Protection and Law Enforcement							
Cases presented to the Statewide Investigating Grand Jury	77	80	80	80	80	80	80
Local drug task force arrests	6,585	6,000	6,000	6,000	6,000	6,000	6,000
Drug arrests resulting from Grand Jury presentments	225	200	200	200	200	200	200
Review of estates, charities, nonprofits, and health care conversions for compliance with rules and regulations	2,605	2,600	2,600	2,600	2,600	2,600	2,600
Consumer complaints concerning business practices investigated and mediated	44,582	43,000	43,000	43,000	43,000	43,000	43,000
Dollar value of recoupment to consumers regarding business practices (in thousands)	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200
Consumer complaints concerning business practices - health care industry	2,532	2,450	2,450	2,450	2,450	2,450	2,450



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 ensure 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 ensure that all money due the commonwealth was reported and transmitted properly.



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Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Auditor General's Office.....	\$ 46,499	\$ 44,287	\$ 43,357
(A)Reimbursement Auditing Services.....	11,758	13,500	13,041
Subtotal.....	<u>\$ 58,257</u>	<u>\$ 57,787</u>	<u>\$ 56,398</u>
Transition - Governor.....	0	154	0
Security and Other Expenses - Outgoing Governor.....	0	86	0
Board of Claims.....	1,804	1,718	1,718
Subtotal - State Funds.....	\$ 48,303	\$ 46,245	\$ 45,075
Subtotal - Augmentations.....	11,758	13,500	13,041
Total - General Government.....	<u>\$ 60,061</u>	<u>\$ 59,745</u>	<u>\$ 58,116</u>
STATE FUNDS.....	\$ 48,303	\$ 46,245	\$ 45,075
AUGMENTATIONS.....	11,758	13,500	13,041
GENERAL FUND TOTAL.....	<u>\$ 60,061</u>	<u>\$ 59,745</u>	<u>\$ 58,116</u>
OTHER FUNDS:			
MUNICIPAL PENSION AID FUND:			
Municipal Pension Aid.....	\$ 215,269	\$ 218,061	\$ 219,025
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 48,303	\$ 46,245	\$ 45,075
SPECIAL FUNDS.....	0	0	0
AUGMENTATIONS.....	11,758	13,500	13,041
OTHER FUNDS.....	215,269	218,061	219,025
TOTAL ALL FUNDS.....	<u>\$ 275,330</u>	<u>\$ 277,806</u>	<u>\$ 277,141</u>

Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
AUDITING							
GENERAL FUND.....	\$ 48,303	\$ 46,245	\$ 45,075	\$ 45,075	\$ 45,075	\$ 45,075	\$ 45,075
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	11,758	13,500	13,041	13,041	13,041	13,041	13,041
SUBCATEGORY TOTAL.....	\$ 60,061	\$ 59,745	\$ 58,116	\$ 58,116	\$ 58,116	\$ 58,116	\$ 58,116
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.....	215,269	218,061	219,025	219,025	219,025	219,025	219,025
SUBCATEGORY TOTAL.....	\$ 215,269	\$ 218,061	\$ 219,025	\$ 219,025	\$ 219,025	\$ 219,025	\$ 219,025
ALL PROGRAMS:							
GENERAL FUND.....	\$ 48,303	\$ 46,245	\$ 45,075	\$ 45,075	\$ 45,075	\$ 45,075	\$ 45,075
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	227,027	231,561	232,066	232,066	232,066	232,066	232,066
DEPARTMENT TOTAL.....	\$ 275,330	\$ 277,806	\$ 277,141	\$ 277,141	\$ 277,141	\$ 277,141	\$ 277,141



PROGRAM OBJECTIVE: To ensure 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, individuals, associations and corporations to ensure 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.

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)

	GENERAL FUND		Security and Other Expenses - Outgoing
	Auditor General's Office		Governor
\$ -930	—funding reduction.	\$ -86	—nonrecurring costs.
	Transition - Governor		
\$ -154	—nonrecurring costs.		

The Board of Claims appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Auditor General's Office	\$ 46,499	\$ 44,287	\$ 43,357	\$ 43,357	\$ 43,357	\$ 43,357	\$ 43,357
Transition - Governor	0	154	0	0	0	0	0
Security and Other Expenses - Outgoing							
Governor	0	86	0	0	0	0	0
Board of Claims	1,804	1,718	1,718	1,718	1,718	1,718	1,718
TOTAL GENERAL FUND	\$ 48,303	\$ 46,245	\$ 45,075	\$ 45,075	\$ 45,075	\$ 45,075	\$ 45,075

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 every two years and establishes criteria for determination of actuarial soundness and the amount of state-financed support that will be provided. The Auditor General is responsible for audits of approximately 1,300 municipal pension funds for nonuniformed employees where municipalities choose to allocate state aid to those funds.

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 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: (Dollar Amounts in Thousands)

MUNICIPAL PENSION AID FUND
Municipal Pension Aid
 \$ 964 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
MUNICIPAL PENSION AID FUND:							
Municipal Pension Aid	\$ 215,269	\$ 218,061	\$ 219,025	\$ 219,025	\$ 219,025	\$ 219,025	\$ 219,025





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.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 36,207 a	\$ 34,485	\$ 33,761
(A)Expenses - Unemployment Compensation.....	4,116	6,040	6,545
(A)Administrative Services.....	1,357	1,814	1,820
(A)Unclaimed Property Reference Fees.....	216	101	135
Subtotal.....	\$ 41,896	\$ 42,440	\$ 42,261
Information Technology Modernization.....	0	3,367	10,000
Board of Finance and Revenue.....	2,086	1,987	2,068
Intergovernmental Organizations.....	979	989	989
Publishing Monthly Statements.....	15	15	15
Replacement Checks (EA).....	3,000	3,000	2,300
Subtotal - State Funds.....	\$ 42,287	\$ 43,843	\$ 49,133
Subtotal - Augmentations.....	5,689	7,955	8,500
Total - General Government.....	\$ 47,976	\$ 51,798	\$ 57,633
<i>Grants and Subsidies:</i>			
Law Enforcement & Emergency Response Personnel Death Benefit.....	\$ 1,362	\$ 1,862	\$ 2,163
<i>Debt Service:</i>			
Loan and Transfer Agents.....	\$ 65	\$ 63	\$ 65
Tax Note Expenses (EA).....	347	400	400
Interest on Tax Anticipation Notes (EA).....	1,221	2,200	5,000
General Obligation Debt Service.....	930,939	974,866	1,056,432
(A)Student Community Building Fees.....	25	20	20
Subtotal - State Funds.....	\$ 932,572	\$ 977,529	\$ 1,061,897
Subtotal - Augmentations.....	25	20	20
Total - Debt Service.....	\$ 932,597	\$ 977,549	\$ 1,061,917
STATE FUNDS.....	\$ 976,221	\$ 1,023,234	\$ 1,113,193
AUGMENTATIONS.....	5,714	7,975	8,520
GENERAL FUND TOTAL.....	\$ 981,935	\$ 1,031,209	\$ 1,121,713
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Administration Refunding Liquid Fuels Tax.....	\$ 490	\$ 547	\$ 557
Replacement Checks - Motor License Fund (EA).....	100	100	100
Total - General Government.....	\$ 590	\$ 647	\$ 657
<i>Refunds:</i>			
Refunding Liquid Fuels Taxes - Agriculture (EA).....	\$ 3,800	\$ 3,800	\$ 3,800
Refunding Liquid Fuels Taxes - State Share (EA).....	1,000	1,500	1,000
Refunding Liquid Fuels Taxes - Political Subdivisions (EA).....	3,000	2,500	3,000
Refunding Liquid Fuels Taxes - Volunteer Services (EA).....	400	400	400
Refunding Liquid Fuels Taxes - Snowmobiles & ATV's (EA).....	1,000	1,000	1,000
Refunding Liquid Fuels Taxes - Boat Fund (EA).....	2,300	2,300	2,300
Total - Refunds.....	\$ 11,500	\$ 11,500	\$ 11,500



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
Debt Service:			
Capital Debt Transportation Projects.....	\$ 11,634	\$ 11,379	\$ 10,510
General Obligation Debt Service.....	13,052	13,569	14,800
(R)Capital Bridge Debt Service (EA).....	24,635	42,574	47,685
Loan and Transfer Agent.....	50	50	50
Subtotal - State Funds.....	\$ 24,736	\$ 24,998	\$ 25,360
Subtotal - Restricted Revenues.....	24,635	42,574	47,685
Total - Debt Service.....	<u>\$ 49,371</u>	<u>\$ 67,572</u>	<u>\$ 73,045</u>
STATE FUNDS.....	\$ 36,826	\$ 37,145	\$ 37,517
RESTRICTED REVENUES.....	24,635	42,574	47,685
MOTOR LICENSE FUND TOTAL.....	<u>\$ 61,461</u>	<u>\$ 79,719</u>	<u>\$ 85,202</u>
<u>BANKING DEPARTMENT FUND:</u>			
<i>General Government:</i>			
Replacement Checks-Banking Department Fund (EA).....	\$ 5	\$ 5	\$ 5
<u>BOAT FUND:</u>			
<i>General Government:</i>			
Replacement Checks-Boat Fund (EA).....	\$ 5	\$ 5	\$ 5
<u>FARM PRODUCTS SHOW FUND:</u>			
<i>General Government:</i>			
Replacement Checks-Farm Products Show Fund (EA).....	\$ 5	\$ 5	\$ 5
<u>FISH FUND:</u>			
<i>General Government:</i>			
Replacement Checks-Fish Fund (EA).....	\$ 25	\$ 5	\$ 5
<u>GAME FUND:</u>			
<i>General Government:</i>			
Replacement Checks-Game Fund (EA).....	\$ 5	\$ 5	\$ 5
<u>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</u>			
<i>General Government:</i>			
Replacement Checks-Keystone Recreation, Park, Consv Fnd (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).....	\$ 10	\$ 10	\$ 10
<u>TOBACCO SETTLEMENT FUND:</u>			
<i>General Government:</i>			
Replacement Checks-Tobacco Settlement Fund (EA).....	\$ 5	\$ 5	\$ 0



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
OTHER FUNDS:			
ENVIRONMENTAL STEWARDSHIP FUND:			
Debt Service for Growing Greener (EA)	\$ 28,770	\$ 36,833	\$ 39,211
TUITION ACCOUNT GUARANTEED SAVINGS PROGRAM FUND:			
Tuition Account Program Bureau.....	\$ 2,887	\$ 3,183	\$ 2,940
(A)Application Fees.....	604	667	625
TUITION ACCOUNT GUARANTEED SAVINGS PROGRAM FUND TOTAL.....	\$ 3,491	\$ 3,850	\$ 3,565
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 976,221	\$ 1,023,234	\$ 1,113,193
SPECIAL FUNDS.....	36,936	37,240	37,607
AUGMENTATIONS.....	5,714	7,975	8,520
RESTRICTED.....	24,635	42,574	47,685
OTHER FUNDS.....	32,261	40,683	42,776
TOTAL ALL FUNDS.....	\$ 1,075,767	\$ 1,151,706	\$ 1,249,781

^a Appropriated as \$23,207,000 for General Government Operations and \$13,000,000 for Escheats Administration.



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
DISBURSEMENT							
GENERAL FUND.....	\$ 42,655	\$ 44,701	\$ 50,292	\$ 50,292	\$ 50,292	\$ 50,292	\$ 42,292
SPECIAL FUNDS.....	12,200	12,242	12,247	12,247	12,247	12,247	12,247
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	9,180	11,805	12,065	12,065	12,065	12,065	12,065
SUBCATEGORY TOTAL.....	\$ 64,035	\$ 68,748	\$ 74,604	\$ 74,604	\$ 74,604	\$ 74,604	\$ 66,604
INTERSTATE RELATIONS							
GENERAL FUND.....	\$ 979	\$ 989	\$ 989	\$ 989	\$ 989	\$ 989	\$ 989
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.....	\$ 979	\$ 989	\$ 989	\$ 989	\$ 989	\$ 989	\$ 989
DEBT SERVICE							
GENERAL FUND.....	\$ 932,587	\$ 977,544	\$ 1,061,912	\$ 1,150,082	\$ 1,201,524	\$ 1,197,843	\$ 1,199,708
SPECIAL FUNDS.....	24,736	24,998	25,360	19,172	14,941	14,192	14,110
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	53,430	79,427	86,916	100,890	102,350	102,234	101,373
SUBCATEGORY TOTAL.....	\$ 1,010,753	\$ 1,081,969	\$ 1,174,188	\$ 1,270,144	\$ 1,318,815	\$ 1,314,269	\$ 1,315,191
ALL PROGRAMS:							
GENERAL FUND.....	\$ 976,221	\$ 1,023,234	\$ 1,113,193	\$ 1,201,363	\$ 1,252,805	\$ 1,249,124	\$ 1,242,989
SPECIAL FUNDS.....	36,936	37,240	37,607	31,419	27,188	26,439	26,357
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	62,610	91,232	98,981	112,955	114,415	114,299	113,438
DEPARTMENT TOTAL.....	\$ 1,075,767	\$ 1,151,706	\$ 1,249,781	\$ 1,345,737	\$ 1,394,408	\$ 1,389,862	\$ 1,382,784



PROGRAM OBJECTIVE: To receive and safeguard the monies of the commonwealth, to manage the funds to the best advantage of the commonwealth and to ensure 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 that accumulate beyond the daily needs of the various funds; to manage to the best possible advantage all securities in its custody; to pre-audit 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 pre-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 pre-auditing, 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, Act 59 of 2005 and Act 51 of 2009, the Treasury Department is required to pay death benefits, adjusted annually for inflation, to the surviving spouse or children of public safety workers, firefighters 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 firefighters or law enforcement officers.

The Treasury Department administers the Tuition Account Program, which 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 Recommendations:

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

<p>GENERAL FUND General Government Operations \$ -724 —funding reduction.</p> <p>Information Technology Modernization \$ 6,633 —Initiative—Information Technology Modernization. To continue upgrading information technology and streamlining processes.</p> <p>Board of Finance and Revenue \$ 81 —to continue current program.</p> <p>Replacement Checks (EA) \$ -700 —reduction in required funding.</p>	<p>Law Enforcement & Emergency Response Personnel Death Benefit \$ 301 —to continue current program.</p> <p>MOTOR LICENSE FUND Administration Refunding Liquid Fuels Tax \$ 10 —to continue current program.</p> <p>Refunding Liquid Fuels Tax - State Share \$ -500 —based on most recent projection of program requirements.</p> <p>Refunding Liquid Fuels Tax - Political Subdivisions \$ 500 —based on most recent projection of program requirements.</p>
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All other appropriations are recommended at the current year funding levels.



Program: Disbursement (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
General Government Operations	\$ 36,207	\$ 34,485	\$ 33,761	\$ 33,761	\$ 33,761	\$ 33,761	\$ 33,761
Information Technology Modernization.....	0	3,367	10,000	10,000	10,000	10,000	2,000
Board of Finance and Revenue.....	2,086	1,987	2,068	2,068	2,068	2,068	2,068
Replacement Checks (EA)	3,000	3,000	2,300	2,300	2,300	2,300	2,300
Law Enforcement & Emergency Response Personnel Death Benefit.....	1,362	1,862	2,163	2,163	2,163	2,163	2,163
TOTAL GENERAL FUND	\$ 42,655	\$ 44,701	\$ 50,292	\$ 50,292	\$ 50,292	\$ 50,292	\$ 42,292
MOTOR LICENSE FUND:							
Administration Refunding Liquid Fuels Tax	\$ 490	\$ 547	\$ 557	\$ 557	\$ 557	\$ 557	\$ 557
Replacement Checks - Motor License Fund (EA)	100	100	100	100	100	100	100
Refunding Liquid Fuels Taxes - Agriculture (EA).....	3,800	3,800	3,800	3,800	3,800	3,800	3,800
Refunding Liquid Fuels Taxes - State Share (EA).....	1,000	1,500	1,000	1,000	1,000	1,000	1,000
Refunding Liquid Fuels Taxes - Political Subdivisions (EA)	3,000	2,500	3,000	3,000	3,000	3,000	3,000
Refunding Liquid Fuels Taxes - Volunteer Services (EA).....	400	400	400	400	400	400	400
Refunding Liquid Fuels Taxes - Snowmobiles & ATV's (EA).....	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Refunding Liquid Fuels Taxes - Boat Fund (EA)	2,300	2,300	2,300	2,300	2,300	2,300	2,300
TOTAL MOTOR LICENSE FUND.....	\$ 12,090	\$ 12,147	\$ 12,157	\$ 12,157	\$ 12,157	\$ 12,157	\$ 12,157
BANKING DEPARTMENT FUND:							
Replacement Checks-Banking Department Fund (EA).....	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
BOAT FUND:							
Replacement Checks-Boat Fund (EA)	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
FARM PRODUCTS SHOW FUND:							
Replacement Checks-Farm Products Show Fund (EA)	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
FISH FUND:							
Replacement Checks-Fish Fund (EA).....	\$ 25	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
GAME FUND:							
Replacement Checks-Game Fund (EA).....	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
Replacement Checks-Keystone Recreation, Park, Consv 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)....	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10
TOBACCO SETTLEMENT FUND:							
Replacement Checks - Tobacco Settlement Fund (EA)	\$ 5	\$ 5	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0



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 cooperation and progress 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 to the United States Constitution 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)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Intergovernmental Organizations	\$ 979	\$ 989	\$ 989	\$ 989	\$ 989	\$ 989	\$ 989



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 that 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:

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

GENERAL FUND
 \$ 84,368 —the net effect on principal and interest requirements and other costs relating to General Fund debt service.

MOTOR LICENSE FUND
 \$ 362 —the net effect on principal and interest requirements and other costs relating to Motor License Fund debt service.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Publishing Monthly Statements	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15
Loan and Transfer Agents	65	63	65	65	65	65	65
Tax Note Expenses (EA)	347	400	400	400	400	400	400
Interest on Tax Anticipation Notes (EA)	1,221	2,200	5,000	5,000	5,000	5,000	5,000
General Obligation Debt Service	930,939	974,866	1,056,432	1,144,602	1,196,044	1,192,363	1,194,228
TOTAL GENERAL FUND	\$ 932,587	\$ 977,544	\$ 1,061,912	\$ 1,150,082	\$ 1,201,524	\$ 1,197,843	\$ 1,199,708
MOTOR LICENSE FUND:							
Capital Debt Transportation Projects	\$ 11,634	\$ 11,379	\$ 10,510	\$ 4,322	\$ 749	\$ 0	\$ 0
General Obligation Debt Service	13,052	13,569	14,800	14,800	14,142	14,142	14,060
Loan and Transfer Agent	50	50	50	50	50	50	50
TOTAL MOTOR LICENSE FUND	\$ 24,736	\$ 24,998	\$ 25,360	\$ 19,172	\$ 14,941	\$ 14,192	\$ 14,110



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Disbursement							
Disbursements issued:							
Disbursements - checks	5,736,151	4,296,000	4,038,000	3,998,000	3,958,000	3,918,000	3,879,000
Disbursements - electronic payments	40,677,267	41,525,000	42,389,000	42,813,000	43,241,000	43,674,000	44,110,000

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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.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
LOTTERY FUND:			
General Government:			
General Government Operations.....	\$ 7,790	\$ 7,745	\$ 6,705
(F)Programs for the Aging - Title III - Administration.....	1,817	1,817	1,781
(F)Programs for the Aging - Title V - Administration.....	173	177	145
(F)Medical Assistance - Administration.....	1,997	1,700	1,936
(F)Program for the Aging - Title VII - Administration.....	100	100	118
(A)Day Care Licensure.....	12	10	10
Subtotal.....	<u>\$ 11,889</u>	<u>\$ 11,549</u>	<u>\$ 10,695</u>
Subtotal - State Funds.....	\$ 7,790	\$ 7,745	\$ 6,705
Subtotal - Federal Funds.....	4,087	3,794	3,980
Subtotal - Augmentations.....	12	10	10
Total - General Government.....	<u>\$ 11,889</u>	<u>\$ 11,549</u>	<u>\$ 10,695</u>
Grants and Subsidies:			
PENNCARE.....	\$ 241,414	\$ 244,560	\$ 248,764
(F)Programs for the Aging - Title III.....	52,000	52,000	52,000
(F)ARRA - Programs for the Aging - Title III.....	2,596	1,891	0
(F)ARRA - Chronic Disease Self-management.....	0	1,000	1,000
(F)Programs for the Aging - Nutrition.....	10,000	10,000	10,000
(F)Programs for the Aging - Title V - Employment.....	8,000	8,000	8,000
(F)ARRA - Programs for the Aging - Title V-Employment.....	1,271	0	0
(F)Programs for the Aging - Title VII - Elder Rights Protection.....	4,700	4,700	4,700
(F)Medical Assistance - Attendant Care.....	17,192	15,747	19,236
(F)ARRA - Medical Assistance Attendant Care.....	3,438	3,124	0
(F)Medical Assistance - Support.....	13,564	13,564	13,564
(F)Performance Measures Outcome Project.....	40	0	0
(F)Medical Assistance Nursing Home Transition Administration.....	700	700	700
(F)Improving Legal Advocacy Services for Seniors.....	200	0	0
(A)Attendant Care Patient Fees.....	0	47	47
Subtotal.....	<u>\$ 355,115</u>	<u>\$ 355,333</u>	<u>\$ 358,011</u>
Pre-Admission Assessment.....	10,823	10,735	10,735
(F)Pre-Admission Assessment.....	15,577	14,483	14,483
Subtotal.....	<u>\$ 26,400</u>	<u>\$ 25,218</u>	<u>\$ 25,218</u>
Family Caregiver.....	12,103	12,103	12,103
(F)Programs for the Aging - Title III - Family Caregiver.....	10,000	10,000	10,000
Subtotal.....	<u>\$ 22,103</u>	<u>\$ 22,103</u>	<u>\$ 22,103</u>
Alzheimer's Outreach.....	250	250	250
(F)Alzheimer's Demonstration Grant.....	350	350	0
Subtotal.....	<u>\$ 600</u>	<u>\$ 600</u>	<u>\$ 250</u>
Pharmaceutical Assistance Fund.....	200,000	200,000	250,000
Home and Community-Based Services.....	0	0	32,183
(F)Medical Assistance - Community Services.....	0	0	36,202
Subtotal.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 68,385</u>



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
Subtotal - State Funds.....	\$ 464,590	\$ 467,648	\$ 554,035
Subtotal - Federal Funds.....	139,628	135,559	169,885
Subtotal - Augmentations.....	0	47	47
Total - Grants and Subsidies.....	\$ 604,218	\$ 603,254	\$ 723,967
STATE FUNDS.....	\$ 472,380	\$ 475,393	\$ 560,740
FEDERAL FUNDS.....	143,715	139,353	173,865
AUGMENTATIONS.....	12	57	57
LOTTERY FUND TOTAL.....	\$ 616,107	\$ 614,803	\$ 734,662
<u>TOBACCO SETTLEMENT FUND:</u>			
<i>Grants and Subsidies:</i>			
Home and Community-Based Services (EA).....	\$ 27,275	\$ 30,358	\$ 0
(F)Medical Assistance - Community Services (EA).....	30,065	33,472	0
Subtotal.....	\$ 57,340	\$ 63,830	\$ 0
PACENET Transfer (EA).....	31,420	26,148	0
Subtotal - State Funds.....	\$ 58,695	\$ 56,506	\$ 0
Subtotal - Federal Funds.....	30,065	33,472	0
Total - Grants and Subsidies.....	\$ 88,760	\$ 89,978	\$ 0
STATE FUNDS.....	\$ 58,695	\$ 56,506	\$ 0
FEDERAL FUNDS.....	30,065	33,472	0
TOBACCO SETTLEMENT FUND TOTAL.....	\$ 88,760	\$ 89,978	\$ 0
<u>OTHER FUNDS:</u>			
PHARMACEUTICAL ASSISTANCE FUND:			
PACE Contracted Services (EA).....	\$ 19,069 ^a	\$ 36,123 ^a	\$ 11,190 ^a
Administration of PACE (EA).....	1,070	1,102	1,082
PHARMACEUTICAL ASSISTANCE FUND TOTAL.....	\$ 20,139	\$ 37,225	\$ 12,272
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	531,075	531,899	560,740
FEDERAL FUNDS.....	173,780	172,825	173,865
AUGMENTATIONS.....	12	57	57
OTHER FUNDS.....	20,139	37,225	12,272
TOTAL ALL FUNDS.....	\$ 725,006	\$ 742,006	\$ 746,934

^a Transfer to Pharmaceutical Assistance Fund not added to the total to avoid double counting: 2009-10 Actual is \$200,000,000, 2010-11 Available is \$200,000,000 and 2011-12 Budget is \$250,000,000. PACENET Transfer (EA) also not added to the total to avoid double counting: 2009-10 Actual is \$31,420,000, 2010-11 Available is \$26,148,000 and 2011-12 Budget is \$0.



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
COMMUNITY SERVICES FOR OLDER PENNSYLVANIANS							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	299,655	305,751	310,740	315,262	315,262	315,262	315,262
FEDERAL FUNDS.....	173,780	172,825	173,865	177,471	177,471	177,471	177,471
OTHER FUNDS.....	12	57	57	57	57	57	57
SUBCATEGORY TOTAL.....	\$ 473,447	\$ 478,633	\$ 484,662	\$ 492,790	\$ 492,790	\$ 492,790	\$ 492,790
PHARMACEUTICAL ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	231,420	226,148	250,000	265,000	280,000	295,000	310,000
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	20,139	37,225	12,272	1,082	1,082	1,082	2,179
SUBCATEGORY TOTAL.....	\$ 251,559	\$ 263,373	\$ 262,272	\$ 266,082	\$ 281,082	\$ 296,082	\$ 312,179
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	531,075	531,899	560,740	580,262	595,262	610,262	625,262
FEDERAL FUNDS.....	173,780	172,825	173,865	177,471	177,471	177,471	177,471
OTHER FUNDS.....	20,151	37,282	12,329	1,139	1,139	1,139	2,236
DEPARTMENT TOTAL.....	\$ 725,006	\$ 742,006	\$ 746,934	\$ 758,872	\$ 773,872	\$ 788,872	\$ 804,969



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

This budget maintains funding for long term living services and administration in the Department of Public Welfare. Long term living policy and program direction will be coordinated between the departments of Public Welfare and Aging.

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 at-risk 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.

Because many older Pennsylvanians require only minimal outside support to function independently, a basic service of AAAs is to inform them of available supports. AAAs sponsor more than 650 senior centers throughout the commonwealth that provide a full range of social, recreational and educational activities. Congregate meals, served by the centers, provide participating older Pennsylvanians with a hot, nutritionally balanced meal. Transportation services arranged by AAAs 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 offer job training and subsidized part-time community service employment.

At-risk 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 facility. The level of care assessment program assists older Pennsylvanians and their families in securing and managing intensive in-home services tailored to their needs. The department provides counseling to individuals to apprise them of choices in the continuum of care from community services to nursing facilities. Counseling is also provided to assist individuals currently residing in nursing facilities to transition to community services when their needs can be safely met in the community. A variety of personal support

services are available for the growing population of older Pennsylvanians. The continuum of services is available based on the functional and financial qualifications of the participant, ranging from home delivered meals to intensive in-home services for older Pennsylvanians needing the level of care available in institutional settings. Services are designed to provide the least restrictive alternative to meet the individual's need. Persons with higher incomes share in the cost of services.

Additionally, under the Older Adult Protection Services Act, protective services are provided to older Pennsylvanians who are at imminent risk of abuse, neglect, exploitation or abandonment. The department, through the AAAs, investigates reports and develops individualized service plans to eliminate or mitigate the risks.

Attendant care services are maintained for adults with disabilities 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 that a change in service level is appropriate.

The Department of Aging assists families who support older, at-risk 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.

This budget proposes to deposit the Tobacco Master Settlement Agreement revenue directly into the General Fund beginning in 2011-12. Funding previously provided to the Department of Aging for Home and Community-Based Services from the Tobacco Fund is recommended to be appropriated from the Lottery Fund. The Lottery Fund increase will be offset by a decrease in the Lottery Fund Medical Assistance – Long-Term Care appropriation in the Department of Public Welfare. Please see the Tobacco Settlement Fund in the Summary by Fund section for additional information.

Program: Community Services for Older Pennsylvanians (continued)

Program Recommendation:

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

	LOTTERY FUND		Home and Community-Based Services
	General Government Operations	\$ 32,183	—reflects proposal to deposit the Tobacco Master Settlement Agreement revenue directly into the General Fund beginning in 2011-12. This increase will be offset by a decrease in the Lottery Fund Medical Assistance - Long-Term Care appropriation in the Department of Public Welfare.
\$ -1,040	—reduction in administrative costs.		
	PENNCARE		
\$ 1,216	—to continue current attendant care services.		
2,265	—to annualize previous expansion of attendant care services.		
3,130	—nonrecurring ARRA enhanced federal financial participation.		
1,253	—to provide attendant care services to an additional 240 recipients.		
85	—revision of federal financial participation from 55.64% to 55.07%.	\$ -30,358	
<u>-3,745</u>	—nonrecurring projects.		
\$ 4,204	<i>Appropriation Increase</i>		

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
LOTTERY FUND:							
General Government Operations	\$ 7,790	\$ 7,745	\$ 6,705	\$ 6,705	\$ 6,705	\$ 6,705	\$ 6,705
PENNCARE.....	241,414	244,560	248,764	253,286	253,286	253,286	253,286
Pre-Admission Assessment.....	10,823	10,735	10,735	10,735	10,735	10,735	10,735
Family Caregiver	12,103	12,103	12,103	12,103	12,103	12,103	12,103
Alzheimer's Outreach	250	250	250	250	250	250	250
Home and Community-Based Services.....	<u>0</u>	<u>0</u>	<u>32,183</u>	<u>32,183</u>	<u>32,183</u>	<u>32,183</u>	<u>32,183</u>
TOTAL LOTTERY FUND.....	<u>\$ 272,380</u>	<u>\$ 275,393</u>	<u>\$ 310,740</u>	<u>\$ 315,262</u>	<u>\$ 315,262</u>	<u>\$ 315,262</u>	<u>\$ 315,262</u>
TOBACCO SETTLEMENT FUND:							
Home and Community-Based Services (EA).....	<u>\$ 27,275</u>	<u>\$ 30,358</u>	<u>\$ 0</u>	$ 0	$ 0	$ 0	$ 0



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 older and who face the burden of the cost of drugs required to maintain healthy, productive lives.

The Pharmaceutical Assistance Contract for the Elderly (PACE) program has two components, PACE and PACENET. PACE, 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. 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.

The Medicare Prescription Drug, Improvement and Modernization Act (MMA) of 2003 created a new outpatient drug benefit, Medicare Part D which began providing drug coverage in January 2006. Act 111 of 2006 created PACE Plus Medicare, which enables cardholders to take advantage of the features of both PACE and Medicare Part D. With the goal of providing seamless coverage, PACE Plus fills the coverage gaps encountered by cardholders in Medicare Part D, including deductibles, the doughnut hole phase of no Medicare coverage, drugs excluded under MMA, drugs not on a plan's formulary and copayment differentials between the Part D plan coverage and the PACE and PACENET copayments. PACE Plus pays the Medicare premiums for Part D coverage for PACE cardholders, while PACENET cardholders must pay the Part D premiums. Act 111 of 2006 also eliminated the monthly deductible for PACENET cardholders.

The PACE program acts as the enrollees' representative and facilitates PACE cardholder enrollment into the Extra Help/Low-Income Subsidy offering under Part D as well as collaborating with selected prescription drug plans to facilitate enrollment of PACE and PACENET cardholders into Part D. PACE covers all medications requiring a prescription in the commonwealth, as well as insulin, insulin syringes and needles, unless a manufacturer does not participate in the manufacturer's rebate program. PACE does not cover medications that can be purchased without a prescription, cosmetic drugs or less than effective drugs without certification by a physician. PACE cardholders pay a mandatory copayment of \$6 for generic and \$9 for brand-name prescriptions. PACENET cardholders pay a copayment of \$8 for generic and \$15 for brand-name prescriptions.

The department is responsible for ensuring compliance with the 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.

The department also serves as the administrative and fiscal agent for other commonwealth-sponsored drug reimbursement programs. It processes claims, adjudicates claims, and/or collects drug rebates from pharmaceutical manufacturers for select programs in the Department of Health, the Department of Public Welfare and the Insurance Department.

In accordance with Act 111 of 2006, participating pharmacies are reimbursed at 88 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. A prudent pharmaceutical purchasing program ensures that the program receives a discount from drug manufacturers. PACE pays for drug products from manufacturers that 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 11 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 manufacturer's price charged for a drug, excluding generics, and the average quarterly price charged for that drug one year earlier inflated by the Consumer Price Index-Urban.

This budget proposes to deposit the Tobacco Master Settlement Agreement revenue directly into the General Fund beginning in 2011-12. Funding previously provided for PACENET from the Tobacco Fund is recommended to be appropriated from the Lottery Fund. The Lottery Fund increase will be offset by a decrease in the Lottery Fund Medical Assistance – Long-Term Care appropriation in the Department of Public Welfare. Please see the Tobacco Settlement Fund in the Summary by Fund section for additional information.

Program: Pharmaceutical Assistance (continued)

Program Recommendations:

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

	LOTTERY FUND		TOBACCO SETTLEMENT FUND
	Pharmaceutical Assistance Fund		PACENET Transfer (EA)
\$ 25,000	—increase in cost and number of enrollees.	\$ -26,148	—reflects proposal to deposit Tobacco Master
25,000	—reflects proposal to deposit Tobacco Master Settlement Agreement revenue directly into the General Fund beginning in 2011-12. This increase will be offset by a decrease in the Lottery Fund Medical Assistance - Long-Term Care appropriation within the Department of Public Welfare.		Settlement Agreement revenue directly into the General Fund beginning in 2011-12.
\$ 50,000	<i>Appropriation Increase</i>		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
LOTTERY FUND:							
Pharmaceutical Assistance Fund	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 250,000</u>	<u>\$ 265,000</u>	<u>\$ 280,000</u>	<u>\$ 295,000</u>	<u>\$ 310,000</u>
TOBACCO SETTLEMENT FUND:							
PACENET Transfer (EA)	<u>\$ 31,420</u>	<u>\$ 26,148</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Community Services for Older Pennsylvanians							
Pennsylvanians 60 years and older	2,633,485	2,735,815	2,787,990	2,843,060	2,900,230	2,962,060	3,022,900
Pennsylvanians 85 years and older	291,345	345,295	351,520	357,130	360,290	363,300	364,940
Persons served in the community who are clinically nursing home eligible	48,895	51,045	51,285	51,285	51,285	51,285	51,285
Pre-Admission Assessment							
Assessments/recertifications	104,900	112,410	112,410	112,410	112,410	112,410	112,410
Referrals to nursing homes	31,032	31,660	31,660	31,660	31,660	31,660	31,660
Referrals to community services	39,772	43,085	43,085	43,085	43,085	43,085	43,085
Persons Receiving Assistance							
Congregate meals	119,225	119,225	119,225	119,225	119,225	119,225	119,225
Personal assistance services	1,585	1,585	1,585	1,585	1,585	1,585	1,585
Attendant care services	1,969	2,260	2,500	2,500	2,500	2,500	2,500
Home delivered meals	35,385	35,385	35,385	35,385	35,385	35,385	35,385
Home support services	6,845	6,845	6,845	6,845	6,845	6,845	6,845
Personal care services	13,760	13,760	13,760	13,760	13,760	13,760	13,760
Protective services	20,030	20,730	20,730	20,730	20,730	20,730	20,730
Families receiving caregiver support	7,975	7,975	7,975	7,975	7,975	7,975	7,975
Program: Pharmaceutical Assistance							
Comprehensive PACE Program							
Older Pennsylvanians enrolled (average)	133,560	126,882	119,270	112,115	105,385	99,065	93,120
Total prescriptions per year	4,930,612	4,516,045	4,085,265	3,729,500	3,511,430	3,306,100	3,112,770
Average PACE cost per prescription	\$24.16	\$24.79	\$24.70	\$24.94	\$25.24	\$25.41	\$25.45
PACE Needs Enhancement Tier (PACENET)							
Older Pennsylvanians enrolled (average)	175,769	186,491	195,815	201,690	207,740	213,975	220,390
Total prescriptions per year	5,843,355	5,927,725	5,739,755	5,537,265	5,703,385	5,874,485	6,050,720
Average PACENET cost per prescription	\$28.73	\$31.92	\$35.15	\$37.81	\$40.74	\$43.92	\$47.38

The PACE Needs Enhancement Tier (PACENET) total prescriptions per year decrease in 2011-12 and 2012-13 due to changes in the Medicare Part D program enacted in the "Patient Protection and Affordable Care Act".





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; to expand existing and develop new domestic and foreign markets for Pennsylvania's farmers to compete in the global economy; to develop and encourage proper farming and conservation practices; to prevent, control and eradicate diseases among livestock, poultry and plants; to regulate the conduct of horse racing; and to improve the quality of life in rural Pennsylvania.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 28,283^a	\$ 27,630^b	\$ 26,979
(F) Plant Pest Detection System.....	1,300	1,300	1,300
(F) Poultry Grading Service.....	100	100	100
(F) Medicated Feed Mill Inspection.....	50	50	50
(F) National School Lunch Administration.....	1,700	1,700	1,700
(F) Emergency Food Assistance.....	4,000	4,000	4,000
(F) ARRA - Emergency Food Assistance.....	2,000	2,000	0
(F) Pesticide Control.....	1,000	1,000	1,000
(F) Agricultural Risk Protection.....	1,000	1,000	1,000
(F) Commodity Supplemental Food.....	1,500	3,000	1,500
(F) Organic Cost Distribution.....	180	180	250
(F) Animal Disease Control.....	2,000	2,000	2,000
(F) Food Establishment Inspections.....	300	300	500
(F) Integrated Pest Management.....	250	250	250
(F) Johnes Disease Herd Project.....	2,000	2,000	2,000
(F) Avian Influenza Surveillance.....	2,000	2,000	2,000
(F) Oral Rabies Vaccine.....	100	100	100
(F) Exotic Newcastle Disease Control.....	300	300	300
(F) Scrapie Disease Control.....	60	60	60
(F) Foot and Mouth Disease Monitoring.....	150	150	150
(F) Wildlife Services.....	800	800	800
(F) Animal Identification.....	2,000	2,000	2,000
(F) Specialty Crops.....	1,000	1,000	1,000
(F) Emerald Ash Borer Mitigation.....	800	800	800
(F) ARRA - Aquaculture Assistance.....	1,900	1,900	0
(F) Mediation Grant.....	0	200	200
(F) Farmland Protection.....	4,000	4,000	6,000
(F) Bioterrorism Preparedness (EA).....	1,020	417	0
(F) Epidemiology and Laboratory Capacity (EA).....	31	0	0
(A) Lime Inspection.....	26	28	28
(A) Feed Inspections and Registrations.....	552	537	537
(A) Milk Plant Inspections.....	18	22	22
(A) Mailing List Production.....	2	6	6
(A) Special Conferences and Projects.....	0	2	0
(A) Administrative Services.....	2,537	2,949	2,631
(A) Pesticide Regulation.....	843	800	800
(A) Training Rides and Attractions.....	28	25	25
(A) Food Site Inspection.....	0	0	120
(A) Apiary Registration and Fees.....	9	10	10
(A) Weights and Measures Inspection Services.....	15	15	15
(A) Food Employee Certification Fees.....	186	110	180
(A) Transfer from Fertilizer Account.....	37	37	37
(A) Consumer Fireworks License.....	292	315	315
(A) Taxidermy Permit Registrations.....	149	90	590
(A) Transfer from Motor License Fund.....	0 ^c	0 ^c	0 ^c
(A) Transfer from Other State Agencies.....	670	315	60
(A) Farm Show Revenue.....	39	42	42
(A) Company Sponsorships.....	6	8	10
(A) Transfer from Environmental Stewardship Fund.....	133	116	116
Subtotal.....	\$ 65,366	\$ 65,664	\$ 61,583
Agricultural Excellence.....	310	299	0
Farmers' Market Food Coupons.....	2,226	2,141	2,100
(F) Farmers' Market Food Coupons.....	3,500	3,500	3,500
(F) ARRA - Farmers' Market Food Coupons.....	1,000	0	0
(F) Supplemental Nutrition Assistance.....	0	100	0
(F) Senior Farmers' Market Nutrition.....	2,200	2,200	2,200
Agricultural Research.....	900	874	0
Agricultural Promotion, Education and Exports.....	225	218	0
Hardwoods Research and Promotion.....	216	300	0
(A) Hardwood Conference Fees.....	5	0	0



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
Farm Safety	80	0	0
Subtotal - State Funds.....	\$ 32,240	\$ 31,462	\$ 29,079
Subtotal - Federal Funds.....	38,241	38,407	34,760
Subtotal - Augmentations.....	5,547	5,427	5,544
Total - General Government.....	<u>\$ 76,028</u>	<u>\$ 75,296</u>	<u>\$ 69,383</u>
Grants and Subsidies:			
Animal Health Commission.....	\$ 4,901	\$ 4,715	\$ 4,625
Animal Indemnities.....	5	5	0
Transfer to State Farm Products Show Fund.....	2,760	2,655	2,605
Payments to Pennsylvania Fairs.....	2,000	1,000	981
Livestock Show.....	184	177	0
Open Dairy Show.....	184	177	0
Youth Shows.....	135 ^d	131 ^e	128
State Food Purchase.....	18,000	17,852	17,513
Food Marketing and Research.....	720	549	0
(F)Market Improvement.....	150	150	150
Agriculture & Rural Youth.....	43	0	0
Transfer to Nutrient Management Fund.....	2,850	2,741	2,741
Transfer to Conservation District Fund.....	1,650	1,039	1,039
Crop Insurance.....	540	509	0
(F)Crop Insurance.....	2,000	2,000	2,000
Farm-School Nutrition.....	45	25	0
University of Pennsylvania - Veterinary Activities.....	30,000 ^f	29,754 ^f	28,752
University of Pennsylvania - Center for Infectious Disease.....	0 ^f	248 ^f	248
Subtotal - State Funds.....	\$ 64,017	\$ 61,577	\$ 58,632
Subtotal - Federal Funds.....	2,150	2,150	2,150
Total - Grants and Subsidies.....	<u>\$ 66,167</u>	<u>\$ 63,727</u>	<u>\$ 60,782</u>
STATE FUNDS.....	\$ 96,257	\$ 93,039	\$ 87,711
FEDERAL FUNDS.....	40,391	40,557	36,910
AUGMENTATIONS.....	5,547	5,427	5,544
GENERAL FUND TOTAL	<u>\$ 142,195</u>	<u>\$ 139,023</u>	<u>\$ 130,165</u>
<u>FARM PRODUCTS SHOW FUND:</u>			
General Government:			
General Operations (EA).....	\$ 6,143	\$ 6,394	\$ 6,336
(A)Transfer from General Fund.....	0 ^g	0 ^g	0 ^g
Subtotal - State Funds.....	\$ 6,143	\$ 6,394	\$ 6,336
Total - General Government.....	<u>\$ 6,143</u>	<u>\$ 6,394</u>	<u>\$ 6,336</u>
STATE FUNDS.....	\$ 6,143	\$ 6,394	\$ 6,336
FARM PRODUCTS SHOW FUND TOTAL	<u>\$ 6,143</u>	<u>\$ 6,394</u>	<u>\$ 6,336</u>
<u>MOTOR LICENSE FUND:</u>			
General Government:			
Weights & Measures Administration.....	\$ 4,689	\$ 3,975	\$ 4,328
<u>RACING FUND:</u>			
General Government:			
State Racing Commissions (EA).....	\$ 13,547	\$ 14,495	\$ 14,054



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
Equine Toxicology and Research Laboratory (EA).....	3,193	3,159	3,104
(A)Reimbursements - Out of State Testing.....	2	1	1
Pennsylvania Fairs - Administration (EA).....	262	262	259
Subtotal - State Funds.....	\$ 17,002	\$ 17,916	\$ 17,417
Subtotal - Augmentations.....	2	1	1
Total - General Government.....	<u>\$ 17,004</u>	<u>\$ 17,917</u>	<u>\$ 17,418</u>
STATE FUNDS.....	\$ 17,002	\$ 17,916	\$ 17,417
AUGMENTATIONS.....	2	1	1
RACING FUND TOTAL.....	<u>\$ 17,004</u>	<u>\$ 17,917</u>	<u>\$ 17,418</u>
 OTHER FUNDS:			
GENERAL FUND:			
Agriculture Farm Operations.....	\$ 518	\$ 1,000	\$ 800
Dog Law Administration.....	12,758	9,935	8,860
Pesticide Regulation.....	3,286	3,941	4,036
Plant Pest Management.....	335	458	458
National School Lunch.....	0	60	60
Agronomic Regulatory Account.....	391	319	268
Fruit and Vegetable Inspection and Grading.....	0	451	451
GENERAL FUND TOTAL.....	<u>\$ 17,288</u>	<u>\$ 16,164</u>	<u>\$ 14,933</u>
 AGRICULTURAL CONSERVATION EASEMENT PURCHASE FUND:			
Purchase of County Easements (EA).....	\$ 28,000	\$ 28,000	\$ 28,000
 CONSERVATION DISTRICT FUND:			
Conservation District Grants (EA).....	\$ 1,650	\$ 1,039	\$ 1,039
 ENVIRONMENTAL STEWARDSHIP FUND:			
Transfer to Agricultural Conservation Easement Program (EA).....	\$ 5,327	\$ 4,645	\$ 4,052
 NUTRIENT MANAGEMENT FUND:			
Planning, Loans, Grants and Technical Assistance (EA).....	\$ 463	\$ 314	\$ 314
Nutrient Management - Administration (EA).....	416	453	462
NUTRIENT MANAGEMENT FUND TOTAL.....	<u>\$ 879</u>	<u>\$ 767</u>	<u>\$ 776</u>
 RACING FUND:			
Sire Stakes Fund.....	\$ 10,443	\$ 12,961	\$ 11,900
Breeders' Fund.....	17,807	22,000	19,500
PA Standardbred Breeders Development Fund.....	10,155	9,282	9,282
RACING FUND TOTAL.....	<u>\$ 38,405</u>	<u>\$ 44,243</u>	<u>\$ 40,682</u>
 DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 96,257	\$ 93,039	\$ 87,711
SPECIAL FUNDS.....	27,834	28,285	28,081
FEDERAL FUNDS.....	40,391	40,557	36,910
AUGMENTATIONS.....	5,549	5,428	5,545
OTHER FUNDS.....	91,549	94,858	89,482
TOTAL ALL FUNDS.....	<u>\$ 261,580</u>	<u>\$ 262,167</u>	<u>\$ 247,729</u>



Summary by Fund and Appropriation

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- ^a 2009-10 Actual includes \$158,000 appropriated in Executive Offices for the Governor's Advisory Council on Rural Affairs, \$277,000 appropriated for Agricultural Conservation Easement Administration, and \$311,000 appropriated for Nutrient Management.
- ^b 2010-11 Available includes \$140,000 appropriated in Executive Offices for the Governor's Advisory Council on Rural Affairs, \$276,000 appropriated for Agricultural Conservation Easement Administration, and \$300,000 appropriated for Nutrient Management Administration.
- ^c Not added to avoid double counting. See Motor License Fund section of this summary for dollar amount.
- ^d 2009-10 Actual includes \$36,000 appropriated for Junior Dairy Show, \$45,000 appropriated for 4-H Club Shows, and \$54,000 appropriated for Future Farmers.
- ^e 2010-11 Available includes \$35,000 appropriated for Junior Dairy Show, \$44,000 appropriated for 4-H Club Shows, and \$52,000 appropriated for Future Farmers.
- ^f Appropriated in the Department of Education.
- ^g Not added to the total to avoid double counting. 2009-10 Actual is \$2,760,000, 2010-11 Available is \$2,605,000, and 2011-12 Budget is \$2,605,000.



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
PROTECTION AND DEVELOPMENT OF AGRICULTURAL INDUSTRIES							
GENERAL FUND.....	\$ 76,031	\$ 73,046	\$ 68,098	\$ 68,098	\$ 68,098	\$ 68,098	\$ 68,098
SPECIAL FUNDS.....	10,832	10,369	10,664	10,664	10,664	10,664	10,664
FEDERAL FUNDS.....	25,331	24,897	22,850	22,850	22,850	22,850	22,850
OTHER FUNDS.....	58,691	56,042	54,344	53,291	53,291	53,294	53,292
SUBCATEGORY TOTAL.....	\$ 170,885	\$ 164,354	\$ 155,956	\$ 154,903	\$ 154,903	\$ 154,906	\$ 154,904
HORSE RACING REGULATION							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	17,002	17,916	17,417	17,417	17,417	17,417	17,417
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	38,407	44,244	40,683	40,683	40,683	40,683	40,683
SUBCATEGORY TOTAL.....	\$ 55,409	\$ 62,160	\$ 58,100	\$ 58,100	\$ 58,100	\$ 58,100	\$ 58,100
EMERGENCY FOOD ASSISTANCE							
GENERAL FUND.....	\$ 20,226	\$ 19,993	\$ 19,613	\$ 19,613	\$ 19,613	\$ 19,613	\$ 19,613
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	15,060	15,660	14,060	14,060	14,060	14,060	14,060
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 35,286	\$ 35,653	\$ 33,673	\$ 33,673	\$ 33,673	\$ 33,673	\$ 33,673
ALL PROGRAMS:							
GENERAL FUND.....	\$ 96,257	\$ 93,039	\$ 87,711	\$ 87,711	\$ 87,711	\$ 87,711	\$ 87,711
SPECIAL FUNDS.....	27,834	28,285	28,081	28,081	28,081	28,081	28,081
FEDERAL FUNDS.....	40,391	40,557	36,910	36,910	36,910	36,910	36,910
OTHER FUNDS.....	97,098	100,286	95,027	93,974	93,974	93,977	93,975
DEPARTMENT TOTAL.....	\$ 261,580	\$ 262,167	\$ 247,729	\$ 246,676	\$ 246,676	\$ 246,679	\$ 246,677



PROGRAM OBJECTIVE: To strengthen the agricultural economy and related enterprises.

Program: Protection and Development of Agricultural Industries

Program Element: Protection of Agricultural Industries and Resources

Pennsylvania has a diverse and robust agricultural industry. The Pennsylvania Department of Agriculture has garnered national attention for department regulatory programs such as the Pennsylvania Egg Quality Assurance Program, use of integrated data technology and software such as the PAHERDS (Pennsylvania Animal Health Emergency Reporting Diagnostic System), and implementing progressive regulations to protect dogs in commercial kennels.

The Bureaus of Animal Health and Diagnostic Services, Food Safety and Laboratory Services, Plant Industry, Ride and Measurement Standards and Dog Law Enforcement are responsible, in large part, for protecting agriculture and consumers in Pennsylvania. The Bureaus of Farmland Preservation and Market Development are charged with preserving agricultural resources in the commonwealth, promoting Pennsylvania products nationally and internationally, and providing resources to farmers to ensure that they have tools to maintain profitability and transition farms and businesses to the next generation. These seven bureaus, through their scores of regulatory and development programs, are engaged in protecting and developing Pennsylvania's agricultural industries and resources, as well as consumers, on a daily basis.

The Bureau of Animal Health and Diagnostic Services (BAHDS), with support from the Pennsylvania Animal Diagnostic Laboratory System (PADLS) and the Animal Health Commission, is responsible for the detection, identification, containment and eradication of livestock and poultry diseases. Disease control programs for diseases such as brucellosis, avian influenza, west Nile virus, rabies, and chronic wasting disease seek to reduce significant economic loss to producers and prevent transmission of zoonotic organisms from animals to humans. Each disease control program has field, laboratory, and administrative components to ensure the department is complying with mandated responsibilities and animal health is protected. Bureau staff in headquarters and in the field evaluate certificates of veterinary inspection for both interstate and intrastate movement to assure that animals in Pennsylvania have met necessary health requirements; this process is valuable for preventing movement of unhealthy animals into Pennsylvania and for tracking animals at risk for disease because they were potentially exposed to a diseased animal. The bureau also provides quality assurance programs, including the Avian Influenza Monitored Flock program, Johne's Disease National Status Program, the

Dairy Quality Assurance Program and the CWD Monitored Herd Program. BAHDS has invested in the development and implementation of PAHERDS, an integrated database that combines an animal tracking application and laboratory information management system, which allows entities to perform detailed analysis of animal disease and provides the capability to effectively locate and eradicate disease outbreaks.

The Pennsylvania Veterinary Laboratory (PVL) is one of three Pennsylvania laboratories that make up the PADLS. PVL is also part of a nationwide network of state and federal laboratories dedicated to identifying and combating animal diseases. PVL provides rapid and accurate diagnostic services to clients while maintaining a bio-secure environment. The laboratory provides animal health services for producers' domestic animals with emphasis on infectious, nutritional and toxic diseases. State of the art testing methods help diagnose common diseases and provide surveillance to detect emerging diseases. The construction of a bio-security level-3 laboratory at PVL was completed in 2010 and will enhance testing and containment capabilities of the PADLS.

The Bureau of Plant Industry inspects all nurseries and greenhouses to determine the presence of regulated plant pests and diseases and potential invasive species that would be harmful to Pennsylvania agriculture. Field staff are supported by plant pathologists, entomologists, and other program and laboratory professionals in Harrisburg. These highly trained professionals ensure correct diagnoses of disease or environmental conditions, identification of insects and other arthropod pests, and recommend proper treatment to growers. Program staff issue quarantine orders to ensure plants contaminated with diseases or pests are not relocated, in an attempt to limit the spread of economically detrimental diseases. They also issue phytosanitary certificates, which allow plants and plant materials to be exported to other states or countries.

The bureau administers the Pesticide Control Act, which regulates the sale, use, handling, storage and transportation of pesticides. Pesticide enforcement specialists ensure compliance with the Pesticide Control Act by reviewing registration of all pesticide products, test and register all private, commercial and public pesticide applicators to insure minimum competency levels and license pesticide application businesses and dealers. The department also conducts routine and for-cause inspections and investigations of those who manufacture, distribute, transport or use pesticides. Appropriate and effective pesticide use, as regulated by BPI, ensures protection of agriculture resources while minimizing adverse effects on

Program: Protection and Development of Agricultural Industries (continued)

human life and the environment.

The Bureau of Farmland Preservation, through administration of the Agricultural Land Preservation section of Act 64 of 1988, purchases development easements on prime agriculture land to assure its continued use for agricultural purposes. BFP has preserved over 4,000 farms in Pennsylvania. The unprecedented investment the commonwealth has made in farmland preservation has made Pennsylvania's program a national leader in preservation efforts.

The State Conservation Commission, housed within the Executive Offices, administers a number of programs that relate to the protection of agricultural resources. The Nutrient Management program, which seeks to reduce the amount of nutrients that are washed from agricultural soils, provides support for nutrient plan reviews, grant applications for best management practices, and a recognized certification process for nutrient management specialists. Nutrient management plans and implementation of related best practices is critical to Pennsylvania's success in complying with federally mandated nutrient reductions in the Chesapeake Bay watershed. Commission staff, in cooperation with Department of Environmental Protection and County Conservation District staff, will be tasked with developing new technologies for water quality management, for assisting farmers with developing and implementing nutrient management plans, and ensuring that federal regulations will allow for both a cleaner Chesapeake Bay and viable Pennsylvania farms.

Program Element: Protection of Consumers

The Department of Agriculture is committed to protecting consumer health and safety and ensuring equity in the marketplace. The Bureau of Food Safety and Laboratory Services protects Pennsylvania consumers through inspections of restaurants, food manufacturers, milk processors, retail food stores, schools, camps and summer feeding sites. The Bureau of Ride and Measurement Standards ensures amusement rides in the commonwealth have been inspected and are safe for riders. They also ensure weighing and measuring devices are accurate. The Bureau of Plant Industry tests agronomic products to ensure they meet labeling and regulatory standards.

Among the most significant of the department's consumer protection activities are its inspections and testing activity for food safety. The Bureau of Food Safety and Laboratory Services (BFSLS) has primary responsibility for regulating food-related activities in the commonwealth. Food sanitarians license and inspect more than 22,000 manufacturing firms, warehouses and retail food stores; license and inspect over 28,000 public eating and drinking establishments and frozen dessert operations; inspect 2,735 schools and approximately 600 camps and summer food sites; and permit and inspect approximately 325 seasonal farm labor camps. Pennsylvania has invested

significant funding in a web-based reporting system that gives consumers online access to eating and drinking establishment inspection reports. These online reports provide transparency to consumers. Milk sanitarians and program specialists issue milk permits and inspect approximately 400 dairy processing, manufacturing and distribution facilities; issue and audit Approved Dairy Inspectors; approve dairy sampler's licenses and dairy laboratory director's certificates; and evaluate and inspect a wide spectrum of dairy equipment, from bulk tanker trucks to commercial pasteurization units. Agricultural commodity inspectors inspect egg processing plants, ensure compliance with state and federal egg regulations at warehouses and grocery stores and grade fruits and vegetables for quality. The bureau is a third party monitor for the PEQAP (Pennsylvania Egg Quality Assurance Program), ensuring eggs with the PEQAP logo have been tested for food-borne pathogens and handled in a safe manner.

The Bureau of Ride and Measurement Standards regulates and maintains uniform standards of legal weights and measures of commonwealth products through inspections and audits. 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. Recent legislation has vested the bureau with responsibility for ensuring there is 2 percent biodiesel in fuel dispensers throughout the commonwealth; field inspectors collect samples, which are processed in the department's laboratories. The Amusement Ride Division completes thousands of ride safety quality assurance inspections each year. The bureau is also responsible for the inspection and licensing of consumer fireworks establishments statewide.

The Bureau of Plant Industry protects consumers through sampling and testing of agronomic products such as fertilizer, lime and seeds. Professional laboratory staff ensure soil amendments, such as fertilizers, provide the nutrients they claim on the label; they ensure safety of animal feeds through product analysis and feed mill sampling. Seed analysts ensure minimum germination rates and minimum weed seed contaminants in seeds available for purchase.

The Bureau of Dog Law Enforcement is mandated to conduct no less than annual inspections of all licensed kennels in the commonwealth investigate and prosecute dangerous dog incidents, investigate dog bites, enforce licensing and control of individual dogs, enforce rabies vaccination requirements for dogs and investigate and reimburse claims of livestock or poultry loss caused by dogs and coyotes. The bureau has been charged with implementing Act 119 of 2008, which dramatically improved the conditions that dogs experience while in commercial kennels, including increased cage size, no



Program: Protection and Development of Agricultural Industries (continued)

wire flooring except in limited circumstances, mandatory exercise periods and treatment by trained veterinarians. The new dog law and kennel regulations have dramatically changed the perception of commercial dog breeding in Pennsylvania.

Program Element: Development and Promotion of Agricultural Industries

The Bureau of Market Development (BMD) promotes Pennsylvania agriculture industries in domestic and

international marketplaces. Staff focused on commodity promotions direct consumer market development and creating trade and consumer demands for Pennsylvania agriculture and food products through promotional programs such as Pennsylvania Preferred and supporting various Pennsylvania commodity boards. These promotional programs 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.

Program Recommendations:

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

<p>GENERAL FUND General Government Operations</p> <p>\$ -525 —nonrecurring 2010-11 budgetary freeze amount.</p> <p>-126 —reduction in administrative costs.</p> <hr/> <p>\$ -651 <i>Appropriation Decrease</i></p>	<p>Agricultural Excellence</p> <p>\$ -299 —program elimination.</p>	<p>Agricultural Research</p> <p>\$ -874 —funding elimination.</p>	<p>Agricultural Promotion, Education and Exports</p> <p>\$ -218 —funding elimination.</p>	<p>Hardwoods Research and Promotion</p> <p>\$ -300 —funding elimination.</p>	<p>Animal Health Commission</p> <p>\$ -90 —nonrecurring 2010-11 budgetary freeze amount.</p>	<p>Animal Indemnities</p> <p>\$ -5 —program elimination.</p>	<p>Transfer to State Farm Products Show Fund</p> <p>\$ -50 —nonrecurring 2010-11 budgetary freeze amount.</p>	<p>Payments to Pennsylvania Fairs</p> <p>\$ -19 —nonrecurring 2010-11 budgetary freeze amount.</p>	<p>Livestock Show</p> <p>\$ -177 —program elimination.</p>	<p>Open Dairy Show</p> <p>\$ -177 —program elimination.</p>	<p>Youth Shows</p> <p>\$ -3 —nonrecurring 2010-11 budgetary freeze amounts.</p>	<p>Food Marketing and Research</p> <p>\$ -549 —funding elimination.</p>	<p>Crop Insurance</p> <p>\$ -509 —program elimination.</p>	<p>Farm School Nutrition</p> <p>\$ -25 —program elimination.</p>	<p>University of Pennsylvania - Veterinary Activities</p> <p>\$ -1,002 —program transferred from the Department of Education.</p>
									<p>FARM PRODUCTS SHOW FUND General Operations (EA)</p> <p>\$ -58 —reduction in administrative costs.</p>						
									<p>MOTOR LICENSE FUND Weights & Measures Administration</p> <p>\$ 353 —to continue current program.</p>						

The Transfer to Nutrient Management Fund, Transfer to Conservation District Fund, and University of Pennsylvania - Center for Infectious Disease appropriations are recommended at current year funding levels.



Program: Protection and Development of Agricultural Industries (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
General Government Operations	\$ 28,283	\$ 27,630	\$ 26,979	\$ 26,979	\$ 26,979	\$ 26,979	\$ 26,979
Agricultural Excellence	310	299	0	0	0	0	0
Agricultural Research	900	874	0	0	0	0	0
Agricultural Promotion, Education and Exports	225	218	0	0	0	0	0
Hardwoods Research and Promotion	216	300	0	0	0	0	0
Farm Safety	80	0	0	0	0	0	0
Animal Health Commission	4,901	4,715	4,625	4,625	4,625	4,625	4,625
Animal Indemnities	5	5	0	0	0	0	0
Transfer to State Farm Products Show Fund	2,760	2,655	2,605	2,605	2,605	2,605	2,605
Payments to Pennsylvania Fairs	2,000	1,000	981	981	981	981	981
Livestock Show	184	177	0	0	0	0	0
Open Dairy Show	184	177	0	0	0	0	0
Youth Shows	135	131	128	128	128	128	128
Food Marketing and Research	720	549	0	0	0	0	0
Agriculture & Rural Youth	43	0	0	0	0	0	0
Transfer to Nutrient Management Fund	2,850	2,741	2,741	2,741	2,741	2,741	2,741
Transfer to Conservation District Fund	1,650	1,039	1,039	1,039	1,039	1,039	1,039
Crop Insurance	540	509	0	0	0	0	0
Farm-School Nutrition	45	25	0	0	0	0	0
University of Pennsylvania - Veterinary Activities	30,000	29,754	28,752	28,752	28,752	28,752	28,752
University of Pennsylvania - Center for Infectious Disease	0	248	248	248	248	248	248
TOTAL GENERAL FUND	\$ 76,031	\$ 73,046	\$ 68,098	\$ 68,098	\$ 68,098	\$ 68,098	\$ 68,098
FARM PRODUCTS SHOW FUND:							
General Operations (EA)	\$ 6,143	\$ 6,394	\$ 6,336	\$ 6,336	\$ 6,336	\$ 6,336	\$ 6,336
MOTOR LICENSE FUND:							
Weights & Measures Administration	\$ 4,689	\$ 3,975	\$ 4,328	\$ 4,328	\$ 4,328	\$ 4,328	\$ 4,328



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 ensure 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 percent to 1.0 percent of the amount wagered on thoroughbred races. The Sire Stakes Fund is credited with 1.5 percent 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 receives revenue generated by licensed gaming facilities. Proceeds are distributed to licensees conducting live horse racing. Track owners deposit 80 percent of the proceeds into a purse account. Thoroughbred tracks commit the remaining proceeds to the Breeder's Fund and a Horsemen's Organization Fund. Standardbred tracks commit proceeds to the Sire Stakes Fund, the PA Standardbred Fund and a Horsemen's Organizational Fund. Act 1 of 2010 provides for a transfer from the Race Horse Development Fund to the General Fund for fiscal years 2009-10, 2010-11, 2011-12 and 2012-13.

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 Recommendations:

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

	RACING FUND		
	State Racing Commissions (EA)		Equine Toxicology and Research Laboratory (EA)
\$ -441	—reduction in administrative costs.	\$ -55	—reduction in administrative costs.
			Pennsylvania Fairs - Administration (EA)
		\$ -3	—reduction in administrative costs.

Appropriations within this Program:

(Dollar Amounts in Thousands)

		2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
RACING FUND:								
State Racing Commissions (EA)	\$	13,547	\$ 14,495	\$ 14,054	\$ 14,054	\$ 14,054	\$ 14,054	\$ 14,054
Equine Toxicology and Research Laboratory (EA)		3,193	3,159	3,104	3,104	3,104	3,104	3,104
Pennsylvania Fairs - Administration (EA) ..		262	262	259	259	259	259	259
TOTAL GENERAL FUND	\$	17,002	\$ 17,916	\$ 17,417	\$ 17,417	\$ 17,417	\$ 17,417	\$ 17,417



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

Program: Emergency Food Assistance

The State Food Purchase program provides state fund cash grants to counties 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, non-public assistance food stamp eligibles, and medical assistance-eligible individuals. County lead agencies are authorized to expend up to 8 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) which 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.

The Farmers Market Nutrition program (FMNP) provides eligible WIC and senior participants with vouchers to purchase fresh Pennsylvania grown produce at more than 1,500 farm stands and markets. The program is funded by a combination of state and federal funds. Vouchers are allocated to counties based on the number of eligible participants.

Program Recommendations:

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

<p>GENERAL FUND Farmers' Market Food Coupons \$ -41 —nonrecurring 2010-11 budgetary freeze amount.</p>	<p>State Food Purchase \$ -339 —nonrecurring 2010-11 budgetary freeze amount.</p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Farmers' Market Food Coupons	\$ 2,226	\$ 2,141	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100
State Food Purchase	18,000	17,852	17,513	17,513	17,513	17,513	17,513
TOTAL GENERAL FUND	\$ 20,226	\$ 19,993	\$ 19,613	\$ 19,613	\$ 19,613	\$ 19,613	\$ 19,613

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Protection and Development of Agricultural Industries							
Development of Pennsylvania's Agriculture Industry							
Dollar value of food and agricultural exports excluding hardwoods (in millions)	\$1,732	\$1,800	\$1,950	\$2,000	\$2,200	\$2,300	\$2,400
Dollar value of Pennsylvania hardwood exports (in millions)	\$1,000	\$860	\$750	\$750	\$750	\$750	\$750
Value of the loan portfolio for the PA Grows Program (in thousands)	\$27,047	\$27,588	\$28,140	\$28,702	\$29,276	\$30,000	\$30,000
Number of vendors participating in the PA Preferred program	2,319	2,500	2,600	2,600	2,700	2,900	2,900
Value of crop insurance protection policies (in millions)	\$405	\$446	\$490	\$490	\$490	\$490	\$490
Farm acreage preserved	17,889	17,500	17,500	17,500	20,000	20,000	20,000
Occupancy rate at the farm show complex	69.90%	69%	70%	70%	72%	75%	75%
Farms participating in dairy on-farm resource teams	279	295	340	380	420	460	490
Consumer Commodity Inspections							
Number of amusement rides inspected	5,296	5,500	5,500	5,500	5,500	5,500	5,500
Number of gasoline pumps certified	48,226	48,500	48,500	49,000	51,000	53,000	53,000
Number of food safety inspection reports available online	51,632	55,200	60,700	63,800	67,000	67,000	67,000
Nutrient Management							
Number of farm acres covered by approved Nutrient Management Plans (in thousands)	715	750	785	800	800	800	800
Nutrient management plans approved	427	600	600	600	600	600	600
Animal Health							
Animal health diagnostic tests performed at the Pennsylvania Veterinary Laboratory (in thousands)	379	340	340	340	340	340	340
Animal health inspections	2,586	2,650	2,700	2,750	2,800	2,850	2,900
Program: Horse Racing Regulation							
Participant licenses issued by the PA Horse and Harness Racing Commissions	15,732	15,800	15,800	15,800	15,800	15,800	15,800
Investigations to ensure compliance with established rules and regulations: harness and horse racing	26,161	27,000	27,200	27,000	27,000	27,000	27,000
Licenses suspended for noncompliance of rules and regulations: harness and horse racing	466	500	500	500	500	500	500



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Samples processed at the Equine Toxicology and Research Lab (in thousands)	45	55	55	55	60	60	60
Program: Emergency Food Assistance							
Improving Participant Access to Pennsylvania fruits and vegetables							
Dollar value of commodities distributed (in thousands)	\$46,000	\$42,000	\$41,700	\$41,750	\$41,800	\$41,850	\$41,900
Persons receiving donated or surplus foods							
Traditional program (in thousands)	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Individuals served by The Emergency Food Assistance Program (TEFAP) (in thousands)	4,800	3,477	3,600	3,600	3,600	3,600	3,600
Individuals Served by the State Food Purchase program (in thousands)	3,970	3,900	3,800	3,700	3,700	3,500	3,500
Percentage of farmers' market coupons redeemed							
Redemption Rate for WIC participants in the Farmers Market Nutrition program	60%	60%	60%	60%	60%	60%	60%
Redemption Rate for Senior participants in the Farmers Market Nutrition program	90%	90%	90%	90%	90%	90%	90%

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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 that 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.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
<u>BANKING DEPARTMENT FUND:</u>			
<i>General Government:</i>			
General Government Operations.....	\$ 21,054	\$ 20,833	\$ 21,349
	<u> </u>	<u> </u>	<u> </u>



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
REGULATION OF FINANCIAL INSTITUTIONS							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	21,054	20,833	21,349	21,349	21,349	21,349	21,349
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 21,054	\$ 20,833	\$ 21,349	\$ 21,349	\$ 21,349	\$ 21,349	\$ 21,349
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	21,054	20,833	21,349	21,349	21,349	21,349	21,349
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 21,054	\$ 20,833	\$ 21,349	\$ 21,349	\$ 21,349	\$ 21,349	\$ 21,349



PROGRAM OBJECTIVE: To ensure 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, trust companies, savings banks and associations, credit unions, state-licensed sales finance companies, installment sellers, money transmitters, consumer discount companies, collector-repossessors, pawnbrokers, mortgage lenders, bankers, brokers and brokers' agents, check cashers, debt management companies, and loan originators and correspondents. In addition to these activities, the department responded to approximately 8,400 consumer inquiries during 2009-10.

As of June 30, 2010, the department supervised 159 banking institutions: 54 commercial banks, 39 bank and trust companies, 47 savings banks, one private bank and 18 non-depository trust companies. In addition, as of June 30, 2010, the department supervised 63 credit unions and four savings associations.

The department renews non-depository institution licenses annually and issues new licenses upon review and approval of license applications. The 14,241 non-depository entities at the end of June 2010 included: 6,370 loan originators; 2,974 installment sellers; 1,857 mortgage lenders, brokers and discount companies; 860

sales finance companies; and 101 consumer discount companies. The remaining 2,079 licenses were held by pawnbrokers, money transmitters, check cashers, loan correspondents, collector-repossessors and debt management companies.

The Office of Financial Education helps consumers avoid financial abuse by increasing the availability and quality of financial education in commonwealth schools, communities and workplaces. This office develops consumer education materials, trains teachers to incorporate financial education in the classroom, works with human resources professionals to promote financial education as an employee benefit, works with community organizations to advance financial literacy and hosts a financial education website.

The Office of Economic Development creates and fosters partnerships between commonwealth financial institutions and businesses. The office ensures that financial professionals are familiar with the variety of state, regional and federal programs available to assist their customers, shareholders and communities. In addition, the office works with economic developers to facilitate a better understanding of the banking world resulting in initiatives that are more user-friendly to the financial community.

Program Recommendations:

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

BANKING DEPARTMENT FUND
General Government Operations
 \$ 516 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
BANKING DEPARTMENT FUND:							
General Government Operations	\$ 21,054	\$ 20,833	\$ 21,349	\$ 21,349	\$ 21,349	\$ 21,349	\$ 21,349



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Financial Institution Regulation							
Depository Institutions							
Average years of regulatory experience for depository examiners	11	10	10	10	10	10	10
Percentage of depository examiners with the highest certification available for their level of experience	87%	90%	90%	90%	90%	90%	90%
Average days for turnaround of Department of Banking institutions examinations	23	30	30	30	30	30	30
Average days for turnaround of Department of Banking and Federal joint depository examinations	38	40	40	40	40	40	40
Compliance							
Percentage increase in the ratio of violations resulting in revocation or suspension of licenses and individual prohibition orders to total cited violations	1,487%	10%	10%	10%	10%	10%	10%
Percentage of consumer complaints resulting in refunds paid to consumer and/or orders to be filed as restitution	10%	10%	10%	10%	10%	10%	10%
Financial Education							
Participants attending Office of Financial Education sponsored programs and receiving technical assistance	657	700	700	700	700	700	700
Participants attending and receiving agency information from OFE staff at financial education programs sponsored by other organizations.	800	800	800	800	800	800	800
Economic Development							
Economic development professionals directly exposed to available services	1,673	1,430	1,430	1,430	1,430	1,430	1,430
Dollar amount of loan/credit enhancement activity facilitated (in thousands)	\$274,075	\$200,100	\$206,100	\$212,300	\$218,700	\$225,200	\$232,000

The percentage increase in the ratio compliance measure that compares license revocations and suspensions and individual prohibition orders issued to total cited violations increased significantly in 2009-10 because the department's refocused compliance efforts resulted in a substantial increase in revocations.





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 that 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 eligible candidates to the appointing agencies.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 1	\$ 1	\$ 1
(A) Fees From Agencies.....	13,388	13,941	13,082
(A) Special Merit System Services.....	855	890	835
Subtotal - State Funds.....	\$ 1	\$ 1	\$ 1
Subtotal - Augmentations.....	14,243	14,831	13,917
Total - General Government.....	<u>\$ 14,244</u>	<u>\$ 14,832</u>	<u>\$ 13,918</u>
STATE FUNDS.....	\$ 1	\$ 1	\$ 1
AUGMENTATIONS.....	14,243	14,831	13,917
GENERAL FUND TOTAL.....	<u>\$ 14,244</u>	<u>\$ 14,832</u>	<u>\$ 13,918</u>

Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 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.....	14,243	14,831	13,917	13,917	13,917	13,917	13,917
SUBCATEGORY TOTAL.....	\$ 14,244	\$ 14,832	\$ 13,918	\$ 13,918	\$ 13,918	\$ 13,918	\$ 13,918
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.....	14,243	14,831	13,917	13,917	13,917	13,917	13,917
DEPARTMENT TOTAL.....	\$ 14,244	\$ 14,832	\$ 13,918	\$ 13,918	\$ 13,918	\$ 13,918	\$ 13,918

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's 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 development of valid examinations, identification and elimination of discrimination in merit-system-covered human resource systems, 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 application, applicant self-scheduling, examination, and imaging and workflow 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 majority of funds supporting this program are received from billing state and local client agencies.

Program Recommendations:

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

General Government Operations	
\$ 239	—to continue current program.
<u>-1,153</u>	—nonrecurring projects.
\$ -914	<i>Augmentation Decrease</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
General Government Operations	\$ <u>1</u>	\$ <u>1</u>	\$ <u>1</u>	\$ <u>1</u>	\$ <u>1</u>	\$ <u>1</u>	\$ <u>1</u>

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Personnel Selection							
Total eligibles on list	167,313	183,000	183,000	183,000	183,000	183,000	183,000
Persons scheduled for exams	120,092	120,000	120,000	120,000	120,000	120,000	120,000
Persons taking computerized exams	78,105	78,000	78,000	78,000	78,000	78,000	78,000
Certifications audited of eligible individuals for civil service positions	10,275	11,000	11,000	11,000	11,000	11,000	11,000
Test-taker satisfaction rating (based on a 5-point scale)	4.70	4.70	4.70	4.70	4.70	4.70	4.70
Appeal requests received and processed	436	450	450	450	450	450	450
Agency client satisfaction rating (based on a 5-point scale)	3.90	3.90	3.90	3.90	3.90	3.90	3.90
Annual cost of merit system per covered employee	\$205	\$220	\$206	\$206	\$206	\$206	\$206



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 that 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.



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Community and Economic Development

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 17,193 a	\$ 16,489 b	\$ 13,726
(F)ARC - Technical Assistance.....	178	192	200
(F)DOE - Weatherization Administration.....	812	812	812
(F)ARRA - DOE Weatherization Administration.....	4,353	6,400	3,500
(F)SCDBG - Administration.....	2,000	1,536	1,536
(F)SCDBG - Neighborhood Stabilization Administration.....	2,400	1,884	1,050
(F)CSBG - Administration.....	1,507	1,507	1,507
(F)ARRA - CSBG Administration.....	210	0	0
(F)LIHEABG - Administration.....	535	535	535
(F)ARRA - Homelessness Prevention Administration.....	240	662	670
(F)ARRA - SCDBG Administration.....	150	150	155
(F)State Small Business Credit Initiative Administration.....	0	0	487
(F)Americorps Training and Technical Assistance.....	128	128	128
(F)ARRA - Broadband Technology Opportunity Administration (EA).....	150	75	225
(A)Pennsylvania Industrial Development Authority.....	895	917	1,022
(A)Pennsylvania Economic Development Financing Authority.....	435	463	487
(A)Environmental Training Partnership.....	712	1,300	1,300
(A)Local Area Transportation.....	147	300	300
(A)State Planning Board Expense.....	5	315	315
(A)Transfer Public Television Grants.....	900	0	0
(A)Community Development Bank.....	76	84	68
(A)Commonwealth Financing Authority.....	1,948	2,483	2,557
(R)Small Business Advocate - Utilities.....	1,040	1,061	1,092
Office of Open Records.....	1,202	1,186	1,186
World Trade PA.....	6,750	6,396	6,250
Marketing to Attract Tourists.....	11,246 c	10,746 d	3,201
(F)WIA - PA Workforce Development Awareness (EA).....	500	250	0
(A)Reimbursement for Travel Advertisements.....	3,497	560	310
Marketing to Attract Business.....	886	803	1,000
Business Retention and Expansion.....	990	704	0
PennPORTS.....	4,942 e	4,805 f	3,736
(F)Erie Port Risk Management Plan (EA).....	150	50	0
PennPORTS-Philadelphia Regional Port Authority Debt Service.....	4,606	4,606	4,604
Subtotal - State Funds.....	\$ 47,815	\$ 45,735	\$ 33,703
Subtotal - Federal Funds.....	13,313	14,181	10,805
Subtotal - Augmentations.....	8,615	6,422	6,359
Subtotal - Restricted Revenues.....	1,040	1,061	1,092
Total - General Government.....	\$ 70,783	\$ 67,399	\$ 51,959
Grants and Subsidies:			
Transfer to Municipalities Financial Recovery Revolving Fund.....	\$ 990	\$ 952	\$ 934
Transfer to Ben Franklin Tech. Development Authority Fund.....	20,000	16,861	14,646
Transfer to Commonwealth Financing Authority.....	65,039	78,480	85,530
Intergovernmental Cooperation Authority-2nd Class Cities.....	495	476	457
Pennsylvania First.....	42,085 g	41,363 h	25,000
Housing & Redevelopment Assistance.....	19,350	17,852	0
(F)DOE - Weatherization.....	24,590	24,590	24,590
(F)ARRA - DOE Weatherization.....	200,000	120,000	0
(F)Emergency Shelter for the Homeless.....	75	75	75
(F)LIHEABG - Weatherization Program.....	30,000	30,000	30,000
(F)SCDBG - HUD Disaster Recovery.....	2,000	2,000	2,000
(F)ARRA - Homelessness Prevention - Legal Services.....	0	586	0
(F)SCDBG - Neighborhood Stabilization Program.....	57,600	46,000	6,000
(F)Centralia Recovery (EA).....	600	378	150
PHFA - Homeowners Emergency Mortgage Assistance.....	11,000	10,476	0
(F)Assets for Independence.....	1,000	1,000	1,000
Municipal Assistance Program.....	553 i	532 j	683
Local Government Resources and Development.....	0	6,000	0



Community and Economic Development

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
Keystone Communities	11,775 k	9,992 l	12,500
(F)Enterprise Communities - SSBG.....	10,000	0	0
Appalachian Regional Commission	859	817	999
Partnerships for Regional Economic Performance	15,741 m	15,554 n	12,000
(F)State Small Business Credit Initiative.....	0	0	14,621
Discovered in PA, Developed in PA	0	0	10,000
Community Action Team (CAT)	306	295	0
Tourism - Accredited Zoos	1,080	500	0
Urban Development	0	10,558	0
Community and Business Assistance	0	9,000	0
Economic Growth & Development Assistance	0	3,092	0
Community & Municipal Facilities Assistance	0	3,000	0
Rural Leadership Training	188	181	0
(F)FEMA Technical Assistance.....	200	200	200
(F)FEMA - Mapping.....	250	250	250
Community Conservation and Employment	0	24,200	0
(F)Community Services Block Grant.....	29,500	29,500	29,500
(F)ARRA - Community Services Block Grant.....	42,200	0	0
(F)ARRA - Community Services Block Grant Program (EA).....	0	10,316	0
Super Computer Center	180	0	0
Infrastructure Technical Assistance	1,102	800	0
Minority Business Development	900	0	0
Fay Penn	270	262	0
Early Intervention for Distressed Municipalities	733	705	692
Agile Manufacturing	270	262	0
Powdered Metals	135	200	0
Regional Development Initiative	0	3,000	0
Infrastructure & Facilities Improvement Grants	28,000	27,274	23,409
Digital & Robotic Technology	202	196	0
Cultural Activities	0	2,400	0
Cultural Preservation	0	2,767	0
Community and Regional Development	0	4,156	0
Life Sciences Greenhouses	0	0	3,000
Subtotal - State Funds.....	\$ 221,253	\$ 292,203	\$ 189,850
Subtotal - Federal Funds.....	398,015	264,895	108,386
Total - Grants and Subsidies.....	\$ 619,268	\$ 557,098	\$ 298,236
STATE FUNDS.....	\$ 269,068	\$ 337,938	\$ 223,553
FEDERAL FUNDS.....	411,328	279,076	119,191
AUGMENTATIONS.....	8,615	6,422	6,359
RESTRICTED REVENUES.....	1,040	1,061	1,092
GENERAL FUND TOTAL	\$ 690,051	\$ 624,497	\$ 350,195
<u>TOBACCO SETTLEMENT FUND:</u>			
<i>Grants and Subsidies:</i>			
Life Sciences Greenhouses.....	\$ 3,000	\$ 3,000	\$ 0
<u>OTHER FUNDS:</u>			
GENERAL FUND:			
Industrial Sites Environmental Assessment Fund.....	\$ 493	\$ 0	\$ 0
Industrialized Housing.....	305	445	397
GENERAL FUND TOTAL	\$ 798	\$ 445	\$ 397



Community and Economic Development

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
BEN FRANKLIN TECHNOLOGY DEVELOPMENT AUTHORITY FUND:			
Ben Franklin Technology.....	\$ 76,077	\$ 50,000	\$ 34,519
Telecommunications Infrastructure (F).....	2,000	2,000	2,000
BEN FRANKLIN TECHNOLOGY DEVELOPMENT AUTHORITY FUND TOTAL.....	\$ 78,077	\$ 52,000	\$ 36,519
BROADBAND OUTREACH AND AGGREGATION FUND:			
Broadband Outreach Administration (EA).....	\$ 50	\$ 54	\$ 54
Broadband Outreach Grants (EA).....	2,300	1,746	1,746
BROADBAND OUTREACH AND AGGREGATION FUND TOTAL.....	\$ 2,350	\$ 1,800	\$ 1,800
HOME INVESTMENT TRUST FUND:			
HOME Investment Partnership.....	\$ 1,009	\$ 1,170	\$ 1,170
INDUSTRIAL SITES CLEANUP FUND:			
Industrial Sites Cleanup - Administration (EA).....	\$ 288	\$ 300	\$ 313
Industrial Sites Cleanup - Projects (EA).....	6,000	3,000	2,500
INDUSTRIAL SITES CLEANUP FUND TOTAL.....	\$ 6,288	\$ 3,300	\$ 2,813
LOCAL GOVERNMENT CAPITAL PROJECT LOAN FUND:			
Local Government Capital Project Loans (EA).....	\$ 1,000	\$ 1,000	\$ 1,000
MACHINERY AND EQUIPMENT LOAN FUND:			
General Operations (EA).....	\$ 597	\$ 647	\$ 676
Machinery and Equipment Loans (EA).....	40,000	40,000	28,000
MACHINERY AND EQUIPMENT LOAN FUND TOTAL.....	\$ 40,597	\$ 40,647	\$ 28,676
MINORITY BUSINESS DEVELOPMENT FUND:			
General Operations (EA).....	\$ 237	\$ 250	\$ 271
Minority Business Development Loans (EA).....	2,300	2,500	1,500
MINORITY BUSINESS DEVELOPMENT FUND TOTAL.....	\$ 2,537	\$ 2,750	\$ 1,771
MUNICIPALITIES FINANCIAL RECOVERY REVOLVING AID FUND:			
Distressed Community Assistance (EA).....	\$ 3,450	\$ 3,440	\$ 3,440
SMALL BUSINESS FIRST FUND:			
Administration (EA).....	\$ 1,692	\$ 1,727	\$ 1,806
Loans (EA).....	28,000	28,000	20,000
Pollution Prevention Loans (EA).....	1,500	1,500	1,500
EDA - Loans (EA).....	3,000	3,000	3,000
Transfer to the Machinery & Equipment Loan Fund (EA).....	12,000	0	0
Community Economic Development Loans (EA).....	5,000	5,000	3,000
SMALL BUSINESS FIRST FUND TOTAL.....	\$ 51,192	\$ 39,227	\$ 29,306
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:			
Underground Storage Tank Administration (EA).....	\$ 24	\$ 24	\$ 24
Upgrade Loans (EA).....	1,000	1,000	1,000
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....	\$ 1,024	\$ 1,024	\$ 1,024
WORKMEN'S COMPENSATION ADMINISTRATION FUND:			
Small Business Advocate - Workers' Compensation (R).....	\$ 190	\$ 190	\$ 194
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 269,068	\$ 337,938	\$ 223,553
SPECIAL FUNDS.....	3,000	3,000	0
FEDERAL FUNDS.....	411,328	279,076	119,191
AUGMENTATIONS.....	8,615	6,422	6,359
RESTRICTED.....	1,040	1,061	1,092
OTHER FUNDS.....	188,512	146,993	108,110
TOTAL ALL FUNDS.....	\$ 881,563	\$ 774,490	\$ 458,305



Summary by Fund and Appropriation

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- ^a Appropriated as \$16,830,000 for General Government Operations and \$363,000 for Land Use Planning and Technical Assistance.
 - ^b Appropriated as \$16,131,000 for General Government Operations and \$358,000 for Land Use Planning and Technical Assistance.
 - ^c Appropriated as \$5,496,000 for Marketing to Attract Tourists and \$5,750,000 for Tourist Promotion Assistance.
 - ^d Appropriated as \$5,240,000 for Marketing to Attract Tourists and \$5,506,000 for Tourist Promotion Assistance.
 - ^e Appropriated as \$341,000 for PennPORTS Operations, \$767,000 for PennPORTS – Port of Pittsburgh, \$886,000 for PennPORTS – Port of Erie, \$2,602,000 for PennPORTS – Philadelphia Regional Port Authority Operations, \$99,000 for PennPORTS – Navigational System, and \$247,000 for Goods Movement and Intermodal Coordination.
 - ^f Appropriated as \$379,000 for PennPORTS Operations, \$738,000 for PennPORTS – Port of Pittsburgh, \$852,000 for PennPORTS – Port of Erie, \$2,503,000 for PennPORTS – Philadelphia Regional Port Authority Operations, \$95,000 for PennPORTS – Navigational System, and \$238,000 for Goods Movement and Intermodal Coordination.
 - ^g Appropriated as \$18,085,000 for Opportunity Grant Program, \$9,000,000 for Customized Job Training, and \$15,000,000 for Infrastructure Development.
 - ^h Appropriated as \$17,828,000 for Opportunity Grant Program, \$8,658,000 for Customized Job Training, and \$14,877,000 for Infrastructure Development.
 - ⁱ Appropriated as \$495,000 for Shared Municipal Services and \$58,000 for Flood Plain Management.
 - ^j Appropriated as \$476,000 for Shared Municipal Services and \$56,000 for Flood Plain Management.
 - ^k Appropriated as \$1,100,000 for Accessible Housing and \$10,675,000 for New Communities.
 - ^l Appropriated as \$1,058,000 for Accessible Housing and \$8,934,000 for New Communities.
 - ^m Appropriated as \$1,556,000 for Industrial Development Assistance, \$3,300,000 for Local Development Districts, \$4,000,000 for Small Business Development Centers, and \$6,885,000 for Industrial Resource Centers.
 - ⁿ Appropriated as \$1,732,000 for Industrial Development Assistance, \$2,937,000 for Local Development Districts, \$4,000,000 for Small Business Development Centers, and \$6,885,000 for Industrial Resource Centers.

Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
ECONOMIC DEVELOPMENT SERVICES							
GENERAL FUND.....	\$ 34,136	\$ 33,229	\$ 26,912	\$ 26,912	\$ 26,912	\$ 26,912	\$ 26,912
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	12,663	13,881	10,805	6,105	6,105	6,105	6,105
OTHER FUNDS.....	9,236	10,115	10,479	10,479	10,479	10,479	10,479
SUBCATEGORY TOTAL.....	\$ 56,035	\$ 57,225	\$ 48,196	\$ 43,496	\$ 43,496	\$ 43,496	\$ 43,496
JOB CREATION							
GENERAL FUND.....	\$ 159,038	\$ 166,202	\$ 161,585	\$ 168,536	\$ 168,526	\$ 168,519	\$ 168,510
SPECIAL FUNDS.....	3,000	3,000	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	179,670	137,746	98,765	98,765	98,765	98,765	98,765
SUBCATEGORY TOTAL.....	\$ 341,708	\$ 306,948	\$ 260,350	\$ 267,301	\$ 267,291	\$ 267,284	\$ 267,275
GLOBAL TRADE AND TOURISM							
GENERAL FUND.....	\$ 29,510	\$ 33,023	\$ 18,791	\$ 18,791	\$ 18,791	\$ 18,791	\$ 18,791
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	650	300	0	0	0	0	0
OTHER FUNDS.....	3,497	560	310	810	810	810	810
SUBCATEGORY TOTAL.....	\$ 33,657	\$ 33,883	\$ 19,101	\$ 19,601	\$ 19,601	\$ 19,601	\$ 19,601
PA COMMUNITIES							
GENERAL FUND.....	\$ 46,384	\$ 105,484	\$ 16,265	\$ 16,265	\$ 16,265	\$ 16,265	\$ 16,265
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	398,015	264,895	108,386	102,236	102,236	102,236	102,236
OTHER FUNDS.....	5,764	6,055	6,007	6,007	6,007	6,007	6,007
SUBCATEGORY TOTAL.....	\$ 450,163	\$ 376,434	\$ 130,658	\$ 124,508	\$ 124,508	\$ 124,508	\$ 124,508
ALL PROGRAMS:							
GENERAL FUND.....	\$ 269,068	\$ 337,938	\$ 223,553	\$ 230,504	\$ 230,494	\$ 230,487	\$ 230,478
SPECIAL FUNDS.....	3,000	3,000	0	0	0	0	0
FEDERAL FUNDS.....	411,328	279,076	119,191	108,341	108,341	108,341	108,341
OTHER FUNDS.....	198,167	154,476	115,561	116,061	116,061	116,061	116,061
DEPARTMENT TOTAL.....	\$ 881,563	\$ 774,490	\$ 458,305	\$ 454,906	\$ 454,896	\$ 454,889	\$ 454,880



Community and Economic Development

PROGRAM OBJECTIVE: To encourage a more coordinated, regional approach to the delivery of economic development services through partnerships of existing providers and to utilize state economic development resources in a cohesive and cost-effective manner to create and retain jobs within the commonwealth.

Program: Economic Development Services

Program Element: Partnerships for Regional Economic Performance (PREP)

The Partnerships for Regional Economic Performance (PREP) initiative will encourage regional coordination in economic development efforts, yielding improved customer service to the business community and a more comprehensive statewide economic development strategy. PREP will provide grants to consortia of economic development service providers in a region (Industrial Development Corporations, Local Development Districts, Small Business Development Centers, Industrial Resource Centers that may co-locate, develop formal

partnership agreements, or otherwise create a coordinated and performance-based service delivery system that ensures each inquiry or lead from a business is referred expeditiously to the appropriate service provider in the region. PREP grants will be awarded on a competitive basis with the most developed partnerships receiving the funding necessary to support their efforts. Additionally, the new program will create a public/private advisory board that will help define a comprehensive economic development approach and quantitative metrics to assess performance.

Program Recommendations:

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

	GENERAL FUND		Partnerships for Regional Economic Performance
\$ -2,205 -558 <hr style="width: 50%; margin-left: 0;"/> \$ -2,763	General Government Operations —reduction in administrative costs. —nonrecurring 2010-11 budgetary freeze amount. Appropriation Decrease	\$ -3,554	—Initiative—Partnerships for Regional Economic Performance. To encourage a more coordinated and efficient approach to the delivery of economic development services through partnerships of existing providers. This initiative consolidates the Industrial Development Assistance, Local Development Districts, Small Business Development Centers and Industrial Resource Centers appropriations.

The Office of Open Records is recommended at the current funding level.

Appropriations within this Program:

		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	\$	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
GENERAL FUND:								
General Government Operations	\$	17,193	\$ 16,489	\$ 13,726	\$ 13,726	\$ 13,726	\$ 13,726	\$ 13,726
Office of Open Records		1,202	1,186	1,186	1,186	1,186	1,186	1,186
Partnerships for Regional Economic Performance		15,741	15,554	12,000	12,000	12,000	12,000	12,000
TOTAL GENERAL FUND	\$	34,136	\$ 33,229	$ 26,912	$ 26,912	$ 26,912	$ 26,912	\$ 26,912



PROGRAM OBJECTIVE: To promote job creation and initiatives, including partnerships for innovation and technology commercialization and to fully leverage funds, research, and support services available to build a comprehensive infrastructure that supports fast-growing companies, small businesses, mature technology companies, investment partners, universities and community organizations. 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 businesses and to make possible lower capital costs for businesses to invest in Pennsylvania.

Program: Job Creation

Program Element: PA First

PA First is a comprehensive “closing fund” that will offer grants for job creation/retention, infrastructure projects and workforce development and will replace the outdated Opportunity Grant, Customized Job Training and Infrastructure Development programs. Shedding the existing restrictions and fund limitations attending these individual programs will enable PA First to provide the flexibility necessary for the commonwealth to rapidly respond to companies’ needs, thus facilitating increased investment in Pennsylvania and enabling the commonwealth to compete more effectively with neighboring and competitor states.

The program will leverage private dollars, stimulate job creation, encourage development of critical infrastructure and advance workforce development efforts. It will secure job creation and economic development opportunities through the preservation and expansion of existing industries and the attraction of additional economic development prospects to the commonwealth. Eligible uses for the grant funding may include customized or advanced training for new, entry-level employees and for retention and upgrade of existing employees to accommodate new technologies; 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 business sites; land and building acquisition and/or improvement costs; machinery and equipment purchase; working capital; and environmental assessment and remediation.

DCED will monitor PA First projects for compliance with the commitments made by the grantee upon receipt of the funds. If the grantee does not meet its commitments and cannot provide an acceptable reason for its failure to do so, DCED may require repayment of some or all of the grant funds.

Program Element: Liberty Loan Fund

The Liberty Loan Fund will create a new economic development financing partnership by pooling the commonwealth’s existing economic development financing

resources (loan funds and Commonwealth Financing Authority assets) in a way that will enable the state to leverage additional private funds with which to invest in economic development opportunities.

There are a variety of economic development programs and revolving loan funds that address narrowly defined needs or uses. By pooling the resources from these funds and programs and unshackling the constraints, the commonwealth will be able to leverage new private dollars using the pooled assets of the existing programs and create flexible financing tools that will quickly adjust with changing economic conditions.

Program Element: Discovered in PA, Developed in PA

Pennsylvania has a broad network of regionally-based economic development service provider organizations offering a wide range of technical and financial assistance to businesses. The commonwealth, through DCED, also offers an expansive array of financial assistance in the form of grants, loans, loan guarantees and tax credits. While these financing and technical assistance tools play an important role in Pennsylvania’s overall economic development tool kit, it can be a daunting task for businesses to identify what assistance exists and which organization provides the assistance.

The department’s Discovered in PA, Developed in PA program will help small, medium-sized and high-growth businesses identify and access appropriate services and financing to help them be more competitive and grow their operations in the commonwealth:

- The program will develop and deploy regional experts who will have knowledge of all technical assistance services available, from business plan development, to marketing, to exporting, etc.
- These regional experts will also have a thorough understanding of what financing tools are available from which state or regional provider.
- Regional experts will both respond to inquiries from businesses and proactively seek out businesses and direct them to the organization that can help them

Community and Economic Development

Program: Job Creation (continued)

access the technical and/or financial assistance to meet their needs.

- This program will simplify and increase access to the regional economic development provider networks to ensure that fast-growing and small-to-medium sized enterprises receive the attention they deserve.
- The program will utilize the Governor's Action Team (GAT) to reach out to high-growth companies, ensure they have what they need to continue growing, and explore the range of opportunities related to a homegrown, high-growth economic development strategy.

The DCED secretary serves as the chief liaison among all agencies for business climate competitiveness issues. Supporting retention, attraction and expansion opportunities, the GAT works with businesses as a "facilitator" through the governmental process (both state and local), assisting with regulatory issues, permitting, siting and workforce development. GAT will once again be recognized as the public partner for businesses stymied in their efforts to move a project from start to finish in the commonwealth. By proactively reaching out to Pennsylvania firms, GAT will be more effective in facilitating job creation through DCED's new economic development initiatives and business marketing strategy.

Program Element: Infrastructure and Facilities Improvement Program (IFIP)

The Infrastructure and Facilities Improvement program (IFIP), established by 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 project.

Unlike local tax increment financing projects, where incremental tax revenues generated by a project are collected and deposited into a debt service reserve fund for the payment of debt, under IFIP, annual grants

are awarded based on the incremental amount of state personal income tax, sales tax and hotel occupancy tax generated by the project.

Program Element: The Ben Franklin Technology Development Authority (BFTDA)

The Ben Franklin Technology Development Authority (BFTDA) was established by Act 38 of 2001 to continue the promotion of advanced technology in Pennsylvania's traditional and emerging industries and small businesses. The BFTDA funds a series of programs that work together to create a flexible, dynamic framework that is proactive to markets and changing industry sectors. The Authority has tailored its programs (one of which is the similarly-named Ben Franklin Technology Partners) to companies' needs at different stages of the business lifecycle, creating a continuum of support and services to address challenges at each step of company development. The programs provide a vehicle for investment in entrepreneurial and university-based innovation and include: the Venture Investment program, which provides risk capital to venture partnerships that invest in Pennsylvania companies; the Technology Development Grant program, which helps to position groups or consortia of Pennsylvania companies at the cutting edge of emerging technologies, and the University Research Commercialization Grant program, which promotes stronger synergy between university-based research and development and the transfer of technology for economic and workforce development.

Program Element: The Pennsylvania Life Sciences Greenhouse Initiative (LSG)

The Pennsylvania Life Sciences Greenhouse initiative supports early-stage life sciences risk capital and is a catalyst for the development and creation of new life science related products and companies. Three regional LSG organizations focus on increasing the formation and growth of Pennsylvania's life science companies.

Program Recommendations:

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

<p>GENERAL FUND</p> <p>Business Retention and Expansion</p> <p>\$ -704 —program elimination.</p> <p>Transfer to Ben Franklin Tech. Development Authority Fund</p> <p>\$ -2,215 —based on latest estimated need.</p> <p>Transfer to Commonwealth Financing Authority</p> <p>\$ 7,050 —to provide debt service for economic development bonds.</p>	<p>Pennsylvania First</p> <p>—Initiative—Pennsylvania First. To provide greater flexibility to encourage investment in Pennsylvania and to compete more effectively with neighboring states. The initiative consolidates the Opportunity Grant Program, Customized Job Training and Infrastructure Development appropriations at a reduced funding level.</p> <p>Discovered in PA, Developed in PA</p> <p>—Initiative—Assistance for Small Businesses. To help small businesses identify and access the appropriate services and financing to help them be more competitive and grow their operations in the commonwealth.</p>
	<p>\$ -16,363</p> <p>\$ 10,000</p>



Community and Economic Development

Program: Job Creation (continued)

Program Recommendations: (continued)

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

\$	-800	Infrastructure Technical Assistance —funding elimination.	\$	-3,000	TOBACCO SETTLEMENT FUND: Life Sciences Greenhouses —This budget proposes to deposit the Tobacco Master Settlement Agreement revenue directly into the General Fund beginning in 2011-12. As a result, funding for Life Sciences Greenhouses is recommended to be appropriated from the General Fund. Please see the Tobacco Settlement Fund in the Summary by Fund section for additional information.
\$	-262	Fay Penn —funding elimination.			
\$	-262	Agile Manufacturing —funding elimination.			
\$	-3,865	Infrastructure & Facilities Improvement Grants —program reduction.			
\$	-196	Digital & Robotic Technology —funding elimination.			
\$	3,000	Life Sciences Greenhouses —This budget proposes to deposit the Tobacco Master Settlement Agreement revenue directly into the General Fund beginning in 2011-12. As a result, funding for Life Sciences Greenhouses is recommended to be appropriated from the General Fund. Please see the Tobacco Settlement Fund in the Summary by Fund section for additional information.			

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Business Retention and Expansion.....	\$ 990	\$ 704	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfer to Ben Franklin Tech. Development Authority Fund	20,000	16,861	14,646	14,646	14,646	14,646	14,646
Transfer to Commonwealth Financing Authority	65,039	78,480	85,530	92,481	92,471	92,464	92,455
Pennsylvania First	42,085	41,363	25,000	25,000	25,000	25,000	25,000
Discovered in PA, Developed in PA.....	0	0	10,000	10,000	10,000	10,000	10,000
Super Computer Center	180	0	0	0	0	0	0
Infrastructure Technical Assistance	1,102	800	0	0	0	0	0
Minority Business Development	900	0	0	0	0	0	0
Fay Penn	270	262	0	0	0	0	0
Agile Manufacturing.....	270	262	0	0	0	0	0
Infrastructure & Facilities Improvement Grants.....	28,000	27,274	23,409	23,409	23,409	23,409	23,409
Digital & Robotic Technology.....	202	196	0	0	0	0	0
Life Sciences Greenhouses.....	0	0	3,000	3,000	3,000	3,000	3,000
TOTAL GENERAL FUND	\$ 159,038	\$ 166,202	\$ 161,585	\$ 168,536	\$ 168,526	\$ 168,519	\$ 168,510
TOBACCO SETTLEMENT FUND:							
Life Sciences Greenhouses.....	\$ 3,000	\$ 3,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0



Community and Economic Development

PROGRAM OBJECTIVE: Attract businesses to relocate or expand current operations in Pennsylvania, position Pennsylvania as a top tourism destination for both domestic and international visitors and businesses.

Program: Global Trade and Tourism

Program Element: World Trade PA

The World Trade PA program provides funds to promote Pennsylvania exports in key international markets and to attract foreign investments to Pennsylvania. By increasing export capacity and establishing new connections between Pennsylvania companies and customers and partners worldwide, Pennsylvania businesses become more competitive in the global marketplace.

With the global economy beginning to improve Pennsylvania is well-positioned to reap continued benefits from the growing worldwide economy by leveraging and building upon its international business development program. DCED will expand the existing performance-based compensation system for its international contractors, implement a fee-based menu of export assistance services, and enhance private sector participation in the program by increasing existing sponsorship opportunities and creating an international business advisory board in partnership with the Team PA Foundation, the PA Chamber and other partners, further improving the quality of service delivery and increasing opportunities for competition.

Program Element: PennPORTS

PennPORTS will constitute a single budgetary line item as a general PennPORTS appropriation containing funds for operation and maintenance of the ports of Erie, Pittsburgh and Philadelphia. These funds will be distributed among the ports based upon demonstrated need through a competitive application process. Funds

will be used to aid in the development of port assets, which not only generate port and shipping-related jobs but also assist Pennsylvania firms to export and import products.

Program Element: Marketing to Attract Business

Marketing to attract business will fund efforts to increase domestic and foreign investment in Pennsylvania through development, marketing and advertising, including public relations, creative and print collateral, website maintenance, web development, radio and television advertising, and trade missions and trade shows.

Program Element: Marketing to Attract Tourists

Tourism is one of Pennsylvania's largest industries, injecting well over \$31 billion annually into the commonwealth's economy and generating more than \$3.4 billion in tax revenues each year for state and local governments. Marketing to attract tourists will support the VisitPA website, embrace new technologies in tourism marketing and encourage public/private partnerships to promote Pennsylvania, maximizing Pennsylvania's presence on the global travel and tourism stage. Given that most Pennsylvania tourism businesses are small, with no advertising and promotional presence in out-of-state feeder markets, DCED will utilize marketing to attract tourists on behalf of these businesses. Act 189 of 2002 provides further support for tourism marketing efforts through the Pennsylvania Travel and Tourism partnership, which ensures that the commonwealth's strategic tourism plan is continually evaluated and advanced.

Program Recommendations:

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

	GENERAL FUND			PennPORTS
	World Trade PA			—Initiative—Appropriation Consolidation
\$	-146	—program reduction.	\$	-1,069
				for Port-Related Activities. To consolidate
				and streamline activities related to the
				commonwealth's ports.
				PennPORTS-Philadelphia Regional Port
				Authority Debt Service
				—based on current estimates.
				Tourism - Accredited Zoos
				—funding elimination.
				Cultural Activities
				—funding elimination.
				Cultural Preservation
				—funding elimination.
\$	-7,545	Marketing to Attract Tourists	\$	-2
		—Initiative—Tourism Consolidation. To		
		streamline tourism services at a reduced		
		funding level.		
\$	197	Marketing to Attract Business	\$	-500
		—Initiative—Marketing Improvements.		
		To implement more proactive business		
		marketing efforts while supplementing		
		technical and business assistance		
		provision.		
			\$	-2,400
			\$	-2,767



Community and Economic Development

Program: Global Trade and Tourism (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
World Trade PA.....	\$ 6,750	\$ 6,396	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250
Marketing to Attract Tourists	11,246	10,746	3,201	3,201	3,201	3,201	3,201
Marketing to Attract Business	886	803	1,000	1,000	1,000	1,000	1,000
PennPORTS.....	4,942	4,805	3,736	3,736	3,736	3,736	3,736
PennPORTS-Philadelphia Regional Port Authority Debt Service.....	4,606	4,606	4,604	4,604	4,604	4,604	4,604
Tourism - Accredited Zoos.....	1,080	500	0	0	0	0	0
Cultural Activities	0	2,400	0	0	0	0	0
Cultural Preservation	0	2,767	0	0	0	0	0
TOTAL GENERAL FUND	\$ 29,510	\$ 33,023	\$ 18,791	\$ 18,791	\$ 18,791	\$ 18,791	\$ 18,791



PROGRAM OBJECTIVE: To create attractive, livable communities by revitalizing downtowns and surrounding neighborhoods and promoting sound land use practices. These efforts will improve the quality of life and economic competitiveness of communities through targeted services to populations with special needs and assist local governments to maintain fiscal stability and efficient, effective delivery of basic services.

Program: PA Communities

Program Element: Keystone Communities

Keystone Communities will serve as the commonwealth's core community revitalization tool to maintain and transition existing Main Street and Elm Street projects to a new, more effective program, which rewards community initiative and superior performance; to support ongoing Accessible Housing efforts; and to fund Core Communities Development projects, e.g., rehabilitating blighted properties. The program will enhance community revitalization across the commonwealth with a focus on creating thriving downtowns as places of commerce, recreation, culture and entertainment. It will help increase competitiveness, forge new partnerships, and enhance the state's return-on-investment for community development.

The Core Communities Development Projects (CCDP) component of the Keystone Communities appropriation will replace the Housing and Redevelopment Assistance (HRA) program. Under the new Keystone Communities approach, CCDP will improve upon the HRA efforts to promote the growth and stability of the commonwealth's core communities by focusing on partnerships, performance-based evaluations, and increased competition in funding a range of physical improvement and community development projects.

Program Element: Municipal Assistance Program

The Municipal Assistance program will consolidate the Shared Municipal Services (SMS) and Flood Plain Management programs.

SMS provides matching grants to communities that enhance operational efficiencies through cooperative activities. Typical projects include joint code enforcement programs, shared public works activities, regional police operations, shared energy initiatives, municipal insurance pooling, regional recreation activities and other inter-municipal projects that will reduce local government costs and implement more efficient and coordinated local government services.

The Flood Plain Management Act (Act 166 of 1978) designates DCED as the agency responsible for providing technical assistance, including outreach and training, to municipalities concerning floodplain management. DCED is also responsible for the administration of a financial assistance program to provide fifty percent reimbursement to municipalities for costs incurred in the preparation,

administration and enforcement of federal regulations in the form of an ordinance required to maintain eligibility.

Program Element: The Early Intervention program

The Early Intervention program provides grants to municipal and county governments to develop and implement multi-year financial management plans. The plans supply governments with both short-term and long-term direction to address fiscal difficulties before they reach a crisis point (Act 47).

Program Element: The Municipalities Financial Recovery Program – Act 47

The Municipalities Financial Recovery program – Act 47 – assists local governments to recover from circumstances that could lead to financial insolvency. Assistance is provided through grants and no-interest loans, as well as extensive technical assistance through the preparation and implementation of comprehensive recovery plans. Act 47 empowers DCED to declare certain municipalities distressed and provides grants and loans to aid in the recovery process. Since the program's inception, DCED has provided assistance to 25 designated distressed municipalities; currently, 20 municipalities are designated.

Program Element: The Weatherization Assistance Program

The federal Weatherization Assistance program is designed to reduce energy costs and improve living conditions for low-income persons through the addition of energy-conservation measures to their homes. There are two weatherization funding streams from the Federal government. Funds from the U.S. Department of Energy support activities such as the installation of insulation, shell repairs and heating system improvements. The Low Income Housing Energy Assistance Program (LIHEAP) grant not only funds home weatherization efforts, but also supports a heating crisis program that operates during the winter in coordination with the Pennsylvania Department of Public Welfare's LIHEAP initiative. In 2009, DCED created the Office of Energy Conservation and Weatherization to organize and administer a \$252 million American Recovery and Reinvestment Act (ARRA)-funded statewide energy reduction program. The mission is to reduce energy consumption and costs to nearly 30,000 homes of low-income and high-energy-use commonwealth residents.

Community and Economic Development

Program: PA Communities (continued)

Program Element: The Small Community Development Block Grant (SCDBG)

The federal Small Community Development Block Grant (SCDBG) program, commonly known as the Community Development Block Grant (CDBG) program, provides assistance to expand low-and-moderate-income housing opportunities; enhances economic development and job opportunities for low-and-moderate-income individuals; corrects deficiencies in water and sewer systems; and improves streets, streetscapes, recreational facilities and public facilities that affect public health and safety.

Program Element: Keystone Opportunity Zones (KOZ).

Act 92 of 1998 established the Keystone Opportunity Zones (KOZ). The KOZs are community development initiatives to revive economically-distressed urban and rural communities. These zones are defined, limited areas in communities that have greatly reduced or eliminated tax burdens for residents and businesses within them. 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 DCED to establish 12 smaller Keystone Opportunity Expansion Zones (KOEZ). The Act extended

the expiration date of the program to 2013 and increased the eligible tax-exempt activity. Act 217 of 2002 provided for designation of subzones within KOZs and KOEZs to enable acreage that remained undesignated within the original limitation, to be designated for state and local tax exemption. In accordance with Act 217, the Keystone Opportunity Improvement Zones (KOIZ) were designated by Executive Order in 2002.

Program Element: Community Services Block Grant (CSBG)

The federal Community Services Block Grant (CSBG) program provides funds for community-based programs that offer health, nutrition, housing, employment/training and asset development services to improve the standard of living for low-income persons and the communities in which they live. Other CSBG efforts include economic development and revitalization projects that focus on neighborhood preservation and enhance the collaboration of services in communities. Ninety percent of the funds, by law, must go to the existing network of Community Action Agencies.

Program Recommendations:

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

	GENERAL FUND				
	Transfer to Municipalities Financial Recovery Revolving Fund		\$	2,508	Keystone Communities
\$	-18	—nonrecurring 2010-11 budgetary freeze amount.			—Initiative—Appropriation Consolidation for Enhanced Community Revitalization. To initiate and sustain revitalization efforts of core communities, distressed commercial corridors, and residential areas adjoining the downtown business districts.
	Intergovernmental Cooperation Authority-2nd Class Cities				
\$	-19	—program reduction.	\$	182	Appalachian Regional Commission
	Housing & Redevelopment Assistance				—to continue current program.
\$	-17,852	—program elimination.	\$	-295	Community Action Team (CAT)
	PHFA - Homeowners Emergency Mortgage Assistance				—program elimination.
\$	-10,476	—program elimination.	\$	-10,558	Urban Development
	Municipal Assistance Program				—funding elimination.
\$	151	—Initiative—Appropriation Consolidation for Improved Municipal Support Services. To support municipalities in implementing more effective management structures, increasing capacity and providing more efficient core municipal services.	\$	-9,000	Community and Business Assistance
	Local Government Resources and Development				—funding elimination.
\$	-6,000	—funding elimination.	\$	-3,092	Economic Growth & Development Assistance
					—funding elimination.
					Community & Municipal Facilities Assistance
					—funding elimination.



Community and Economic Development

Program: PA Communities (continued)

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

\$ -181	Rural Leadership Training —program elimination.	\$ -200	Powdered Metals —funding elimination.
\$ -24,200	Community Conservation and Employment —funding elimination.	\$ -3,000	Regional Development Initiative —funding elimination.
\$ -13	Early Intervention for Distressed Municipalities —nonrecurring 2010-11 budgetary freeze amount.	\$ -4,156	Community and Regional Development —funding elimination.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Transfer to Municipalities Financial							
Recovery Revolving Fund.....	\$ 990	\$ 952	\$ 934	\$ 934	\$ 934	\$ 934	\$ 934
Intergovernmental Cooperation Authority- 2nd Class Cities.....	495	476	457	457	457	457	457
Housing & Redevelopment Assistance.....	19,350	17,852	0	0	0	0	0
PHFA - Homeowners Emergency Mortgage Assistance	11,000	10,476	0	0	0	0	0
Municipal Assistance Program	553	532	683	683	683	683	683
Local Government Resources and Development.....	0	6,000	0	0	0	0	0
Keystone Communities.....	11,775	9,992	12,500	12,500	12,500	12,500	12,500
Appalachian Regional Commission.....	859	817	999	999	999	999	999
Community Action Team (CAT)	306	295	0	0	0	0	0
Urban Development.....	0	10,558	0	0	0	0	0
Community and Business Assistance.....	0	9,000	0	0	0	0	0
Economic Growth & Development Assistance.....	0	3,092	0	0	0	0	0
Community & Municipal Facilities Assistance.....	0	3,000	0	0	0	0	0
Rural Leadership Training	188	181	0	0	0	0	0
Community Conservation and Employment.....	0	24,200	0	0	0	0	0
Early Intervention for Distressed Municipalities	733	705	692	692	692	692	692
Powdered Metals.....	135	200	0	0	0	0	0
Regional Development Initiative	0	3,000	0	0	0	0	0
Community and Regional Development....	0	4,156	0	0	0	0	0
TOTAL GENERAL FUND	\$ 46,384	\$ 105,484	\$ 16,265	\$ 16,265	\$ 16,265	\$ 16,265	\$ 16,265



Community and Economic Development

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Economic Development Services							
Businesses assisted	11,513	10,600	11,400	11,600	11,800	12,000	12,000
Jobs created	2,917	1,600	2,400	2,400	2,400	2,400	2,400
Jobs retained	13,564	8,200	11,600	11,600	11,600	11,600	11,600
Private funds leveraged (in thousands)	\$3,670	\$3,670	\$3,670	\$3,670	\$3,670	\$3,670	\$3,670
Public funds leveraged (in thousands)	\$8,594	\$8,294	\$8,094	\$8,094	\$8,094	\$8,094	\$8,094
Program: Job Creation							
Business Assistance							
Businesses assisted	4,932	2,200	2,200	2,200	2,200	2,300	2,300
Jobs created/pledged to be created	62,502	36,900	38,700	38,700	38,700	38,700	38,700
Jobs retained/pledged to be retained	141,517	95,600	97,400	99,200	101,000	103,000	103,000
Public funds leveraged (in thousands)	\$874,307	\$602,800	\$613,600	\$624,600	\$635,900	\$647,400	\$647,400
Private funds leveraged (in thousands)	\$6,948,513	\$5,296,800	\$5,391,000	\$5,487,100	\$5,585,100	\$5,685,100	\$5,685,100
Customized Job Training (CJT): persons receiving job training	45,356	38,300	38,300	38,300	38,300	38,300	38,300
Brownfield Redevelopment Projects Assisted	70	68	68	68	68	68	68
New Technology Companies Established	174	114	114	114	114	114	114
Program: Global Trade and Tourism							
Tourist Promotion Assistance							
Traveler expenditures (in millions)	\$25,600	\$27,180	\$26,580	\$27,400	\$28,200	\$29,046	\$29,046
Public/private funds leveraged (in thousands)	\$69,800	\$75,300	\$78,300	\$80,100	\$80,200	\$80,300	\$80,400
Hotel rooms sold (in thousands)	26,200	26,590	27,125	27,670	28,220	28,780	29,360
Tax revenues generated (in thousands)	\$1,400,000	\$1,470,000	\$1,485,000	\$1,492,000	\$1,498,000	\$1,502,000	\$1,505,000
Return on Investment: Export Sales Facilitated							
Export sales facilitated (in thousands)	\$483,198	\$364,500	\$375,300	\$387,000	\$397,800	\$410,400	\$425,000
Ratio of export sales facilitated to DCED cost	78:1	70:1	72:1	74:1	76:1	78:1	81:1
Office of International Business Development (OIBD): businesses assisted	1,994	1,400	1,425	1,450	1,475	1,490	1,500
Foreign Direct Investments (FDI): projects completed	17	18	19	20	21	22	23



Community and Economic Development

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: PA Communities							
Housing and Redevelopment							
Weatherization Assistance Program: Homes weatherized	3,548	1,290	1,290	1,290	1,290	1,290	1,290
Act 47: Designated distressed communities assisted	19	20	19	17	16	16	16
Main Street projects	59	50	36	36	36	36	36
Elm Street projects	26	33	28	28	28	28	28
Early Intervention Program: Local governments assisted	12	12	12	12	12	12	12
Community Services Block Grant: Persons participating	387,055	387,055	387,055	387,055	387,055	387,055	387,055





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.



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Conservation and Natural Resources

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

GENERAL FUND:

General Government:

	2009-10 ACTUAL		2010-11 AVAILABLE		2011-12 BUDGET
General Government Operations.....	\$ 19,428		\$ 18,665		\$ 17,487
(F)Topographic and Geologic Survey Grants.....	2,055		2,055		2,055
(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)Flood Hazard Mapping.....	510		510		510
(F)Highlands Conservation Program.....	500		500		500
(F)ARRA - Lidar Imagery.....	0		350		0
(F)ARRA - PAMAP Orthoimagery.....	0		309		0
(F)Cooperative Endangered Species.....	0		28		28
(F)PA Wilds Elk County Visitor Center.....	0		100		0
(A)Payment for Department Services.....	210		606		200
(A)Water Well Drillers.....	0		40		50
(A)Keystone Recreation, Park and Conservation Fund.....	2,271		1,385		2,153
(A)Internet Record Imaging System.....	289		300		300
(A)Environmental Stewardship Fund Admin.....	217		180		200
(A)Oil and Gas Lease Fund.....	293		1,659		3,105
(A)PAMAP.....	250		0		0
Subtotal.....	\$ 43,173		\$ 43,837		\$ 43,738

State Parks Operations.....	49,874		46,726		28,093
(F)Recreational Trails.....	6,000		6,000		6,000
(F)PAMAP Geospatial Imaging (EA).....	905		300		300
(F)PAMAP Consolidated Security (EA).....	50		0		0
(F)Tropical Storm Ivan Disaster Assistance (EA).....	9,623		0		0
(F)April 2005 Storms Disaster Assistance (EA).....	9,660		0		0
(F)June 2006 Summer Floods - Disaster Assistance (EA).....	7,100		2,000		0
(F)Save America's Treasures.....	50		0		0
(A)PCC Programs - Parks.....	16		0		0
(A)State Parks User Fees.....	22,000		22,000		19,000
(A)Donations.....	384		0		25
(A)Reimbursement for Services.....	780		800		760
(A)Oil and Gas Lease Fund.....	1,700		5,748		12,013
Subtotal.....	\$ 108,142		\$ 83,574		\$ 66,191

State Forests Operations.....	16,445		11,934		7,870
(F)Forest Fire Protection and Control.....	2,000		2,000		2,000
(F)Forestry Incentives and Agriculture Conservation.....	175		175		175
(F)Forest Management and Processing.....	3,600		3,800		3,800
(F)Aid to Volunteer Fire Companies.....	750		750		750
(F)Wetland Protection Fund.....	300		300		300
(A)Reimbursement for Services.....	290		80		350
(A)Reimbursement - Forest Fires.....	349		900		300
(A)Sale of Vehicles - Forests.....	53		60		50
(A)Private Donations.....	0		5		0
(A)Timber Sales.....	15,670		28,300		30,300
(A)PCC Programs - Forests.....	23		10		0
(A)Miscellaneous Tickets and Fines.....	2		5		5
(A)Oil and Gas Lease Fund.....	10,600		13,273		15,235
Subtotal.....	\$ 50,257		\$ 61,592		\$ 61,135



Conservation and Natural Resources

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
Forest Pest Management	1,849	1,779	1,866
(F)Forest Insect and Disease Control.....	4,000	4,000	4,000
Subtotal.....	<u>\$ 5,849</u>	<u>\$ 5,779</u>	<u>\$ 5,866</u>
Subtotal - State Funds.....	\$ 87,596	\$ 79,104	\$ 55,316
Subtotal - Federal Funds.....	64,428	40,327	37,568
Subtotal - Augmentations.....	55,397	75,351	84,046
Total - General Government.....	<u>\$ 207,421</u>	<u>\$ 194,782</u>	<u>\$ 176,930</u>
Grants and Subsidies:			
Heritage and Other Parks.....	\$ 0	\$ 350	\$ 0
Annual Fixed Charges - Flood Lands.....	65	65	65
Annual Fixed Charges - Project 70.....	35	35	35
Annual Fixed Charges - Forest Lands.....	2,526	2,526	2,526
Annual Fixed Charges - Park Lands.....	400	400	400
Total - Grants and Subsidies.....	<u>\$ 3,026</u>	<u>\$ 3,376</u>	<u>\$ 3,026</u>
STATE FUNDS.....	\$ 90,622	\$ 82,480	\$ 58,342
FEDERAL FUNDS.....	64,428	40,327	37,568
AUGMENTATIONS.....	55,397	75,351	84,046
GENERAL FUND TOTAL	<u>\$ 210,447</u>	<u>\$ 198,158</u>	<u>\$ 179,956</u>
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
General Government:			
Park & Forest Facility Rehabilitation (EA).....	\$ 16,600	\$ 12,786	\$ 19,875
Grants and Subsidies:			
Grants for Local Recreation (EA).....	\$ 13,833	\$ 10,655	\$ 16,563
Grants to Land Trusts (EA).....	5,533	4,262	6,625
Total - Grants and Subsidies.....	<u>\$ 19,366</u>	<u>\$ 14,917</u>	<u>\$ 23,188</u>
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL	<u>\$ 35,966</u>	<u>\$ 27,703</u>	<u>\$ 43,063</u>
MOTOR LICENSE FUND:			
General Government:			
Dirt and Gravel Roads.....	\$ 1,000	\$ 1,000	\$ 1,000
Grants and Subsidies:			
(R)Forestry Bridges - Excise Tax (EA).....	\$ 7,000	\$ 7,000	\$ 3,000
STATE FUNDS.....	\$ 1,000	\$ 1,000	\$ 1,000
RESTRICTED REVENUES.....	7,000	7,000	3,000
MOTOR LICENSE FUND TOTAL	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ 4,000</u>
OTHER FUNDS:			
GENERAL FUND:			
Snowmobile & ATV Regulation.....	\$ 5,081	\$ 10,931	\$ 4,440
Forest Regeneration.....	1,834	6,373	6,002
Forestry Research.....	458	0	0
GENERAL FUND TOTAL	<u>\$ 7,373</u>	<u>\$ 17,304</u>	<u>\$ 10,442</u>



Conservation and Natural Resources

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
ENVIRONMENTAL EDUCATION FUND:			
General Operations (EA).....	\$ 133	\$ 150	\$ 300
ENVIRONMENTAL STEWARDSHIP FUND:			
Community Conservation Grants (EA).....	\$ 8,275	\$ 6,765	\$ 5,798
Natural Diversity Conservation Grants (EA).....	400	800	800
ENVIRONMENTAL STEWARDSHIP FUND TOTAL.....	\$ 8,675	\$ 7,565	\$ 6,598
OIL AND GAS LEASE FUND:			
General Operations.....	\$ 18,549	\$ 18,171	\$ 19,647
State Parks.....	0	0	15,000
OIL AND GAS LEASE FUND TOTAL.....	\$ 18,549	\$ 18,171	\$ 34,647
STATE GAMING FUND:			
Payments in Lieu of Taxes (EA).....	\$ 5,084	\$ 5,084	\$ 5,110
WILD RESOURCE CONSERVATION FUND:			
General Operations (EA).....	\$ 185	\$ 211	\$ 203
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 90,622	\$ 82,480	\$ 58,342
SPECIAL FUNDS.....	36,966	28,703	44,063
FEDERAL FUNDS.....	64,428	40,327	37,568
AUGMENTATIONS.....	55,397	75,351	84,046
RESTRICTED.....	7,000	7,000	3,000
OTHER FUNDS.....	39,999	48,485	57,300
TOTAL ALL FUNDS.....	\$ 294,412	\$ 282,346	\$ 284,319



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
PARKS AND FORESTS MANAGEMENT							
GENERAL FUND.....	\$ 90,622	\$ 82,480	\$ 58,342	\$ 58,342	\$ 58,342	\$ 58,342	\$ 58,342
SPECIAL FUNDS.....	36,966	28,703	44,063	46,498	51,315	54,503	57,899
FEDERAL FUNDS.....	64,428	40,327	37,568	37,568	37,568	37,568	37,568
OTHER FUNDS.....	102,396	130,836	144,346	144,346	144,346	144,346	144,346
SUBCATEGORY TOTAL.....	\$ 294,412	\$ 282,346	\$ 284,319	\$ 286,754	\$ 291,571	\$ 294,759	\$ 298,155
ALL PROGRAMS:							
GENERAL FUND.....	\$ 90,622	\$ 82,480	\$ 58,342	\$ 58,342	\$ 58,342	\$ 58,342	\$ 58,342
SPECIAL FUNDS.....	36,966	28,703	44,063	46,498	51,315	54,503	57,899
FEDERAL FUNDS.....	64,428	40,327	37,568	37,568	37,568	37,568	37,568
OTHER FUNDS.....	102,396	130,836	144,346	144,346	144,346	144,346	144,346
DEPARTMENT TOTAL.....	\$ 294,412	\$ 282,346	\$ 284,319	\$ 286,754	\$ 291,571	\$ 294,759	\$ 298,155



PROGRAM OBJECTIVE: To maintain and improve state parks; manage state forest lands to assure their long-term health, sustainability and economic use; provide information on ecological and geologic resources; and 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

The Department of Conservation and Natural Resources 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 commonwealth's 117 state parks, named the best park system in the country since 2009, offer a variety of outdoor recreation, environmental education and overnight accommodation options to visitors. State parks are heavily integrated into local economies, generating more than \$928 million in local expenditures. Every dollar spent on state parks generates \$9 in return.

As it manages these lands and facilities, the department strives to provide a high-quality visitor experience, demonstrate exemplary natural resource stewardship and provide opportunities for visitors to learn about Pennsylvania's natural heritage. To accomplish those goals, the department is continually making improvements and repairs to its extensive infrastructure system -- one of the largest in the state with thousands of miles of roads; hundreds of bridges, dams, treatment plants, pools and marinas; and thousands of buildings.

State forests are managed for sustainable timber harvest including fire suppression, insect and disease control, watershed protection and resource extraction and storage. State forests also offer outdoor recreation, environmental education and primitive camping options. The department educates the public about fire prevention and fights fires on public and private forestlands. The department also monitors forest lands for native and non-native invasive pests, including the gypsy moth, emerald ash borer and hemlock woolly adelgid, which threaten our trees.

The commonwealth's 2.2 million forest acres comprise one of the largest tracts of forest in North America certified by the Forest Stewardship Council as 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 nearly 100,000 people.

The department 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. Pennsylvania state parks have the largest number of LEED-rated buildings of any state park system in the country.

The department's biodiversity and conservation science programs support the management of state parks and forests. One such program, the Pennsylvania Natural Heritage program, is the commonwealth's major program to inventory significant natural features, provide evaluation, rank species of special concern and compile natural features data.

Stewardship of Pennsylvania's state park and forest land includes acquiring lands that protect and enhance existing state parks and forests, forested watersheds and riparian corridors; conserve biologically important areas; or create connections with other public lands, open spaces and outdoor recreation and educational opportunities. Such acquisitions are carefully considered to ensure that the department can maintain its stewardship and management objectives.

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.

The department helps local communities, counties, regional organizations, not-for-profit stakeholders, private landowners and other governmental entities manage growth on private lands and reduce the loss of open space by providing technical assistance, educational information and grant funding for research, planning, project development and land acquisition.

The department also provides management assistance to private forest landowners, who possess three-quarters of all forest land in the state. Conservation of these lands

Program: Parks and Forests Management (continued)

is important to the future health of the forests, protecting water quality and water supplies, providing recreational opportunities and maintaining the state's forest products industry.

Program Element: Sustainable and Attractive Communities

The department has built its community work around a landscape-scale approach to conservation designed to create vibrant communities that are connected to their natural assets. The department is currently working in seven regional landscapes called Conservation Landscape Initiatives -- an advanced, collaborative, interagency approach to recreation, conservation and community enhancement that has shown demonstrable economic and quality of life impacts and achieved proven economic successes. These landscapes include the Pennsylvania Wilds, Laurel Highlands, Schuylkill Highlands, Lower Susquehanna, South Mountain, Lehigh Valley Greenways, and Pocono Forests and Waters.

The department supports regional, county and local planning efforts with ecological and geologic information, technical assistance and funding. The department's conservation science programs and topographic and geologic resources -- digital maps, data and Geographic Information Systems -- 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.

The department offers grants through the Community Conservation Partnerships program, the Wild Resource Conservation program, and through support of the PA Urban and Community Forestry Grants program. The Community Conservation Partnerships program 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 and rail-trails. These grants have assisted every Pennsylvania county and reached more than 50 percent of the commonwealth's communities. The Wild Resource Conservation program 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. The PA Urban and Community Forestry Grants program offers grants to communities for education about trees, tree planting and maintenance programs and 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. The department works to increase enthusiasm for nature, provide life-long conservation learning and generate stewardship activities with our park and forest lands, greenways, heritage areas and community recreation resources.

Helping to guide the department's outdoor recreation initiatives is the Statewide Comprehensive Outdoor Recreation Plan, a nationally recognized outdoor recreation strategy developed by the department in 2010 to improve the health of our citizens and the economic vitality of communities. The plan presents 28 programmatic and five funding recommendations to enhance the delivery of outdoor recreation facilities and services.

Among the recommendations are increasing awareness of outdoor opportunities, while at the same time encouraging responsible park and forest stewardship. The department is coordinating with tourism partners to promote the state's parks, forests, trails, rivers, greenways and heritage areas; enhance its website; advertise through events, promotions and printed materials; improve signage; develop new overnight accommodations; offer environmental education and interpretive programs; and institute guided recreation programming in concert with interpretive programming.

These various efforts are intended not only to improve visitor experiences and encourage repeat visitation but also to communicate stewardship messages to citizens and visitors and provide economic benefit to surrounding communities. The department's outreach also extends to urban and suburban environmental education and recreation programming.

The Department of Conservation and Natural Resources receives funding from a number of sources to support program operations, including state general funds, federal funds, a variety of user fees, lease and concession charges and revenue distributions from state special funds. A portion of realty transfer tax revenues from the Keystone Recreation, Park and Conservation Fund is used to fund state park and forest rehabilitation, facilities repairs and upgrades and land acquisition, as well as community grants for parks, river, trail and other recreation projects. A portion of landfill fee revenues from the Environmental Stewardship Fund (Growing Greener I) is used to fund state park and forest rehabilitation and land acquisition and community grants for projects such as greenways, recreational trails, various conservation projects and grants to protect and conserve biological diversity.

In 2011-12, the department will utilize a total of \$65 million from the Oil and Gas Lease Fund to support conservation and recreation programs. The Oil and Gas Lease Fund is comprised of revenue from oil and gas drilling leases and royalties on commonwealth lands. Royalty revenues are projected to increase significantly over the next few years.

Conservation and Natural Resources

Program: Parks and Forests Management (continued)

Program Recommendation:

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

<p>\$ -354</p> <p style="border-bottom: 1px solid black;">-824</p> <p>\$ -1,178</p>	<p>General Government Operations</p> <p>—nonrecurring 2010-11 budgetary freeze amount.</p> <p>—increased augmentation support.</p> <p><i>Appropriation Decrease</i></p> <p>State Parks Operations</p> <p>—nonrecurring 2010-11 budgetary freeze amount.</p> <p>—increased augmentation support.</p> <p>—to transfer partial operations to Oil and Gas Lease Fund.</p> <p><i>Appropriation Decrease</i></p> <p>\$ -18,633</p> <p>State Forests Operations</p> <p>—nonrecurring 2010-11 budgetary freeze amount.</p> <p>—increased augmentation support.</p> <p>—to transfer partial operations to Timber Sales.</p> <p><i>Appropriation Decrease</i></p> <p>\$ -4,064</p>	<p>\$ 87</p> <p style="border-bottom: 1px solid black;">-350</p> <p>\$ 7,089</p> <p style="border-bottom: 1px solid black;">5,908</p> <p>\$ 2,363</p>	<p>Forest Pest Management</p> <p>—to continue current program.</p> <p>Heritage and Other Parks</p> <p>—funding elimination.</p> <p>KEYSTONE RECREATION, PARKS AND CONSERVATION FUND</p> <p>Parks & Forest Facility Rehabilitation (EA)</p> <p>—to continue current program.</p> <p>Grants for Local Recreation (EA)</p> <p>—to continue current program.</p> <p>Grants for Land Trusts (EA)</p> <p>—to continue current program.</p>
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All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
General Government Operations	\$ 19,428	\$ 18,665	\$ 17,487	\$ 17,487	\$ 17,487	\$ 17,487	\$ 17,487
State Parks Operations	49,874	46,726	28,093	28,093	28,093	28,093	28,093
State Forests Operations	16,445	11,934	7,870	7,870	7,870	7,870	7,870
Forest Pest Management	1,849	1,779	1,866	1,866	1,866	1,866	1,866
Heritage and Other Parks	0	350	0	0	0	0	0
Annual Fixed Charges - Flood Lands	65	65	65	65	65	65	65
Annual Fixed Charges - Project 70	35	35	35	35	35	35	35
Annual Fixed Charges - Forest Lands	2,526	2,526	2,526	2,526	2,526	2,526	2,526
Annual Fixed Charges - Park Lands	400	400	400	400	400	400	400
TOTAL GENERAL FUND	\$ 90,622	\$ 82,480	\$ 58,342	\$ 58,342	\$ 58,342	\$ 58,342	\$ 58,342
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
Park & Forest Facility Rehabilitation (EA) ..	\$ 16,600	\$ 12,786	\$ 19,875	\$ 20,999	\$ 23,222	\$ 24,694	\$ 26,261
Grants for Local Recreation (EA)	13,833	10,655	16,563	17,499	19,352	20,578	21,884
Grants to Land Trusts (EA)	5,533	4,262	6,625	7,000	7,741	8,231	8,754
TOTAL KEYSTONE RECREATION, PARK AND CONSERVATION FUND	\$ 35,966	\$ 27,703	\$ 43,063	\$ 45,498	\$ 50,315	\$ 53,503	\$ 56,899
MOTOR LICENSE FUND:							
Dirt and Gravel Roads	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000



Conservation and Natural Resources

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Parks and Forests Management							
Stewardship and Management of State Parks and Forests							
State park attendance	38,400,000	38,500,000	38,500,000	38,500,000	38,500,000	38,500,000	38,500,000
State park family campsite nights available to rent	1,278,457	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
State park family campsite nights rented	325,323	325,000	325,000	325,000	325,000	325,000	325,000
Percentage of available state park family campsites rented during peak weekends	69.17%	66%	66%	66%	66%	66%	66%
State park family cabin nights available to rent	95,166	96,000	96,000	96,000	96,000	96,000	96,000
State park family cabin nights rented	59,182	58,000	58,000	58,000	58,000	58,000	58,000
Percentage of available state park family cabins rented during peak weekends	93.50%	92%	92%	92%	92%	92%	92%
LEED registered park and forest buildings (under review and approved)	10	11	13	13	14	15	16
Sales of certified timber (millions of board feet sold)	81	75	75	75	75	75	75
Statewide Land Conservation							
Land conservation through acquisition and easement (acres) - includes parks & forests and communities	11,936	3,500	3,500	3,500	3,500	3,500	3,500
Sustainable and Attractive Communities							
Total grant funds awarded	\$25,404,940	\$29,100,000	\$31,400,000	\$35,270,000	\$38,500,000	\$38,500,000	\$38,500,000
Community Conservation Partnerships Program (C2P2) grants awarded	139	125	125	135	150	150	150
STATEMAP - square miles mapped	500	240	240	240	240	240	240
Pennsylvania Natural Heritage Program (PNHP) online website database searches	49,042	58,000	62,000	65,000	68,000	71,000	74,000
Outdoor Connections for Citizens and Visitors							
Get Outdoors PA recreation programs conducted	2,779	2,390	2,390	2,390	2,390	2,390	2,390
Environmental education and interpretive program attendance	346,793	350,000	350,000	350,000	350,000	350,000	350,000





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.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>Institutional:</i>			
General Government Operations.....	\$ 31,707	\$ 30,577	\$ 30,282
(A)County Training.....	174	286	286
(A)Augmentations from State Agencies.....	7	41	41
Subtotal.....	<u>\$ 31,888</u>	<u>\$ 30,904</u>	<u>\$ 30,609</u>
Medical Care.....	229,520	243,518	244,427
(A)Medical Co-payment.....	414	479	479
(A)Miscellaneous.....	4	3	3
Subtotal.....	<u>\$ 229,938</u>	<u>\$ 244,000</u>	<u>\$ 244,909</u>
Inmate Education and Training.....	41,580	41,434	41,593
(F)Youth Offenders Education.....	1,500	1,088	1,330
(F)Correctional Education.....	1,607	1,338	1,400
Subtotal.....	<u>\$ 44,687</u>	<u>\$ 43,860</u>	<u>\$ 44,323</u>
State Correctional Institutions.....	1,290,130	1,378,790	1,564,508
(F)SABG - Drug and Alcohol Programs.....	2,100	2,100	2,100
(F)Reimbursement for Alien Inmates.....	1,315	1,835	1,455
(F)Volunteer Support.....	0	40	40
(F)RSAT - State Prisoners (EA).....	450	400	950
(F)Changing Offender Behavior.....	800	800	200
(F)Prison Rape Elimination.....	300	200	0
(F)Automated Victim Notification (EA).....	250	0	0
(F)ARRA - Fiscal Stabilization.....	172,911	172,911	0
(F)ARRA - Inmate Transportation Initiative (EA).....	0	500	200
(F)ARRA - County Jail Reentry Project (EA).....	0	0	750
(A)Community Service Centers.....	536	600	548
(A)Institutional Reimbursements.....	335	458	344
(A)Social Security.....	169	209	172
Subtotal.....	<u>\$ 1,469,296</u>	<u>\$ 1,558,843</u>	<u>\$ 1,571,267</u>
Subtotal - State Funds.....	\$ 1,592,937	\$ 1,694,319	\$ 1,880,810
Subtotal - Federal Funds.....	181,233	181,212	8,425
Subtotal - Augmentations.....	1,639	2,076	1,873
Total - Institutional.....	<u>\$ 1,775,809</u>	<u>\$ 1,877,607</u>	<u>\$ 1,891,108</u>
STATE FUNDS.....	\$ 1,592,937	\$ 1,694,319	\$ 1,880,810
FEDERAL FUNDS.....	181,233	181,212	8,425
AUGMENTATIONS.....	1,639	2,076	1,873
GENERAL FUND TOTAL.....	<u>\$ 1,775,809</u>	<u>\$ 1,877,607</u>	<u>\$ 1,891,108</u>
OTHER FUNDS:			
MANUFACTURING FUND:			
General Operations (EA).....	\$ 71,950	\$ 77,231	\$ 76,305
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 1,592,937	\$ 1,694,319	\$ 1,880,810
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	181,233	181,212	8,425
AUGMENTATIONS.....	1,639	2,076	1,873
OTHER FUNDS.....	71,950	77,231	76,305
TOTAL ALL FUNDS.....	<u>\$ 1,847,759</u>	<u>\$ 1,954,838</u>	<u>\$ 1,967,413</u>



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
INSTITUTIONALIZATION OF OFFENDERS							
GENERAL FUND.....	\$ 1,592,937	\$ 1,694,319	\$ 1,880,810	\$ 1,916,924	\$ 1,960,523	\$ 1,955,856	\$ 1,962,797
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	181,233	181,212	8,425	7,075	6,325	6,325	6,325
OTHER FUNDS.....	73,589	79,307	78,178	78,378	78,944	79,598	79,999
SUBCATEGORY TOTAL.....	\$ 1,847,759	\$ 1,954,838	\$ 1,967,413	\$ 2,002,377	\$ 2,045,792	\$ 2,041,779	\$ 2,049,121
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1,592,937	\$ 1,694,319	\$ 1,880,810	\$ 1,916,924	\$ 1,960,523	\$ 1,955,856	\$ 1,962,797
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	181,233	181,212	8,425	7,075	6,325	6,325	6,325
OTHER FUNDS.....	73,589	79,307	78,178	78,378	78,944	79,598	79,999
DEPARTMENT TOTAL.....	\$ 1,847,759	\$ 1,954,838	\$ 1,967,413	\$ 2,002,377	\$ 2,045,792	\$ 2,041,779	\$ 2,049,121



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 law offenders in state correctional institutions for the period of time specified by the courts and the Pennsylvania Board of Probation and Parole (PBPP). The department is charged with maintaining safe and humane prisons and providing opportunities to the inmate population for growth and change. Given that 90 percent of offenders incarcerated in the commonwealth's state prisons will eventually be released into the community, the Department of Corrections emphasizes programs that prepare inmates for responsible, crime-free community living. These re-entry programs include drug and alcohol treatment, education, work skills and community corrections.

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 or below operational bed capacity, which represents the optimal number of inmates that each facility can safely house. The department considers a number of factors when determining operational capacity including cell size and security level, availability of inmate employment or programming, support services and facility infrastructure. The state-administered correctional system includes 26 correctional institutions, 54 state-operated or contracted community corrections centers and a motivational boot camp. In addition, the department has leased the former SCI Waynesburg site in order to provide more inmate beds as future needs require. There were 51,281 inmates in the state system at the end of June 2010 and an operational capacity of 46,637. Operational bed capacity in the institutions is expected to increase in 2011 and in 2012 with the opening of housing units in four institutions. This additional institutional capacity in combination with lower population projections resulting from passage of several bills in 2008 and 2010 that provide various alternatives to incarceration will allow the department to return to Pennsylvania in 2011 over 2,100 inmates temporarily housed in two institutions in Virginia and Michigan.

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 recognized as a best

practice by the American Correctional Association. The percentage of inmates random testing positive for drug and alcohol use while in prison is 0.15 percent, which is one of the lowest rates in the country for state correctional systems. The department is fully accredited by the American Correctional Association. 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, giving them an opportunity to learn a trade, while constructively occupying their time. Another large support service is health care services. A combination of staff and contractors provides health care services. Renal dialysis, geriatric services, infectious care treatment and other necessary services are offered. Approximately 18 percent of the inmate population requires mental health treatment. To address these needs, mental health services are provided, including special needs units in most institutions and licensed mental health units in six institutions.

Program Element: Inmate Programs and Re-entry

The department released nearly 17,000 offenders in 2009-10 with 66 percent exiting to parole supervision. Population projection models predict little population change through fiscal year 2011-12, with growth in future years for the inmate population, with an increasing number of offenders with shorter sentences. Research has shown that inmate participation in appropriately structured interventions can reduce recidivism. The department provides programming which will enable inmates to leave prison better prepared to adjust to life in the community. A public safety reform package was enacted in Pennsylvania in 2008 to enhance inmate participation in treatment programs to reduce recidivism and reduce the growth of the nonviolent inmate population. In order to increase public safety, the PBPP has implemented certain changes in parole procedures particularly affecting inmates classified as violent. Both the department and the PBPP continue to review changes to procedures for violent offenders. Act 95 of 2010 authorized the use of secure parole violator centers for certain offenders. These centers provide the means to reduce the number of technical parole violators returned to prison yet maintain a secured environment for offenders assigned to the centers.

Program: Institutionalization of Offenders (continued)

Preparation for re-entry begins when an offender enters the department's diagnostic and classification centers. The centers conduct a comprehensive assessment of the individual's risk or probability of reoffense and needs or factors related to criminality - such as antisocial attitudes, poor problem solving and decision-making skills, substance abuse and low levels of education and vocational achievement. This assessment data is used by trained staff and shared with the PBPP, which may provide additional input to develop a meaningful correctional plan. The correctional plan details the recommended treatment and education programs for each individual offender and sets expectations for behavior and work performance throughout incarceration.

Act 112 of 2004 directed the state to create an intermediate punishment program. In this program eligible inmates, including those with less serious offenses, participate in structured alcohol and other drug treatment programs while 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 completed these programs. As this program is fully utilized, it will be able to serve approximately 1,500 inmates per year.

Treatment 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 alcohol and other drug treatment programs. Approximately 15,500 inmates are recommended to receive alcohol and other drug treatment upon entry into the state prison system, and approximately 3,930 inmates currently receive treatment services. Therapeutic communities provide more intensive alcohol and other drug programming, which is more effective in changing behavior. Approximately 1,905 inmates currently receive this intensive treatment. Other counseling services and programs are available. All facilities offer sex offender treatment, some with special sex offender units.

Educational programs offer inmates the opportunity to obtain high school diplomas or adult basic education skills. A Correctional Education Association study shows that attending educational courses in prison reduces the likelihood of recidivism by 23 percent. New inmates who do not have a high school diploma or GED are required to

attend classes. Approximately 9,900 inmates are in GED or adult basic education classes, and 1,546 inmates received diplomas within the most recently completed fiscal year.

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. The department works with the Department of Labor and Industry to match its vocational offerings to jobs available in the community. Ninety-five percent of the vocational training programs offered in institutions provide inmates completing the program and passing examinations with industry-recognized credentials.

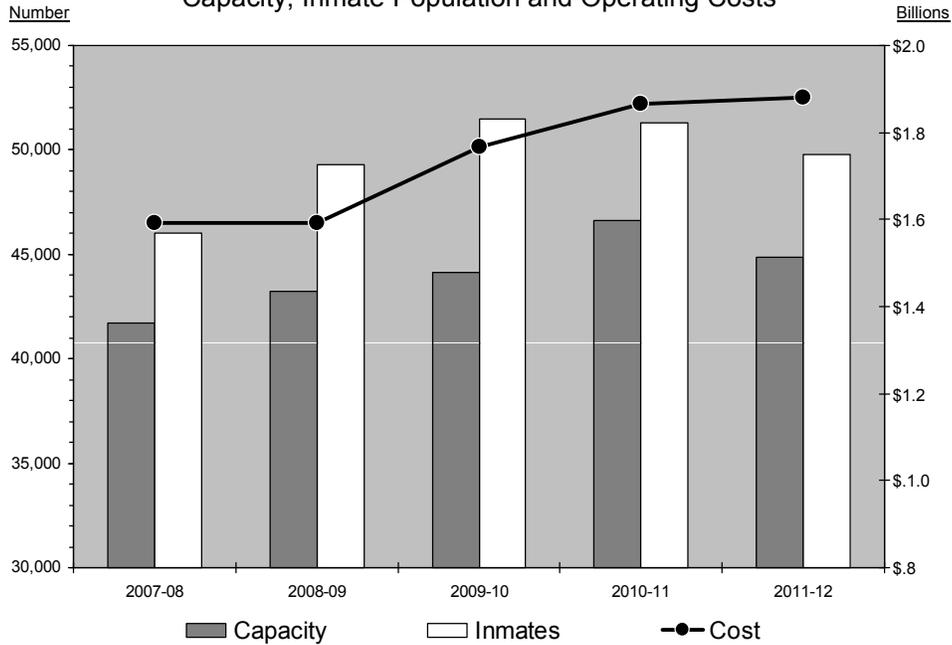
Work is another component of inmate programming. The department is continuing its efforts to have inmates perform meaningful work. Employment in institutional jobs and in correctional industries provides inmates with the opportunity to learn responsibility, good work habits and skills that can be used to find employment after release. Approximately 83 percent of inmates assessed as being able and eligible to work are working. Community work programs in which low-risk inmates perform community service projects outside the institutions are available at most institutions.

Program Element: Community Corrections

The last step in re-entry treatment is community corrections. Community corrections centers permit highly screened inmates, who meet established criteria, to live in halfway houses in the community. At these centers, inmates receive 24-hour supervision and can utilize counseling services while working or attending school. These centers provide programming reinforcement during the inmate's transition back to the community. The centers also offer alcohol and other drug 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. In 2012, there will be approximately 4,800 offenders in the community corrections centers, and approximately 57 percent will be parolees.

State Correctional Institutions

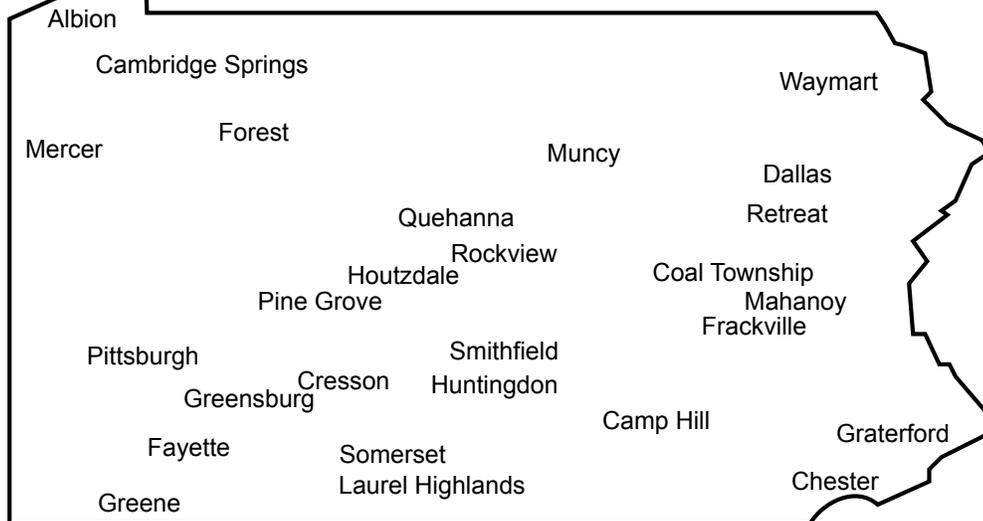
Capacity, Inmate Population and Operating Costs



The cost of operating the state correctional institution system has increased from nearly \$1.6 billion in 2007-08 to nearly \$1.9 billion in 2011-12. During this timeframe, the inmate population is projected to increase from 46,028 to 49,787 and the operational capacity from 41,703 to an estimated 44,980.

State Correctional Institutions

Locations



Program: Institutionalization of Offenders (continued)

Population and Capacity Institutions	Population Dec 2010	Estimated Population Dec 2011	Capacity Dec 2010	Estimated Capacity Dec 2011
Albion.....	2,312	2,313	1,900	1,900
Cambridge Springs.....	932	927	1,033	1,033
Camp Hill.....	3,209	3,176	3,200	3,200
Chester.....	1,267	1,270	1,200	1,200
Coal Township.....	2,061	2,068	1,900	1,900
Cresson.....	1,527	1,534	1,450	1,450
Dallas.....	2,150	2,158	1,750	1,750
Fayette.....	2,065	2,072	2,018	2,018
Forest.....	2,289	2,300	2,054	2,054
Frackville.....	1,154	1,150	900	900
Graterford.....	2,888	2,900	2,800	2,800
Greene.....	1,789	1,791	1,724	1,724
Greensburg.....	931	958	800	800
Houtzdale.....	2,297	2,308	1,900	1,900
Huntingdon.....	2,158	2,167	1,700	1,700
Laurel Highlands.....	1,202	1,208	1,200	1,200
Mahanoy.....	2,367	2,379	1,900	1,900
Mercer.....	1,497	1,504	1,360	1,360
Muncy.....	1,445	1,423	1,242	1,242
Pine Grove.....	829	1,074	786	1,016
Pittsburgh.....	1,658	1,653	1,500	1,500
Quehanna Boot Camp.....	396	400	464	464
Retreat.....	1,139	1,149	1,111	1,111
Rockview.....	2,112	2,300	1,700	1,850
Smithfield.....	1,373	1,348	1,000	1,000
Somerset.....	2,266	2,277	1,900	1,900
Waymart.....	1,333	1,342	1,470	1,470
Community Centers.....	1,875	2,026	1,875	2,026
Other jurisdictions.....	2,800	612	2,800	612
Total.....	<u>51,321</u>	<u>49,787</u>	<u>46,637</u>	<u>44,980</u>

Included in capacity are 1,015 contract beds in December 2010 and 1,134 contract beds in December 2011 that are available to house community corrections inmates. Other jurisdictions capacity includes federal beds (13 in December 2010 and 12 in December 2011; beds contracted with other counties in Pennsylvania (607 in December 2010 and 600 in December 2011); and 2,180 beds contracted with correctional institutions in Virginia and Michigan in December 2010. By June 2012, net operational capacity will be 45,734 after all inmates have returned from out of state institutions and housing units at four institutions have opened.



Program: Institutionalization of Offenders (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget		2009-10 Actual	2010-11 Available	2011-12 Budget
Albion				Forest			
State Funds.....	\$ 53,788	\$ 54,911	\$ 62,975	State Funds.....	\$ 53,178	\$ 56,644	\$ 63,550
Federal Funds.....	6,326	6,316	17	Federal Funds.....	6,736	6,735	39
Augmentations.....	27	30	28	Augmentations.....	23	22	22
TOTAL.....	<u>\$ 60,141</u>	<u>\$ 61,257</u>	<u>\$ 63,020</u>	TOTAL.....	<u>\$ 59,937</u>	<u>\$ 63,401</u>	<u>\$ 63,611</u>
Cambridge Springs				Frackville			
State Funds.....	\$ 30,856	\$ 32,128	\$ 35,462	State Funds.....	\$ 37,967	\$ 39,940	\$ 44,958
Federal Funds.....	3,818	3,715	16	Federal Funds.....	5,018	5,010	11
Augmentations.....	22	32	30	Augmentations.....	12	13	12
TOTAL.....	<u>\$ 34,696</u>	<u>\$ 35,875</u>	<u>\$ 35,508</u>	TOTAL.....	<u>\$ 42,997</u>	<u>\$ 44,963</u>	<u>\$ 44,981</u>
Camp Hill				Graterford			
State Funds.....	\$ 91,859	\$ 93,831	\$ 108,145	State Funds.....	\$ 106,300	\$ 105,797	\$ 124,440
Federal Funds.....	11,325	11,313	16	Federal Funds.....	12,873	12,711	12
Augmentations.....	59	76	76	Augmentations.....	66	72	75
TOTAL.....	<u>\$ 103,243</u>	<u>\$ 105,220</u>	<u>\$ 108,237</u>	TOTAL.....	<u>\$ 119,239</u>	<u>\$ 118,580</u>	<u>\$ 124,527</u>
Chester				Greene			
State Funds.....	\$ 39,230	\$ 41,412	\$ 46,278	State Funds.....	\$ 62,088	\$ 64,904	\$ 73,763
Federal Funds.....	4,500	4,500	0	Federal Funds.....	8,218	8,210	12
Augmentations.....	21	31	19	Augmentations.....	22	25	23
TOTAL.....	<u>\$ 43,751</u>	<u>\$ 45,943</u>	<u>\$ 46,297</u>	TOTAL.....	<u>\$ 70,328</u>	<u>\$ 73,139</u>	<u>\$ 73,798</u>
Coal Township				Greensburg			
State Funds.....	\$ 51,429	\$ 53,837	\$ 59,750	State Funds.....	\$ 35,666	\$ 38,235	\$ 40,128
Federal Funds.....	6,240	6,225	129	Federal Funds.....	4,528	4,513	116
Augmentations.....	28	28	31	Augmentations.....	16	15	15
TOTAL.....	<u>\$ 57,697</u>	<u>\$ 60,090</u>	<u>\$ 59,910</u>	TOTAL.....	<u>\$ 40,210</u>	<u>\$ 42,763</u>	<u>\$ 40,259</u>
Cresson				Houtzdale			
State Funds.....	\$ 49,375	\$ 51,604	\$ 59,472	State Funds.....	\$ 54,723	\$ 56,168	\$ 64,156
Federal Funds.....	6,015	6,017	18	Federal Funds.....	6,534	6,510	112
Augmentations.....	22	22	20	Augmentations.....	38	71	44
TOTAL.....	<u>\$ 55,412</u>	<u>\$ 57,643</u>	<u>\$ 59,510</u>	TOTAL.....	<u>\$ 61,295</u>	<u>\$ 62,749</u>	<u>\$ 64,312</u>
Dallas				Huntingdon			
State Funds.....	\$ 62,769	\$ 65,327	\$ 74,714	State Funds.....	\$ 56,209	\$ 58,246	\$ 66,526
Federal Funds.....	8,015	8,016	17	Federal Funds.....	7,426	7,428	30
Augmentations.....	39	44	42	Augmentations.....	30	86	36
TOTAL.....	<u>\$ 70,823</u>	<u>\$ 73,387</u>	<u>\$ 74,773</u>	TOTAL.....	<u>\$ 63,665</u>	<u>\$ 65,760</u>	<u>\$ 66,592</u>
Fayette				Laurel Highlands			
State Funds.....	\$ 63,217	\$ 66,197	\$ 75,038	State Funds.....	\$ 56,639	\$ 57,865	\$ 63,538
Federal Funds.....	7,615	7,615	16	Federal Funds.....	4,703	4,703	4
Augmentations.....	25	32	28	Augmentations.....	23	21	22
TOTAL.....	<u>\$ 70,857</u>	<u>\$ 73,844</u>	<u>\$ 75,082</u>	TOTAL.....	<u>\$ 61,365</u>	<u>\$ 62,589</u>	<u>\$ 63,564</u>

Program: Institutionalization of Offenders (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget		2009-10 Actual	2010-11 Available	2011-12 Budget
Mahanoy				Smithfield			
State Funds.....	\$ 54,097	\$ 56,987	\$ 64,093	State Funds.....	\$ 43,103	\$ 44,176	\$ 51,397
Federal Funds.....	6,420	6,423	25	Federal Funds.....	5,521	5,521	23
Augmentations.....	34	42	46	Augmentations.....	12	19	12
TOTAL.....	<u>\$ 60,551</u>	<u>\$ 63,452</u>	<u>\$ 64,164</u>	TOTAL.....	<u>\$ 48,636</u>	<u>\$ 49,716</u>	<u>\$ 51,432</u>
Mercer				Somerset			
State Funds.....	\$ 40,787	\$ 41,946	\$ 47,812	State Funds.....	\$ 54,498	\$ 57,948	\$ 64,285
Federal Funds.....	4,823	4,823	25	Federal Funds.....	6,526	6,524	26
Augmentations.....	19	36	27	Augmentations.....	28	26	26
TOTAL.....	<u>\$ 45,629</u>	<u>\$ 46,805</u>	<u>\$ 47,864</u>	TOTAL.....	<u>\$ 61,052</u>	<u>\$ 64,498</u>	<u>\$ 64,337</u>
Muncy				Waymart			
State Funds.....	\$ 50,980	\$ 53,845	\$ 63,843	State Funds.....	\$ 62,746	\$ 66,228	\$ 75,089
Federal Funds.....	5,833	5,803	107	Federal Funds.....	7,945	7,944	147
Augmentations.....	39	35	35	Augmentations.....	21	26	23
TOTAL.....	<u>\$ 56,852</u>	<u>\$ 59,683</u>	<u>\$ 63,985</u>	TOTAL.....	<u>\$ 70,712</u>	<u>\$ 74,198</u>	<u>\$ 75,259</u>
Pine Grove				Waynesburg			
State Funds.....	\$ 34,571	\$ 37,185	\$ 43,033	State Funds.....	\$ 0	\$ 1,463	\$ 1,551
Federal Funds.....	4,222	4,216	119	Federal Funds.....	0	0	0
Augmentations.....	10	9	9	Augmentations.....	0	0	0
TOTAL.....	<u>\$ 38,803</u>	<u>\$ 41,410</u>	<u>\$ 43,161</u>	TOTAL.....	<u>\$ 0</u>	<u>\$ 1,463</u>	<u>\$ 1,551</u>
Pittsburgh				Community Centers			
State Funds.....	\$ 50,258	\$ 52,857	\$ 64,111	State Funds.....	\$ 92,844	\$ 103,587	\$ 102,430
Federal Funds.....	5,515	5,910	11	Federal Funds.....	2,653	3,000	0
Augmentations.....	34	23	34	Augmentations.....	536	600	548
TOTAL.....	<u>\$ 55,807</u>	<u>\$ 58,790</u>	<u>\$ 64,156</u>	TOTAL.....	<u>\$ 96,033</u>	<u>\$ 107,187</u>	<u>\$ 102,978</u>
Quehanna Boot Camp				Training Academy			
State Funds.....	\$ 16,007	\$ 17,152	\$ 19,428	State Funds.....	\$ 6,084	\$ 6,318	\$ 6,268
Federal Funds.....	2,207	2,206	7	Federal Funds.....	0	0	0
Augmentations.....	9	23	9	Augmentations.....	181	326	326
TOTAL.....	<u>\$ 18,223</u>	<u>\$ 19,381</u>	<u>\$ 19,444</u>	TOTAL.....	<u>\$ 6,265</u>	<u>\$ 6,644</u>	<u>\$ 6,594</u>
Retreat				Central Office			
State Funds.....	\$ 36,557	\$ 39,313	\$ 42,966	State Funds.....	\$ 58,955	\$ 63,710	\$ 74,417
Federal Funds.....	4,235	4,236	38	Federal Funds.....	7,623	7,241	7,199
Augmentations.....	17	21	20	Augmentations.....	169	213	173
TOTAL.....	<u>\$ 40,809</u>	<u>\$ 43,570</u>	<u>\$ 43,024</u>	TOTAL.....	<u>\$ 66,747</u>	<u>\$ 71,164</u>	<u>\$ 81,789</u>
Rockview				Other jurisdictions			
State Funds.....	\$ 62,897	\$ 66,432	\$ 78,613	State Funds.....	\$ 23,260	\$ 48,126	\$ 18,581
Federal Funds.....	7,820	7,828	133	Federal Funds.....	0	0	0
Augmentations.....	57	57	62	Augmentations.....	0	0	0
TOTAL.....	<u>\$ 70,774</u>	<u>\$ 74,317</u>	<u>\$ 78,808</u>	TOTAL.....	<u>\$ 23,260</u>	<u>\$ 48,126</u>	<u>\$ 18,581</u>

Program: Institutionalization of Offenders (continued)

Program Recommendations:

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

General Government Operations		State Correctional Institutions	
\$ -580	—nonrecurring 2010-11 budgetary freeze amount.	\$ -26,192	—nonrecurring 2010-11 budgetary freeze amount.
285	—to continue current program.	172,911	—to replace federal funding received in 2010-11 under the American Recovery and Reinvestment Act (ARRA).
<u>\$ -295</u>	<i>Appropriation Decrease</i>	-29,545	—reduction in costs to end contracting for 2,140 prison beds in Michigan and Virginia.
Medical Care		68,544	—to continue current program including addition of 1,260 inmate beds in new housing units at four institutions and additional community corrections centers space.
\$ -4,626	—nonrecurring 2010-11 budgetary freeze amount.	<u>\$ 185,718</u>	<i>Appropriation Increase</i>
-5,000	—Initiative—Medical Cost Savings. Savings achieved by reducing the cost of inpatient hospital care.		
9,596	—contracted medical services and pharmacy costs.		
939	—to continue current program.		
<u>\$ 909</u>	<i>Appropriation Increase</i>		
Inmate Education and Training			
\$ -787	—nonrecurring 2010-11 budgetary freeze amount.		
946	—to continue current program.		
<u>\$ 159</u>	<i>Appropriation Increase</i>		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
General Government Operations	\$ 31,707	\$ 30,577	\$ 30,282	\$ 30,282	\$ 30,282	\$ 30,282	\$ 30,282
Medical Care	229,520	243,518	244,427	253,252	261,732	267,807	274,016
Inmate Education and Training.....	41,580	41,434	41,593	42,282	43,193	43,193	43,193
State Correctional Institutions.....	1,290,130	1,378,790	1,564,508	1,591,108	1,625,316	1,614,574	1,615,306
GENERAL FUND TOTAL	<u>\$ 1,592,937</u>	<u>\$ 1,694,319</u>	<u>\$ 1,880,810</u>	<u>\$ 1,916,924</u>	<u>\$ 1,960,523</u>	<u>\$ 1,955,856</u>	<u>\$ 1,962,797</u>



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Institutionalization of Offenders							
Total inmate population - excludes parolees	51,281	50,530	50,775	52,500	53,685	54,600	55,520
Inmates in institutions	46,705	45,870	48,060	50,390	51,570	52,490	53,405
Inmates in community corrections centers - excludes parolees	1,811	1,900	2,100	2,100	2,100	2,100	2,100
Prison operational bed capacity	46,637	46,625	45,735	48,090	48,090	49,190	49,190
Inmates in excess of operational bed capacity	4,644	3,905	5,040	4,405	5,590	5,410	6,325
Inmates in state intermediate punishment program	892	900	925	950	950	950	950
Inmates employed or in educational programs	31,275	30,275	31,940	33,475	34,255	34,865	35,465
Hours worked in community works projects	534,755	550,795	567,310	584,330	601,860	619,915	638,510
Inmates enrolled in academic educational programs	9,704	9,900	10,095	10,295	10,500	10,710	10,925
Inmates enrolled in vocational programs	3,448	3,535	3,620	3,710	3,805	3,900	3,995
Inmates needing adult basic education or GED upon reception*	27,849	23,245	23,510	24,300	24,845	25,270	25,690
Inmates receiving high school diplomas/GED's	1,546	1,670	1,800	1,945	2,100	2,270	2,450
Inmates assessed as having an alcohol or other drug problem	34,045	32,845	33,220	34,340	35,110	35,710	36,030
Inmates currently in alcohol or other drug treatment programs	3,766	3,930	3,930	3,930	3,930	3,930	3,930
Inmates who have completed alcohol or other drug treatment programs	9,979	10,650	10,650	10,650	10,650	10,650	10,650
Percentage of inmates testing positive for drug and alcohol use while in prison (random test)	0.14%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Monies collected from inmates to pay for victim restitution and other fines, fees, costs, penalties, and reparations	\$5,786,789	\$5,874,000	\$5,962,000	\$6,051,000	\$6,142,000	\$6,234,000	\$6,328,000
Cost per inmate per year (state funds)	\$30,248	\$32,102	\$35,697	\$35,752	\$35,594	\$34,816	\$34,363
Cost per inmate per year for health care (state funds)	\$4,505	\$4,784	\$4,826	\$4,905	\$4,930	\$4,946	\$4,977
Inmates to custody staff	5.40	5.30	5.30	5.20	5.30	5.40	5.50
Inmates to all Department of Corrections staff	3.10	3.20	3.20	3.10	3.20	3.20	3.30

* New Program Measure

Openings and closing of correctional institutions in 2012-13 and 2014-15 are reflected in the above measures.





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.



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Commonwealth Appropriations in Direct Support of Public Education

(Dollar amounts in thousands)

	2011-12 Budget
Basic Education Funding.....	\$ 5,226,142
Career and Technical Education.....	62,000
Authority Rentals and Sinking Fund Requirements.....	299,190
Pupil Transportation.....	546,758
Nonpublic and Charter School Pupil Transportation.....	76,640
Special Education.....	1,026,815
Tuition for Orphans and Children Placed in Private Homes.....	57,227
Payments in Lieu of Taxes.....	194
Education of Migrant Laborers' Children.....	907
PA Charter Schools for the Deaf and Blind.....	39,401
Special Education - Approved Private Schools.....	98,098
School Food Services.....	30,525
School Nutrition Incentive Program	3,327
School Employees' Social Security.....	530,040
School Employees' Retirement.....	615,086
TOTAL.....	\$ 8,612,350

The 2011-12 budget includes new strategies and initiatives that will streamline school processes and increase efficiency, while improving student achievement. Through increased flexibility in the use of available funds, schools will be able to tailor programs and initiatives to meet the needs of their students.

Total Funding in Direct Support of Public Education

	State Funds	Federal* Funds	Local* Funds	Total Funds
Revenues (dollar amounts in thousands)	\$8,612,350	\$893,611	\$13,697,282	\$23,203,243
Revenues per Student.....	\$4,952	\$514	\$7,877	\$13,343

*Federal and local revenue amounts are taken from the 2009-10 school district annual financial report.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 26,399	\$ 26,232	\$ 24,449
(F)Adult Basic Education - Administration.....	1,600	1,400	1,600
(F)Education of Exceptional Children.....	10,000	10,000	10,000
(F)Special Education - State Personnel Development.....	2,200	2,500	2,500
(F)ESEA - Title I - Administration.....	8,000	8,000	8,000
(F)State Approving Agency (VA).....	1,400	1,400	1,400
(F)Food and Nutrition Service.....	6,453	6,554	7,639
(F)Migrant Education - Administration.....	600	600	600
(F)Vocational Education - Administration.....	3,910	3,910	3,910
(F)Improving Teacher Quality - Title II - Administration/State.....	5,400	5,400	5,400
(F)Byrd Scholarships.....	1,563	1,575	1,575
(F)Homeless Assistance.....	3,426	3,426	3,426
(F)Preschool Grant.....	174	0	687
(F)DFSC - Administration.....	850	850	0
(F)State Literacy Resource Centers.....	110	0	0
(F)School Health Education Programs.....	650	600	450
(F)Learn and Serve America - School Based.....	882	970	970
(F)Environmental Education Workshops.....	200	140	150
(F)Charter Schools Initiatives.....	7,000	8,000	8,000
(F)Educational Technology - Administration.....	800	800	75
(F)Advanced Placement Testing.....	250	379	379
(F)Medical Assistance - Nurses' Aide Training.....	300	300	300
(F)State and Community Highway Safety.....	1,300	1,200	1,200
(F)Reading First Initiative - Administration.....	6,000	4,000	0
(F)Title IV - 21st Century Community Learning Centers - Admin.....	4,000	4,000	1,167
(F)National Assessment of Educational Progress (NAEP).....	200	200	148
(F)Refugee School Impact Development (EA).....	375	1,000	425
(F)Even Start - Migrant Education.....	0	400	400
(F)Migrant Education Coordination Program.....	150	100	100
(F)Professional Development for the Arts.....	346	0	0
(F)College Access Challenge Grant Program.....	2,150	4,431 ^a	6,494
(F)Jacob Javits Gifted and Talented Students.....	394	394	0
(F)School Improvement Grants.....	33,000	60,000	60,000
(F)Foreign Language Assistance.....	250	400	400
(F)Statewide Longitudinal Data System.....	257	0	0
(F)Supplemental Services for Recently Arrived Refugees.....	0	500	0
(F)Fulbright-Hays Group Project Abroad.....	0	90	0
(F)Bridge Grant.....	0	185	45
(F)School Climate Initiative.....	0	5,800	0
(A)Management Services.....	5	6	6
(A)Environmental Education.....	261	261	261
(A)Approved Private Schools.....	314	323	323
(A)National Center for Educational Statistics.....	106	110	110
(A)Teenage Parenting.....	4,786	4,786	4,786
(A)EPSDT Administration.....	1,181	1,322	1,322
(A)Services to Nonpublic Schools - Administration.....	891	867	867
(A)Troops for Teachers.....	8	0	0
(A)School Facilities Initiatives.....	225	225	225
(A)International Educators Training.....	4	0	0
(A)National Assn. of State Boards of Education.....	4	20	20
(A)Environmental & Ecology Reading.....	0	10	10
(A)Right To Know.....	1	1	1
(A)Teacher of the Year.....	0	5	0
Subtotal.....	<u>\$ 138,375</u>	<u>\$ 173,672</u>	<u>\$ 159,820</u>
Information and Technology Improvement.....	3,465	2,514	4,266
(F)Statewide Data Systems.....	6,103	3,446	1,008
(F)ARRA - Statewide Longitudinal Data Systems.....	0	20,000	9,284



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
PA Assessment	37,620	32,600	36,590
(F)Title VI - Part A State Assessments.....	12,668	17,000	12,018
(F)Grants for Enhanced Assessment Instruments.....	1,000	3,500	6,383
Subtotal.....	<u>\$ 60,856</u>	<u>\$ 79,060</u>	<u>\$ 69,549</u>
State Library	2,372	2,245	2,081
(F)LSTA - Library Development.....	7,210	8,459	8,131
(F)Brownsfield Economic Development Initiative.....	5,500	0	0
(F)Save America's Treasures.....	0	150	0
(A)Penalties and Reimbursements.....	0	3	3
(A)Photocopy Service.....	4	6	6
(A)Keystone Fund.....	0	78	83
(A)Catalog Services.....	0	20	20
Subtotal.....	<u>\$ 15,086</u>	<u>\$ 10,961</u>	<u>\$ 10,324</u>
Subtotal - State Funds.....	\$ 69,856	\$ 63,591	\$ 67,386
Subtotal - Federal Funds.....	136,671	192,059	164,264
Subtotal - Augmentations.....	7,790	8,043	8,043
Total - General Government.....	<u>\$ 214,317</u>	<u>\$ 263,693</u>	<u>\$ 239,693</u>
Institutional:			
Youth Development Centers - Education.....	\$ 11,039	\$ 10,606	\$ 10,606
Grants and Subsidies:			
Support of Public Schools:			
Basic Education Funding	\$ 4,868,741	\$ 4,733,523^b	\$ 5,226,142
(F)ARRA - Fiscal Stabilization - Basic Education.....	654,747	654,747	0
(F)Education Jobs Fund.....	0	387,816 ^c	0
Basic Ed Formula Enhancements	2,000	1,984	0
Dual Enrollment Payments	8,000	6,959	0
School Improvement Grants	11,326	10,797	0
Pennsylvania Accountability Grants	271,425	259,456	0
Pre-K Counts	85,512	85,240	83,620
Head Start Supplemental Assistance	38,696	38,384	37,655
Education Assistance Program	55,342	47,606	0
Science: It's Elementary	13,489	6,910	0
Mobile Science Education Program	1,710	1,600	0
Teacher Professional Development	22,750	21,563	7,250
(A)Governor's Institute - Professional Development.....	128	118	118
Adult and Family Literacy	17,625	14,887	12,413
(F)Adult Basic Education - Local.....	19,000	19,000	21,000
Career and Technical Education	62,000	62,000	62,000
(F)Vocational Education Act - Local.....	53,000	53,000	53,000
Authority Rentals and Sinking Fund Requirements	318,500	314,937	299,190
Pupil Transportation	518,093	533,355	546,758
Nonpublic and Charter School Pupil Transportation	78,876	76,205	76,640
Special Education	1,026,815	1,026,815	1,026,815
(F)Individuals with Disabilities Education - Local.....	439,551	425,823	430,000
(F)ARRA - Individuals with Disabilities Education - Local.....	411,349	213,482	37,032
Early Intervention	173,585	182,142	198,116
(F)Individuals with Disabilities Education.....	16,000	16,000	16,000
(F)ARRA - Individuals with Disabilities Education.....	7,248	7,545	1,571
Tuition for Orphans and Children Placed in Private Homes	57,116	56,729	57,227
Payments in Lieu of Taxes	180	188	194
Education of Migrant Laborers' Children	1,142	1,088	907
Scranton State School for the Deaf - Transition	5,400	0	0
PA Charter Schools for the Deaf and Blind	36,801	39,401	39,401
Special Education - Approved Private Schools	98,098	98,098	98,098
Intermediate Units	5,554	4,761	0
School Food Services	30,820	30,063	30,525
(F)Food and Nutrition - Local.....	467,155	504,527	534,799



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
(F)ARRA - Food and Nutrition - Local.....	2,397	250	0
(A)SWP Implementation Tool.....	50	0	0
School Nutrition Incentive Program.....	2,970^d	2,876^d	3,327
School Employees' Social Security.....	535,013	551,155	530,040
School Employees' Retirement.....	342,576	287,562	615,086
(A)Tobacco Endowment Account for Long-Term Hope.....	0	121,000	0
School Entity Demonstration Projects.....	0	600	0
High School Reform.....	3,663	1,762	0
Subtotal.....	<u>\$ 10,764,443</u>	<u>\$ 10,901,954</u>	<u>\$ 10,044,924</u>
(F)ESEA - Title V - School Districts.....	100	0	0
(F)ESEA - Title I - Local.....	625,000	625,000	625,000
(F)ARRA - ESEA - Title I - Local.....	398,775	96,001	9,681
(F)DFSC - School Districts.....	10,076	10,076	0
(F)Improving Teacher Quality - Title II - Local.....	152,000	152,000	130,000
(F)Educational Technology - Local.....	18,000	9,000	4,000
(F)Reading First Initiative - Local.....	20,000	4,291	0
(F)Title IV 21st Century Community Learning Centers - Local.....	50,000	50,000	36,460
(F)Title III - Language Instruction for LEP & Immigrant Student.....	16,532	16,532	16,532
(F)Title VI - Rural & Low Income School - Local.....	1,300	1,300	1,000
(F)Adult Basic Education Services (EA).....	6,000	6,000	6,000
(F)ARRA - School Improvement Programs - Education Technology.....	25,435	23,500	2,860
(F)ARRA - ESEA - Title I - School Improvement.....	120,800	110,000	75,000
(F)ARRA - Education for Homeless Children and Youths.....	1,500	375	0
(F)ARRA - Innovation Fund.....	0	0 ^e	0
(F)ARRA - Race to the Top.....	0	0 ^f	0
(F)ARRA - Teacher Incentive Fund.....	0	0 ^g	0
(F)ARRA - Teacher Quality Enhancement.....	0	0 ^h	0
(F)ARRA - Pennsylvania Education Network.....	0	0 ⁱ	0
(F)ARRA - Pennsylvania Public Computer Centers.....	0	0 ^j	0
(F)ARRA - Pennsylvania Sustainable Broadband.....	0	0 ^k	0
(F)Evaluation of State and Local Programs.....	0	1,200	0
(F)Title I Childhood Grants.....	0	18,000	0
(F)TANF - Teenage Parenting Education (EA).....	12,255	12,255	12,255
(F)Teenage Parenting - Food Stamps (EA).....	863	863	863
Subtotal.....	<u>\$ 1,458,636</u>	<u>\$ 1,136,393</u>	<u>\$ 919,651</u>
Other Grants and Subsidies:			
Lifelong Learning.....	0	825	0
Services to Nonpublic Schools.....	89,082	88,352	87,257
Textbooks, Materials and Equipment for Nonpublic Schools.....	27,243	27,020	26,543
Public Library Subsidy.....	60,000	54,549	53,507
Library Services for the Visually Impaired and Disabled.....	2,926	2,729	2,729
Recording for the Blind and Dyslexic.....	0	69	0
Library Access.....	2,970	3,000	3,000
Job Training Programs.....	3,577	3,442	0
Reimbursement of Charter Schools.....	226,936	224,083	0
Safe School Initiative.....	0	0	2,150
Subtotal.....	<u>\$ 412,734</u>	<u>\$ 404,069</u>	<u>\$ 175,186</u>
Higher Education - Other Grants and Subsidies:			
Community Colleges.....	214,217	214,217	212,167
(F)ARRA - Fiscal Stabilization - Higher Education.....	21,524	21,524	0
Transfer to Community College Capital Fund.....	46,369	46,369	46,369
Regional Community Colleges Services.....	585	568	0
Higher Education Assistance.....	360	1,250	0
Community Education Councils.....	1,800	1,400	0



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
Medical College in NE PA.....	3,850	3,850	0
Thaddeus Stevens College of Technology.....	8,550	8,550	9,788
(F)ARRA - Fiscal Stabilization - Higher Education.....	2,326	2,326	0
Subtotal.....	\$ 299,581	\$ 300,054	\$ 268,324
State System of Higher Education:			
State Universities.....	444,470	444,470	232,599
(F)ARRA - Fiscal Stabilization - Higher Education.....	38,158	38,158	0
Recruitment of the Disadvantaged.....	446	446	0
PA Center for Environmental Education (PCEE).....	368	368	0
McKeever Center.....	213	213	0
Affirmative Action.....	1,152	1,152	0
Program Initiatives.....	18,548	18,548	0
Subtotal.....	\$ 503,355	\$ 503,355	\$ 232,599
The Pennsylvania State University:			
General Support.....	304,449	304,449	152,225
(F)ARRA - Fiscal Stabilization - General Support.....	15,115	15,115	0
Pennsylvania College of Technology.....	13,623	13,623	12,869
(F)ARRA - Fiscal Stabilization - PA College of Technology.....	676	676	0
Subtotal.....	\$ 333,863	\$ 333,863	\$ 165,094
University of Pittsburgh:			
General Support.....	160,490	160,490	80,245
(F)ARRA - Fiscal Stabilization - General Support.....	7,505	7,505	0
Subtotal.....	\$ 167,995	\$ 167,995	\$ 80,245
Temple University:			
General Support.....	164,974	164,974	82,487
(F)ARRA - Fiscal Stabilization - General Support.....	7,763	7,763	0
Subtotal.....	\$ 172,737	\$ 172,737	\$ 82,487
Lincoln University:			
General Support.....	13,623	13,623	6,812
(F)ARRA - Fiscal Stabilization - General Support.....	159	159	0
Subtotal.....	\$ 13,782	\$ 13,782	\$ 6,812
Non-State Related Universities and Colleges:			
Drexel University.....	781	0	0
Philadelphia College of Osteopathic Medicine.....	733	0	0
Lake Erie College of Osteopathic Medicine.....	207	0	0
Salus University.....	189	0	0
Philadelphia University of the Arts.....	135	0	0
Subtotal.....	\$ 2,045	\$ 0	\$ 0
Non-State Related Institutions:			
Johnson Technical Institute.....	21	0	0
Williamson Free School of Mechanical Trades.....	8	0	0
Subtotal.....	\$ 29	\$ 0	\$ 0
Subtotal - State Funds.....	\$ 10,506,713	\$ 10,301,275	\$ 9,962,151
Subtotal - Federal Funds.....	3,622,309	3,511,809	2,013,053
Subtotal - Augmentations.....	178	121,118	118
Total - Grants and Subsidies.....	\$ 14,129,200	\$ 13,934,202	\$ 11,975,322



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
STATE FUNDS.....	\$ 10,587,608	\$ 10,375,472	\$ 10,040,143
FEDERAL FUNDS.....	3,758,980	3,703,868	2,177,317
AUGMENTATIONS.....	7,968	129,161	8,161
GENERAL FUND TOTAL.....	\$ 14,354,556	\$ 14,208,501	\$ 12,225,621
<u>MOTOR LICENSE FUND:</u>			
<i>Grants and Subsidies:</i>			
Safe Driving Course.....	\$ 875	\$ 1,103	\$ 1,103
<u>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</u>			
<i>Grants and Subsidies:</i>			
Local Libraries Rehabilitation and Development (EA).....	\$ 0	\$ 1,705	\$ 2,650
SSHE - Deferred Maintenance (EA).....	0	0	11,925
Total - Grants and Subsidies.....	\$ 0	\$ 1,705	\$ 14,575
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....	\$ 0	\$ 1,705	\$ 14,575
<u>OTHER FUNDS:</u>			
GENERAL FUND:			
Private Licensed Schools.....	\$ 547	\$ 850	\$ 908
Empowerment School Districts.....	4,500	4,500	0
Medical Assistance Reimbursements.....	113,114	175,000	180,000
GENERAL FUND TOTAL.....	\$ 118,161	\$ 180,350	\$ 180,908
COMMUNITY COLLEGE CAPITAL FUND:			
Community College Capital.....	\$ 0	\$ 0	\$ 0
EDUCATION TECHNOLOGY FUND:			
Broadband Technology Services (EA).....	\$ 9,790	\$ 9,790	\$ 0
Administration (EA).....	210	210	0
EDUCATION TECHNOLOGY FUND TOTAL.....	\$ 10,000	\$ 10,000	\$ 0
GOV. CASEY ORGAN & TISSUE DONATION AWARENESS FUND:			
Governor Casey Organ and Tissue Donation Awareness Fund (EA).....	\$ 200	\$ 200	\$ 200
PROPERTY TAX RELIEF FUND:			
Property Tax Relief Payments (EA).....	\$ 613,200	\$ 616,500	\$ 617,200
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 10,587,608	\$ 10,375,472	\$ 10,040,143
SPECIAL FUNDS.....	875	2,808	15,678
FEDERAL FUNDS.....	3,758,980	3,703,868	2,177,317
AUGMENTATIONS.....	7,968	129,161	8,161
OTHER FUNDS.....	741,561	807,050	798,308
TOTAL ALL FUNDS.....	\$ 15,096,992	\$ 15,018,359	\$ 13,039,607

Summary by Fund and Appropriation

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- ^a Includes recommended supplemental appropriation of \$2,326,000.
 - ^b Includes recommended appropriation reduction of \$387,816,000.
 - ^c Includes recommended supplemental appropriation of \$387,816,000.
 - ^d Appropriated as Rx for PA - School Food Services.
 - ^e Appropriated as \$43,000,000. The department received notification that federal funding was not awarded.
 - ^f Appropriated as \$335,000,000. The department received notification that federal funding was not awarded.
 - ^g Appropriated as \$15,000,000. The department received notification that federal funding was not awarded.
 - ^h Appropriated as \$10,000,000. The department received notification that federal funding was not awarded.
 - ⁱ Appropriated as \$99,580,000. The department received notification that federal funding was not awarded.
 - ^j Appropriated as \$10,000,000. The department received notification that federal funding was not awarded.
 - ^k Appropriated as \$30,000,000. The department received notification that federal funding was not awarded.
 - ^l Not added to the total to avoid double counting: 2009-10 Actual is \$46,369,000, 2010-11 Available is \$46,369,000, and 2011-12 Budget is \$46,369,000.



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
EDUCATION SUPPORT SERVICES							
GENERAL FUND.....	\$ 29,864	\$ 28,746	\$ 28,715	\$ 28,715	\$ 28,715	\$ 28,715	\$ 28,715
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	77,293	102,950	77,732	75,437	75,437	66,153	66,153
OTHER FUNDS.....	8,333	8,786	8,839	8,839	8,839	8,839	8,839
SUBCATEGORY TOTAL.....	\$ 115,490	\$ 140,482	\$ 115,286	\$ 112,991	\$ 112,991	\$ 103,707	\$ 103,707
BASIC EDUCATION							
GENERAL FUND.....	\$ 9,089,315	\$ 8,885,574	\$ 9,114,550	\$ 9,568,411	\$ 10,136,969	\$ 10,768,555	\$ 11,308,063
SPECIAL FUNDS.....	875	1,103	1,103	1,103	1,103	1,103	1,103
FEDERAL FUNDS.....	3,575,751	3,499,083	2,091,454	2,036,310	2,036,310	1,961,310	1,961,310
OTHER FUNDS.....	741,192	927,318	797,518	802,018	802,018	802,018	802,018
SUBCATEGORY TOTAL.....	\$ 13,407,133	\$ 13,313,078	\$ 12,004,625	\$ 12,407,842	\$ 12,976,400	\$ 13,532,986	\$ 14,072,494
LIBRARY SERVICES							
GENERAL FUND.....	\$ 68,268	\$ 62,592	\$ 61,317	\$ 61,317	\$ 61,317	\$ 61,317	\$ 61,317
SPECIAL FUNDS.....	0	1,705	2,650	2,800	3,096	3,293	3,501
FEDERAL FUNDS.....	12,710	8,609	8,131	8,131	8,131	8,131	8,131
OTHER FUNDS.....	4	107	112	112	112	112	112
SUBCATEGORY TOTAL.....	\$ 80,982	\$ 73,013	\$ 72,210	\$ 72,360	\$ 72,656	\$ 72,853	\$ 73,061
HIGHER EDUCATION							
GENERAL FUND.....	\$ 1,400,161	\$ 1,398,560	\$ 835,561	\$ 835,561	\$ 835,561	\$ 835,561	\$ 835,561
SPECIAL FUNDS.....	0	0	11,925	12,599	13,933	14,816	15,756
FEDERAL FUNDS.....	93,226	93,226	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 1,493,387	\$ 1,491,786	\$ 847,486	\$ 848,160	\$ 849,494	\$ 850,377	\$ 851,317
ALL PROGRAMS:							
GENERAL FUND.....	\$ 10,587,608	\$ 10,375,472	\$ 10,040,143	\$ 10,494,004	\$ 11,062,562	\$ 11,694,148	\$ 12,233,656
SPECIAL FUNDS.....	875	2,808	15,678	16,502	18,132	19,212	20,360
FEDERAL FUNDS.....	3,758,980	3,703,868	2,177,317	2,119,878	2,119,878	2,035,594	2,035,594
OTHER FUNDS.....	749,529	936,211	806,469	810,969	810,969	810,969	810,969
DEPARTMENT TOTAL.....	\$ 15,096,992	\$ 15,018,359	\$ 13,039,607	\$ 13,441,353	\$ 14,011,541	\$ 14,559,923	\$ 15,100,579



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 Department of Education and commonwealth objectives. The success or failure of these supportive efforts can only be indirectly reflected by the effectiveness of the activities they support. The department seeks to minimize these administrative costs in relation to the costs of services provided. As part of its efforts to control administrative costs, the department continues to enhance its information technology support of program and fiscal applications

permitting departmental employees to perform their responsibilities in a more efficient and effective manner.

In addition to providing operational support to the executive, budget, communications and legal offices of the department, 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.

Program Recommendations:

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

<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">General Government Operations</td> </tr> <tr> <td style="width: 10%;">\$ -450</td> <td>—nonrecurring 2010-11 budgetary freeze amount.</td> </tr> <tr> <td>-2,533</td> <td>—reduction in administrative costs.</td> </tr> <tr> <td>1,200</td> <td>—Initiative—Promoting Efficiency Through Shared Services. Realigning and streamlining core intermediate unit functions.</td> </tr> <tr> <td style="border-top: 1px solid black;">\$ -1,783</td> <td><i>Appropriation Decrease</i></td> </tr> </table>	General Government Operations		\$ -450	—nonrecurring 2010-11 budgetary freeze amount.	-2,533	—reduction in administrative costs.	1,200	—Initiative—Promoting Efficiency Through Shared Services. Realigning and streamlining core intermediate unit functions.	\$ -1,783	<i>Appropriation Decrease</i>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Information and Technology Improvement</td> </tr> <tr> <td style="width: 10%;">\$ -48</td> <td>—nonrecurring 2010-11 budgetary freeze amount.</td> </tr> <tr> <td>1,800</td> <td>—to provide core IT support which includes web-based applications for school districts.</td> </tr> <tr> <td style="border-top: 1px solid black;">\$ 1,752</td> <td><i>Appropriation Increase</i></td> </tr> </table>	Information and Technology Improvement		\$ -48	—nonrecurring 2010-11 budgetary freeze amount.	1,800	—to provide core IT support which includes web-based applications for school districts.	\$ 1,752	<i>Appropriation Increase</i>
General Government Operations																			
\$ -450	—nonrecurring 2010-11 budgetary freeze amount.																		
-2,533	—reduction in administrative costs.																		
1,200	—Initiative—Promoting Efficiency Through Shared Services. Realigning and streamlining core intermediate unit functions.																		
\$ -1,783	<i>Appropriation Decrease</i>																		
Information and Technology Improvement																			
\$ -48	—nonrecurring 2010-11 budgetary freeze amount.																		
1,800	—to provide core IT support which includes web-based applications for school districts.																		
\$ 1,752	<i>Appropriation Increase</i>																		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
General Government Operations	\$ 26,399	\$ 26,232	\$ 24,449	\$ 24,449	\$ 24,449	\$ 24,449	\$ 24,449
Information and Technology Improvement	3,465	2,514	4,266	4,266	4,266	4,266	4,266
TOTAL GENERAL FUND	\$ 29,864	\$ 28,746	\$ 28,715	\$ 28,715	\$ 28,715	\$ 28,715	\$ 28,715

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)

Program Element: 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 2009-10, 75 percent of Pennsylvania's students met the state standards in math, and 72 percent met the state standards in reading.

Program Element: Basic Education Funding

The commonwealth and local school districts share the financing of public elementary and secondary education in Pennsylvania. There are 500 local school districts, each governed by a locally elected school board that is responsible for the administration of the public schools in the district. Funding provided to the school districts by the commonwealth supplements the funds raised locally.

The Basic Education Funding appropriation is the largest subsidy the commonwealth provides to local school districts. In the past two years, this subsidy has been augmented by federal fiscal stabilization funds and Education Jobs funds which are not available in 2011-12.

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 and efficiency through targeted initiatives.

Program Element: Early Childhood Learning

Early learning for Pennsylvania's youngest children is crucial for both their short-term and long-term success. The benefits of a strong foundation in early childhood education have been touted by the Federal Reserve Bank as one of the best economic development investments that a state can make. The benefits of such programming range from \$4 to \$7 for every \$1 invested. Early childhood programs supported through the Department of Education appropriations include:

Pre-K Counts. This program provides high-quality early childhood education to about 11,500 Pennsylvania children in diverse settings, ranging from school-based programs to Keystone STARS child care centers. In 2009-10, third-year outcomes revealed that nearly every child (over 98 percent) showed age-appropriate or emerging age-appropriate proficiency in literacy, numeracy and social skills after participating in the Pre-K Counts program.

Head Start. Pennsylvania's Head Start Supplemental Assistance Program is based on the federal model of Head Start, providing services to three and four-year-old children and their families with family incomes up to

130 percent of the federal poverty guidelines. The Head Start model provides comprehensive education, health, nutrition and parent involvement services. This program also demonstrated positive outcomes for children with a notable increase in the percent of children who were proficient in personal and social development, an increase from 23 percent in Fall 2009 to 76 percent in Spring 2010.

Program Element: Transforming Pennsylvania's High Schools

It is critically important that all Pennsylvania students graduate from high school prepared to enter college and the high-skills workforce. The commonwealth strives to create high school environments that are rigorous, results-focused, data informed and personalized in a way that is seamlessly supported by systems, resources, technology and shared leadership.

In order to improve student achievement, the Standards Aligned System has been implemented to provide a portal for educator and parent access to curriculum, assessment information and tools, and instructional resources.

Career and Technical Education. Career and Technical Education serves more than 70,000 secondary students enrolled in approved career and technical education programs at school districts, charter schools and career and technical centers. Career and Technical Education provides a rigorous high school education to students while delivering skilled technical education designed with input from incumbent workers and employers in high-demand employment fields. Wherever possible, students earn real-world, industry-based certifications at the end of their programs, which enhance their employment opportunities. To improve Career and Technical Education, Pennsylvania launched a multi-million dollar program to enhance equipment and curriculum, as well as help boost the academic rigor in every Career and Technical Education program and align programs with local and state economic development needs.

Program Element: Special Education

Special education serves approximately 270,000 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 school districts and charter schools, where appropriate. These

Program: PreK–12 Education (continued)

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, Individualized Education Plan teams may determine a free, appropriate public education can only be provided by department-approved private schools or other private agency.

Funds are also provided for Early Intervention and Approved Private Schools/Charter Schools for the Deaf and Blind.

Program Recommendations:

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

<p>GENERAL FUND</p> <p>PA Assessment</p> <p>\$ -619 —nonrecurring 2010-11 budgetary freeze amount.</p> <p style="padding-left: 20px;">4,609 —to continue current program.</p> <p>\$ 3,990 <i>Appropriation Increase</i></p> <p>Basic Education Funding</p> <p>\$ 104,803 —to provide additional student-centered funding.</p> <p style="padding-left: 20px;">387,816 —to replace federal Education Jobs funds.</p> <p>\$ 492,619 <i>Appropriation Increase</i></p> <p>Basic Education Formula Enhancements</p> <p>\$ -1,984 —funding elimination.</p> <p>Dual Enrollment Payments</p> <p>\$ -6,959 —program funding elimination.</p> <p>School Improvement Grants</p> <p>\$ -10,797 —program elimination.</p> <p>Pennsylvania Accountability Grants</p> <p>\$ -259,456 —program elimination.</p> <p>Pre-K Counts</p> <p>\$ -1,620 —nonrecurring 2010-11 budgetary freeze amount.</p> <p>Head Start Supplemental Assistance</p> <p>\$ -729 —nonrecurring 2010-11 budgetary freeze amount.</p> <p>Education Assistance Program</p> <p>\$ -47,606 —program elimination.</p> <p>Science: It's Elementary</p> <p>\$ -6,910 —program elimination.</p> <p>Mobile Science Education Program</p> <p>\$ -1,600 —program elimination.</p> <p>Teacher Professional Development</p> <p>\$ -410 —nonrecurring 2010-11 budgetary freeze amount.</p> <p style="padding-left: 20px;">-13,903 —program reduction.</p> <p>\$ -14,313 <i>Appropriation Decrease</i></p> <p>Adult and Family Literacy</p> <p>\$ -283 —nonrecurring 2010-11 budgetary freeze amount.</p> <p style="padding-left: 20px;">-2,191 —funding reduction.</p> <p>\$ -2,474 <i>Appropriation Decrease</i></p>	<p>Authority Rentals and Sinking Fund Requirements</p> <p>\$ -15,747 —funding reduction.</p> <p>Pupil Transportation</p> <p>\$ 13,403 —to continue current program.</p> <p>Nonpublic and Charter School Pupil Transportation</p> <p>\$ 435 —to continue current program.</p> <p>Early Intervention</p> <p>\$ 15,974 —Initiative—Improving Student Achievement. To expand early intervention services to 1,500 additional children from ages 3 through 5.</p> <p>Tuition for Orphans and Children Placed in Private Homes</p> <p>\$ 498 —to continue current program.</p> <p>Payments in Lieu of Taxes</p> <p>\$ 6 —to continue current program.</p> <p>Education of Migrant Laborers' Children</p> <p>\$ -21 —nonrecurring 2010-11 budgetary freeze amount.</p> <p style="padding-left: 20px;">-160 —to continue current program.</p> <p>\$ -181 <i>Appropriation Decrease</i></p> <p>Intermediate Units</p> <p>\$ -4,761 —program funding elimination.</p> <p>School Food Services</p> <p>\$ -571 —nonrecurring 2010-11 budgetary freeze amount.</p> <p style="padding-left: 20px;">1,033 —to continue current program.</p> <p>\$ 462 <i>Appropriation Increase</i></p> <p>School Nutrition Incentive Program</p> <p>\$ -55 —nonrecurring 2010-11 budgetary freeze amount.</p> <p style="padding-left: 20px;">506 —to continue current program.</p> <p>\$ 451 <i>Appropriation Increase</i></p> <p>School Employees' Social Security</p> <p>\$ -21,115 —Initiative—Realigning Resources. Savings realized through new funding formula.</p>
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Program: PreK-12 Education (Basic Education) (continued)

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

\$ 448,524 -121,000 <hr style="width: 50%; margin-left: 0;"/> \$ 327,524	School Employees' Retirement —to provide funding at the actuarially determined employer contribution rate. —nonrecurring funding provided by Tobacco Endowment Account for Long-Term Hope in fiscal year 2010-11. School Entity Demonstration Projects —funding elimination. High School Reform —program elimination. Lifelong Learning —funding elimination. Services to Nonpublic Schools —nonrecurring 2010-11 budgetary freeze amount. —to continue current program. <hr style="width: 50%; margin-left: 0;"/> 584 \$ -1,095	\$ -513 <hr style="width: 50%; margin-left: 0;"/> 36 \$ -477 \$ -3,442 \$ -224,083 \$ 2,150	Textbooks, Materials and Equipment for Nonpublic Schools —nonrecurring 2010-11 budgetary freeze amount. —to continue current program. <i>Appropriation Decrease</i> Job Training Programs —funding elimination. Reimbursement of Charter Schools —program elimination. Safe School Initiative —to provide funding for safe school activities.
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All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
PA Assessment.....	\$ 37,620	\$ 32,600	\$ 36,590	\$ 36,590	\$ 36,590	\$ 36,590	\$ 36,590
Youth Development Centers - Education ..	11,039	10,606	10,606	10,606	10,606	10,606	10,606
Basic Education Funding.....	4,868,741	4,733,523	5,226,142	5,372,474	5,522,903	5,677,544	5,836,515
Basic Ed Formula Enhancements	2,000	1,984	0	0	0	0	0
Dual Enrollment Payments	8,000	6,959	0	0	0	0	0
School Improvement Grants.....	11,326	10,797	0	0	0	0	0
Pennsylvania Accountability Grants	271,425	259,456	0	0	0	0	0
Pre-K Counts.....	85,512	85,240	83,620	83,620	83,620	83,620	83,620
Head Start Supplemental Assistance	38,696	38,384	37,655	37,655	37,655	37,655	37,655
Education Assistance Program.....	55,342	47,606	0	0	0	0	0
Science: It's Elementary	13,489	6,910	0	0	0	0	0
Mobile Science Education Program	1,710	1,600	0	0	0	0	0
Teacher Professional Development.....	22,750	21,563	7,250	7,250	7,250	7,250	7,250
Adult and Family Literacy	17,625	14,887	12,413	12,413	12,413	12,413	12,413
Career and Technical Education.....	62,000	62,000	62,000	62,000	62,000	62,000	62,000
Authority Rentals and Sinking Fund							
Requirements	318,500	314,937	299,190	299,190	299,190	299,190	299,190
Pupil Transportation.....	518,093	533,355	546,758	546,758	546,758	546,758	546,758
Nonpublic and Charter School Pupil							
Transportation.....	78,876	76,205	76,640	76,640	76,640	76,640	76,640
Special Education.....	1,026,815	1,026,815	1,026,815	1,026,815	1,026,815	1,026,815	1,026,815
Early Intervention.....	173,585	182,142	198,116	198,116	198,116	198,116	198,116
Tuition for Orphans and Children Placed							
in Private Homes	57,116	56,729	57,227	57,227	57,227	57,227	57,227
Payments in Lieu of Taxes.....	180	188	194	194	194	194	194



Program: PreK–12 Education (Basic Education) (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Education of Migrant Laborers' Children ...	\$ 1,142	\$ 1,088	\$ 907	\$ 907	\$ 907	\$ 907	\$ 907
Scranton State School for the Deaf - Transition	5,400	0	0	0	0	0	0
PA Charter Schools for the Deaf and Blind	36,801	39,401	39,401	39,401	39,401	39,401	39,401
Special Education - Approved Private Schools	98,098	98,098	98,098	98,098	98,098	98,098	98,098
Intermediate Units	5,554	4,761	0	0	0	0	0
School Food Services.....	30,820	30,063	30,525	30,525	30,525	30,525	30,525
School Nutrition Incentive Program	2,970	2,876	3,327	3,327	3,327	3,327	3,327
School Employees' Social Security	535,013	551,155	530,040	530,040	540,641	551,454	562,483
School Employees' Retirement	342,576	287,562	615,086	922,615	1,330,143	1,796,275	2,165,783
School Entity Demonstration Projects	0	600	0	0	0	0	0
High School Reform	3,663	1,762	0	0	0	0	0
Lifelong Learning	0	825	0	0	0	0	0
Services to Nonpublic Schools	89,082	88,352	87,257	87,257	87,257	87,257	87,257
Textbooks, Materials and Equipment for Nonpublic Schools	27,243	27,020	26,543	26,543	26,543	26,543	26,543
Job Training Programs	3,577	3,442	0	0	0	0	0
Reimbursement of Charter Schools	226,936	224,083	0	0	0	0	0
Safe School Initiative	0	0	2,150	2,150	2,150	2,150	2,150
TOTAL GENERAL FUND	\$ 9,089,315	\$ 8,885,574	\$ 9,114,550	\$ 9,568,411	\$ 10,136,969	\$ 10,768,555	\$ 11,308,063
MOTOR LICENSE FUND:							
Safe Driving Course	\$ 875	\$ 1,103	\$ 1,103	\$ 1,103	\$ 1,103	\$ 1,103	\$ 1,103

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 2011-12 budget offers a variety of valued public library services to all Pennsylvanians.

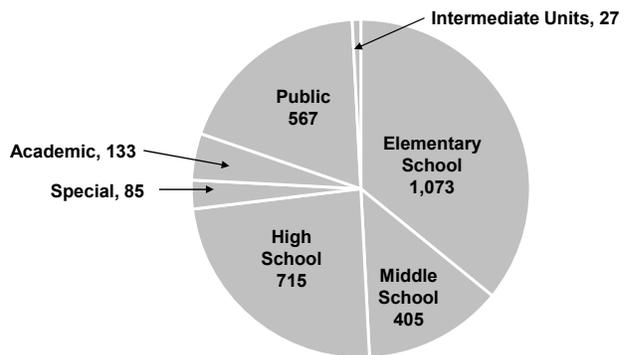
Public Library Subsidy. The commonwealth helps defray the cost of basic operations of Pennsylvania's more than 600 local public libraries. Through participation in this program, libraries provide a common denominator of services statewide, and in so doing, help meet the information, education and enrichment needs of Pennsylvania's pre-kindergarten children, students and lifelong learners.

The Public Library Subsidy also supports a structure of libraries and programs that together provide resources and specialized services to local libraries and all residents. This funding provides every Pennsylvanian with access to the vast and historic resources of four major research libraries: The State Library of Pennsylvania, the Carnegie Library of Pittsburgh, the Free Library of Philadelphia and the libraries of The Pennsylvania State University.

Library Access. Pennsylvania is committed to ensuring that all Pennsylvanians can easily access the library resources that exist not only in their own communities but also across the commonwealth. This funding supports four distinct programs. The Interlibrary Delivery Service makes it affordable for all state-supported libraries to participate in a statewide delivery service that moves library materials across the state in a timely and cost-effective way and encourages sharing of materials. The POWER (Pennsylvania Online World of Electronic Resources) Library Network provides vetted online magazine and reference materials for Pennsylvania residents to use in the library or remotely from home. This program remains a valued resource for classroom students and teachers.

The Electronic Library Catalog, also known as the Access Pennsylvania Database program, gives Pennsylvanians online access to the library holdings of more than 3,000 Pennsylvania school, public, college, university and special libraries and intermediate units. Once an item is located, it can be "ordered" from the source library online. This is the largest online catalog of its type in North America. As part of the Library Access program, Pennsylvanians have online access to professional reference librarians 24 hours a day, 7 days a week through Pennsylvania's virtual reference service called Ask Here PA.

Number of Libraries in Access PA Database



Pennsylvania is fortunate to have two libraries providing invaluable services to persons with visual and physical limitations. In partnership with the National Library Service for the Blind and Physically Handicapped, recorded and Braille materials are available by direct mail or downloaded to students and residents of all ages who cannot use a traditional book, magazine or newspaper. Under this program in 2009, more than 600,000 items were accessed by those in need of this specialized service. Pennsylvania was a pioneer offering state-level library services to the visually impaired over 100 years ago.

State Library. This appropriation supports the services and operations of the Office of Commonwealth Libraries and is a primary source of funding for the State Library. Located in Harrisburg, the State Library of Pennsylvania is a major resource library established by statute to provide reference service to all branches of state government, as well as to libraries and residents of the commonwealth. An extensive general and legal reference collection, comprehensive collections of Pennsylvania newspapers, Pennsylvania state and U.S. government publications and 90 databases are available. The State Library is home to the Rare Collections Library, which is organized around the Assembly Collection that was purchased beginning in 1745 by Ben Franklin when he was Clerk of the Assembly. The collection includes newspapers from colonial times through 1860. The Rare Collections Library is the premier library environment in the nation incorporating systems and techniques to preserve historic, paper-based collections.

Program: Library Services (continued)

Program Recommendations:

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

	GENERAL FUND		
	State Library	\$	-69
\$ -42	—nonrecurring 2010-11 budgetary freeze amount.		Recording for the Blind and Dyslexic
-122	—reduction in administrative costs.		—funding elimination.
\$ -164	<i>Appropriation Decrease</i>		
	Public Library Subsidy	\$	945
\$ -1,042	—funding reduction.		KEYSTONE RECREATION, PARK AND CONSERVATION FUND:
			Local Libraries Rehabilitation and Development (EA)
			—to continue current program.

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
State Library	\$ 2,372	\$ 2,245	\$ 2,081	\$ 2,081	\$ 2,081	\$ 2,081	\$ 2,081
Public Library Subsidy	60,000	54,549	53,507	53,507	53,507	53,507	53,507
Library Services for the Visually Impaired and Disabled	2,926	2,729	2,729	2,729	2,729	2,729	2,729
Recording for the Blind and Dyslexic	0	69	0	0	0	0	0
Library Access	2,970	3,000	3,000	3,000	3,000	3,000	3,000
TOTAL GENERAL FUND	\$ 68,268	\$ 62,592	\$ 61,317	\$ 61,317	\$ 61,317	\$ 61,317	\$ 61,317
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
Local Libraries Rehab. and Development (EA)	\$ 0	\$ 1,705	\$ 2,650	\$ 2,800	\$ 3,096	\$ 3,293	\$ 3,501

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 state-funded student grant programs administered by the Pennsylvania Higher Education Assistance Agency.

Table 1
Full-Time Enrollments
at State-Supported Institutions of Higher Education
(Actual and Projected)

Institutional Category	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
State System of Higher Education.....	109,636	111,941	113,377	114,359	115,362	116,265	117,154
Community Colleges	106,270	109,944	111,932	113,447	114,736	115,881	117,589
State-Related Universities	156,435	156,483	156,518	156,505	156,594	156,718	156,855
Thaddeus Stevens College of Technology ..	888	956	956	956	956	956	956
TOTAL	373,229	379,324	382,783	385,267	387,648	389,820	392,554

Program Element: Institutional Support for Pennsylvania's Institutions of Higher Education

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 consists of 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.

Community Colleges. Funding is shared by sponsoring counties or school districts, 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 as well as non-degree programs. Community colleges play a major role in the commonwealth's workforce development initiative.

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 educational programs. The first three of these commonwealth universities are major research universities that provide programs up 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 degree levels.

Impact: Number of Degrees Awarded

The state-supported universities and colleges graduated more than 78,632 students in 2009-10 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 148,627.

Program Element: Increasing Access to Higher Education

In 2009, of 130,647 public high school graduates, 95,939, or approximately 73 percent, planned to attend an academic degree-granting post-secondary 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 post-secondary institution. Participation rates of non-traditional students and part-time students also continue to increase. To better serve the needs of all Pennsylvania students, the

Program: Higher Education (continued)

Table 2
Higher Education Degrees Awarded
by State-Supported and Private Institutions of Higher Education
(Actual and Projected)

Institutional Category	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
State-Supported:							
State System of Higher Education.....	24,373	24,734	25,130	25,394	25,636	25,883	26,132
Community Colleges.....	14,845	15,197	15,480	15,804	16,014	16,337	16,605
State-Related Universities.....	39,143	39,270	39,379	39,528	39,609	39,736	39,896
Thaddeus Stevens College of Technology	271	361	379	379	379	379	379
Non-State-Supported:							
Universities & Colleges.....	<u>69,995</u>	<u>71,281</u>	<u>72,597</u>	<u>73,944</u>	<u>75,323</u>	<u>76,734</u>	<u>78,178</u>
TOTAL	<u>148,627</u>	<u>150,843</u>	<u>152,965</u>	<u>155,049</u>	<u>156,961</u>	<u>159,069</u>	<u>161,190</u>

Department of Education administers a comprehensive transfer and articulation system to enable students to easily transfer up to 30 credit hours of foundation coursework among 35 participating colleges and universities in Pennsylvania, including all of the commonwealth's community colleges, State System of Higher Education institutions and state-related institutions.

Combined with higher education enrollment size, the diversity of enrollments by discipline will shape the future of higher education. It reflects the increased choices of career-oriented disciplines with higher employment rates such as business management, data processing, health professions and majors in the STEM fields — science, technology, engineering and math. Expanding access to these professions will be vital to ensuring the long-term economic health of the commonwealth.

Program Element: Support for Minority Students

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. In addition to continued operating support for Lincoln and Cheyney Universities, funding is also included in the capital budget for infrastructure improvements at Cheyney and Lincoln Universities.

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 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 Cooperative Extension Service of the Pennsylvania State University 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. This program is funded through the General Support appropriation for the Pennsylvania State University.



Program: Higher Education (continued)

Table 3
Full-Time Enrollments by Subject Area
at State-Supported Institutions of Higher Education
(Actual and Projected)

Subject Area	Number and Percent of Total	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Percent Change
		Actual	Projected	Projected	Projected	Projected	Projected	Projected	
Agricultural and Natural Resources	# %	3,633 0.97%	3,667 0.97%	3,685 0.96%	3,707 0.96%	3,728 0.96%	3,742 0.96%	3,766 0.96%	3.66%
Arts and Letters	# %	70,816 18.97%	73,498 19.38%	74,420 19.44%	75,097 19.49%	75,701 19.53%	76,254 19.56%	76,945 19.60%	8.65%
Business, Management and Data Processing	# %	51,641 13.84%	52,257 13.78%	52,706 13.77%	53,069 13.77%	53,392 13.77%	53,682 13.77%	54,152 13.79%	4.86%
Communications and Related Technologies	# %	14,095 3.78%	14,218 3.75%	14,278 3.73%	14,339 3.72%	14,441 3.73%	14,534 3.73%	14,615 3.72%	3.69%
Computer and Information Sciences	# %	10,558 2.83%	10,639 2.80%	10,732 2.80%	10,812 2.81%	10,886 2.81%	10,950 2.81%	11,027 2.81%	4.44%
Education	# %	36,376 9.75%	36,872 9.72%	37,025 9.67%	37,041 9.61%	37,031 9.55%	37,153 9.53%	37,190 9.47%	2.24%
Engineering, Architecture and Environmental Design	# %	17,051 4.57%	17,136 4.52%	17,198 4.49%	17,255 4.48%	17,313 4.47%	17,355 4.45%	17,396 4.43%	2.02%
Engineering Technologies and Related Technologies	# %	6,868 1.84%	6,936 1.83%	6,986 1.83%	7,065 1.83%	7,124 1.84%	7,193 1.85%	7,262 1.85%	5.74%
Health Professions, Health Sciences and Biological Sciences	# %	56,716 15.20%	57,383 15.13%	57,991 15.15%	58,422 15.16%	58,861 15.18%	59,223 15.19%	59,760 15.22%	5.37%
Home Economics, Human Services and Public Affairs	# %	31,736 8.50%	32,175 8.48%	32,587 8.51%	32,871 8.53%	33,128 8.55%	33,356 8.56%	33,637 8.57%	5.99%
Industrial, Repair, Construction and Transport Technologies	# %	5,479 1.47%	5,553 1.46%	5,619 1.47%	5,688 1.48%	5,758 1.49%	5,819 1.49%	5,897 1.50%	7.63%
Law	# %	2,778 0.74%	2,829 0.75%	2,864 0.75%	2,898 0.75%	2,925 0.75%	2,959 0.76%	2,999 0.76%	7.96%
Physical Sciences, Mathematics and Related Technologies	# %	19,977 5.35%	20,204 5.33%	20,290 5.30%	20,356 5.28%	20,445 5.27%	20,526 5.27%	20,600 5.25%	3.12%
Social Sciences, Psychology, Area Studies and Foreign Languages	# %	37,493 10.05%	37,865 9.98%	38,252 9.99%	38,460 9.98%	38,676 9.98%	38,796 9.95%	38,980 9.93%	3.97%
Multi-Interdisciplinary Studies/ Military Studies	# %	4,603 1.23%	4,686 1.24%	4,731 1.24%	4,770 1.24%	4,811 1.24%	4,848 1.24%	4,885 1.24%	6.13%
Basic Skills and Developmental/ Remedial Education	# %	2,045 0.55%	2,042 0.54%	2,055 0.54%	2,053 0.53%	2,064 0.53%	2,066 0.53%	2,079 0.53%	1.66%
High School/ Secondary Diplomas and Certificates	# %	1,364 0.37%	1,364 0.36%	1,364 0.36%	1,364 0.35%	1,364 0.35%	1,364 0.35%	1,364 0.35%	0.00%
TOTAL		373,229	379,324	382,783	385,267	387,648	389,820	392,554	5.18%

Percentages in some columns may not total to 100% due to rounding.



Program: Higher Education (continued)

Program Element: Support Services

The department 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 awards 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 through a combined effort of elementary, secondary, post-secondary and higher education, jointly with the United States Department of Education, to fulfill the initiatives of "No Child Left Behind."

Program Recommendations:

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

<p>GENERAL FUND</p> <p>Community Colleges —funding reduction.</p> <p>\$ -2,050</p> <p>Regional Community Colleges Services —funding elimination.</p> <p>\$ -568</p> <p>Higher Education Assistance —funding elimination.</p> <p>\$ -1,250</p> <p>Community Education Councils —funding elimination.</p> <p>\$ -1,400</p> <p>Medical College in NE PA —funding elimination.</p> <p>\$ -3,850</p> <p>Thaddeus Stevens College of Technology —to continue current program.</p> <p>\$ 1,238</p> <p>State System of Higher Education (SSHE) —funding reduction.</p> <p>\$ -232,598</p>	<p>Pennsylvania State University —funding reduction.</p> <p>\$ -152,978</p> <p>University of Pittsburgh —funding reduction.</p> <p>\$ -80,245</p> <p>Temple University —funding reduction.</p> <p>\$ -82,487</p> <p>Lincoln University —funding reduction.</p> <p>\$ -6,811</p> <p>KEYSTONE RECREATION, PARK AND CONSERVATION FUND State System of Higher Education - Deferred Maintenance (EA) —to continue program; this funding was transferred to the General Fund in the 2009-10 fiscal year per Act 10-A of 2009 and in the 2010-11 fiscal year per Act 46 of 2010.</p> <p>\$ 11,925</p>
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Funding for the University of Pennsylvania Veterinary Activities and Center for Infectious Disease is recommended in the Department of Agriculture.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Community Colleges	\$ 214,217	\$ 214,217	\$ 212,167	\$ 212,167	\$ 212,167	\$ 212,167	\$ 212,167
Transfer to Community College Capital Fund.....	46,369	46,369	46,369	46,369	46,369	46,369	46,369
Regional Community Colleges Services ...	585	568	0	0	0	0	0
Higher Education Assistance	360	1,250	0	0	0	0	0
Community Education Councils.....	1,800	1,400	0	0	0	0	0
Medical College in NE PA.....	3,850	3,850	0	0	0	0	0
Thaddeus Stevens College of Technology	8,550	8,550	9,788	9,788	9,788	9,788	9,788
State System of Higher Education.....	465,197	465,197	232,599	232,599	232,599	232,599	232,599
Pennsylvania State University	318,072	318,072	165,094	165,094	165,094	165,094	165,094
University of Pittsburgh.....	160,490	160,490	80,245	80,245	80,245	80,245	80,245
Temple University	164,974	164,974	82,487	82,487	82,487	82,487	82,487



Program: Higher Education (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND: (continued)							
Lincoln University	\$ 13,623	\$ 13,623	\$ 6,812	\$ 6,812	\$ 6,812	\$ 6,812	\$ 6,812
Non-State-related Universities and Colleges	2,045	0	0	0	0	0	0
Non-State-related Institutions	29	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 1,400,161	\$ 1,398,560	\$ 835,561	\$ 835,561	\$ 835,561	\$ 835,561	\$ 835,561
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
State System of Higher Education — Deferred Maintenance (EA)	\$ 0	\$ 0	\$ 11,925	\$ 12,599	\$ 13,933	\$ 14,816	\$ 15,756

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: PreK-12 Education (Basic Education)							
Basic Education Targeted Investment							
Public school enrollment (preK-12)	1,780,413	1,745,000	1,739,000	1,738,000	1,740,000	1,748,000	1,756,000
Average school district spending per student (local, state, federal dollars)	\$12,500	\$12,800	\$13,400	\$14,000	\$14,600	\$15,200	\$15,800
State preK-12 spending per student	\$5,300	\$5,200	\$5,000	\$5,100	\$5,200	\$5,300	\$5,400
Early Childhood Education							
School districts offering pre-kindergarten	129	133	133	133	133	133	133
Students enrolled in pre-kindergarten (excluding Head Start)	30,050	30,300	30,300	30,300	30,300	30,300	30,300
Students in state-funded Head Start expansion	5,632	5,500	5,500	5,500	5,500	5,500	5,500
Students in PA Pre-K Counts program	11,863	11,500	11,500	11,500	11,500	11,500	11,500
Early Intervention							
Children participating in Early Intervention	45,422	47,300	48,800	48,800	48,800	48,800	48,800
Children on their 3rd birthday who transitioned from infant/toddler Early Intervention to preschool Early Intervention	5,758	5,900	6,000	6,000	6,000	6,000	6,000
Children who met their individual goals and no longer need Early Intervention prior to school age	1,413	1,500	1,700	1,700	1,700	1,700	1,700
Early Intervention children included in typical early childhood educational settings such as home, child care or Head Start	70%	70%	70%	70%	70%	70%	70%
Children not participating in Special Education after participating in Early Intervention	19%	20%	20%	20%	20%	20%	20%
Secondary Education-Transforming Pennsylvania's High Schools							
High schools offering at least one Advanced Placement course	99%	99%	99%	99%	99%	99%	99%
Advanced Placement tests given in high schools	81,700	82,700	83,700	84,700	85,700	86,700	87,800
Advanced Placement tests with scores of "3" or higher demonstrating mastery of the course	69.60%	70.60%	71.60%	72.60%	73.60%	74.60%	75.60%
Accountability							
Students proficient/advanced in mathematics	75%	78%	85%	92%	100%	100%	100%
Percentage gains in mathematics proficiency from 5th to 8th grade-same students	4%	10%	11%	12%	13%	15%	16%



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Students proficient/advanced in reading	72%	78%	85%	92%	100%	100%	100%
Percentage gains in reading proficiency from 5th to 8th grade-same students	21%	16%	17%	18%	19%	20%	21%
Schools making Adequate Yearly Progress	83%	87%	91%	96%	100%	100%	100%
School districts making Adequate Yearly Progress	96%	96%	97%	98%	100%	100%	100%
Career & Technical (Vocational) Education							
Enrollment	74,217	74,600	75,000	75,300	75,700	76,100	76,500
Vocational education program completers	57.40%	58%	58.60%	59.20%	59.80%	60.40%	61%
Vocational education 11th graders proficient/advanced in math	32.20%	66.50%	78%	85.50%	100%	100%	100%
Vocational education 11th graders proficient/advanced in reading	41.10%	73%	82.50%	92%	100%	100%	100%
Skilled workforce--percentage of PA Skills Certificates awarded	47.50%	55.50%	56%	56.50%	57%	57.50%	58%
Special Education							
Pupils with disabilities enrolled in special education programs	270,150	270,150	270,000	269,500	269,000	268,500	268,000
Special education incidence rate	15.10%	15%	15%	15%	14.90%	14.90%	14.90%
Children receiving special education ages 6 through 21 spending most of their day in a regular classroom	57.70%	57.70%	61%	61%	61%	61%	61%
Other Education Programs							
Nonpublic school enrollment	249,975	243,500	238,500	234,900	232,100	230,200	229,100
Program: Library Services							
Items accessed-State Library of Pennsylvania	179,474	179,500	181,300	183,100	184,900	187,700	190,500
Visits to public libraries (in thousands)	46,152	47,600	48,100	48,600	49,000	49,500	50,000
Materials borrowed from public libraries (in thousands)	70,545	71,300	72,000	72,700	73,400	74,100	74,900
Items borrowed from public libraries children's collections- included above (in thousands)	25,277	25,500	25,700	26,000	26,300	26,500	26,800
Materials borrowed from libraries for blind and physically handicapped-included above (in thousands)	1,975	2,000	2,000	2,100	2,100	2,100	2,100
POWER Library use - items examined (in thousands)	32,915	30,900	31,200	31,600	31,900	32,100	32,500
Online inquiries by consumers to professional reference librarians (Ask Here PA)	120,520	150,700	180,800	207,900	228,700	251,600	276,700

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Individuals utilizing public library computers*	8,921	10,200	11,500	12,900	14,300	15,700	17,100

* New Program Measure

Program: Higher Education

Access & Affordability

Minority enrollment at public institutions	76,359	79,000	81,000	83,000	85,000	87,000	89,000
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Outcomes

Six-year graduation rate for full-time, first-time students at state system institutions	55.30%	56.10%	57.70%	58.50%	59.30%	60.20%	61.10%
Six-year graduation rate for full-time, first-time students at state-related institutions	66.20%	67.40%	68.60%	69.80%	71%	72.20%	73.40%
Three-year graduation rate for full-time, first-time students at community colleges	13.90%	14%	14.10%	14.20%	14.30%	14.40%	14.50%



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.



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Emergency Management Agency

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 5,562	\$ 5,529	\$ 5,646
(F)Civil Preparedness.....	23,870	21,000	21,000
(F)Hazardous Materials Planning and Training.....	1,230	692	692
(F)Wireless E-911 Grant.....	0	2,479	2,479
(F)Domestic Preparedness - First Responders (EA).....	180,000	180,000	180,000
(A)Reimbursements.....	14	0	0
Information Systems Management.....	990	952	934
Subtotal.....	<u>\$ 211,666</u>	<u>\$ 210,652</u>	<u>\$ 210,751</u>
State Fire Commissioner.....	2,056	2,169	2,099
(F)Fire Prevention.....	28	66	42
(F)Assistance to Firefighters Grant Program.....	369	0	0
(A)Fire Academy Fees.....	6	25	25
(A)Arson Fines.....	0	2	2
Subtotal.....	<u>\$ 2,459</u>	<u>\$ 2,262</u>	<u>\$ 2,168</u>
Security and Emergency Preparedness.....	1,050	1,001	1,001
Subtotal - State Funds.....	\$ 9,658	\$ 9,651	\$ 9,680
Subtotal - Federal Funds.....	205,497	204,237	204,213
Subtotal - Augmentations.....	20	27	27
Total - General Government.....	<u>\$ 215,175</u>	<u>\$ 213,915</u>	<u>\$ 213,920</u>
<i>Grants and Subsidies:</i>			
(F)August 2004 Storm Disaster - Hazard Mitigation (EA).....	\$ 0	\$ 27	\$ 0
(F)September 2004 Tropical Storm Ivan - Hazard Mitigation (EA).....	2,250	237	0
(F)September 2004 Tropical Storm Ivan - Public Assistance (EA).....	2,200	489	0
(F)April 2005 Storm Disaster - Public Assistance (EA).....	2,000	954	0
(F)April 2005 Storm Disaster - Hazard Mitigation (EA).....	375	70	0
(F)June 2006 Summer Storm - Public Assistance (EA).....	17,500	11,369	3,000
(F)June 2006 Flood Disaster Hazard Mitigation (EA).....	4,500	1,613	0
(F)November 2006 Winter Storm Disaster - Public Assistance (EA).....	4,950	3,470	1,600
(F)November 2006 Winter Storm - Hazard Mitigation (EA).....	2,250	1,050	0
Emergency and Disaster Relief-February 2010 Snowstorms.....	5,000	0	0
(F)February 2010 Winter Snowstorms-PA (EA).....	48,300	48,000	0
(F)February 2010 Winter Snowstorms-HM (EA).....	0	5,063	5,063
Firefighters' Memorial Flag.....	10	10	10
Red Cross Extended Care Program.....	297	199	0
Regional Events Security.....	4,900	2,984	0
(F)Public Safety Interoperable Communication Grant Program (EA).....	0	50	0
Subtotal - State Funds.....	\$ 10,207	\$ 3,193	\$ 10
Subtotal - Federal Funds.....	84,325	72,392	9,663
Total - Grants and Subsidies.....	<u>\$ 94,532</u>	<u>\$ 75,585</u>	<u>\$ 9,673</u>
STATE FUNDS.....	\$ 19,865	\$ 12,844	\$ 9,690
FEDERAL FUNDS.....	289,822	276,629	213,876
AUGMENTATIONS.....	20	27	27
GENERAL FUND TOTAL.....	<u>\$ 309,707</u>	<u>\$ 289,500</u>	<u>\$ 223,593</u>



Emergency Management Agency

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
OTHER FUNDS:			
GENERAL FUND:			
VoIP Emergency Services Fund.....	\$ 11,544	\$ 11,500	\$ 11,500
Radiological Emergency Response Planning.....	632	1,000	1,000
Radiation Emergency Response Fund.....	744	750	927
GENERAL FUND TOTAL.....	\$ 12,920	\$ 13,250	\$ 13,427
HAZARDOUS MATERIAL RESPONSE FUND:			
General Operations.....	\$ 117	\$ 152	\$ 230
Hazardous Materials Response Team.....	417	417	230
Grants to Counties.....	824	3,854	1,610
Public and Facilities Owners Education.....	117	117	230
HAZARDOUS MATERIAL RESPONSE FUND TOTAL.....	\$ 1,475	\$ 4,540	\$ 2,300
STATE GAMING FUND:			
Transfer to Volunteer Company Grants Program (EA).....	\$ 25,000	\$ 25,000	\$ 25,000
VOLUNTEER COMPANIES LOAN FUND:			
Volunteer Company Loans.....	\$ 14,392	\$ 17,500	\$ 17,500
WIRELESS E-911 EMERGENCY SERVICES FUND:			
General Operations (EA).....	\$ 2,000	\$ 2,100	\$ 2,400
Wireless E-911 Emergency Services Grants (EA).....	113,137	113,814	118,000
WIRELESS E-911 EMERGENCY SERVICES FUND TOTAL.....	\$ 115,137	\$ 115,914	\$ 120,400
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 19,865	\$ 12,844	\$ 9,690
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	289,822	276,629	213,876
AUGMENTATIONS.....	20	27	27
OTHER FUNDS.....	168,924	176,204	178,627
TOTAL ALL FUNDS.....	\$ 478,631	\$ 465,704	\$ 402,220



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
EMERGENCY MANAGEMENT							
GENERAL FUND.....	\$ 17,502	\$ 10,466	\$ 7,581	\$ 7,581	\$ 7,581	\$ 7,581	\$ 7,581
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	289,425	274,084	211,355	203,192	202,442	201,842	201,692
OTHER FUNDS.....	27,865	31,290	29,227	29,050	29,050	28,495	28,495
SUBCATEGORY TOTAL.....	\$ 334,792	\$ 315,840	\$ 248,163	\$ 239,823	\$ 239,073	\$ 237,918	\$ 237,768
FIRE PREVENTION AND SAFETY							
GENERAL FUND.....	\$ 2,363	\$ 2,378	\$ 2,109	\$ 2,109	\$ 2,109	\$ 2,109	\$ 2,109
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	397	2,545	2,521	2,521	2,521	2,521	2,521
OTHER FUNDS.....	141,079	144,941	149,427	149,427	149,427	149,427	149,427
SUBCATEGORY TOTAL.....	\$ 143,839	\$ 149,864	\$ 154,057	\$ 154,057	\$ 154,057	\$ 154,057	\$ 154,057
ALL PROGRAMS:							
GENERAL FUND.....	\$ 19,865	\$ 12,844	\$ 9,690	\$ 9,690	\$ 9,690	\$ 9,690	\$ 9,690
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	289,822	276,629	213,876	205,713	204,963	204,363	204,213
OTHER FUNDS.....	168,944	176,231	178,654	178,477	178,477	177,922	177,922
DEPARTMENT TOTAL.....	\$ 478,631	\$ 465,704	\$ 402,220	\$ 393,880	\$ 393,130	\$ 391,975	\$ 391,825

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) was initially created in 1951 to address civil defense related public planning and preparedness. Over the past half century, PEMA's responsibilities have evolved, and the agency's mission has grown into a statewide, comprehensive, all-hazards mitigation, preparedness, response and recovery effort. PEMA's responsibilities and mission have grown further following the September 11, 2001 terrorist attack on the nation. The agency has several objectives: increase community outreach to better prepare citizens to appropriately respond to all-hazard threats within their community; increase capabilities within the four pillars of emergency management within the commonwealth; increase the efficiency of federal and state grant distribution, management and administration; provide wireless 911 callers the enhanced benefits traditionally available to landline 911 callers and reduce the risks associated with critical infrastructure from acts that would severely diminish the ability of government to perform essential health and safety missions.

Pennsylvania's public preparedness program is based on inter-governmental and intra-governmental coordination, communication and cooperation and a team approach involving state, county, municipal and federal elected leaders, the private sector owners of our critical infrastructure, emergency managers and first responders. At its core is a multi-agency training program which 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; alleviates human suffering and hardship resulting from natural and man-made disasters; and deploys rapidly when required in the event of war or other resource-based emergencies.

PEMA's responsibilities also include programs concerning prison/community safety, 911-program implementation and maintenance, statewide chemical and nuclear power safety and hazardous materials transportation, and individual emergency preparedness.

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 satellite-based network that monitors actual rainfall amounts provides an early warning system for flooding. 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.

The Office of Homeland Security serves as a conduit between the U. S. Department of Homeland Security and the commonwealth, developing the strategies needed to protect Pennsylvania's critical infrastructure, key resources and significant special events. This is accomplished through identification, assessment, prioritization, outreach and evaluation in order to reduce vulnerabilities and deter threats by leveraging all allowable funding and resources in the most effective manner.

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. Federal and state laws mandate conducting exercises to test and update existing emergency preparedness and response plans. This 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 also coordinates nine regional counter-terrorism task forces and incident support teams. PEMA acts as the federally designated State Administrative Agency and is responsible for managing congressionally mandated and first responder preparedness support programs.

The agency will be responsible for activities required by the U. S. Environmental Protection Agency under the Federal Superfund Amendments and Reauthorization Act. Federal Clean Air Act amendments include upgrading chemical emergency preparedness facility plans and planning and training activities for compliance with the Hazardous Materials Transportation Uniform Safety Act. Responsibilities for preparedness involve state and county governments and chemical manufacturers.

The Public Safety Emergency Telephone Act (Act 78) as amended by Act 56 of 2003 established the Wireless E-911 Emergency Services Fund, which provides for the collection of a one dollar per device monthly surcharge on wireless telephone customers to support a statewide integrated wireless E-911 system. The wireless surcharge funds are disbursed to public safety answering points to upgrade

Emergency Management Agency

Program: Emergency Management (continued)

911 technologies by providing 911 telecommunicators with location information for wireless 911 callers. In addition, Act 78 as amended by Act 72 of 2008 established the Voice over Internet Protocol (VoIP) Emergency Services Fund. The act provides for the collection of a one dollar per month fee for each telephone number assigned by a voice over internet provider to a VoIP service customer that has outbound calling capability. VoIP 911 fees can be remitted to the county or to the commonwealth's VoIP 911 Emergency Services Fund. The fee is for the purpose of assisting counties with the implementation of an agency-

approved plan adopted under Section 5 of Act 78. Act 118 of 2010 further amends the Public Safety Emergency Telephone Act, by authorizing the implementation of a one dollar surcharge on prepaid wireless devices.

Act 42 of 2007 increased the amount of unused appropriated funds the Governor may redirect for disaster relief. These funds are used to provide public assistance, to enable the commonwealth, local communities and municipalities to resume normal function and to assist in the delivery of emergency services and assistance to the citizens of the commonwealth.

Program Recommendations:

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

<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">General Government Operations</td> </tr> <tr> <td style="width: 10%; text-align: right;">\$ -105</td> <td>—nonrecurring 2010-11 budgetary freeze amount.</td> </tr> <tr> <td style="text-align: right;">222</td> <td>—to continue current program.</td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black;">\$ 117</td> <td style="text-align: right;"><i>Appropriation Increase</i></td> </tr> </table>	General Government Operations		\$ -105	—nonrecurring 2010-11 budgetary freeze amount.	222	—to continue current program.	\$ 117	<i>Appropriation Increase</i>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">Information Systems Management</td> </tr> <tr> <td style="width: 10%; text-align: right;">\$ -18</td> <td>—nonrecurring 2010-11 budgetary freeze amount.</td> </tr> <tr> <td colspan="2" style="padding-top: 20px;">Regional Events Security</td> </tr> <tr> <td style="text-align: right;">\$ -2,984</td> <td>—funding elimination.</td> </tr> </table>	Information Systems Management		\$ -18	—nonrecurring 2010-11 budgetary freeze amount.	Regional Events Security		\$ -2,984	—funding elimination.
General Government Operations																	
\$ -105	—nonrecurring 2010-11 budgetary freeze amount.																
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\$ 117	<i>Appropriation Increase</i>																
Information Systems Management																	
\$ -18	—nonrecurring 2010-11 budgetary freeze amount.																
Regional Events Security																	
\$ -2,984	—funding elimination.																

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
General Government Operations	\$ 5,562	\$ 5,529	\$ 5,646	\$ 5,646	\$ 5,646	\$ 5,646	\$ 5,646
Information Systems Management.....	990	952	934	934	934	934	934
Security and Emergency Preparedness....	1,050	1,001	1,001	1,001	1,001	1,001	1,001
Emergency and Disaster Relief-February 2010 Snowstorms.....	5,000	0	0	0	0	0	0
Regional Events Security	4,900	2,984	0	0	0	0	0
TOTAL GENERAL FUND	\$ 17,502	\$ 10,466	\$ 7,581	\$ 7,581	\$ 7,581	\$ 7,581	\$ 7,581



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

The State Fire Commissioner Act, Act 61 of 1995, places responsibility on the State Fire Commissioner for addressing the diverse training, operational and 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, the Pennsylvania Fire Information Reporting System (PennFIRS), a public education/information program, and the administration of the firefighters' 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 provides 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 (SFA) at Lewistown is the catalyst for training delivery to the state's fire and emergency response community. The Local Level Training program, a unique system involving the SFA, community colleges and county and local training facilities and organizations, provides a comprehensive curriculum of basic and mid-level fire, rescue, hazardous material, officer development and fire department management courses deliverable to firefighters through county and local fire department programs.

The SFA's training facilities and staff support the Resident Training program of mid-level, advanced and specialty training in fire, rescue, hazardous material and officer development aimed at providing professional development opportunities for the state's firefighters, fire officers, the academy's cadre of field instructors and employees from other state agencies. Selected programs of timely interest and concern are made available through the state's fire service locally through the Academy on the

Road program. The SFA also makes available a Firefighter Certification program that measures individual knowledge and skills against nationally accepted professional standards to assist firefighters in maximizing their training and experience credentials.

The Volunteer Loan Assistance program 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.

Act 17 of 2003 established the Volunteer Fire Company and Volunteer Ambulance Service Grant programs which the commissioner's office manages. An annual transfer of \$25 million from the State Gaming Fund to the Volunteer Company Grant program provides funds to be used for grants to volunteer fire companies and ambulance services to assist them in maintaining or improving their capability to provide fire, ambulance and rescue services.

The Pennsylvania Fire Service Intra-State Mutual Aid System (PIMAS), established by Act 93 of 2008 provides a statewide fire service mutual aid system. PIMAS was developed to identify and deploy emergency resources when an incident expands beyond the capabilities of local jurisdictions and resources.

Act 168 of 1990 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.

Act 42 of 2008 established the "Fire Prevention and Safety Fund" within the Office of the Fire Commissioner. The fund is to be credited with penalties levied under the act and will be used to support fire and safety prevention programs.

Emergency Management Agency

Program: Fire Prevention and Safety (continued)

Program Recommendations:

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

	State Fire Commissioner		Red Cross Extended Care Program
\$ -38	—nonrecurring 2010-11 budgetary freeze amount.	\$ -199	—program elimination.
-32	—reduction in administrative costs.		
<u>\$ -70</u>	<i>Appropriation Decrease</i>		

The Firefighters' Memorial Flag appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
State Fire Commissioner	\$ 2,056	\$ 2,169	\$ 2,099	\$ 2,099	\$ 2,099	\$ 2,099	\$ 2,099
Firefighters' Memorial Flag	10	10	10	10	10	10	10
Red Cross Extended Care Program	297	199	0	0	0	0	0
TOTAL GENERAL FUND	<u>\$ 2,363</u>	<u>\$ 2,378</u>	$ 2,109	$ 2,109	$ 2,109	$ 2,109	<u>\$ 2,109</u>



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Emergency Management							
Emergency Preparedness and Response							
State and local emergency management personnel trained*	700	4,200	4,410	4,630	4,860	5,100	5,110
Percentage of commonwealth residents prepared for a disaster through outreach and training events	31%	32%	34%	35%	36%	37%	40%
Percentage of counties that receive federal funds and exceed the required minimum number of community outreach events annually	37%	42%	45%	46%	47%	48%	49%
Emergency management grant funds disbursed in federal and state funds (in thousands)	\$74,167	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000

*State and local emergency management personnel trained is reported differently beginning in 2010-11.

Program: Fire Prevention and Safety

Fire departments participating in Fire Department Recognition Program	602	570	610	650	700	745	750
State Fire Academy Entry Level Training Graduates	11,125	10,060	10,060	10,060	10,060	10,060	10,060
Individuals certified at firefighter or higher at the State Fire Academy	3,400	4,000	4,100	4,300	4,300	4,300	4,300
Incidents reported through the PA Fire Information Reporting System	258,249	250,000	250,000	250,000	250,000	250,000	250,000
Volunteer company loans approved (in thousands)	\$13,832	\$15,500	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000
Volunteer company grants awarded	2,743	2,750	2,750	2,750	2,750	2,850	2,850



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.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

GENERAL FUND:

General Government:

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
General Government Operations.....	\$ 14,001	\$ 13,078	\$ 10,969
(A)Reimbursement - EDP Services.....	8,542	8,438	8,292
(A)Department Services.....	251	100	250
Subtotal.....	<u>\$ 22,794</u>	<u>\$ 21,616</u>	<u>\$ 19,511</u>

Environmental Hearing Board.....	1,691	1,578	1,744
(A)Reimbursement for Services.....	4	4	4
Subtotal.....	<u>\$ 1,695</u>	<u>\$ 1,582</u>	<u>\$ 1,748</u>

Environmental Program Management.....	31,100	29,439	28,604
(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.....	5,500	5,500	5,500
(F)Air Pollution Control Grants - Management.....	2,700	2,700	3,200
(F)Surface Mine Conservation.....	6,500	6,500	6,500
(F)Wetland Protection Fund.....	840	840	840
(F)Diagnostic X-Ray Equipment Testing.....	450	450	550
(F)Water Quality Outreach Operator Training.....	17	200	200
(F)Water Quality Management Planning Grants.....	1,150	1,150	1,150
(F)ARRA - Water Quality Management Planning Grants.....	1,567	1,567	1,000
(F)Small Operators Assistance.....	100	2,000	2,000
(F)Wellhead Protection Fund.....	250	250	250
(F)Indoor Radon Abatement.....	500	600	600
(F)Non-Point Source Implementation.....	12,800	12,800	12,800
(F)Hydroelectric Power Conservation Fund.....	3	51	51
(F)Survey Studies.....	3,000	3,000	5,000
(F)ARRA - Survey Studies.....	14,474	14,474	3,300
(F)National Dam Safety.....	150	150	150
(F)Training Reimbursement for Small Systems.....	3,500	3,500	3,500
(F)Abandoned Mine Reclamation (EA).....	55,000	55,000	55,000
(F)Nuclear and Chemical Security (EA).....	3,225	180	225
(F)Homeland Security Initiative (EA).....	1,000	2,000	2,000
(F)State Energy Program.....	11,000	15,000	15,000
(F)ARRA - State Energy Program.....	184,000	184,000	70,000
(F)Pollution Prevention.....	800	800	800
(F)Energy & Environmental Opportunities.....	1,200	1,200	1,200
(F)Surface Mine Conservation.....	680	680	680
(A)Payments - Department Services.....	85	20	82
(A)Vehicle Sales.....	10	7	7
(A)Reimbursement from Water Pollution Control Revolving Fund.....	110	3	0
(A)Safe Drinking Water Account.....	0	109	0
(A)Reimbursement - PENNVEST.....	2	212	211
(A)Safe Drinking Water Revolving Fund Administration.....	267	186	268
(A)Municipalities Sewage Facilities Compliance.....	0	137	2
(R)Sewage Facilities Program Administration (EA).....	1,500	1,500	1,500
(R)Used Tire Pile Remediation (EA).....	103	1,303	1,253
Subtotal.....	<u>\$ 357,483</u>	<u>\$ 361,408</u>	<u>\$ 237,323</u>

Chesapeake Bay Agricultural Source Abatement.....	3,002	2,826	2,826
(F)Chesapeake Bay Pollution Abatement.....	6,200	6,200	6,200
Subtotal.....	<u>\$ 9,202</u>	<u>\$ 9,026</u>	<u>\$ 9,026</u>

Environmental Protection Operations.....	84,218	79,529	79,529
(F)EPA Planning Grant - Administration.....	7,800	8,400	8,400
(F)Water Pollution Control Grants.....	6,000	8,900	8,900
(F)Air Pollution Control Grants.....	4,075	4,075	4,075
(F)Surface Mine Control and Reclamation.....	11,344	11,344	11,344



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
(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.....	5,100	5,700	5,700
(F) Oil Pollution Spills Removal.....	1,000	1,000	1,000
(F) Emergency Disaster Relief (EA).....	213	213	213
(F) Technical Assistance to Small Systems (EA).....	1,000	1,000	1,000
(F) Assistance to State Programs (EA).....	7,000	7,000	7,300
(F) Local Assistance and Source Water Protection (EA).....	6,500	6,500	7,000
(A) Clean Air Fund.....	984	984	2,244
(A) Clean Water Fund.....	851	851	0
(A) Vehicle Sale.....	32	80	80
(A) Reimbursement from Water Pollution Control Revolving Fund.....	306	270	270
(A) Safe Drinking Water Account.....	200	200	200
(A) Solid Waste Abatement.....	500	500	500
(A) Reimbursement - PENNVEST.....	40	65	65
(A) Reimbursement - Department Services.....	88	55	55
(A) PADOT ISTEPA Program.....	874	585	585
(A) Safe Drinking Water Revolving Fund.....	792	730	730
(A) Reimbursement - Laboratory Services.....	9,081	9,813	11,125
(A) Lab Accreditation.....	1,300	1,000	1,000
Subtotal.....	\$ 151,348	\$ 150,844	\$ 153,365
Black Fly Control and Research.....	5,106	3,452	3,452
(A) County Contributions.....	682	650	650
Subtotal.....	\$ 5,788	\$ 4,102	\$ 4,102
West Nile Virus Control.....	4,405	4,380	4,332
(A) Vehicle Sales.....	2	0	0
(A) Reimbursement for Spraying.....	102	0	0
Subtotal.....	\$ 4,509	\$ 4,380	\$ 4,332
Flood Control Projects.....	3,508	3,480	0
Subtotal - State Funds.....	\$ 147,031	\$ 137,762	\$ 131,456
Subtotal - Federal Funds.....	382,588	390,874	268,578
Subtotal - Augmentations.....	25,105	24,999	26,620
Subtotal - Restricted Revenues.....	1,603	2,803	2,753
Total - General Government.....	\$ 556,327	\$ 556,438	\$ 429,407
Grants and Subsidies:			
Safe Water.....	\$ 0	\$ 682	\$ 0
Sewage Facilities Planning Grants.....	900	866	850
Sewage Facilities Enforcement Grants.....	2,700	2,598	2,549
Delaware River Master.....	88	87	85
Ohio River Basin Commission.....	13	13	13
Susquehanna River Basin Commission.....	660	655	643
Interstate Commission on the Potomac River.....	49	49	48
Delaware River Basin Commission.....	1,020	1,012	993
Ohio River Valley Water Sanitation Commission.....	148	147	144
Chesapeake Bay Commission.....	248	246	241
Transfer to Conservation District Fund.....	3,060	2,914	2,914
Interstate Mining Commission.....	33	33	32
Total - Grants and Subsidies.....	\$ 8,919	\$ 9,302	\$ 8,512



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
STATE FUNDS.....	\$ 155,950	\$ 147,064	\$ 139,968
FEDERAL FUNDS.....	382,588	390,874	268,578
AUGMENTATIONS.....	25,105	24,999	26,620
RESTRICTED REVENUES.....	1,603	2,803	2,753
GENERAL FUND TOTAL.....	\$ 565,246	\$ 565,740	\$ 437,919
 <u>MOTOR LICENSE FUND:</u>			
<i>General Government:</i>			
Dirt and Gravel Roads.....	\$ 4,000	\$ 4,000	\$ 4,000
 <u>OTHER FUNDS:</u>			
GENERAL FUND:			
Safe Drinking Water Account.....	\$ 436	\$ 642	\$ 358
Radiation Protection Fund.....	8,314	12,638	12,894
Clean Water Fund.....	3,497	12,580	12,049
Solid Waste Abatement Fund.....	2,227	4,252	1,047
Well Plugging Account.....	8,530	16,631	18,058
Abandoned Well Plugging.....	90	820	375
Orphan Well Plugging.....	1,251	1,958	1,500
Alternative Fuels.....	11,490	14,183	6,137
Industrial Land Recycling.....	137	567	247
Waste Transportation Safety Account.....	1,299	2,220	2,547
GENERAL FUND TOTAL.....	\$ 37,271	\$ 66,491	\$ 55,212
ACID MINE DRAINAGE ABATEMENT AND TREATMENT FUND:			
Acid Mine Drainage Abatement and Treatment (F) (EA).....	\$ 7,795	\$ 9,578	\$ 4,020
CLEAN AIR FUND:			
Major Emission Facilities (EA).....	\$ 21,877	\$ 24,732	\$ 24,870
Mobile and Area Facilities (EA).....	6,121	9,382	11,344
CLEAN AIR FUND TOTAL.....	\$ 27,998	\$ 34,114	\$ 36,214
COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND:			
General Operations (EA).....	\$ 2,696	\$ 3,693	\$ 3,806
Payment of Claims (EA).....	2,035	2,115	2,045
COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND TOTAL.....	\$ 4,731	\$ 5,808	\$ 5,851
COAL LANDS IMPROVEMENT FUND:			
Coal Lands Restoration (EA).....	\$ 20	\$ 305	\$ 300
CONSERVATION DISTRICT FUND:			
Conservation District Grants (EA).....	\$ 3,060	\$ 2,914	\$ 2,914
ENERGY DEVELOPMENT FUND:			
Energy Development - Administration (EA).....	\$ 250	\$ 250	\$ 250
Energy Development Loans/Grants (EA).....	200	200	250
ENERGY DEVELOPMENT FUND TOTAL.....	\$ 450	\$ 450	\$ 500
ENVIRONMENTAL EDUCATION FUND:			
General Operations (EA).....	\$ 740	\$ 775	\$ 775
ENVIRONMENTAL STEWARDSHIP FUND:			
Watershed Protection and Restoration (EA).....	\$ 13,463	\$ 11,739	\$ 10,239
HAZARDOUS SITES CLEANUP FUND:			
General Operations (EA).....	\$ 16,457	\$ 17,686	\$ 19,197
Hazardous Sites Cleanup (EA).....	27,725	24,554	23,000
Host Municipality Grants (EA).....	26	75	75
Transfer to Industrial Sites Cleanup Fund (EA).....	2,000	2,000	2,000
Small Business Pollution Prevention (EA).....	681	1,000	1,000



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
Transfer-Industrial Sites Environmental Assessment Fund (EA).....	2,000	2,000	2,000
Transfer to Household Hazardous Waste Account.....	1,000	1,000	1,000
HAZARDOUS SITES CLEANUP FUND TOTAL.....	\$ 49,889	\$ 48,315	\$ 48,272
LOW LEVEL WASTE FUND:			
General Operations (EA).....	\$ 176	\$ 1,008	\$ 0
NON-COAL SURFACE MINING CONSERVATION & RECLAMATION FUND:			
General Operations (EA).....	\$ 3,696	\$ 3,040	\$ 3,040
NUTRIENT MANAGEMENT FUND:			
Education, Research and Technical Assistance (EA).....	\$ 2,096	\$ 2,035	\$ 2,073
RECYCLING FUND:			
Recycling Coordinator Reimbursement (EA).....	\$ 1,600	\$ 1,600	\$ 1,600
Reimbursement for Municipal Inspection (EA).....	425	425	400
Reimburse-Host Municipality Permit Applications Review (EA).....	0	10	10
Administration of Recycling Program (EA).....	1,202	1,408	1,183
County Planning Grants (EA).....	1,828	2,000	2,000
Municipal Recycling Grants (EA).....	13,617	15,700	12,471
Municipal Recycling Performance Program (EA).....	23,000	23,573	18,000
Public Education/Technical Assistance (EA).....	4,538	2,300	2,102
Transfer to Used Tire Pile Remediation.....	1,250	1,250	1,250
RECYCLING FUND TOTAL.....	\$ 47,460	\$ 48,266	\$ 39,016
REMINING FINANCIAL ASSURANCE FUND:			
Remining Financial Assurance (EA).....	\$ 0	\$ 229	\$ 50
STORAGE TANK FUND:			
General Operations (EA).....	\$ 7,056	\$ 9,107	\$ 6,162
Underground Storage Tanks (F) (EA).....	1,250	1,250	1,750
Leaking Underground Storage Tanks (F) (EA).....	2,990	2,990	2,990
ARRA - Leaking Underground Storage Tanks.....	6,163	6,163	3,000
STORAGE TANK FUND TOTAL.....	\$ 17,459	\$ 19,510	\$ 13,902
SURFACE MINING CONSERVATION & RECLAMATION FUND:			
General Operations (EA).....	\$ 2,137	\$ 3,215	\$ 3,247
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:			
Environmental Cleanup Program (EA).....	\$ 3,191	\$ 5,500	\$ 5,500
Pollution Prevention Program (EA).....	192	1,000	1,000
Catastrophic Release Program (EA).....	1,485	5,276	5,277
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....	\$ 4,868	\$ 11,776	\$ 11,777
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 155,950	\$ 147,064	\$ 139,968
SPECIAL FUNDS.....	4,000	4,000	4,000
FEDERAL FUNDS.....	382,588	390,874	268,578
AUGMENTATIONS.....	25,105	24,999	26,620
RESTRICTED.....	1,603	2,803	2,753
OTHER FUNDS.....	223,309	269,568	237,402
TOTAL ALL FUNDS.....	\$ 792,555	\$ 839,308	\$ 679,321



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
ENVIRONMENTAL SUPPORT SERVICES							
GENERAL FUND.....	\$ 15,692	\$ 14,656	\$ 12,713	\$ 12,713	\$ 12,713	\$ 12,713	\$ 12,713
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	8,797	8,542	8,546	8,546	8,546	8,546	8,546
SUBCATEGORY TOTAL.....	\$ 24,489	\$ 23,198	\$ 21,259	\$ 21,259	\$ 21,259	\$ 21,259	\$ 21,259
ENVIRONMENTAL PROTECTION AND MANAGEMENT							
GENERAL FUND.....	\$ 140,258	\$ 132,408	\$ 127,255	\$ 127,255	\$ 127,255	\$ 127,255	\$ 127,255
SPECIAL FUNDS.....	4,000	4,000	4,000	4,000	4,000	4,000	4,000
FEDERAL FUNDS.....	382,588	390,874	268,578	268,578	268,578	268,578	268,578
OTHER FUNDS.....	241,220	288,828	258,229	258,229	258,229	258,229	258,229
SUBCATEGORY TOTAL.....	\$ 768,066	\$ 816,110	\$ 658,062	\$ 658,062	\$ 658,062	\$ 658,062	\$ 658,062
ALL PROGRAMS:							
GENERAL FUND.....	\$ 155,950	\$ 147,064	\$ 139,968	\$ 139,968	\$ 139,968	\$ 139,968	\$ 139,968
SPECIAL FUNDS.....	4,000	4,000	4,000	4,000	4,000	4,000	4,000
FEDERAL FUNDS.....	382,588	390,874	268,578	268,578	268,578	268,578	268,578
OTHER FUNDS.....	250,017	297,370	266,775	266,775	266,775	266,775	266,775
DEPARTMENT TOTAL.....	\$ 792,555	\$ 839,308	\$ 679,321	\$ 679,321	\$ 679,321	\$ 679,321	\$ 679,321



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		Environmental Hearing Board	
\$ -248	—nonrecurring 2010-11 budgetary freeze amount.	\$ 166	—to continue current program.
-1,861	—funding reduction.		
<u>\$ -2,109</u>	<i>Appropriation Decrease</i>		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
General Government Operations	\$ 14,001	\$ 13,078	\$ 10,969	\$ 10,969	\$ 10,969	\$ 10,969	\$ 10,969
Environmental Hearing Board	1,691	1,578	1,744	1,744	1,744	1,744	1,744
TOTAL GENERAL FUND	<u>\$ 15,692</u>	<u>\$ 14,656</u>	<u>\$ 12,713</u>	<u>\$ 12,713</u>	<u>\$ 12,713</u>	<u>\$ 12,713</u>	<u>\$ 12,713</u>



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 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 that protects 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. Act 24 of 2010 extended the \$4 tipping fee until 2020. The budget includes funds from the Growing Greener II bond initiative, approved by the voters May 17, 2005. Growing Greener II provided 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. Ninety-five percent of the population of Pennsylvania lives in counties attaining the ambient ozone standard. Ozone, a bluish gas, irritates the eyes and upper respiratory system. Ninety percent of the population lives in counties which meet the 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.

The department's 55 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 has implemented an initiative to streamline the permit process. Inspections 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.

Program: Environmental Protection and Management (continued)

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 promote economic activity. 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 more than 84,867 miles of streams and 76,483 acres of lakes in the commonwealth. A total of 68,320 assessed stream miles and 39,301 acres of 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 50 new stream miles and 10 lakes attain assessed water quality standards.

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 18,163 miles identified as impaired by either point sources or non-point sources in the department’s 2010 Water Quality Assessment, the broadest impacts were caused by non-point sources and remain abandoned mine drainage and agricultural runoff.

Over six years, funding from the Growing Greener II bond is helping to restore or improve approximately 1,000 acres of wetlands, install or improve 1,100 miles of riparian buffers and improve 250 miles of streams affected by abandoned mine drainage.

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, a delegated program under the Federal Clean Water Act, requires the commonwealth to permit and monitor point source discharges.

The department has incorporated a significant effort to bring municipalities into compliance with federal combined sewer overflow discharge requirements. Approximately 90 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 (PENVEST) in implementing this program by establishing priorities for funding and managing and inspecting projects during construction. To date, more than 1,100 wastewater 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. These permits, which grant water rights to public water supply

Program: Environmental Protection and Management (continued)

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, more than 220 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 approximately 5.7 million tons in 2010. 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 and is now used as technical assistance in the development of grant applications. 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 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 2.7 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.

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 Non-Coal Surface Mining Conservation and Reclamation Act of 1984 and related statutes. The department oversees more than 1,700 other 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 Other 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 processed over 9,000 permits in 2010.

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

Program: Environmental Protection and Management (continued)

by historic mining or oil and gas development. More than 13,000 sites in Pennsylvania are known to be contaminated by hazardous substances. Collectively, the department completed or certified cleanups at more than 844 contaminated sites in 2009.

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 39,000 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 program is currently funded through an annual \$40 million transfer from CSFT revenues.

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.

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. More than 475 tank releases were remediated in 2010.

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 Remining Operator Assistance program 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 1,300 acres were reclaimed by the department and permitted operators. There are approximately 50,000 acres in the department's inventory of high-priority abandoned mine land, posing a threat to health, safety and general welfare.

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 8,500 oil and gas wells in the department's abandoned or orphaned well inventory. The department plugged 185 orphan and abandoned wells in 2010.

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 regulating more than 2,100 community water systems serving 10.5 million residents and 7,400 non-community public water systems generally serving restaurants, industries, schools and motels, which must comply with standards. In 2010, 97.5 percent of the population was served by water supply systems that met all health-based standards. The department also provides consultative services and inspections for the 700,000 residential water supplies in Pennsylvania. There have been great strides made in reducing waterborne diseases.

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 20 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 completed through this program with another 700 projects funded through this program.



Program: Environmental Protection and Management (continued)

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 460 facilities utilizing accelerators and naturally occurring radioactive material. The department inspects almost 390 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 9,000 mitigation systems, preventing 134 potential lung cancer deaths. Up to 40 percent of the buildings in Pennsylvania may have unsafe radon levels.

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 2010, more than 86,000 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 1,600 stream miles of the Susquehanna, Delaware and Allegheny rivers and their tributaries.

Program Element: Emergency Preparedness and Response

The department's emergency response personnel are available whenever there is an immediate threat to public health, safety or the environment. Each year, the department responds to more than 4,000 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: Dam Safety

The department's stream improvement programs, in existence for more than 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 of 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 15 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.

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

Program: Environmental Protection and Management (continued)

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. More than 125,000 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 worked with the Pennsylvania State Police and the Pennsylvania Office of Homeland Security on regulations that will greatly enhance the security of explosives storage sites from terrorism and other threats.

The department reviews and issues approximately 1,800 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 400 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 \$21 million for more than 90 advanced energy projects. The Pennsylvania Energy Development Authority has provided \$21 million in grants, loans and loan guarantees for advanced energy projects.

Funding from the Growing Greener II bond leveraged an additional ten trillion BTUs of electricity generation per year from renewable sources 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 Standards Act of 2004.

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 more than \$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.

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 not-for-profit 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 provides 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.

Environmental Protection

Program: Environmental Protection and Management (continued)

Program Recommendations:

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

<p>GENERAL FUND Environmental Program Management \$ -558 —nonrecurring 2010-11 budgetary freeze amount. -277 —funding reduction. \$ -835 Appropriation Decrease</p> <p>West Nile Virus Control \$ -48 —nonrecurring 2010-11 budgetary freeze amount.</p> <p>Flood Control Projects \$ -3,480 —program elimination.</p> <p>Safe Water \$ -682 —program elimination.</p> <p>Sewage Facilities Planning Grants \$ -16 —nonrecurring 2010-11 budgetary freeze amount.</p> <p>Sewage Facilities Enforcement Grants \$ -49 —nonrecurring 2010-11 budgetary freeze amount.</p> <p>Delaware River Master \$ -2 —nonrecurring 2010-11 budgetary freeze amount.</p>	<p>Susquehanna River Basin Commission \$ -12 —nonrecurring 2010-11 budgetary freeze amount.</p> <p>Interstate Commission on the Potomac River \$ -1 —nonrecurring 2010-11 budgetary freeze amount.</p> <p>Delaware River Basin Commission \$ -19 —nonrecurring 2010-11 budgetary freeze amount.</p> <p>Ohio River Valley Water Sanitation Commission \$ -3 —nonrecurring 2010-11 budgetary freeze amount.</p> <p>Chesapeake Bay Commission \$ -5 —nonrecurring 2010-11 budgetary freeze amount.</p> <p>Interstate Mining Commission \$ -1 —nonrecurring 2010-11 budgetary freeze amount.</p>
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All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Environmental Program Management.....	\$ 31,100	\$ 29,439	\$ 28,604	\$ 28,604	\$ 28,604	\$ 28,604	\$ 28,604
Chesapeake Bay Agricultural Source Abatement.....	3,002	2,826	2,826	2,826	2,826	2,826	2,826
Environmental Protection Operations.....	84,218	79,529	79,529	79,529	79,529	79,529	79,529
Black Fly Control and Research.....	5,106	3,452	3,452	3,452	3,452	3,452	3,452
West Nile Virus Control	4,405	4,380	4,332	4,332	4,332	4,332	4,332
Flood Control Projects.....	3,508	3,480	0	0	0	0	0
Safe Water.....	0	682	0	0	0	0	0
Sewage Facilities Planning Grants.....	900	866	850	850	850	850	850
Sewage Facilities Enforcement Grants	2,700	2,598	2,549	2,549	2,549	2,549	2,549
Delaware River Master.....	88	87	85	85	85	85	85
Ohio River Basin Commission.....	13	13	13	13	13	13	13
Susquehanna River Basin Commission	660	655	643	643	643	643	643
Interstate Commission on the Potomac River	49	49	48	48	48	48	48
Delaware River Basin Commission	1,020	1,012	993	993	993	993	993
Ohio River Valley Water Sanitation Commission.....	148	147	144	144	144	144	144
Chesapeake Bay Commission	248	246	241	241	241	241	241
Transfer to Conservation District Fund.....	3,060	2,914	2,914	2,914	2,914	2,914	2,914
Interstate Mining Commission	33	33	32	32	32	32	32
TOTAL GENERAL FUND	\$ 140,258	\$ 132,408	\$ 127,255	\$ 127,255	\$ 127,255	\$ 127,255	\$ 127,255



Environmental Protection

Program: Environmental Protection and Management (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
MOTOR LICENSE FUND:							
Dirt and Gravel Roads	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Environmental Protection and Management							
Protection of Air Quality							
Percent of population in counties attaining the ambient ozone standard	95%	95%	95%	95%	95%	95%	95%
Percentage of population in counties attaining the ambient PM-2.5 (fine particulate) standard	90%	90%	90%	90%	100%	100%	100%
Tons of hazardous air pollutants emitted	21,671	21,500	21,000	21,000	21,000	21,000	21,000
Protection of Water Quality							
Cumulative miles of assessed streams attaining water uses	68,320	68,370	68,420	68,470	68,520	68,570	68,620
Percentage of assessed stream miles that are impaired	21%	21%	21%	21%	21%	21%	21%
Annual miles of assessed (and reassessed) streams	2,800	2,800	1,200	1,200	1,200	1,200	1,200
Acres of stream buffers installed	3,241	3,000	3,000	1,000	1,000	1,000	1,000
Safe Waste Management							
Tons of municipal solid waste imported into Pennsylvania (in millions)	6.34	6.28	6.28	6.28	6.28	6.28	6.28
Tons of municipal solid waste recycled (in millions)	5.75	6	6.30	6.60	6.90	6.90	6.90
Restoration of Land							
Cleanups completed at sites contaminated with hazardous substances	330	340	345	345	345	345	345
Known sites contaminated by hazardous substances	13,411	13,411	13,411	13,411	13,411	13,411	13,411
Leaking storage tank cleanups completed	475	450	400	400	400	400	400
Known leaking storage tank sites	3,221	3,041	2,861	2,861	2,501	2,321	2,321
Safe Drinking Water							
People affected by documented waterborne disease outbreaks at public water systems	0	0	0	0	0	0	0
Percentage of population served by water supply systems that meet health-based standards	97%	97%	97%	97%	97%	97%	97%
Percentage of community water systems with source water protection strategies in place	31%	37%	44%	52%	60%	68%	68%
Radiation Protection							
Buildings with radon mitigated by certified installers (both residential and commercial)	9,381	7,000	8,000	8,000	8,000	8,000	8,000

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Nuisance and Vector Control							
New human infections of West Nile Virus	0	0	0	0	0	0	0
Breeding areas treated to control West Nile Virus	86,442	70,000	70,000	70,000	70,000	70,000	70,000
Black fly complaints received	110	100	100	100	100	100	100
Stream miles treated to control black flies	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Dam Safety							
High Hazard dams upgraded or repaired	20	20	20	15	15	15	15
Dam Emergency Action Plan compliance rate	85	92	99	99	99	100	100
Mine Safety							
Lost time accidents per 200,000 employee-hours of exposure	3.30	3.30	3.30	3.30	3.30	3.30	3.30
Persons reached for public mine safety education through the "Stay Out Stay Alive" program	125,735	125,000	125,000	125,000	125,000	125,000	125,000
Department-wide Totals							
Complaints received	6,662	7,000	7,000	7,000	7,000	7,000	7,000
Permit applications or requests for authorizations processed	47,787	50,000	50,000	50,000	50,000	50,000	50,000
Enforcement matters executed	11,637	11,600	11,600	11,600	11,600	11,600	11,600
Permits issued for Marcellus Shale gas wells	2,589	4,300	5,700	6,000	7,000	7,500	7,500



ETHICS COMMISSION

The mission of the State Ethics Commission is to promote public confidence in state and local government through its enforcement of the Ethics Act and related legislation.

The responsibilities of the State Ethics Commission include rendering advisory opinions to present or former public officials and public employees, or their appointing authorities, regarding such individuals' duties and responsibilities under the Ethics Act. The Commission also investigates alleged violations of the Ethics Act and prescribes rules and regulations to implement the provisions of the Act.

The 2011-12 budget shows the Ethics Commission as a separate department. Previously, the Ethics Commission was shown in the Legislature.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

2009-10 ACTUAL 2010-11 AVAILABLE 2011-12 BUDGET

GENERAL FUND:

General Government:

State Ethics Commission.....	\$ 1,980	\$ 1,786	\$ 1,786



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
ETHICS COMMISSION							
GENERAL FUND.....	\$ 1,980	\$ 1,786	\$ 1,786	\$ 1,786	\$ 1,786	\$ 1,786	\$ 1,786
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.....	\$ 1,980	\$ 1,786	\$ 1,786	\$ 1,786	\$ 1,786	\$ 1,786	\$ 1,786
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1,980	\$ 1,786	\$ 1,786	\$ 1,786	\$ 1,786	\$ 1,786	\$ 1,786
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.....	\$ 1,980	\$ 1,786	\$ 1,786	\$ 1,786	\$ 1,786	\$ 1,786	\$ 1,786



PROGRAM OBJECTIVE: To promote public confidence in state and local government through its enforcement of the Ethics Act and related legislation.

Program: Executive Direction

The Pennsylvania State Ethics Commission is an independent state agency first established by Act 170 of 1978 and is charged with the responsibility of enforcing the Ethics Act. The Ethics Act applies to public officials, public employees and candidates and nominees for public office. The commission's responsibilities under the Act include rendering advisory opinions, enforcing the Act as it relates to the filing of Statements of Financial Interests forms, investigating alleged violations of the Act and issuing decisions in relation to such investigations.

Pursuant to the Pennsylvania Race Horse Development and Gaming Act, the commission is vested with responsibilities which include generating a public listing of all state, county, municipal, and other government positions meeting the definitions of the terms "public official" or "executive-level public employee" as set forth in the Gaming Act.

The commission also has additional responsibilities under the Lobbying Disclosure Law. These responsibilities include the enforcement of certain provisions of the law and the issuance of advisory opinions.

Program Recommendations:

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

GENERAL FUND

—The State Ethics Commission is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
State Ethics Commission.....	\$ 1,980	\$ 1,786	\$ 1,786	\$ 1,786	\$ 1,786	\$ 1,786	\$ 1,786

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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.



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Fish and Boat Commission

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
Atlantic States Marine Fisheries Commission.....	\$ 17	\$ 17	\$ 0
BOAT FUND:			
<i>General Government:</i>			
General Operations (EA)	\$ 12,641	\$ 13,119	\$ 13,042
(F)US Coast Guard Grant - Boating Safety.....	2,760	2,512	2,500
(F)Sport Fish Restoration.....	1,267	1,877	1,000
(F)Boating Infrastructure Grant (BIG) Program.....	200	2,550	0
(F)Clean Vessels.....	40	0	0
(A)Sale of Vehicles.....	50	18	18
Subtotal - State Funds.....	\$ 12,641	\$ 13,119	\$ 13,042
Subtotal - Federal Funds.....	4,267	6,939	3,500
Subtotal - Augmentations.....	50	18	18
Total - General Government.....	<u>\$ 16,958</u>	<u>\$ 20,076</u>	<u>\$ 16,560</u>
STATE FUNDS.....	\$ 12,641	\$ 13,119	\$ 13,042
FEDERAL FUNDS.....	4,267	6,939	3,500
AUGMENTATIONS.....	50	18	18
BOAT FUND TOTAL	<u>\$ 16,958</u>	<u>\$ 20,076</u>	<u>\$ 16,560</u>
FISH FUND:			
<i>General Government:</i>			
General Operations (EA)	\$ 32,565	\$ 34,095	\$ 33,749
(F)Sport Fish Restoration.....	8,776	5,821	6,000
(F)Wildlife Conservation and Restoration - Non-Game.....	104	0	0
(F)Endangered Species.....	0	47	0
(F)Surface Mine Regulation.....	0	50	52
(F)NOAA.....	207	276	110
(F)USFWS - Partner for Fish & Wildlife.....	0	1,119	0
(F)State Wildlife Grant.....	1,290	1,200	900
(F)Federal Reimbursement For Services.....	4	120	30
(A)Sale of Vehicles.....	51	40	40
(A)Reimbursement - DEP/EPA Projects.....	83	62	0
(A)Reimbursement for Services - PennDOT.....	80	186	185
(A)Reimbursement for Services - Miscellaneous.....	456	690	0
(A)Three River Ecological Center.....	40	0	0
Subtotal - State Funds.....	\$ 32,565	\$ 34,095	\$ 33,749
Subtotal - Federal Funds.....	10,381	8,633	7,092
Subtotal - Augmentations.....	710	978	225
Total - General Government.....	<u>\$ 43,656</u>	<u>\$ 43,706</u>	<u>\$ 41,066</u>
STATE FUNDS.....	\$ 32,565	\$ 34,095	\$ 33,749
FEDERAL FUNDS.....	10,381	8,633	7,092
AUGMENTATIONS.....	710	978	225
FISH FUND TOTAL	<u>\$ 43,656</u>	<u>\$ 43,706</u>	<u>\$ 41,066</u>



Fish and Boat Commission

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
OTHER FUNDS:			
STATE GAMING FUND:			
Payments in Lieu of Taxes (EA).....	\$ 40	\$ 40	\$ 40
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 17	\$ 17	\$ 0
SPECIAL FUNDS.....	45,206	47,214	46,791
FEDERAL FUNDS.....	14,648	15,572	10,592
AUGMENTATIONS.....	760	996	243
OTHER FUNDS.....	40	40	40
TOTAL ALL FUNDS.....	\$ 60,671	\$ 63,839	\$ 57,666



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
RECREATIONAL FISHING AND BOATING							
GENERAL FUND.....	\$ 17	\$ 17	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	45,206	47,214	46,791	46,791	46,791	46,791	46,791
FEDERAL FUNDS.....	14,648	15,572	10,592	10,563	10,563	10,563	10,563
OTHER FUNDS.....	800	1,036	283	283	283	283	283
SUBCATEGORY TOTAL.....	\$ 60,671	\$ 63,839	\$ 57,666	\$ 57,637	\$ 57,637	\$ 57,637	\$ 57,637
ALL PROGRAMS:							
GENERAL FUND.....	\$ 17	\$ 17	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	45,206	47,214	46,791	46,791	46,791	46,791	46,791
FEDERAL FUNDS.....	14,648	15,572	10,592	10,563	10,563	10,563	10,563
OTHER FUNDS.....	800	1,036	283	283	283	283	283
DEPARTMENT TOTAL.....	\$ 60,671	\$ 63,839	\$ 57,666	\$ 57,637	\$ 57,637	\$ 57,637	\$ 57,637



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.

Program Recommendations:

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

<p>GENERAL FUND Atlantic State Marine Fisheries Commission -17 —transfer to Fish Fund General Operations.</p> <p>BOAT FUND General Operations (EA) -77 —nonrecurring projects.</p>	<p>FISH FUND General Operations (EA) —nonrecurring projects. —to provide annual dues to the Atlantic State Marine Fisheries Commission. <i>Executive Authorization Decrease</i></p>
<p>\$</p> <p>\$ -17</p> <p>\$ -77</p>	<p>\$ -363</p> <p>17</p> <hr style="width: 50px; margin-left: 0;"/> <p>\$ -346</p>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Atlantic States Marine Fisheries Commission	\$ 17	\$ 17	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
BOAT FUND:							
General Operations (EA)	\$ 12,641	\$ 13,119	\$ 13,042	\$ 13,042	\$ 13,042	\$ 13,042	\$ 13,042
FISH FUND:							
General Operations (EA)	\$ 32,565	\$ 34,095	\$ 33,749	\$ 33,749	\$ 33,749	\$ 33,749	\$ 33,749



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Recreational Fishing and Boating							
Fishing licenses sold	883,932	875,100	871,000	867,000	863,000	859,000	855,000
Cost per fishing licenses sold	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70
Pounds of fish stocked in commonwealth streams and lakes	2,182,164	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
Cost per pound of fish stocked in commonwealth streams and lakes	\$4.84	\$5.05	\$5.15	\$5.25	\$5.35	\$5.45	\$5.55
Actively registered boats	338,002	337,500	337,250	337,000	336,750	336,500	336,250
Warnings issued for violations of fishing and boating laws	30,787	34,000	34,000	34,000	34,000	34,000	34,000
Convictions for violations of fishing and boating laws	6,012	8,000	8,000	8,000	8,000	8,000	8,000

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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.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GAME FUND:			
<i>General Government:</i>			
General Operations (EA)	\$ 59,299	\$ 62,202	\$ 64,321
(F)Pittman-Robinson Act Reimbursements.....	12,954	16,000	16,000
(F)Endangered Species.....	35	123	123
(F)Surface Mine Regulatory Program.....	67	90	90
(F)USFWS - State Wildlife Grants.....	1,368	1,918	2,094
(F)Chronic Wasting Disease.....	61	70	70
(F)Federal Reimbursement - Other Wildlife Grants.....	852	175	175
(A)Sale of Vehicles.....	37	100	100
(A)Pennsylvania Conservation Corps.....	109	111	111
(A)Donations.....	81	30	30
(A)Reimbursements.....	301	396	396
(A)Penndot Reimbursement - Environmental Assessment.....	31	71	71
Subtotal.....	<u>\$ 75,195</u>	<u>\$ 81,286</u>	<u>\$ 83,581</u>
Land Acquisition and Development (EA)	150	150	150
Subtotal.....	<u>\$ 150</u>	<u>\$ 150</u>	<u>\$ 150</u>
Subtotal - State Funds.....	\$ 59,449	\$ 62,352	\$ 64,471
Subtotal - Federal Funds.....	15,337	18,376	18,552
Subtotal - Augmentations.....	559	708	708
Total - General Government.....	<u>\$ 75,345</u>	<u>\$ 81,436</u>	<u>\$ 83,731</u>
STATE FUNDS.....	\$ 59,449	\$ 62,352	\$ 64,471
FEDERAL FUNDS.....	15,337	18,376	18,552
AUGMENTATIONS.....	559	708	708
GAME FUND TOTAL	<u>\$ 75,345</u>	<u>\$ 81,436</u>	<u>\$ 83,731</u>
OTHER FUNDS:			
GAME FUND:			
Resident License Fee-Natural Propagation of Wildlife.....	\$ 6,447	\$ 7,500	\$ 7,500
STATE GAMING FUND:			
Payments in Lieu of Taxes (EA).....	\$ 3,468	\$ 3,475	\$ 3,475
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	59,449	62,352	64,471
FEDERAL FUNDS.....	15,337	18,376	18,552
AUGMENTATIONS.....	559	708	708
OTHER FUNDS.....	9,915	10,975	10,975
TOTAL ALL FUNDS	<u>\$ 85,260</u>	<u>\$ 92,411</u>	<u>\$ 94,706</u>



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
WILDLIFE MANAGEMENT							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	59,449	62,352	64,471	52,022	52,022	52,022	52,022
FEDERAL FUNDS.....	15,337	18,376	18,552	17,538	17,538	17,538	17,538
OTHER FUNDS.....	10,474	11,683	11,683	11,683	11,683	11,683	11,683
SUBCATEGORY TOTAL.....	\$ 85,260	\$ 92,411	\$ 94,706	\$ 81,243	\$ 81,243	\$ 81,243	\$ 81,243
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	59,449	62,352	64,471	52,022	52,022	52,022	52,022
FEDERAL FUNDS.....	15,337	18,376	18,552	17,538	17,538	17,538	17,538
OTHER FUNDS.....	10,474	11,683	11,683	11,683	11,683	11,683	11,683
DEPARTMENT TOTAL.....	\$ 85,260	\$ 92,411	\$ 94,706	\$ 81,243	\$ 81,243	\$ 81,243	\$ 81,243



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 more than 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 wildlife 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 Recommendations:

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

GAME FUND
General Operations (EA)
 \$ 2,119 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GAME FUND:							
General Operations (EA).....	\$ 59,299	\$ 62,202	\$ 64,321	\$ 51,872	\$ 51,872	\$ 51,872	\$ 51,872
Land Acquisition and Development (EA)...	150	150	150	150	150	150	150
TOTAL GAME FUND.....	\$ 59,449	\$ 62,352	\$ 64,471	\$ 52,022	\$ 52,022	\$ 52,022	\$ 52,022

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Wildlife Management							
Hunting licenses sold	946,497	950,000	950,000	950,000	950,000	950,000	950,000
Citations for violation of game laws	6,555	7,000	7,000	7,000	7,000	7,000	7,000
Development of wildlife management plans	7	5	4	2	2	2	2



GAMING CONTROL BOARD

The Gaming Control Board regulates the implementation and operation of gaming intended to generate revenues that provide assistance to the commonwealth's horse racing industry, tax relief and economic development opportunities.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
OTHER FUNDS:			
STATE GAMING FUND:			
Administration - Gaming Control Board.....	\$ 25,632	\$ 0	\$ 0
(R)Administration.....	0	27,687	28,331
(R)General Operations.....	6,333	8,113	8,113
Local Law Enforcement Grants (EA).....	2,000	2,000	2,000
STATE GAMING FUND TOTAL.....	\$ 33,965	\$ 37,800	\$ 38,444



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GAMING 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.....	33,965	37,800	38,444	38,444	38,444	38,444	38,444
SUBCATEGORY TOTAL.....	\$ 33,965	\$ 37,800	\$ 38,444	\$ 38,444	\$ 38,444	\$ 38,444	\$ 38,444
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.....	33,965	37,800	38,444	38,444	38,444	38,444	38,444
DEPARTMENT TOTAL.....	\$ 33,965	\$ 37,800	\$ 38,444	\$ 38,444	\$ 38,444	\$ 38,444	\$ 38,444

PROGRAM OBJECTIVE: To provide a revenue stream that supports property tax relief, wage tax reduction in Philadelphia, economic development and the commonwealth's horse racing industry through the implementation and oversight of 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 slot machines 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 State Gaming Fund was 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 are disbursed on an annual basis as follows:

- \$2 million or .002 multiplied by the GTR, whichever is greater, to the Compulsive and Problem Gambling Treatment Fund in the Department of Health;
- Payments in Lieu of Taxes by the Department of Conservation and Natural Resources, the Fish and Boat Commission and the Game Commission;
- \$25 million to the Emergency Management Agency for Volunteer Company Grants;
- \$2 million for Local Law Enforcement Grants; and
- \$3 million to the Department of Health for drug and alcohol addiction treatment services.

The remaining balance is used to fund property tax relief as provided in Act 1 of Special Session 1 of 2006. In

addition, 4 percent of GTR is distributed as a local share where gaming facilities are located.

Act 71 of 2004 established two new funds. The Gaming Economic Development and Tourism Fund, administered by the Department of Community and Economic Development, receives 5 percent of the GTR and provides for additional uses of gaming revenues as specified in Act 53 of 2007 and Act 63 of 2008. The second fund established by the act, the Race Horse Development Fund, receives a maximum of 12 percent of the GTR generated at each licensed facility.

Act 1 of 2010 authorizes table games at licensed gaming facilities. Table games license fees and 14 percent of gross table game revenue (GTGR) are deposited into the General Fund. When the balance in the Budget Stabilization Reserve Fund exceeds \$750 million, the state share of GTGR will then be deposited into the Property Tax Relief Fund. A 2 percent local share distribution of GTGR is also included in Act 1 of 2010. In addition, Act 1 of 2010 established a one-time \$12.5 million transfer to the General Fund from unspent Local Law Enforcement Grants.

Several state agencies provide support to the Gaming Control Board. The Department of Revenue manages a centralized computer system, which calculates the state's share of GTR on a daily basis and monitors the operation of all licensed gaming machines. The Pennsylvania State Police and the Attorney General also have enforcement and oversight responsibilities. The State Gaming Fund is shown in the Other Special Funds Appendix section of this budget.

Program Recommendations:

STATE GAMING FUND

This budget recommends a total of \$36,444,000 from restricted accounts in the State Gaming Fund for the operation of the Gaming Control Board in the 2011-12 fiscal year.



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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.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 71,891	\$ 69,586	\$ 70,086
(F)ARRA-Fiscal Stabilization-Administration.....	500	500	0
(F)Homeland Security Grant (EA).....	712	250	0
(A)ARRA-Accountability Office.....	1,351	0	0
(A)Federal Surplus Property.....	1,757	1,943	1,585
(A)State Surplus Property.....	311	211	252
(A)State Buildings Use.....	157	105	180
(A)Employee Liability Self Insurance Program.....	381	409	379
(A)Newsroom Services.....	9	8	8
(A)Administrative Services.....	142	176	91
(A)Plans and Specifications.....	10	10	10
(A)Media Center Reimbursements.....	919	1,286	1,051
(A)Recycling Program.....	173	483	444
(A)Metrology Fees.....	81	65	80
(A)CoStar Program.....	558	500	838
(A)Capitol Police Services.....	123	122	121
(A)Centralized Procurement.....	11,036	10,763	10,760
(A)Energy Office Management Fees.....	186	100	100
(A)DGS Annex.....	352	553	447
(A)Real Estate Settlement.....	0	1,507	0
Subtotal.....	\$ 90,649	\$ 88,577	\$ 86,432
Rental and Municipal Charges.....	18,741	21,462	22,583
(A)Agency Rental Charges.....	368	391	404
(A)Real Estate Lease Reimbursements.....	18,649	18,771	17,584
Subtotal.....	\$ 37,758	\$ 40,624	\$ 40,571
Utility Costs.....	24,650	26,871	25,876
(A)ESCO Interest.....	0	225	185
(A)DGS Annex.....	190	141	141
Subtotal.....	\$ 24,840	\$ 27,237	\$ 26,202
Excess Insurance Coverage.....	1,367	1,367	1,412
Subtotal - State Funds.....	\$ 116,649	\$ 119,286	\$ 119,957
Subtotal - Federal Funds.....	1,212	750	0
Subtotal - Augmentations.....	36,753	37,769	34,660
Total - General Government.....	\$ 154,614	\$ 157,805	\$ 154,617
Grants and Subsidies:			
Capitol Fire Protection.....	\$ 1,000	\$ 496	\$ 496
STATE FUNDS.....	\$ 117,649	\$ 119,782	\$ 120,453
FEDERAL FUNDS.....	1,212	750	0
AUGMENTATIONS.....	36,753	37,769	34,660
Subtotal.....	\$ 155,614	\$ 158,301	\$ 155,113
GENERAL FUND TOTAL.....	\$ 155,614	\$ 158,301	\$ 155,113
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Harristown Rental Charges (EA).....	\$ 78	\$ 89	\$ 92
Harristown Utility and Municipal Charges (EA).....	176	190	193
Subtotal.....	\$ 254	\$ 279	\$ 285
Total - General Government.....	\$ 254	\$ 279	\$ 285



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
Grants and Subsidies:			
Tort Claims Payments.....	\$ 12,500	\$ 12,500	\$ 12,500
MOTOR LICENSE FUND TOTAL.....	\$ 12,754	\$ 12,779	\$ 12,785
 OTHER FUNDS:			
GENERAL FUND:			
Temporary Fleet Vehicles.....	\$ 672	\$ 682	\$ 660
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 117,649	\$ 119,782	\$ 120,453
SPECIAL FUNDS.....	12,754	12,779	12,785
FEDERAL FUNDS.....	1,212	750	0
AUGMENTATIONS.....	36,753	37,769	34,660
OTHER FUNDS.....	672	682	660
TOTAL ALL FUNDS.....	\$ 169,040	\$ 171,762	\$ 168,558



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
FACILITY, PROPERTY AND COMMODITY MANAGEMENT							
GENERAL FUND.....	\$ 117,649	\$ 119,782	\$ 120,453	\$ 120,453	\$ 120,453	\$ 120,453	\$ 120,453
SPECIAL FUNDS.....	12,754	12,779	12,785	12,785	12,785	12,785	12,785
FEDERAL FUNDS.....	1,212	750	0	0	0	0	0
OTHER FUNDS.....	37,425	38,451	35,320	35,320	35,320	35,320	35,320
SUBCATEGORY TOTAL.....	\$ 169,040	\$ 171,762	\$ 168,558	\$ 168,558	\$ 168,558	\$ 168,558	\$ 168,558
ALL PROGRAMS:							
GENERAL FUND.....	\$ 117,649	\$ 119,782	\$ 120,453	\$ 120,453	\$ 120,453	\$ 120,453	\$ 120,453
SPECIAL FUNDS.....	12,754	12,779	12,785	12,785	12,785	12,785	12,785
FEDERAL FUNDS.....	1,212	750	0	0	0	0	0
OTHER FUNDS.....	37,425	38,451	35,320	35,320	35,320	35,320	35,320
DEPARTMENT TOTAL.....	\$ 169,040	\$ 171,762	\$ 168,558	\$ 168,558	\$ 168,558	\$ 168,558	\$ 168,558



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

The Department of General Services oversees the procurement of goods and services, manages non-highway capital projects and is responsible for numerous core operations of state government, including management of the vehicle fleet, Capitol Police force and state buildings and facilities, disposition of surplus property, and general printing operations. The department also serves as the state's real estate agent and insurance broker and oversees the commonwealth's media services and minority and women-owned business programs.

Procurement

The Bureau of Procurement is responsible for purchasing and contracting for services, equipment and supplies for the commonwealth and establishing procurement policy for all state agencies. In total, the bureau oversees more than \$4 billion in goods and services for the commonwealth each year, ranging from office supplies to computers to vehicles. Contracts are negotiated to leverage the aggregate purchasing power of commonwealth agencies for best pricing.

Public Works

The department's Public Works coordinates and oversees the design and construction of all non-highway capital construction projects for the commonwealth. The scope of responsibilities includes new construction and all types of alterations and renovations to existing 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. The department 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 efficiency and monitors performance through a series of criteria focused upon reducing change order rates, increasing the number of construction projects completed on time and on budget and reducing the number of claims filed against the commonwealth.

Priorities include the appropriate 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 annual update of the commonwealth's five year capital plan. The goal of the capital plan is to better manage limited dollars by developing a comprehensive and strategic approach to releasing capital projects.

Vehicles

The Bureau of Vehicle Management maintains and oversees the commonwealth automotive fleet. All commonwealth vehicles and equipment requiring a license plate, with the exception of vehicles owned by the Department of Transportation and the Turnpike Commission, are titled and registered to the Department of General Services. The bureau approves and tracks the maintenance and repairs of all fleet vehicles to ensure compliance with manufacturers' suggested service programs and monitor operating costs.

The bureau is responsible for the cost effective management of the state fleet by establishing thresholds for permanently assigned vehicles to state employees, minimizing the use of personal vehicle mileage reimbursement and determining optimum vehicle repair schedules.

Capitol Police

The Pennsylvania Capitol Police are responsible for protecting and serving state employees, public officials and visitors to the Capitol Complex and department-managed state office buildings and grounds. This mission is accomplished with security guards and sworn police officers. The Pennsylvania Capitol Police is a state and internationally accredited law enforcement agency, receiving certifications by the Commission on Accreditation for Law Enforcement Agencies and the Pennsylvania Law Enforcement Accreditation Commission. Capitol Police Officers are certified police officers with the Municipal Police Officers Education and Training Commission.

Federal and State Surplus

The Bureau of Supplies and Surplus Operations administers both federal and state surplus property programs. Federal surplus property is donated to state agencies, local municipalities, nonprofit organizations and law enforcement entities for a nominal service charge. During 2009-10, federal property originally valued at \$26.4 million was distributed to eligible organizations. The State Surplus Division enables reutilization of property among commonwealth and local agencies. Thereafter, goods are sold to the public through on-site auctions as well as Internet sales. This division also conducts private sales of Department of Transportation heavy equipment to municipalities in compliance with Title 4 of the PA Code. Revenue generated from state surplus property was \$5.9 million for 2009-10.



Program: Facility, Property and Commodity Management (continued)

Publications

The Bureau of Publications provides web graphics, graphic design, printing, mailing and signage services to all state agencies and commissions. Projects include annual reports, brochures, newsletters, logos, stationery, book covers, variable data printing and mass mailings. The printing operation provides lithographic offset and digital printing services as well as booklet making, binding, cutting, folding, drilling, padding and mailing services. The State Sign Shop delivers signage, engraving and banner services. The bureau also produces the Pennsylvania Manual and the Commonwealth Telephone Directory.

Real Estate

The Bureau of Real Estate is responsible for the purchase, sale and lease of property and the portfolio management of property and space owned by the commonwealth. The Leasing Division reviews, analyzes, negotiates and administers leases needed by the commonwealth. The Leasing Division reviews, analyzes, negotiates and administers leases needed by the commonwealth. The Space Management Division analyzes space requests and allocates space to departments, boards and commissions in state owned and leased facilities. The Land Management Division acquires real property for capital projects and disposes of real property owned by the commonwealth. This division performs all due diligence and recommends approval/disapproval of proposals involving real property. The division also prepares the surplus property plan and administers all leases, licenses and easements involving commonwealth property.

Risk and Insurance

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

The department is responsible for the management and maintenance of 20 state-owned buildings of the Capitol complex and Harristown, two regional state office buildings, as well as two executive residences. These facilities contain nearly 7.5 million square feet of office space, with 111.1 acres of grounds, parking area and roadways. Additionally, responsibility for the 53 buildings on 135 acres comprising the former Harrisburg State Hospital complex were transferred to General Services in July 2006.

Minority & Women Business Opportunities

The Bureau of Minority and Women Business Opportunities is focused on assisting minority and women business owners in the commonwealth contracting process and improving their business opportunities. 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 for 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.

Program: Facility, Property and Commodity Management (continued)

Program Recommendation:

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

	GENERAL FUND			MOTOR LICENSE FUND
\$ -324	General Government Operations —nonrecurring 2010-11 budgetary freeze amount.	\$	3	Harristown Rental Charges (EA) —increased pro rata share of charges.
824	—to continue current program.			
\$ 500	<i>Appropriation Increase</i>			
	Rental and Municipal Charges —increase in lease costs.	\$	3	Harristown Utility and Municipal Charges (EA) —increased pro rata share of charges.
\$ 1,121				
	Utility Costs —nonrecurring 2010-11 budgetary freeze amount.			
\$ -995				
	Excess Insurance Coverage —to continue current program.			
\$ 45				

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
General Government Operations	\$ 71,891	\$ 69,586	\$ 70,086	\$ 70,086	\$ 70,086	\$ 70,086	\$ 70,086
Rental and Municipal Charges	18,741	21,462	22,583	22,583	22,583	22,583	22,583
Utility Costs.....	24,650	26,871	25,876	25,876	25,876	25,876	25,876
Excess Insurance Coverage.....	1,367	1,367	1,412	1,412	1,412	1,412	1,412
Capitol Fire Protection.....	1,000	496	496	496	496	496	496
TOTAL GENERAL FUND	\$ 117,649	\$ 119,782	\$ 120,453	\$ 120,453	\$ 120,453	\$ 120,453	\$ 120,453
MOTOR LICENSE FUND:							
Harristown Rental Charges (EA)	\$ 78	\$ 89	\$ 92	\$ 92	\$ 92	\$ 92	\$ 92
Harristown Utility and Municipal Charges (EA).....	176	190	193	193	193	193	193
Tort Claims Payments.....	12,500	12,500	12,500	12,500	12,500	12,500	12,500
TOTAL MOTOR LICENSE FUND.....	\$ 12,754	\$ 12,779	\$ 12,785	\$ 12,785	\$ 12,785	\$ 12,785	\$ 12,785



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Facility, Property and Commodity Management							
Procurement							
Cumulative enterprise-wide procurement related savings (in thousands)	\$370,000	\$408,000	\$450,000	\$500,000	\$500,000	\$500,000	\$500,000
Annual return on investment to agencies for procurement services	374%	320%	325%	330%	330%	330%	330%
Public Works							
Construction projects completed within initial scheduled completion date	79%	90%	90%	90%	90%	90%	90%
Percentage of change order amount to original construction allocation	5%	5%	5%	5%	5%	5%	5%
Vehicles							
Fuel consumption for commonwealth vehicle fleet (gallons in thousands)	7,239	7,300	7,300	7,300	7,300	7,300	7,300
Real Estate							
Leases located in downtown areas as percentage of new or renewed contracts	93%	90%	90%	90%	90%	90%	90%
Torts							
Claims settled per year	2,758	2,450	2,450	2,450	2,450	2,450	2,450
Average cost per settlement	\$503	\$460	\$460	\$460	\$460	\$460	\$460
Energy							
BTUs consumed in buildings maintained by General Services (in millions)	580,260	568,720	568,720	568,720	568,720	568,720	568,720
Average BTUs consumed per sq. ft.	89,800	81,700	81,700	81,700	81,700	81,700	81,700
Minority and Women Owned Businesses							
Percentage of commonwealth contract spending awarded to minority and women business enterprises	14%	14%	14%	14%	14%	14%	14%

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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.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

GENERAL FUND:

General Government:

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
General Government Operations.....	\$ 24,396	\$ 23,326	\$ 23,179
(F)WIC Administration and Operation.....	14,860	21,801	23,121
(F)Health Assessment.....	532	535	535
(F)PHHSBG - Administration and Operation.....	2,841	3,222	3,274
(F)SABG - Administration and Operation.....	8,158	8,203	8,203
(F)MCHSBG - Administration and Operation.....	15,683	15,718	15,576
(F)Adult Blood Lead Epidemiology.....	20	136	136
(F)EMS for Children.....	145	155	155
(F)TB - Administration and Operation.....	790	850	1,054
(F)Trauma Planning.....	0	60	0
(F)Lead - Administration and Operation.....	1,194	1,064	1,343
(F)AIDS Health Education - Administration and Operation.....	4,076	4,110	4,358
(F)Primary Care Cooperative Agreements.....	284	343	343
(F)HIV / AIDS Surveillance.....	1,233	1,383	1,383
(F)HIV Care - Administration and Operation.....	1,862	3,637	3,637
(F)Crash Outcomes Data Evaluation.....	0	54	0
(F)Substance Abuse Special Projects- Administration & Operation.....	574	717	648
(F)Rural Access to Emergency Devices.....	110	160	160
(F)Cancer Prevention and Control.....	6,430	7,699	7,968
(F)Environmental Public Health Tracking.....	956	1,707	1,707
(F)Health Equity.....	167	225	225
(F)Strengthening Public Health Infrastructure.....	0	400 ^a	500
(F)ARRA - Health Information Technology.....	0	6,500	0
(F)ARRA - Lead - Administration & Operation.....	49	88	74
(F)Public Health Emergency Preparedness and Response (EA).....	88,405	104,372	75,765
(F)Learning Management System (EA).....	75	35	75
(F)Patient Care Reporting System (EA).....	300	300	0
(A)Data Center Services.....	6	12	12
(A)Departmental Services.....	13	2	2
(A)Rheumatoid Arthritis Project.....	15	0	0
(A)PEBTF - Reimbursement for Influenza Vaccine.....	0	400	400
(A)March of Dimes.....	25	0	0
(A)ACHIEVE.....	10	31	0
(A)NACDD Epidemiologist.....	0	94	86
(A)H1N1 Social Distancing Law Project.....	0	25	0
Subtotal.....	<u>\$ 173,209</u>	<u>\$ 207,364</u>	<u>\$ 173,919</u>
Quality Assurance.....	18,748^b	18,318^b	19,973
(F)Medicare - Health Service Agency Certification.....	8,292	11,400	11,364
(F)Medicaid Certification.....	5,863	6,500	6,500
(F)ARRA - Ambulatory Surgical Infection Prevention.....	128	589	0
(A)Publication Fees.....	7	7	7
Subtotal.....	<u>\$ 33,038</u>	<u>\$ 36,814</u>	<u>\$ 37,844</u>
Chronic Care Management.....	1,155^c	1,112^c	1,099
Subtotal.....	<u>\$ 1,155</u>	<u>\$ 1,112</u>	<u>\$ 1,099</u>
Vital Statistics.....	6,597	6,612	6,449
(F)Cooperative Health Statistics.....	1,119	1,508	1,653
(F)Health Statistics.....	56	161	167
(F)Birth Certificate Verification (EA).....	0	519	501
(A)Reimbursement for Microfilming.....	72	72	72
(A)Vital-Chek Surcharge.....	287	287	287
(R)County Coroner/Medical Examiner Distribution (EA).....	1,135	1,089	1,097
(R)Vital Statistics Improvement Administration (EA).....	1,195	2,805	2,078
Subtotal.....	<u>\$ 10,461</u>	<u>\$ 13,053</u>	<u>\$ 12,304</u>



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
State Laboratory	3,954	3,970	3,606
(F)Clinical Laboratory Improvement.....	543	638	678
(F)Epidemiology and Laboratory Surveillance and Response.....	1,005	1,452	3,500
(F)Food Emergency Response.....	162	854	290
(A)Blood Lead Testing.....	13	12	12
(A)Blood Lead Specimen Testing.....	14	14	14
(A)Erythrocyte Protoporphyrin Testing.....	11	11	11
(A)Reproduction and Search Fees.....	0	1	0
(A)Alcohol Proficiency Testing.....	56	56	56
(A)Drug Abuse Proficiency.....	143	143	143
(A)Licensure for Clinical Laboratories.....	287	287	287
(A)Low Volume Proficiency Testing.....	224	224	224
(A)Training Course Fees.....	3	3	3
Subtotal.....	<u>\$ 6,415</u>	<u>\$ 7,665</u>	<u>\$ 8,824</u>
State Health Care Centers	22,333	21,303	21,829
(F)Disease Control Immunization.....	10,389	11,571	11,571
(F)ARRA - Disease Control Immunization.....	1,172	5,385	800
(F)PHHSBG - Block Program Services.....	3,508	3,508	4,231
(F)Preventive Health Special Projects.....	4,926	5,079	3,300
(F)Collaborative Chronic Disease Programs.....	0	0	4,559
(F)Steps to a Healthier US.....	591	88	0
(F)Sexual Violence Prevention and Education.....	1,789	2,022	1,996
(F)ARRA - Prevention and Wellness.....	1,272	10,402	3,737
(F)Refugee Health Program (EA).....	2,999	4,000	4,000
Subtotal.....	<u>\$ 48,979</u>	<u>\$ 63,358</u>	<u>\$ 56,023</u>
Sexually Transmitted Disease Screening and Treatment	1,950	1,875	1,838
(F)Survey and Follow-Up - Sexually Transmitted Diseases.....	2,820	2,823	2,703
Subtotal.....	<u>\$ 4,770</u>	<u>\$ 4,698</u>	<u>\$ 4,541</u>
Subtotal - State Funds.....	\$ 79,133	\$ 76,516	\$ 77,973
Subtotal - Federal Funds.....	195,378	251,973	211,790
Subtotal - Augmentations.....	1,186	1,681	1,616
Subtotal - Restricted Revenues.....	2,330	3,894	3,175
Total - General Government.....	<u>\$ 278,027</u>	<u>\$ 334,064</u>	<u>\$ 294,554</u>
Grants and Subsidies:			
Organ Donation Awareness	\$ 49	\$ 25	\$ 0
Diabetes Programs	200	190	0
Subtotal.....	<u>\$ 200</u>	<u>\$ 190</u>	<u>\$ 0</u>
Primary Health Care Practitioner	4,116	3,979	3,903
(F)Loan Repayment Program.....	224	312	312
(F)Rural Hospital Flexibility Program.....	372	558	558
(F)ARRA - Health Professions Workforce Development.....	315	315	315
Subtotal.....	<u>\$ 5,027</u>	<u>\$ 5,164</u>	<u>\$ 5,088</u>
Newborn Screening	4,399	4,232	4,152
Cancer Screening Services	3,130^d	3,010^e	2,563
AIDS Programs	7,672	7,381	7,241
(F)AIDS Health Education.....	1,640	1,640	1,480
(F)HIV Care.....	12,000	12,000	12,000
(F)Housing Opportunities for People with AIDS.....	1,880	1,965	2,293
(A)ADAP Rebate Funding.....	0	1,221	1,221
Subtotal.....	<u>\$ 23,192</u>	<u>\$ 24,207</u>	<u>\$ 24,235</u>



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
Regional Cancer Institutes.....	1,080	992	0
Rural Cancer Outreach.....	90	90	0
School District Health Services.....	36,870	37,620	37,620
Local Health Departments.....	27,705	27,553	27,029
Local Health - Environmental.....	7,638	7,575	7,431
Maternal and Child Health.....	2,448	2,428	896
(F)MCH Lead Poisoning Prevention and Abatement.....	1,315	2,945	3,178
(F)ARRA - MCH Lead Poisoning Prevention and Abatement.....	375	388	348
(F)MCHSBG - Program Services.....	15,282	15,282	15,282
(F)Women, Infants and Children (WIC).....	249,454	273,148	303,000
(F)ARRA - Women, Infants and Children (WIC).....	1,220	1,581	762
(F)Abstinence Education.....	1,678	1,693	2,465
(F)Traumatic Brain Injury.....	63	312	294
(F)Environmental Assessment - Child Lead Poisoning.....	237	212	174
(F)ARRA - Environmental Assessment - Child Lead Poisoning.....	47	42	0
(F)Family Health Special Projects.....	1,252	5,029	3,619
(F)Teenage Pregnancy Prevention.....	0	4,000	5,297
(F)Screening Newborns.....	1,054	804	843
(F)ARRA - Screening Newborns.....	211	159	0
(F)Newborn Hearing Screening and Intervention.....	236	363	450
Subtotal.....	\$ 274,872	\$ 308,386	\$ 336,608
Assistance to Drug and Alcohol Programs.....	41,750	41,698	41,698
(F)SABG - Drug and Alcohol Services.....	56,474	54,123	54,188
(F)Substance Abuse Special Project Grants.....	3,929	2,981	3,269
(F)Access to Recovery.....	0	3,124	3,746
(A)Community Restitution Payments.....	7	7	7
(A)State Stores Fund Transfer (EA).....	1,377	1,050	1,050
Subtotal.....	\$ 103,537	\$ 102,983	\$ 103,958
Tuberculosis Screening and Treatment.....	996	948	929
(F)Tuberculosis Control Program.....	199	225	198
Subtotal.....	\$ 1,195	\$ 1,173	\$ 1,127
Renal Dialysis.....	6,779	6,779	6,779
Special Medical Programs.....	5,345^f	5,381^g	2,973
Health Research.....	0	0	59,861
Tobacco Use Prevention and Cessation.....	0	0	14,177
Arthritis Outreach and Education.....	151	75	0
Lupus.....	180	176	0
Regional Poison Control Centers.....	997	959	0
Trauma Program Coordination.....	270	300	0
Epilepsy Support Services.....	356	394	0
Keystone State Games.....	135	50	0
Bio-Technology Research.....	2,340	1,984	0
Tourette Syndrome.....	45	45	0
Emergency Care Research.....	180	150	0
Newborn Hearing Screening.....	319	306	0
Osteoporosis Prevention and Education.....	1	0	0
Health Research and Services.....	0	2,869	0
Children's Hospital of Pittsburgh.....	180	0	0
Fox Chase Institute for Cancer Research.....	172	0	0
The Wistar Institute - Research: Operation and Maintenance.....	47	0	0
The Wistar Institute - Research: AIDS Research.....	20	0	0
Central Penn Oncology Group.....	29	0	0
Lancaster - Cleft Palate Clinic.....	13	0	0
Burn Foundation.....	93	0	0
The Children's Institute, Pittsburgh.....	215	0	0



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
Children's Hospital of Philadelphia.....	100	0	0
Phila. Health & Educ Corp - Pediatric Outpatient & Inpatient.....	158	0	0
Subtotal - State Funds.....	\$ 156,268	\$ 157,189	\$ 217,252
Subtotal - Federal Funds.....	349,457	383,201	414,071
Subtotal - Augmentations.....	1,384	2,278	2,278
Total - Grants and Subsidies.....	<u>\$ 507,109</u>	<u>\$ 542,668</u>	<u>\$ 633,601</u>
STATE FUNDS.....	\$ 235,401	\$ 233,705	\$ 295,225
FEDERAL FUNDS.....	544,835	635,174	625,861
AUGMENTATIONS.....	2,570	3,959	3,894
RESTRICTED REVENUES.....	2,330	3,894	3,175
GENERAL FUND TOTAL.....	<u>\$ 785,136</u>	<u>\$ 876,732</u>	<u>\$ 928,155</u>
<u>TOBACCO SETTLEMENT FUND:</u>			
<i>Grants and Subsidies:</i>			
Tobacco Use Prevention and Cessation (EA).....	\$ 17,627	\$ 14,708	\$ 0
Health Research - Health Priorities (EA).....	70,696	58,833	0
Health Research - National Cancer Institute (EA).....	3,928	3,269	0
Total - Grants and Subsidies.....	<u>\$ 92,251</u>	<u>\$ 76,810</u>	<u>\$ 0</u>
TOBACCO SETTLEMENT FUND TOTAL.....	<u>\$ 92,251</u>	<u>\$ 76,810</u>	<u>\$ 0</u>
<u>OTHER FUNDS:</u>			
COMPULSIVE GAMBLING TREATMENT FUND:			
Compulsive and Problem Gambling Treatment.....	\$ 1,934	\$ 5,756	\$ 4,800
Drug and Alcohol Treatment Services (EA).....	3,000	3,000	3,000
COMPULSIVE GAMBLING TREATMENT FUND TOTAL.....	<u>\$ 4,934</u>	<u>\$ 8,756</u>	<u>\$ 7,800</u>
EMERGENCY MEDICAL SERVICES OPERATING FUND:			
Emergency Medical Services.....	\$ 11,888	\$ 11,888	\$ 10,975
Catastrophic Medical and Rehabilitation.....	6,000	6,450	5,250
EMERGENCY MEDICAL SERVICES OPERATING FUND TOTAL.....	<u>\$ 17,888</u>	<u>\$ 18,338</u>	<u>\$ 16,225</u>
GOV. CASEY ORGAN & TISSUE DONATION AWARENESS FUND:			
Implementation Costs (EA).....	\$ 96	\$ 96	\$ 96
Hospital and Other Medical Costs (EA).....	122	104	100
Grants to Certified Procurement Organizations (EA).....	609	522	522
Project Make-A-Choice (EA).....	183	157	157
GOV. CASEY ORGAN & TISSUE DONATION AWARENESS FUND TOTAL.....	<u>\$ 1,010</u>	<u>\$ 879</u>	<u>\$ 875</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 235,401	\$ 233,705	\$ 295,225
SPECIAL FUNDS.....	92,251	76,810	0
FEDERAL FUNDS.....	544,835	635,174	625,861
AUGMENTATIONS.....	2,570	3,959	3,894
RESTRICTED.....	2,330	3,894	3,175
OTHER FUNDS.....	23,832	27,973	24,900
TOTAL ALL FUNDS.....	<u>\$ 901,219</u>	<u>\$ 981,515</u>	<u>\$ 953,055</u>



Summary by Fund and Appropriation

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- ^a Includes recommended supplemental appropriation of \$400,000.
 - ^b 2009-10 Actual includes \$1,237,000 and 2010-11 Available includes \$1,141,000 appropriated as Rx for PA – Health Care Associated Infections.
 - ^c Appropriated in Executive Offices.
 - ^d Appropriated as \$711,000 for Expanded Cervical Cancer Screening, \$828,000 for Cancer Control Programs, \$1,591,000 for Breast and Cervical Cancer Screenings.
 - ^e Appropriated as \$684,000 for Expanded Cervical Cancer Screening, \$796,000 for Cancer Control Programs, \$1,530,000 for Breast and Cervical Cancer Screenings.
 - ^f Appropriated as \$1,564,000 for Services for Children with Special Needs, \$469,000 for Adult Cystic Fibrosis, \$151,000 for Cooley's Anemia, \$1,395,000 for Hemophilia, \$1,766,000 for Sickle Cell.
 - ^g Appropriated as \$1,551,000 for Services for Children with Special Needs, \$644,000 for Adult Cystic Fibrosis, \$145,000 for Cooley's Anemia, \$1,342,000 for Hemophilia, \$1,699,000 for Sickle Cell.



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
HEALTH SUPPORT SERVICES							
GENERAL FUND.....	\$ 47,098	\$ 45,614	\$ 46,758	\$ 46,758	\$ 46,758	\$ 46,758	\$ 46,758
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	164,737	204,907	172,572	172,572	172,572	172,572	172,572
OTHER FUNDS.....	827	1,322	1,257	1,257	1,257	1,257	1,257
SUBCATEGORY TOTAL.....	\$ 212,662	\$ 251,843	\$ 220,587	\$ 220,587	\$ 220,587	\$ 220,587	\$ 220,587
HEALTH RESEARCH							
GENERAL FUND.....	\$ 10,845	\$ 12,797	\$ 66,310	\$ 66,310	\$ 66,310	\$ 66,310	\$ 66,310
SPECIAL FUNDS.....	74,624	62,102	0	0	0	0	0
FEDERAL FUNDS.....	1,175	2,188	2,321	2,321	2,321	2,321	2,321
OTHER FUNDS.....	2,689	4,253	3,534	3,534	3,534	3,534	3,534
SUBCATEGORY TOTAL.....	\$ 89,333	\$ 81,340	\$ 72,165	\$ 72,165	\$ 72,165	\$ 72,165	\$ 72,165
PREVENTIVE HEALTH							
GENERAL FUND.....	\$ 121,464	\$ 119,931	\$ 130,707	\$ 130,707	\$ 130,707	\$ 130,707	\$ 130,707
SPECIAL FUNDS.....	17,627	14,708	0	0	0	0	0
FEDERAL FUNDS.....	318,520	367,851	389,765	389,765	389,765	389,765	389,765
OTHER FUNDS.....	0	1,221	1,221	1,221	1,221	1,221	1,221
SUBCATEGORY TOTAL.....	\$ 457,611	\$ 503,711	\$ 521,693	\$ 521,693	\$ 521,693	\$ 521,693	\$ 521,693
HEALTH TREATMENT SERVICES							
GENERAL FUND.....	\$ 14,244	\$ 13,665	\$ 9,752	\$ 9,752	\$ 9,752	\$ 9,752	\$ 9,752
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	23,832	27,973	24,900	24,900	24,900	24,900	24,900
SUBCATEGORY TOTAL.....	\$ 38,076	\$ 41,638	\$ 34,652	\$ 34,652	\$ 34,652	\$ 34,652	\$ 34,652
DRUG AND ALCOHOL ABUSE PREVENTION AND TREATMENT							
GENERAL FUND.....	\$ 41,750	\$ 41,698	\$ 41,698	\$ 41,698	\$ 41,698	\$ 41,698	\$ 41,698
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	60,403	60,228	61,203	61,203	61,203	61,203	61,203
OTHER FUNDS.....	1,384	1,057	1,057	1,057	1,057	1,057	1,057
SUBCATEGORY TOTAL.....	\$ 103,537	\$ 102,983	\$ 103,958	\$ 103,958	\$ 103,958	\$ 103,958	\$ 103,958
ALL PROGRAMS:							
GENERAL FUND.....	\$ 235,401	\$ 233,705	\$ 295,225	\$ 295,225	\$ 295,225	\$ 295,225	\$ 295,225
SPECIAL FUNDS.....	92,251	76,810	0	0	0	0	0
FEDERAL FUNDS.....	544,835	635,174	625,861	625,861	625,861	625,861	625,861
OTHER FUNDS.....	28,732	35,826	31,969	31,969	31,969	31,969	31,969
DEPARTMENT TOTAL.....	\$ 901,219	\$ 981,515	\$ 953,055	\$ 953,055	\$ 953,055	\$ 953,055	\$ 953,055



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 that 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 infant mortality, births to teens and leading causes of death. 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 and 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 tool.

The Bureau of Epidemiology administers studies related to the origin, 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, home care agencies, 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. Facilities unable or unwilling to correct deficiencies according to a plan agreeable to the department are subject to various penalties. The department's website 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. More frequent inspections are made in response to complaints or life-threatening situations. Acute care hospitals are surveyed and licensed on a two-year cycle. Nursing homes are subject to annual inspections. Home care agencies are inspected on a 12 to 36 month schedule; the frequency of inspections is based on the facility's history of compliance and the federal schedule for compliance. Hospice agencies are inspected on-site every other year. One-third of end-stage renal disease facilities are surveyed annually. Currently, 10 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. Abortion facilities are inspected annually; a random set of abortion facilities will receive more than one annual inspection, and all abortion complaints and serious events are inspected within five days. 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 department will also begin to survey and inspect oral surgery providers and blood banks.

The Healthcare Associated Infection Prevention program supports hospitals, nursing care facilities and ambulatory surgical facilities in reducing the occurrence of health-care-associated infections (HAIs) through implementing effective identification and reporting; reviewing and approving individual facility infection control plans; developing best practices for monitoring, surveillance and response and maintaining a reporting program that will establish benchmarks and monitor performance in hospitals and nursing homes.

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 products. It licenses new plans, ensures availability and accessibility of health services in plan service areas and monitors quality of care through periodic inspections

Program: Health Support Services (continued)

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 public health. The Bureau of Laboratories performs approximately 185,000 tests each year for diseases including human immunodeficiency virus, rabies, meningitis, influenza, tuberculosis, botulism, and drug and alcohol testing. The laboratory supports disease prevention through the provision of investigatory, diagnostic and confirmatory testing for both infectious diseases and non-infectious conditions including lead poisoning, neonatal testing and West Nile Virus. The state laboratory is designated by the Federal Bureau of Investigation as the primary laboratory for the detection and identification of bioterrorism agents and is the state's reference laboratory in the National Laboratory Response Network and the Food Emergency Response Network. It establishes and monitors the performance standards for more than 9,000 clinical laboratories, including independent labs and those located within hospitals and physicians' offices. Most of these laboratories are located in Pennsylvania; however, clinical lab permits are also issued to out-of-state labs wishing to perform testing on specimens originating in Pennsylvania. The bureau recommends certification of clinical laboratories under the requirements of the federal Clinical Laboratory Improvement Amendments and houses and supports the federal BioWatch program, which operates 365 days per year, to ensure the safety of the citizens of Pennsylvania.

The federal Centers for Disease Control and Prevention and the Health Resources and Services Administration provide funding to the department 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 Office of Public Health Preparedness coordinates public health preparedness activities across the commonwealth, including hospital and workforce preparedness, works closely with local and other state agencies, and serves as the liaison with the federal Department of Homeland Security. The office supports the department'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 and investigation, expanding public health laboratory capacity, enhancing communications systems and facilitating state and regional hospital preparedness planning and response efforts.

Pennsylvania police departments, both large and small, are faced with rising numbers of violent crimes and limited financial resources. These incidences emphasize the need for advance medical support to law enforcement in austere situations. To support police operations and to ensure the safety of medical providers, the department plans to develop a Tactical Emergency Medical Support (TEMS) program. TEMS providers will be sworn-in police officers attached to tactical teams, with at least an Emergency Medical Technician Paramedic certification, and trained in law enforcement and emergency medicine. These officers will have the ability to assess medical threats, render immediate medical care in hazardous environments, and provide logistical support that will further the health and safety of law enforcement personnel and reduce the incidences of injury, illness, disability and death associated with training and tactical operations.

Program Recommendations:

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

<table border="0"> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">293</td> <td>General Government Operations</td> <td></td> <td style="text-align: right;">\$</td> <td style="text-align: right;">-289</td> <td>State Laboratory</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">-440</td> <td>—to continue current program.</td> <td></td> <td></td> <td style="text-align: right;">-75</td> <td>—funding reduction.</td> <td></td> </tr> <tr> <td></td> <td></td> <td>—nonrecurring 2010-11 budgetary freeze amount.</td> <td></td> <td></td> <td></td> <td>—nonrecurring 2010-11 budgetary freeze amount.</td> <td></td> </tr> <tr> <td style="border-top: 1px solid black;">\$</td> <td style="text-align: right; border-top: 1px solid black;">-147</td> <td><i>Appropriation Decrease</i></td> <td></td> <td style="border-top: 1px solid black;">\$</td> <td style="text-align: right; border-top: 1px solid black;">-364</td> <td><i>Appropriation Decrease</i></td> <td></td> </tr> <tr> <td> </td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="vertical-align: top;"> <table border="0"> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">2,003</td> <td>Quality Assurance</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">-348</td> <td>—to continue current program and for increased inspections.</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>—nonrecurring 2010-11 budgetary freeze amount.</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="border-top: 1px solid black;">\$</td> <td style="text-align: right; border-top: 1px solid black;">1,655</td> <td><i>Appropriation Increase</i></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table> </td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>	\$	293	General Government Operations		\$	-289	State Laboratory			-440	—to continue current program.			-75	—funding reduction.				—nonrecurring 2010-11 budgetary freeze amount.				—nonrecurring 2010-11 budgetary freeze amount.		\$	-147	<i>Appropriation Decrease</i>		\$	-364	<i>Appropriation Decrease</i>		 								<table border="0"> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">2,003</td> <td>Quality Assurance</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">-348</td> <td>—to continue current program and for increased inspections.</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>—nonrecurring 2010-11 budgetary freeze amount.</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="border-top: 1px solid black;">\$</td> <td style="text-align: right; border-top: 1px solid black;">1,655</td> <td><i>Appropriation Increase</i></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>	\$	2,003	Quality Assurance							-348	—to continue current program and for increased inspections.								—nonrecurring 2010-11 budgetary freeze amount.						\$	1,655	<i>Appropriation Increase</i>												
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Program: Health Support Services (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
General Government Operations	\$ 24,396	\$ 23,326	\$ 23,179	\$ 23,179	\$ 23,179	\$ 23,179	\$ 23,179
Quality Assurance.....	18,748	18,318	19,973	19,973	19,973	19,973	19,973
State Laboratory	3,954	3,970	3,606	3,606	3,606	3,606	3,606
TOTAL GENERAL FUND	\$ 47,098	\$ 45,614	\$ 46,758	\$ 46,758	\$ 46,758	\$ 46,758	\$ 46,758



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 more than 33.5 million records of births, deaths and fetal deaths that occur in the commonwealth. Through automation of this operation, all Pennsylvania birth records from 1921 to the present are available through the department's computer system at the central office and all branch offices. The system processes more than 500,000 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 stored on microfilm for preservation and are available for retrieval if required.

The bureau also operates the Commonwealth Universal Research Enhancement (CURE) program, which 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 2009-10, the department completed interim performance reviews on the five nonformula (competitive) grants initiated in June 2008 and final performance reviews for 39 grants (233 research projects) that had been completed.

This budget proposes to deposit the Tobacco Master Settlement Agreement revenue directly into the General Fund beginning in 2011-12. As a result, funding for Health Research, which combines the Health Priorities and National Cancer Institute initiatives, is recommended to be appropriated from the General Fund. Please see the Tobacco Settlement Fund in the Summary by Fund section for additional information.

Program Recommendations:

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

	GENERAL FUND				
	Vital Statistics				Health Research and Services
\$	-37	—reduction in administrative costs.	\$	-2,869	—funding elimination.
	-126	—nonrecurring 2010-11 budgetary freeze amount.			Health Research
			\$	59,861	—reflects proposal to deposit Tobacco Master Settlement Agreement revenue directly into the General Fund beginning in 2011-12.
\$	-163	<i>Appropriation Decrease</i>			
					TOBACCO SETTLEMENT FUND
					Health Research - Health Priorities
\$	-190	—program elimination.			—reflects proposal to deposit Tobacco Master Settlement Agreement revenue directly into the General Fund beginning in 2011-12.
			\$	-58,833	
					Health Research - National Cancer Institute
\$	-992	—funding elimination.			—reflects proposal to deposit Tobacco Master Settlement Agreement revenue directly into the General Fund beginning in 2011-12.
			\$	-3,269	
\$	-1,984	—funding elimination.			
\$	-150	—funding elimination.			

Program: Health Research (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Vital Statistics	\$ 6,597	\$ 6,612	\$ 6,449	\$ 6,449	\$ 6,449	\$ 6,449	\$ 6,449
Diabetes Programs	200	190	0	0	0	0	0
Regional Cancer Institutes	1,080	992	0	0	0	0	0
Bio-Technology Research	2,340	1,984	0	0	0	0	0
Emergency Care Research	180	150	0	0	0	0	0
Health Research and Services	0	2,869	0	0	0	0	0
Children's Hospital of Pittsburgh	180	0	0	0	0	0	0
Health Research	0	0	59,861	59,861	59,861	59,861	59,861
Fox Chase Institute for Cancer Research .	172	0	0	0	0	0	0
The Wistar Institute - Research:							
Operation and Maintenance	47	0	0	0	0	0	0
The Wistar Institute - Research:							
AIDS Research	20	0	0	0	0	0	0
Central Penn Oncology Group	29	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 10,845	\$ 12,797	\$ 66,310	\$ 66,310	\$ 66,310	\$ 66,310	\$ 66,310
TOBACCO SETTLEMENT FUND:							
Health Research - Health Priorities (EA)...	\$ 70,696	\$ 58,833	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Health Research - National Cancer Institute (EA)	3,928	3,269	0	0	0	0	0
TOTAL TOBACCO SETTLEMENT FUND	\$ 74,624	\$ 62,102	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0



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 ensuring that all Pennsylvanians are able to access a range of preventive health and early disease detection services.

The department, through its network of six district offices, 60 state health centers, other public health clinical providers and 10 county and municipal health departments, provides 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 that 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 number 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: Women and Infant Programs

The department administers the federally funded Women, Infants and Children (WIC) program. WIC 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 outcomes, improve participant use of pediatric and obstetrical services and enhance early interventions for potential health problems.

To minimize severe health risks to infants, the department conducts a Newborn Screening and Follow-Up program. 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 phenylketonuria or maple syrup urine disease to lessen the adverse effects of those conditions.

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 federally funded 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 younger than two years. 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 vaccines 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 offering Novel H1N1 immunization clinics and assuring that older citizens and others with chronic illnesses are given priority in accessing annual influenza and pneumococcal

Program: Preventive Health (continued)

immunizations to providing information to fire companies, school districts, ambulance corps, corrections officials, 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 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 500 school districts, 137 charter schools and 10 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 department 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 reduce 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 diseases and injuries and their associated risk factors remain the leading causes of preventable morbidity and premature mortality within the commonwealth. The Pennsylvania Chronic Care Initiative is a practice transformation project that brings together physician offices, insurance companies and state government to redesign the way patient care is delivered and managed in primary care settings. With more than 150 practices currently participating in seven regional based collaboratives touching the lives of 1.2 million patients, Pennsylvania has the largest and most unique Chronic Care and Patient Centered Medical Home project in the country.

The department's 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 HIV. Emphasis is placed on enhancing local decision-making processes and targeting activities to local needs through six 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 400 sites statewide.

The goal of the Sexually Transmitted Diseases (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 provided to those ages 15 and under whom 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 department manages the following federally funded programs that also support health promotion and injury prevention activities:

Cancer Prevention and Control programs focus on encouraging lifestyle changes to prevent the development of cancer and to support research, routine testing, screening and early intervention to improve the chance of survival for those who have cancer.

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 disease and other oral diseases. The program also promotes the beneficial health effects of fluoridation of public water systems.

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

Program: Preventive Health (continued)

and worksites. These changes support the development of positive individual behaviors to reduce and control diabetes and hypertension, and to prevent heart disease, overweight/obesity, stroke and related chronic diseases.

The Asthma Control 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 Violence and 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 10 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 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 department 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 by youth and adults.

The department investigates complaints regarding possible violations and enforces provisions of the Clean Indoor Air Act, Act 27 of 2008, which prohibits smoking in a public place with certain exemptions. The statewide Tobacco Use Prevention and Control program is consistent with best practices as defined by the federal Centers for Disease Control and Prevention's Best Practices for Comprehensive Tobacco Control Programs. Funds are provided through grants to regional primary contractors (lead agencies) to implement the components of comprehensive tobacco control programs in all 67 counties. Activities include community and school programs, enforcement of Pennsylvania's youth access to tobacco law and counter-marketing to prevent initiation of tobacco use by youth; cessation programs to help youth and adults quit tobacco use; awareness education and community outreach to protect non-smokers from secondhand smoke, including surveys to determine compliance with the Clean Indoor Air Act; chronic disease programs and initiatives to address tobacco-related health disparities; surveillance and evaluation programs; and administration and management.

This budget proposes to deposit the Tobacco Master Settlement Agreement revenue directly into the General Fund beginning in 2011-12. As a result, funding for Tobacco Use Prevention and Cessation is recommended to be appropriated from the General Fund. Please see the Tobacco Settlement Fund in the Summary by Fund section for additional information.

Program Recommendations:

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

<p>GENERAL FUND</p> <p>Chronic Care Management</p> <p>\$ 8 —to continue current program.</p> <p>–21 —nonrecurring 2010-11 budgetary freeze amount.</p> <hr/> <p>\$ –13 <i>Appropriation Decrease</i></p> <p>State Health Care Centers</p> <p>\$ 931 —to continue current program.</p> <p>–405 —nonrecurring 2010-11 budgetary freeze amount.</p> <hr/> <p>\$ 526 <i>Appropriation Increase</i></p> <p>Sexually Transmitted Disease Screening and Treatment</p> <p>\$ –37 —program reduction.</p> <p>Primary Health Care Practitioner</p> <p>\$ –76 —nonrecurring 2010-11 budgetary freeze amount.</p>	<p>Newborn Screening</p> <p>\$ –80 —nonrecurring 2010-11 budgetary freeze amount.</p> <p>Cancer Screening Services</p> <p>\$ –390 —program efficiencies and reduction.</p> <p>–57 —nonrecurring 2010-11 budgetary freeze amount.</p> <hr/> <p>\$ –447 <i>Appropriation Decrease</i></p> <p>AIDS Programs</p> <p>\$ –140 —nonrecurring 2010-11 budgetary freeze amount.</p> <p>Rural Cancer Outreach</p> <p>\$ –90 —funding elimination.</p> <p>Local Health Departments</p> <p>\$ –524 —nonrecurring 2010-11 budgetary freeze amount.</p>
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Program: Preventive Health (continued)

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

\$ -144	Local Health - Environmental —nonrecurring 2010-11 budgetary freeze amount.	\$ -50	Keystone State Games —funding elimination.
\$ -1,486	Maternal and Child Health —reflects maximized utilization of federal funds. —46 —nonrecurring 2010-11 budgetary freeze amount.	\$ -306	Newborn Hearing Screening —program elimination.
\$ -1,532	<i>Appropriation Decrease</i>	\$ 14,177	Tobacco Use Prevention and Cessation —reflects proposal to deposit Tobacco Master Settlement Agreement revenue directly into the General Fund beginning in 2011-12.
\$ -19	Tuberculosis Screening and Treatment —program reduction.	\$ -14,708	TOBACCO SETTLEMENT FUND Tobacco Use Prevention and Cessation —reflects proposal to deposit Tobacco Master Settlement Agreement revenue directly into the General Fund beginning in 2011-12.
\$ -75	Arthritis Outreach and Education —funding elimination.		
\$ -394	Epilepsy Support Services —funding elimination.		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Chronic Care Management	\$ 1,155	\$ 1,112	\$ 1,099	\$ 1,099	\$ 1,099	\$ 1,099	\$ 1,099
State Health Care Centers	22,333	21,303	21,829	21,829	21,829	21,829	21,829
Sexually Transmitted Disease Screening and Treatment.....	1,950	1,875	1,838	1,838	1,838	1,838	1,838
Primary Health Care Practitioner.....	4,116	3,979	3,903	3,903	3,903	3,903	3,903
Newborn Screening.....	4,399	4,232	4,152	4,152	4,152	4,152	4,152
Cancer Screening Services.....	3,130	3,010	2,563	2,563	2,563	2,563	2,563
AIDS Programs.....	7,672	7,381	7,241	7,241	7,241	7,241	7,241
Rural Cancer Outreach.....	90	90	0	0	0	0	0
School District Health Services	36,870	37,620	37,620	37,620	37,620	37,620	37,620
Local Health Departments.....	27,705	27,553	27,029	27,029	27,029	27,029	27,029
Local Health - Environmental	7,638	7,575	7,431	7,431	7,431	7,431	7,431
Maternal and Child Health.....	2,448	2,428	896	896	896	896	896
Tuberculosis Screening and Treatment.....	996	948	929	929	929	929	929
Arthritis Outreach and Education.....	151	75	0	0	0	0	0
Epilepsy Support Services.....	356	394	0	0	0	0	0
Keystone State Games.....	135	50	0	0	0	0	0
Newborn Hearing Screening	319	306	0	0	0	0	0
Osteoporosis Prevention and Education ...	1	0	0	0	0	0	0
Tobacco Use Prevention and Cessation....	0	0	14,177	14,177	14,177	14,177	14,177
TOTAL GENERAL FUND	\$ 121,464	\$ 119,931	\$ 130,707	\$ 130,707	\$ 130,707	\$ 130,707	\$ 130,707
TOBACCO SETTLEMENT FUND:							
Tobacco Use Prevention and Cessation (EA).....	\$ 17,627	\$ 14,708	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0



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 responsibility for 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 used.

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.

Program Element: Outpatient Services

Outpatient treatment services are more economical and cost-effective than inpatient care and are used whenever possible to provide needed treatment services for chronic diseases.

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 minor's provisions of the Disease Prevention and Control Law.

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 Special Medical program provides children and adults with a variety of services for certain health conditions including adult cystic fibrosis, Cooley's anemia, hemophilia and home ventilator care for children with chronic respiratory failure. Services include diagnosis, direct medical care, case management, comprehensive evaluations, rehabilitative services including pharmaceuticals and blood products. 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.

Federal funding is also available to facilitate connections to services for children with special needs through its Special Kids Network and Special Kids Network System of Care that support the family health nursing services consultants, which include both special needs consultants and maternal and child health consultants, in each of the department's six district offices. Special Kids Network provides families and health care providers with information and referral services and system of care activities, as well as an on-line searchable database of resources. The Special Kids Network is one of the information and referral help lines that constitute the commonwealth's health and human services call center. The information and referral specialists who respond to calls are able to provide callers with access to more than 20,000 local, regional and statewide resources that serve children with special health care needs. Special Kids Network System of Care provides community/population based and family focused services for children and youth with special health care needs and their families by participating in and facilitating activities such as community systems development, outreach, resource mapping, coalition building and project development and evaluation. System of care activities are coordinated with local communities through the department's central office staff and the family health nursing services consultants, who support sustainable systems change and policy development that benefit individuals and families of children and youth with special health care needs.

The department is the lead agency for the commonwealth emergency medical services system as defined in Act 45 of 1985, known as the Emergency Medical Services Act. This includes planning, developing, implementing and evaluating the system (including emergency preparedness and response) through 16 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 pre-hospital practitioners and distribution of funding. Regulations and implementation of the pre-hospital "Do Not Resuscitate" program are managed through the department 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.

Program: Health Treatment Services (continued)

Program Recommendations:

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

	GENERAL FUND		
	Organ Donation Awareness	\$	-176
\$ -25	—program elimination.		Lupus
			—funding elimination.
	Special Medical Programs	\$	-959
\$ -2,307	—program efficiencies and reduction.		Regional Poison Control Centers
-101	—nonrecurring 2010-11 budgetary freeze amount.	\$	-300
<u> </u>			Trauma Program Coordination
\$ -2,408	<i>Appropriation Decrease</i>		—funding elimination.
		\$	-45
			Tourette Syndrome
			—funding elimination.

The Renal Dialysis appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
General Fund:							
Organ Donation Awareness.....	\$ 49	\$ 25	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Renal Dialysis.....	6,779	6,779	6,779	6,779	6,779	6,779	6,779
Special Medical Programs.....	5,345	5,381	2,973	2,973	2,973	2,973	2,973
Lupus.....	180	176	0	0	0	0	0
Regional Poison Control Centers.....	997	959	0	0	0	0	0
Trauma Program Coordination.....	270	300	0	0	0	0	0
Tourette Syndrome.....	45	45	0	0	0	0	0
Lancaster - Cleft Palate Clinic.....	13	0	0	0	0	0	0
Burn Foundation.....	93	0	0	0	0	0	0
The Children's Institute, Pittsburgh.....	215	0	0	0	0	0	0
Children's Hospital of Philadelphia.....	100	0	0	0	0	0	0
Philadelphia Health & Education Corp - Pediatric Outpatient & Inpatient....	158	0	0	0	0	0	0
TOTAL GENERAL FUND.....	<u>\$ 14,244</u>	<u>\$ 13,665</u>	<u>\$ 9,752</u>	<u>\$ 9,752</u>	<u>\$ 9,752</u>	<u>\$ 9,752</u>	<u>\$ 9,752</u>

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

Act 50 of 2010 mandates the transfer of this program to a newly created Department of Drug & Alcohol Programs effective July 1, 2011. This budget proposes to maintain the program within the Department of Health in an effort to preserve the state's limited resources for treatment services as opposed to new administrative costs.

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 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 employee assistance programs.

Treatment services are funded in hospitals, prisons, shelters, residential units and outpatient programs. Treatment often consists of short-term detoxification followed by longer term rehabilitation. Most inpatient services are rendered in a non-hospital setting. Outpatient services may follow discharge from a residential program; however, many persons receive their initial treatment in an outpatient setting. 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 \$61 million and \$3 million from the Compulsive and Problem Gambling Treatment Fund.

Program Recommendations:

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

The Assistance to Drug and Alcohol Programs appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Assistance to Drug and Alcohol Programs	\$ 41,750	\$ 41,698	\$ 41,698	\$ 41,698	\$ 41,698	\$ 41,698	\$ 41,698



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Health Support Services							
Licensure and/or Federal Certification Surveys Completed Prior to Licensure Expiration by Facility Type							
Hospitals within 24 months	247	220	220	220	220	220	220
Nursing homes within 15 months	722	722	720	720	720	720	720
Intellectual Disabilities - Intermediate Care Facilities within 12 months	202	200	200	200	200	200	200
Home health agencies within 12 months	430	444	450	450	450	450	450
Residential drug and alcohol programs licensed/approved	179	179	179	179	179	179	179
Nonresidential drug and alcohol programs licensed/approved	495	495	495	495	495	495	495
Hospices within 12 months	215	180	185	185	185	185	185
Home Care Agencies/Registries within 12 months	650	1,100	1,100	1,100	1,100	1,100	1,100
Birth Centers within 12 months	5	5	5	5	5	5	5
Pediatric Extended Care Centers within 12 months	12	13	15	15	15	15	15
Laboratory Services							
Clinical laboratories licensed	8,762	8,850	8,850	8,850	8,850	8,850	8,850
Specimens tested by the state laboratory per year	82,000	83,000	83,000	83,000	83,000	83,000	83,000
Rabies tests by the state laboratory per year	3,250	3,000	3,000	3,300	3,000	3,000	3,000
West Nile Virus tests by the state laboratory per year	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Activities Related to Bioterrorism							
Grants awarded for hospitals	163	163	163	163	163	163	163
Surge beds available	8,454	8,454	8,454	8,454	8,454	8,454	8,454
Percentage of eligible hospitals registered to use PA-NEDSS	98%	98%	98%	98%	98%	98%	98%
Percentage of eligible laboratories registered to use PA-NEDSS	78%	79%	80%	81%	82%	83%	84%
Program: Health Research							
Vital Events (births, deaths and fetal deaths)							
Vital events registered and processed	268,788	269,500	269,500	269,500	269,500	269,500	269,500
Percentage of vital events registered and processed within 30 days	95%	95%	95%	95%	95%	95%	95%
Applications for certified copies of birth and death records filled	514,000	520,000	520,000	520,000	520,000	520,000	520,000



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Percentage of applications for certified copies of birth and death records filled within five days	40%	40%	40%	40%	40%	40%	40%
Percentage of cancer abstracts processed within 24 months of diagnosis	99%	99%	99%	99%	99%	99%	99%
Health Research							
New formula and non-formula grants awarded	36	40	40	40	40	40	40
Percentage of completed state-funded research grants that have received a favorable or outstanding performance evaluation from expert peer reviewers	92%	95%	95%	95%	95%	95%	95%
Percentage of completed CURE grants exceeding \$100,000 that have leveraged additional outside funding	71%	70%	70%	70%	70%	70%	70%
Program: Preventive Health							
State Health Care Centers							
Total encounters by State Health Care Centers	523,874	560,000	560,000	560,000	560,000	560,000	560,000
Family health encounters including immunizations, injury prevention, and special health care needs	204,001	206,041	208,100	208,100	208,100	208,100	208,100
Communicable disease encounters including adult immunizations, HIV/AIDS, STD, Tuberculosis and epidemiology	253,722	258,850	258,850	258,850	258,850	258,850	258,850
Chronic disease encounters including cancer, diabetes and tobacco	28,964	28,250	29,545	29,545	29,545	29,545	29,545
Primary care physicians receiving loan repayment forgiveness	100	100	100	100	100	100	100
Percentage of primary care practitioners receiving loan repayment forgiveness remaining in practice in Pennsylvania	80%	80%	80%	80%	80%	80%	80%
Women and Children's Programs							
Average number of persons participating in women, infants, and children (WIC) programs each month	262,858	266,500	267,000	267,500	268,000	268,500	269,000
Average actual food cost per WIC participant, per month	\$42.38	\$49.06	\$50.25	\$51.45	\$52.65	\$53.90	\$55.17
Average Nutrition Services and Administration (NSA) operational costs per WIC participant, per month	\$17.06	\$16.81	\$17.31	\$17.83	\$18.36	\$18.91	\$19.46
Percentage of WIC-enrolled breastfeeding mothers who breastfed their infants for the first six months	20.20%	20.75%	21.50%	22.25%	22.50%	22.75%	23%



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Newborns receiving state-mandated screening for genetic conditions	150,000	150,000	150,000	150,000	150,000	150,000	150,000
High-risk uninsured women aged 40 to 49 who receive breast and cervical cancer screening as determined by state funding	4,809	4,809	4,809	4,809	4,809	4,809	4,809
Privately owned housing units in targeted geographical areas that are remediated for the presence of lead hazards	42	54	99	36	99	99	99
School Health							
Percentage of school districts, charter schools, and comprehensive vocational technical schools in compliance with certified school nurse coverage requirements	95%	95%	95%	95%	95%	95%	95%
Other Communicable Disease Programs and Incidences Reported							
HIV tests at publicly-funded sites	54,872	66,264	55,000	55,000	55,000	55,000	55,000
Percentage of clients testing positive for HIV at department-supported HIV counseling and testing sites returning for results	94%	89%	95%	95%	95%	95%	95%
Incidences of Gonorrhea	6,070	7,102	6,200	6,200	6,200	6,200	6,200
Incidences of Infectious Syphilis	140	125	125	100	100	100	100
Tuberculosis (per 100,000 in population)	1.90	2	2	2	2	2	2
Injury Prevention							
Children and adults receiving injury prevention education and awareness	25,650	25,650	11,500	11,500	11,500	11,500	11,500
Tobacco Program							
Percentage of callers to the FREE Quitline who received counseling and reported that they have stopped the use of tobacco products at the 6-month follow-up	29%	29%	30%	30%	30%	30%	30%
Percentage of adults (age 18+) who are current cigarette smokers	20%	20%	19%	19%	18%	18%	18%
Percentage of high school students who smoke	18%	16%	16%	15%	15%	14%	14%

The "Privately owned housing units" measure represents projections as shown in three-year federal grant application.

The "HIV tests at publicly-funded sites" test counts measure for 2010-2011 were based upon unusually high counts from prior years and adjusted to a more realistic number for 2011-2012 and beyond.

The "Children and adults receiving injury prevention education and awareness" measure for fiscal year 2011-12 and beyond reflects a programmatic shift from individual-based programs to policy and environmental change efforts, which have shown to be more sustainable and have a greater long-term impact on the population as a whole to promote lasting healthy and safe behaviors.



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Health Treatment Services							
Minimum Number of Children and Adults Receiving Outpatient Treatment Through Department-Supported Programs							
Phenylketonuria, Maple Syrup Urine Disease, Galactosemia	1,310	1,320	1,330	1,340	1,350	1,360	1,370
Renal disease	5,451	5,480	5,460	5,460	5,460	5,460	5,460
Special Medical Programs*	9,198	9,200	6,440	6,440	6,440	6,440	6,440
Help Line Activities							
Total calls to the help lines	92,431	93,000	93,500	94,000	94,500	95,000	95,500
Calls to Healthy Kids help line	83,581	83,780	83,980	83,980	83,980	83,980	83,980
Calls to Special Kids Network help line	2,553	2,650	2,755	2,755	2,755	2,755	2,755
Percentage of callers who express satisfaction with the services provided by the Special Kids Network	97.50%	97.60%	98%	98%	98%	98%	98%
Emergency Medical Services							
Ambulances licensed annually	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Quick response services recognized to provide medical command annually	500	500	500	500	500	500	500
Hospitals recognized to provide medical command annually	145	145	145	145	145	145	145

*Reflects the consolidation of Sickle Cell disease, Hemophilia, Cooley's Anemia, Spina Bifida, Home ventilators and Children's rehabilitation services measures.

Program: Drug and Alcohol Abuse Prevention and Treatment

Admissions to treatment	77,715	76,930	76,145	75,360	74,575	73,790	73,790
Average length of outpatient treatment (days)	65	65	65	65	65	65	65
Average length of inpatient treatment (days)	15	15	15	15	15	15	15





HEALTH CARE COST CONTAINMENT COUNCIL

The mission of the Health Care Cost Containment Council is to facilitate the continuing provision of quality, cost-effective health services throughout the commonwealth by providing current data and information to the purchasers, providers, insurers, policy makers and consumers of health care services.

The 2011-12 budget shows the Health Care Cost Containment Council as a separate department. Previously, the Health Care Cost Containment Council was shown in the Legislature.



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Health Care Cost Containment Council

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
<u>GENERAL FUND:</u>			
<i>General Government:</i>			
Health Care Cost Containment Council.....	\$ 2,844	\$ 2,710	\$ 2,710



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
HEALTH CARE COST CONTAINMENT COUNCIL							
GENERAL FUND.....	\$ 2,844	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710
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.....	\$ 2,844	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710
ALL PROGRAMS:							
GENERAL FUND.....	\$ 2,844	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710
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.....	\$ 2,844	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710



Health Care Cost Containment Council

PROGRAM OBJECTIVE: To facilitate the continuing provision of quality, cost-effective health services throughout the commonwealth by providing current data and information to the purchasers, providers, insurers, policy makers and consumers of health care services.

Program: Health Research

The Pennsylvania Health Care Cost Containment Council (PHC4) is an independent state agency first established by Act 89 of 1986 and is responsible for collecting, analyzing and issuing public reports and data about the quality and cost of health care in Pennsylvania. It is governed by a 25-member board that represents health care purchasers (business and labor), consumers, health care providers, insurers and state government.

PHC4 uses advanced statistical and research methodologies including the use of risk-adjusted data which accounts for the severity of patient illness and other risk factors to produce reports on common illnesses that affect Pennsylvanians. These reports have included analysis of heart disease, diabetes and asthma and include treatment options and outcomes. Publicly reported medical costs and outcomes not only help improve patient care but

also help consumers make informed choices about where to seek medical treatment.

Data from more than 4.5 million inpatient hospital discharge and ambulatory/outpatient procedure records is collected by PHC4 each year from hospitals and freestanding ambulatory surgery centers in Pennsylvania. This data, which includes hospital charge and treatment information as well as other financial data, is collected on a quarterly basis and is then verified by agency staff. The council also collects data from managed care plans on a voluntary basis. This data is shared with the public through free public reports. The council has also produced customized reports and data sets for a wide variety of users including hospitals, policy-makers, researchers, physicians, insurers, and other group purchasers.

Program Recommendations:

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

GENERAL FUND

—The Health Care Cost Containment Council is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Health Care Cost Containment Council.....	\$ 2,844	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710



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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.



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Higher Education Assistance Agency

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
Grants to Students.....	\$ 403,632	\$ 388,313	\$ 380,935
(F)Byrd Scholarships (EA).....	1,563	1,575	1,575
Higher Education for the Disadvantaged.....	2,700 ^a	2,410 ^a	2,364
Higher Education of Blind or Deaf Students.....	52 ^a	50 ^a	49
Matching Payments for Student Aid.....	13,938	13,409	13,154
Institutional Assistance Grants.....	30,250	30,110	15,055
Bond-Hill Scholarships.....	740	712	0
Agricultural Loan Forgiveness.....	71	68	0
SciTech and Technology Scholarships.....	3,778	3,471	0
Cheyney Keystone Academy.....	1,761	1,694	0
Nursing Shortage Initiative.....	1,000	962	0
Subtotal - State Funds.....	\$ 457,922	\$ 441,199	\$ 411,557
Subtotal - Federal Funds.....	1,563	1,575	1,575
Total - Grants and Subsidies.....	\$ 459,485	\$ 442,774	\$ 413,132
STATE FUNDS.....	\$ 457,922	\$ 441,199	\$ 411,557
FEDERAL FUNDS.....	1,563	1,575	1,575
GENERAL FUND TOTAL.....	\$ 459,485	\$ 442,774	\$ 413,132
OTHER FUNDS:			
HIGHER EDUCATION ASSISTANCE FUND:			
Educational Training Vouchers Program.....	\$ 2,056	\$ 1,870	\$ 1,862
Leveraging Educational Assistance Partnership.....	3,141	3,388	1,433
Primary Health Care.....	1,233	1,700	985
Gear Up.....	24	0	0
HIGHER EDUCATION ASSISTANCE FUND TOTAL.....	\$ 6,454	\$ 6,958	\$ 4,280
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 457,922	\$ 441,199	\$ 411,557
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	1,563	1,575	1,575
OTHER FUNDS.....	6,454	6,958	4,280
TOTAL ALL FUNDS.....	\$ 465,939	\$ 449,732	\$ 417,412

^a Appropriated in the Department of Education.



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
FINANCIAL ASSISTANCE TO STUDENTS							
GENERAL FUND.....	\$ 426,672	\$ 410,127	\$ 396,502	\$ 396,502	\$ 396,502	\$ 396,502	\$ 396,502
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,563	1,575	1,575	1,575	1,575	1,575	1,575
OTHER FUNDS.....	6,454	6,958	4,280	4,280	4,280	4,280	4,280
SUBCATEGORY TOTAL.....	\$ 434,689	\$ 418,660	\$ 402,357	\$ 402,357	\$ 402,357	\$ 402,357	\$ 402,357
FINANCIAL AID TO INSTITUTIONS							
GENERAL FUND.....	\$ 31,250	\$ 31,072	\$ 15,055	\$ 15,055	\$ 15,055	\$ 15,055	\$ 15,055
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.....	\$ 31,250	\$ 31,072	\$ 15,055	\$ 15,055	\$ 15,055	\$ 15,055	\$ 15,055
ALL PROGRAMS:							
GENERAL FUND.....	\$ 457,922	\$ 441,199	\$ 411,557	\$ 411,557	\$ 411,557	\$ 411,557	\$ 411,557
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,563	1,575	1,575	1,575	1,575	1,575	1,575
OTHER FUNDS.....	6,454	6,958	4,280	4,280	4,280	4,280	4,280
DEPARTMENT TOTAL.....	\$ 465,939	\$ 449,732	\$ 417,412	\$ 417,412	\$ 417,412	\$ 417,412	\$ 417,412

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 offers financial assistance programs to students in the form of grants, scholarships 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 Other 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 the Federal Leveraging Educational Assistance Partnership. 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 post-secondary 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. The on-campus jobs program generally provides employment in campus services; the off-campus jobs program places students in career and course of study related work in local communities. Matching funds also leverage private foundation scholarships, thereby providing increased awards for students.

The revised Higher Education Equal Opportunity program will provide assistance to students for tutorial and counseling services for economically and educationally disadvantaged students to aid them in succeeding in college. This program will target funds to ensure equal educational opportunities for all students attending Pennsylvania's colleges and universities.

Program Recommendations:

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

\$ -7,378	GENERAL FUND Grants to Students —nonrecurring 2010-11 budgetary freeze amount.	\$ -712	Bond-Hill Scholarships —program elimination.
\$ -46	Higher Education for the Disadvantaged —nonrecurring 2010-11 budgetary freeze amount.	\$ -68	Agricultural Loan Forgiveness —program elimination.
\$ -1	Higher Education of Blind or Deaf Students —nonrecurring 2010-11 budgetary freeze amount.	\$ -3,471	SciTech and Technology Scholarships —program elimination.
\$ -255	Matching Payments for Student Aid —nonrecurring 2010-11 budgetary freeze amount.	\$ -1,694	Cheyney Keystone Academy —program elimination.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
General Fund:							
Grants to Students.....	\$ 403,632	\$ 388,313	\$ 380,935	\$ 380,935	\$ 380,935	\$ 380,935	\$ 380,935
Higher Education for the Disadvantaged...	2,700	2,410	2,364	2,364	2,364	2,364	2,364
Higher Education of Blind or Deaf Students.....	52	50	49	49	49	49	49
Matching Payments for Student Aid	13,938	13,409	13,154	13,154	13,154	13,154	13,154
Bond-Hill Scholarships	740	712	0	0	0	0	0
Agricultural Loan Forgiveness	71	68	0	0	0	0	0
SciTech and Technology Scholarships	3,778	3,471	0	0	0	0	0
Cheyney Keystone Academy.....	1,761	1,694	0	0	0	0	0
TOTAL GENERAL FUND.....	\$ 426,672	\$ 410,127	\$ 396,502	\$ 396,502	\$ 396,502	\$ 396,502	\$ 396,502



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 not-for-profit, nondenominational and non-recipients of direct state appropriations.

The program provides equal per capita grants to the schools based on the number of full-time equivalent state grant recipients enrolled during the academic year. Eighty-eight institutions are eligible to participate in the 2011-12 program.

The program helps to preserve and develop the diverse system of higher education in Pennsylvania by allowing Pennsylvania's independent 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 student access to institutions in all sectors.

Program Recommendations:

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

	GENERAL FUND
	Institutional Assistance Grants
\$ -15,055	—funding reduction.
	Nursing Shortage Initiative
\$ -962	—program elimination.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Institutional Assistance Grants	\$ 30,250	\$ 30,110	\$ 15,055	\$ 15,055	\$ 15,055	\$ 15,055	\$ 15,055
Nursing Shortage Initiative	1,000	962	0	0	0	0	0
TOTAL GENERAL FUND.....	\$ 31,250	\$ 31,072	\$ 15,055	\$ 15,055	\$ 15,055	\$ 15,055	\$ 15,055



Higher Education Assistance Agency

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Financial Assistance to Students							
Grants to Students							
Applications for grants	623,148	654,000	676,000	699,000	723,000	747,000	773,000
Applications complete and needs tested for eligibility	331,873	332,000	344,000	355,000	367,000	380,000	393,000
Eligible applicants-meeting qualifications	189,776	218,000	231,000	238,000	245,000	253,000	260,000
Eligible applicants enrolled and accepting grants	168,049	183,000	196,000	202,000	209,000	216,000	224,000
Eligible applicants not enrolled at a college/university	21,727	34,000	35,000	36,000	36,000	36,000	37,000
Grant amount as percentage of applicant's total educational cost	9.90%	8.30%	8.30%	8.30%	8.30%	8.30%	8.30%
Work Study							
Students assisted by federal, state and private funds	42,547	37,000	37,000	38,000	38,000	38,000	39,000
Student work study earnings (in millions)	\$64.52	\$65.17	\$65.82	\$66.48	\$67.14	\$67.81	\$68.49
Program: Financial Aid to Institutions							
Eligible grant recipients enrolled at eligible independent institutions	41,647	42,000	45,000	48,000	52,000	55,000	59,000
Per capita grant	\$728	\$720	\$333	\$331	\$292	\$273	\$256



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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.



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Historical and Museum Commission

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 19,348	\$ 18,467	\$ 17,881
(F)Historic Preservation.....	1,167	1,168	1,168
(F)Surface Mining Review.....	150	190	140
(F)Environmental Review.....	375	415	305
(F)Pennsylvania Archaeology (EA).....	170	170	170
(F)Institute of Museum Library Services.....	150	300	470
(F)Lumber Museum.....	198	198	198
(F)Historical Records and Advisory Board Administration.....	20	0	0
(F)American Battlefield Protection.....	0	37	0
(F)Preserve America.....	325	645	245
(F)Coastal Zone Management.....	50	50	50
(F)Highway Planning and Construction.....	25	190	140
(F)National Endowment for the Humanities.....	0	875	800
(F)Paleontological Exhibit.....	0	10	0
(A)State Records Center.....	217	525	595
(A)Keystone Recreation, Park & Conservation Fund.....	0	277	431
Subtotal.....	<u>\$ 22,195</u>	<u>\$ 23,517</u>	<u>\$ 22,593</u>
Subtotal - State Funds.....	\$ 19,348	\$ 18,467	\$ 17,881
Subtotal - Federal Funds.....	2,630	4,248	3,686
Subtotal - Augmentations.....	217	802	1,026
Total - General Government.....	<u>\$ 22,195</u>	<u>\$ 23,517</u>	<u>\$ 22,593</u>
<i>Grants and Subsidies:</i>			
Museum Assistance Grants.....	\$ 1,601	\$ 0	\$ 0
Regional History Centers.....	157	0	0
University of Pennsylvania Museum.....	56	0	0
Total - Grants and Subsidies.....	<u>\$ 1,814</u>	<u>\$ 0</u>	<u>\$ 0</u>
STATE FUNDS.....	\$ 21,162	\$ 18,467	\$ 17,881
FEDERAL FUNDS.....	2,630	4,248	3,686
AUGMENTATIONS.....	217	802	1,026
GENERAL FUND TOTAL.....	<u>\$ 24,009</u>	<u>\$ 23,517</u>	<u>\$ 22,593</u>
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
<i>Grants and Subsidies:</i>			
Historic Site Development (EA).....	\$ 0	\$ 5,540	\$ 8,613
OTHER FUNDS:			
GENERAL FUND:			
Historical Preservation Act of 1966 (F).....	\$ 93	\$ 117	\$ 117
Rent and Other Income.....	163	35	35
GENERAL FUND TOTAL.....	<u>\$ 256</u>	<u>\$ 152</u>	<u>\$ 152</u>
HISTORICAL PRESERVATION FUND:			
Historical Preservation Fund.....	\$ 2,204	\$ 2,050	\$ 1,900



Historical and Museum Commission

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 21,162	\$ 18,467	\$ 17,881
SPECIAL FUNDS.....	0	5,540	8,613
FEDERAL FUNDS.....	2,630	4,248	3,686
AUGMENTATIONS.....	217	802	1,026
OTHER FUNDS.....	2,460	2,202	2,052
TOTAL ALL FUNDS.....	\$ 26,469	\$ 31,259	\$ 33,258



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
STATE HISTORIC PRESERVATION							
GENERAL FUND.....	\$ 19,348	\$ 18,467	\$ 17,881	\$ 17,881	\$ 17,881	\$ 17,881	\$ 17,881
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,630	4,248	3,686	3,686	3,686	3,686	3,686
OTHER FUNDS.....	2,677	3,004	3,078	3,102	3,150	3,182	3,216
SUBCATEGORY TOTAL.....	\$ 24,655	\$ 25,719	\$ 24,645	\$ 24,669	\$ 24,717	\$ 24,749	\$ 24,783
MUSEUM ASSISTANCE							
GENERAL FUND.....	\$ 1,814	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	5,540	8,613	9,099	10,063	10,701	11,380
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 1,814	\$ 5,540	\$ 8,613	\$ 9,099	\$ 10,063	\$ 10,701	\$ 11,380
ALL PROGRAMS:							
GENERAL FUND.....	\$ 21,162	\$ 18,467	\$ 17,881	\$ 17,881	\$ 17,881	\$ 17,881	\$ 17,881
SPECIAL FUNDS.....	0	5,540	8,613	9,099	10,063	10,701	11,380
FEDERAL FUNDS.....	2,630	4,248	3,686	3,686	3,686	3,686	3,686
OTHER FUNDS.....	2,677	3,004	3,078	3,102	3,150	3,182	3,216
DEPARTMENT TOTAL.....	\$ 26,469	\$ 31,259	\$ 33,258	\$ 33,768	\$ 34,780	\$ 35,450	\$ 36,163



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 program 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 program supports the operation of the State Archives and the State Records Center. The State Archives is responsible for identifying, acquiring, preserving and providing public access to the permanently valuable and historical records created by government. This responsibility 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 and state governments, including the records of the land office and hundreds of existing and defunct governmental agencies. The State Records Center is the official repository for inactive records that must be maintained by state agencies for administrative, fiscal or legal purposes.

This program 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 program supports the operation of numerous historic sites and museums throughout the commonwealth that are open to the public, including the State Museum of Pennsylvania. This program provides educational collections and exhibition programs and living history and other types of tours to interpret Pennsylvania history; it also utilizes cooperative initiatives with associate organizations to further provide for educational and public programs. This program 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 program supports a property management and lease function through cooperative agreements with management groups, for-profit and not-for-profit organizations to operate, maintain and utilize historic sites, buildings and agricultural lands under the custody of the commission.

Program Element: Historic Preservation

This program 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 advocate communities; and preserves and protects endangered historic public and private buildings, structures and landmarks through a not-for-profit statewide revolving fund.



Historical and Museum Commission

Program: State Historic Preservation (continued)

Program Recommendations:

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

	GENERAL FUND	
	General Government Operations	
\$	-350	—nonrecurring 2010-11 budgetary freeze amount.
	<u>-236</u>	—reduction in administrative costs.
\$	-586	<i>Appropriation Decrease</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
General Government Operations	\$ 19,348	\$ 18,467	\$ 17,881	\$ 17,881	\$ 17,881	\$ 17,881	\$ 17,881



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 the Keystone Recreation, Park and Conservation Fund Grant program that provides financial assistance designed to enhance the quality of history and museum activities in Pennsylvania.

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 not-for-profit organizations and public agencies that operate a

publicly accessible historic property listed in or eligible for the National Register of Historic Places, or to organizations 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 redevelopment, preservation, rehabilitation, restoration and other related areas.

Program Recommendations:

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

KEYSTONE RECREATION, PARK AND CONSERVATION FUND
Historic Site Development (EA)
 \$ 3,073 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Museum Assistance Grants.....	\$ 1,601	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Regional History Centers.....	157	0	0	0	0	0	0
University of Pennsylvania Museum.....	56	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 1,814	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

KEYSTONE RECREATION, PARK AND CONSERVATION FUND:

Historic Site Development (EA).....	\$ 0	\$ 5,540	\$ 8,613	\$ 9,099	\$ 10,063	\$ 10,701	\$ 11,380
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Historical and Museum Commission

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: State Historic Preservation							
State and Local Records							
Pages of archives and historical manuscripts (in thousands)	220,000	222,000	225,000	228,000	231,000	234,000	234,000
Records maintained by the State Records Center (in thousands)	811,000	811,000	811,000	811,000	811,000	811,000	811,000
Savings realized by storing records at the State Records Center (in thousands)	\$4,220	\$4,220	\$4,220	\$4,220	\$4,220	\$4,220	\$4,220
Expired/inactive records destroyed by the State Records Center	90,000	93,000	93,000	93,000	93,000	93,000	93,000
Savings realized through proper disposal of expired records (in thousands)	\$4,929	\$5,093	\$5,093	\$5,093	\$5,093	\$5,093	\$5,093
Historic Site and Museum Operations							
Annual visits to commission historical sites and museums (in thousands)	1,425	1,336	1,270	1,210	1,150	1,150	1,150
Visitors per salaried staff member (in thousands)	10	13	15	15	15	15	15
Historic markers	2,296	2,316	2,336	2,356	2,376	2,396	2,416
Historic Preservation							
Buildings maintained and conserved	506	510	510	510	510	510	510
Evaluations for the National Register of Historic Properties	545	500	500	500	500	500	500
Professional History and Museum Support Services							
Historic artifacts maintained and conserved (in thousands)	4,475	4,700	4,750	4,800	4,800	4,800	4,800
Program: Museum Assistance							
Museum Assistance and Keystone project grants awarded	0	10	10	10	10	10	10



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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, stormwater and brownfields projects.

The Pennsylvania Infrastructure Investment Authority administers the PENNVEST program authorized by Act 16 of 1988.



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Infrastructure Investment Authority

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
(F)Sewage Projects Revolving Loan Fund.....	\$ 56,350	\$ 86,350	\$ 66,350
(F)Drinking Water Projects Revolving Loan Fund.....	56,489	75,741	75,841
(F)ARRA – Sewage Projects Revolving Loan Fund.....	176,319	165,000	54,000
(F)ARRA – Drinking Water Projects Revolving Loan Fund.....	44,006	40,000	25,000
Total - Grants and Subsidies.....	<u>\$ 333,164</u>	<u>\$ 367,091</u>	<u>\$ 221,191</u>
GENERAL FUND TOTAL.....	\$ 333,164	\$ 367,091	\$ 221,191
OTHER FUNDS:			
ENVIRONMENTAL STEWARDSHIP FUND:			
Storm Water, Water and Sewer Grants (EA).....	\$ 8,531	\$ 7,439	\$ 6,488
PENNVEST FUND:			
PENNVEST Operations (EA).....	\$ 2,797	\$ 2,324	\$ 2,301
Grants - Other Revenue Sources (EA).....	12,000	11,000	4,000
Revenue Bond Loan Pool (EA).....	10	10	10
Revolving Loans and Administration.....	0	175,000	85,000
Private Revolving Loans.....	4,240	0	0
Growing Greener Grants.....	0	20,000	16,000
Revolving Loans - Conditional Funds.....	9,210	2,000	2,500
PENNVEST FUND TOTAL.....	<u>\$ 28,257</u>	<u>\$ 210,334</u>	<u>\$ 109,811</u>
PENNVEST WATER POLLUTION CONTROL REVOLVING FUND:			
PENNVEST Water Pollution Control Revolving Fund.....	\$ 3,091	\$ 17,676	\$ 13,580
Additional Sewage Projects Revolving Loans (EA).....	185,000	240,000	185,000
Transfer to Drinking Water Revolving Fund (EA).....	10,000	20,000	20,000
Sewage Projects Revolving Loan Fund (F)(EA).....	0 ^a	0 ^a	0 ^a
On-lot Sewage Disposal Systems (F)(EA).....	0 ^b	0 ^b	0 ^b
Revolving Loans - Conditional Funds.....	6,993	3,000	3,000
PENNVEST WATER POLLUTION CONTROL REVOLVING FUND TOTAL.....	<u>\$ 205,084</u>	<u>\$ 280,676</u>	<u>\$ 221,580</u>
PENNVEST DRINKING WATER REVOLVING FUND:			
PENNVEST Drinking Water Project Revolving Fund.....	\$ 8,545	\$ 8,000	\$ 5,000
Additional Drinking Water Projects Revolving Loans (EA).....	65,000	105,000	75,000
Drinking Water Projects Revolving Loan Fund (F)(EA).....	0 ^c	0 ^c	0 ^c
Loan Program Administration (F)(EA).....	0 ^d	0 ^d	0 ^d
Technical Assistance to Small Systems (F)(EA).....	0 ^e	0 ^e	0 ^e
Assistance to State Programs (F)(EA).....	0 ^f	0 ^f	0 ^f
Local Assistance and Source Water Pollution (F)(EA).....	0 ^g	0 ^g	0 ^g
Revolving Loans - Conditional Funds.....	603	1,000	1,000
PENNVEST DRINKING WATER REVOLVING FUND TOTAL.....	<u>\$ 74,148</u>	<u>\$ 114,000</u>	<u>\$ 81,000</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	333,164	367,091	221,191
OTHER FUNDS.....	316,020	612,449	418,879
TOTAL ALL FUNDS.....	\$ 649,184	\$ 979,540	\$ 640,070



Summary by Fund and Appropriation

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- ^a Not added to the total to avoid double counting: 2009-10 Actual is \$56,300,000, 2010-11 Available is \$86,300,000 and 2011-12 Budget is \$66,300,000.
- ^b Not added to the total to avoid double counting: 2009-10 Actual is \$50,000, 2010-11 Available is \$50,000 and 2011-12 Budget is \$50,000.
- ^c Not added to the total to avoid double counting: 2009-10 Actual is \$40,000,000, 2010-11 Available is \$59,896,000 and 2011-12 Budget is \$60,000,000.
- ^d Not added to the total to avoid double counting: 2009-10 Actual is \$1,989,000, 2010-11 Available is \$2,345,000 and 2011-12 Budget is \$2,341,000.
- ^e Not added to the total to avoid double counting: 2009-10 Actual is \$1,000,000, 2010-11 Available is \$1,000,000 and 2011-12 Budget is \$1,000,000.
- ^f Not added to the total to avoid double counting: 2009-10 Actual is \$7,000,000, 2010-11 Available is \$6,000,000 and 2011-12 Budget is \$6,000,000.
- ^g Not added to the total to avoid double counting: 2009-10 Actual is \$6,500,000, 2010-11 Available is \$6,500,000 and 2011-12 Budget is \$6,500,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
PENNVEST							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	333,164	367,091	221,191	221,191	142,191	142,191	142,191
OTHER FUNDS.....	316,020	612,449	418,879	418,879	418,879	418,879	418,879
SUBCATEGORY TOTAL.....	\$ 649,184	\$ 979,540	\$ 640,070	\$ 640,070	\$ 561,070	\$ 561,070	\$ 561,070
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	333,164	367,091	221,191	221,191	142,191	142,191	142,191
OTHER FUNDS.....	316,020	612,449	418,879	418,879	418,879	418,879	418,879
DEPARTMENT TOTAL.....	\$ 649,184	\$ 979,540	\$ 640,070	\$ 640,070	\$ 561,070	\$ 561,070	\$ 561,070



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. In 2004, the program was further expanded to include the funding of brownfield reclamation and remediation projects to further revitalize Pennsylvania's older, established communities.

Initial funding for the PENNVEST Fund came from several sources: a \$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 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 used as grants for combined sewer overflow, sanitary sewer overflow and nutrient reduction technology projects. Act 64 of 2008 authorized a \$400 million bond issue, which was approved by referendum, to provide grants and loans to municipalities and public utilities for the acquisition, repair, construction, reconstruction, rehabilitation, extension, expansion and improvement of water supply and sewage treatment systems as well

as the purchase or trading of nutrient credits. Added to this are interest earnings on the fund's cash flow, interest and principal payments made on loans and grant funds received through the Environmental Stewardship Fund, which is primarily funded from tipping fee revenue.

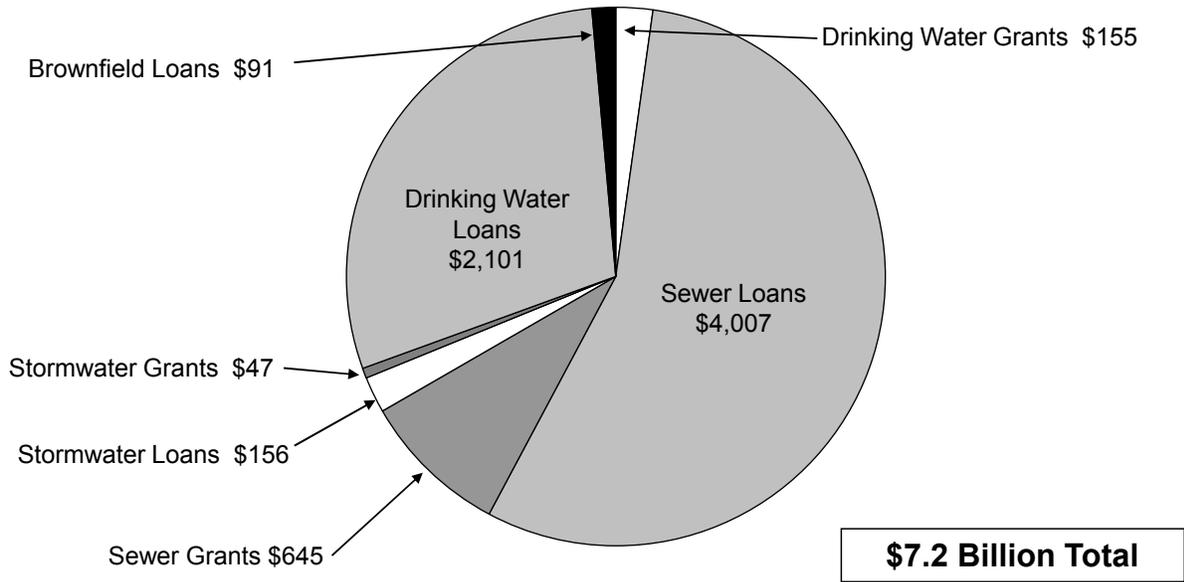
PENNVEST funds are used for loans and grants to municipalities, municipal authorities and private firms to improve water, sewage and stormwater systems they own. Loans are available to individual homeowners to upgrade their on-lot septic systems. The Pennsylvania Infrastructure Investment Authority, 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 applicants' 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, grants and administrative costs are paid from this fund. The PENNVEST Water Pollution Control Revolving Fund combines 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. The Water and Sewer Systems Assistance Bond Fund will serve as the repository of interest and investment income and loan repayments related to Act 64; loans and grants will be paid from this fund.

Infrastructure Investment Authority

Program: PENNVEST (continued)

Total Loans and Grants Approved
1988 Through December 2010
(millions of dollars)



Program Recommendation:

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

PENNVEST FUND
PENNVEST Operations (EA)
\$ -23 —reduction in administrative costs.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
PENNVEST FUND:							
PENNVEST Operations (EA)	\$ 2,797	\$ 2,324	\$ 2,301	\$ 2,301	\$ 2,301	\$ 2,301	\$ 2,301



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: PENNVEST							
Drinking water projects approved that will maintain or bring customers' water into compliance with commonwealth drinking water standards	23	22	22	22	22	22	22
Dollars disbursed to drinking water projects that will maintain or bring customers' water into compliance with commonwealth drinking water standards	\$31,651,246	\$61,000,000	\$61,000,000	\$61,000,000	\$61,000,000	\$61,000,000	\$61,000,000
Sustainable jobs created by PENNVEST - funded projects	2,698	3,000	3,000	3,000	3,000	3,000	3,000
Grant equivalent subsidy per household served	\$125	\$125	\$125	\$125	\$125	\$125	\$125
Percent of total project funding allocated to projects that would otherwise have higher financing rates	36%	31%	31%	31%	31%	31%	31%



INSURANCE DEPARTMENT

The mission of the Insurance Department is to protect and educate Pennsylvanians in order to safeguard consumer rights and ensure access to health and other vital insurance products.

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), the adultBasic 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.



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Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 20,542	\$ 18,878	\$ 18,878
(F)High Risk Pool Administration.....	0	4,570	6,730
(F)Consumer Assistance Program.....	0	1,420 ^a	1,420
(F)PA Exchange Grant.....	0	1,000 ^b	1,000
(A)Companies in Liquidation.....	506	801	801
(A)Duplicating and Mailing Services.....	7	90	15
(A)Reimbursement Examination Fees.....	2,385	2,301	2,301
(A)Reimbursements - Market Conduct Travel.....	341	600	600
Children's Health Insurance Administration.....	2,728	2,709	4,856
(F)Children's Health Insurance Administration.....	10,087	7,333	7,212
Adult Health Insurance Administration.....	3,043	2,928	0
Subtotal - State Funds.....	\$ 26,313	\$ 24,515	\$ 23,734
Subtotal - Federal Funds.....	10,087	14,323	16,362
Subtotal - Augmentations.....	3,239	3,792	3,717
Total - General Government.....	\$ 39,639	\$ 42,630	\$ 43,813
<i>Grants and Subsidies:</i>			
Children's Health Insurance.....	\$ 96,112	\$ 97,365	\$ 97,365
(F)Children's Health Insurance Program.....	283,995	300,902	303,142
(F)CHIPRA - Prospective Payment System Grant.....	0	500	0
Subtotal.....	\$ 380,107	\$ 398,767	\$ 400,507
(F)High Risk Pool.....	0	41,130	82,260
(F)Health Insurance Premium Review.....	0	1,000	1,000
Subtotal.....	\$ 0	\$ 42,130	\$ 83,260
Subtotal - State Funds.....	\$ 96,112	\$ 97,365	\$ 97,365
Subtotal - Federal Funds.....	283,995	343,532	386,402
Total - Grants and Subsidies.....	\$ 380,107	\$ 440,897	\$ 483,767
STATE FUNDS.....	\$ 122,425	\$ 121,880	\$ 121,099
FEDERAL FUNDS.....	294,082	357,855	402,764
AUGMENTATIONS.....	3,239	3,792	3,717
GENERAL FUND TOTAL.....	\$ 419,746	\$ 483,527	\$ 527,580
TOBACCO SETTLEMENT FUND:			
<i>Grants and Subsidies:</i>			
Adult Health Insurance Program (EA).....	\$ 36,642	\$ 21,780	\$ 0
OTHER FUNDS:			
GENERAL FUND:			
Anti-Fraud Prevention (R).....	\$ 176	\$ 285	\$ 297
Children's Health Insurance Program (R).....	28,749	34,211	38,213
GENERAL FUND TOTAL.....	\$ 28,925	\$ 34,496	\$ 38,510
TOBACCO SETTLEMENT FUND:			
Community Health Reinvestment (R).....	\$ 106,263	\$ 114,001	\$ 0



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
CATASTROPHIC LOSS BENEFITS CONTINUATION FUND:			
CAT Administration (EA).....	\$ 801	\$ 706	\$ 796
CAT Claims (EA).....	7,239	5,790	5,789
CATASTROPHIC LOSS BENEFITS CONTINUATION FUND TOTAL.....	\$ 8,040	\$ 6,496	\$ 6,585
MEDICAL CARE AVAILABILITY AND REDUCTION OF ERROR FUND:			
General Operations (EA).....	\$ 18,018	\$ 15,696	\$ 15,447
Payment of Claims (EA).....	178,237	192,911	175,000
MEDICAL CARE AVAILABILITY AND REDUCTION OF ERROR FUND TOTAL.....	\$ 196,255	\$ 208,607	\$ 190,447
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:			
Administration (EA).....	\$ 12,615	\$ 11,641	\$ 11,647
Claims (EA).....	80,442	62,343	57,353
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....	\$ 93,057	\$ 73,984	\$ 69,000
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 122,425	\$ 121,880	\$ 121,099
SPECIAL FUNDS.....	36,642	21,780	0
FEDERAL FUNDS.....	294,082	357,855	402,764
AUGMENTATIONS.....	3,239	3,792	3,717
OTHER FUNDS.....	432,540	437,584	304,542
TOTAL ALL FUNDS.....	\$ 888,928	\$ 942,891	\$ 832,122

^a Includes recommended supplemental appropriation of \$1,420,000.

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

Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
INSURANCE INDUSTRY REGULATION							
GENERAL FUND.....	\$ 122,425	\$ 121,880	\$ 121,099	\$ 121,099	\$ 121,099	\$ 121,099	\$ 121,099
SPECIAL FUNDS.....	36,642	21,780	0	0	0	0	0
FEDERAL FUNDS.....	294,082	357,855	402,764	400,344	357,054	311,354	310,354
OTHER FUNDS.....	435,779	441,376	308,259	300,776	300,776	300,776	300,776
SUBCATEGORY TOTAL.....	\$ 888,928	\$ 942,891	\$ 832,122	\$ 822,219	\$ 778,929	\$ 733,229	\$ 732,229
ALL PROGRAMS:							
GENERAL FUND.....	\$ 122,425	\$ 121,880	\$ 121,099	\$ 121,099	\$ 121,099	\$ 121,099	\$ 121,099
SPECIAL FUNDS.....	36,642	21,780	0	0	0	0	0
FEDERAL FUNDS.....	294,082	357,855	402,764	400,344	357,054	311,354	310,354
OTHER FUNDS.....	435,779	441,376	308,259	300,776	300,776	300,776	300,776
DEPARTMENT TOTAL.....	\$ 888,928	\$ 942,891	\$ 832,122	\$ 822,219	\$ 778,929	\$ 733,229	\$ 732,229



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 core mission is the regulation of the insurance industry and the protection of insurance consumers. To meet its mission, the department provides adequate safeguards related to the solicitation and sale of insurance products and services; closely monitors the financial stability of insurance companies to minimize insurance insolvencies; ensures that appropriate products are available and rated appropriately; and provides a fair regulatory climate that will encourage insurance companies to conduct business in the commonwealth. In conjunction with its core mission, the department also administers the Children's Health Insurance Program (CHIP), the Medical Care Availability and Reduction of Error (Mcare) Fund, certain aspects of the federal Patient Protection and Affordable Care Act (PPACA), the Catastrophic Loss Benefits Fund and the Underground Storage Tank Indemnification Fund (USTIF).

Program Element: Regulation and Protection

The Insurance Department regulates all aspects of the insurance industry in Pennsylvania. It supervises the operation of approximately 1,700 insurance companies; authorizes the admission of new insurers to the state; tests and licenses insurance agents, brokers and bondsmen; and reviews and approves approximately 11,000 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 on-site financial examinations of domestic insurance companies each year; conducts adjudicatory hearings; and handles more than 250,000 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 makes solvency regulation one of its highest priorities. Resources continue to be focused on improving the effectiveness of regulatory actions taken to correct problems before they lead to insolvency. In the event of an insurance insolvency, the Insurance Commissioner serves as statutory liquidator/receiver for Pennsylvania domestic insurers found to be insolvent by the Commonwealth Court for unlicensed insurance entities.

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. Through the National Association of Insurance Commissioners, Pennsylvania is acting in concert with other states to develop a blueprint for uniform state insurance regulation and initiatives to speed products to the market. Additional coordination with other states aims for more uniform and streamlined producer licensing.

The Insurance Department provides the public with insurance information, education and complaint resolution services. It also conducts investigations of insurance law violations and undertakes on-site market conduct examinations of insurance company records, files and operations.

Program Element: Special Programs

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. Act 136 of 2006 enhanced the program by creating Cover All Kids, which provides access to health insurance coverage for all uninsured children. There are increased income eligibility limits for subsidized coverage, with cost-sharing on a sliding scale, up to 300 percent of the federal poverty level with higher-income families able to purchase health care coverage at the commonwealth's cost. 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. The federal Children's Health Insurance Program Reauthorization Act of 2009 extends federal funding for CHIP through September 30, 2013. The act requires several changes, the most significant of which is confirmation of a child's citizenship and identity through a Social Security Administration data match. As of January 2011, CHIP enrollment was approximately 193,300 children.

The Medical Care Availability and Reduction of Error (Mcare) Fund, established pursuant to Act 13 of 2002, established requirements for basic medical professional liability insurance coverage for health care providers and for their purchase of excess insurance through this program. The Mcare program is responsible for payment of claims against participating health care providers for losses or damages awarded in medical professional

Program: Insurance Industry Regulation (continued)

liability actions against them in excess of basic insurance coverage. Revenue for the fund is derived by levying an annual surcharge on health care providers and from motor vehicle violation surcharges. Act 50 of 2009 provided for a \$100 million transfer from the Mcare Fund to the General Fund, in addition to redirecting the motor vehicle violation surcharge to the General Fund in fiscal years 2009-10 and 2010-11. This budget proposes to continue to redirect the motor vehicle violation surcharge to the General Fund in 2011-12 until these revenues revert to the General Fund on January 1, 2014.

Act 44 of 2003 provided for the Health Care Provider Retention Account, which received 18.52 percent of the cigarette tax and supported a program to subsidize Mcare premiums. This program enabled 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. Act 128 of 2006 extended the abatement through 2007. The program abated 100 percent of the Mcare billing for providers in high-risk classes and 50 percent for others. Act 50 of 2009 provided for a \$708 million transfer from the Health Care Provider Retention Account to the General Fund and eliminated the account as of July 1, 2009. All tax revenue was thereafter deposited in the General Fund.

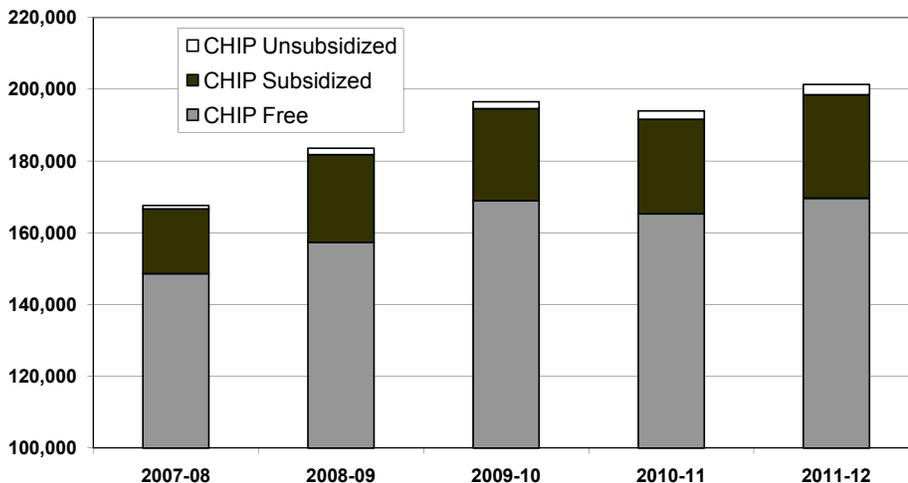
As part of the federal Patient Protection and Affordable Care Act, signed March 23, 2010, Pennsylvania received an award of \$160 million to provide eligible uninsured adults with federally subsidized health insurance coverage. The PA Fair Care program will provide an estimated 5,600 adults who have pre-existing medical conditions and have been uninsured for six months with a temporary coverage option until the broader health care reform provisions become effective in January 2014. In 2010, the department also received federal health care reform grants to review

unreasonable health insurance premium increases, to provide consumer assistance to individuals and small employers, to develop a statewide health insurance exchange strategy, and to integrate the commonwealth's Medical Assistance program, Children's Health Insurance Program, and other public benefit programs.

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. Between January 1, 2004 and June 30, 2009, the surcharge fees were deposited in the Medical Care Availability and Reduction of Error (Mcare) Fund. Act 50 of 2009 provides for the surcharge fees to be deposited in the General Fund for fiscal years 2009-10 and 2010-11. This budget proposes to continue to redirect the motor vehicle violation surcharge to the General Fund in 2011-12 until these revenues revert to the General Fund on January 1, 2014. Revenue from investment income will continue to accrue to the Catastrophic Loss Benefit Continuation 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 in the Department of Environmental Protection.

Children's Health Insurance Children Served



Pennsylvania's Children's Health Insurance Program has been a national leader in ensuring that access to free or subsidized health care is available for children of low-income families. It is projected that an average of 201,000 uninsured children will be served by the program in 2011-12.



Program: Insurance Industry Regulation (continued)

Program Recommendation:

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

GENERAL FUND	
Children's Health Insurance Administration	
\$ -51	—nonrecurring 2010-11 budgetary freeze amount.
-146	—nonrecurring project.
2,344	—redirection of shared information technology contracts previously funded in the Adult Health Insurance Administration appropriation.
\$ 2,147	<i>Appropriation Increase</i>

TOBACCO SETTLEMENT FUND	
Adult Health Insurance	
\$ -21,780	—program expired February 28, 2011.

This budget recommends the following from a restricted account:

Adult Health Insurance Administration	
\$ -584	—program expired February 28, 2011.
-2,344	—redirection of shared information technology contracts to the Children's Health Insurance Administration appropriation.
\$ -2,928	<i>Appropriation Decrease</i>

Community Health Reinvestment	
\$ -114,001	—program expired February 28, 2011.

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
General Government Operations	\$ 20,542	\$ 18,878	\$ 18,878	\$ 18,878	\$ 18,878	\$ 18,878	\$ 18,878
Children's Health Insurance Administration	2,728	2,709	4,856	4,856	4,856	4,856	4,856
Adult Health Insurance Administration.....	3,043	2,928	0	0	0	0	0
Children's Health Insurance	96,112	97,365	97,365	97,365	97,365	97,365	97,365
TOTAL GENERAL FUND	\$ 122,425	\$ 121,880	\$ 121,099	\$ 121,099	\$ 121,099	\$ 121,099	\$ 121,099
TOBACCO SETTLEMENT FUND:							
Adult Health Insurance Program (EA)	\$ 36,642	\$ 21,780	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Insurance Industry Regulation							
Companies on a watch list	45	40	40	40	40	40	40
Insurance company reviews initiated and conducted to investigate reports of industry abuse	48	35	35	35	35	35	35
Disciplinary / administrative actions conducted against insurance producers	120	120	120	120	120	120	120
Consumers receiving insurance information via the Health and Human Services call center	100,873	100,000	100,000	100,000	100,000	100,000	100,000
Consumer Services Outreach events	256	120	120	120	120	120	120
Children's Health Insurance Program (CHIP) enrollment (monthly average)	196,525	194,000	201,330	201,330	201,330	201,330	201,330
Percentage of CHIP enrolled children two years of age who are immunized	80.23%	81.58%	82.90%	82.90%	82.90%	82.90%	82.90%
Percentage of CHIP enrolled children ages 3 to 6 years who receive a well child visit with a primary care physician	75.65%	78.70%	78.70%	78.70%	78.70%	78.70%	78.70%
Adult Health Insurance program enrollment (at end of year)	45,927	40,764	0	0	0	0	0
PA Fair Care program enrollment (at end of year)*	0	3,475	4,985	4,985	5,635	0	0

* New Program Measure

Insurance company reviews initiated and conducted to investigate reports of industry abuse decreased in the available year due to restructuring in the Insurance Department and a decrease in reports of industry abuse.

Consumer Services Outreach events decreased in the available year due to restructuring in the Department and a focus towards market analysis and education.

Adult Health Insurance program enrollment for 2010-11 reflects enrollment as of February 28, 2011 when the program expired.

PA Fair Care program enrollment for 2013-14 reflects enrollment as of December 31, 2013, when the program is scheduled to expire.



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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 that 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.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 13,460	\$ 13,669	\$ 13,505
(F)Workforce Investment Act - Administration.....	11,000	11,000	11,000
(F)ARRA-Workforce Investment Act - Administration.....	5,000	5,000	400
(F)Community Service and Corps.....	10,067	10,067	10,266
(F)ARRA Community Service and Corps.....	4,000	2,000	0
(F)Disability Determination.....	107,421	130,266	140,064
(F)New Hires.....	1,581	1,581	1,581
(A)Joint Jobs Initiative.....	48,391	40,135	40,135
(A)New Directions.....	241	1,590	1,590
(A)Interpreter Registry.....	15	3	20
(A)Pa One Call Fees.....	47	50	50
Subtotal.....	<u>\$ 201,223</u>	<u>\$ 215,361</u>	<u>\$ 218,611</u>
Occupational and Industrial Safety.....	11,287	10,811	10,329
PENNSAFE.....	1,307	1,158	1,137
(F)Underground Utility Line Protection.....	500	500	500
(F)State Homeland Security (EA).....	0	36	0
(R)Asbestos and Lead Certification (EA).....	2,032	2,170	1,907
Pennsylvania Conservation Corps.....	4,661	4,468	0
Subtotal - State Funds.....	\$ 30,715	\$ 30,106	\$ 24,971
Subtotal - Federal Funds.....	139,569	160,450	163,811
Subtotal - Augmentations.....	48,694	41,778	41,795
Subtotal - Restricted Revenues.....	2,032	2,170	1,907
Total - General Government.....	<u>\$ 221,010</u>	<u>\$ 234,504</u>	<u>\$ 232,484</u>
Grants and Subsidies:			
Occupational Disease Payments.....	\$ 1,110	\$ 1,039	\$ 961
Transfer to Vocational Rehabilitation Fund.....	43,303	40,473	40,473
Supported Employment.....	482	464	455
Centers for Independent Living.....	2,154	2,072	2,033
Workers' Compensation Payments.....	1,250	1,250	1,079
Training Activities.....	6,500	5,951	0
New Choices / New Options.....	1,350	1,200	0
Assistive Technology.....	742	900	684
Employment Services.....	0	1,100	0
(F)Reed Act - Unemployment Insurance.....	12,000	12,000	12,000
(F)Reed Act - Employment Services.....	125,000	125,000	70,000
(F)ARRA - Reed Act-Employment Services.....	19,600	19,600	0
(F)WIA - Adult Employment and Training.....	60,000	60,000	60,000
(F)ARRA - WIA-Adult Employment and Training.....	16,000	16,000	0
(F)WIA - Youth Employment and Training.....	52,000	52,000	52,000
(F)ARRA - WIA-Youth Employment and Training.....	37,000	37,000	0
(F)WIA - Statewide Activities.....	23,000	23,000	23,000
(F)ARRA - WIA Statewide Activities.....	10,000	10,000	0
(F)WIA - Dislocated Workers.....	109,000	109,000	109,000
(F)ARRA - WIA-Dislocated Workers.....	105,000	105,000	5,600
(F)WIA - Veterans Employment and Training.....	900	900	900
(F)TANFBG - Youth Employment and Training.....	15,000	15,000	15,000
(F)Affordable Care.....	0	0	150
(F)Joint Jobs Initiative (EA).....	107,111	120,870	120,870
(F)New Directions (EA).....	1,166	916	916
(F)Comprehensive Workforce Development (EA).....	1,301	1,098	731
(F)ARRA - Weatherization Assistance Training (EA).....	20,000	14,000	17,000
(F)ARRA - TANFBG Workforce Development (EA).....	63,520	31,678	0
(F)Adult Education - Literacy (EA).....	500	1,000	1,000
Subtotal.....	<u>\$ 778,098</u>	<u>\$ 755,162</u>	<u>\$ 488,167</u>



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
Industry Partnerships	1,710	1,645	1,613
(A)Nursing Shortage Initiative - PHEAA.....	1,000	962	0
Beacon Lodge Camp	24	0	0
Subtotal.....	<u>\$ 1,024</u>	<u>\$ 962</u>	<u>\$ 0</u>
Subtotal - State Funds.....	\$ 58,625	\$ 56,094	\$ 47,298
Subtotal - Federal Funds.....	778,098	754,062	488,167
Subtotal - Augmentations.....	1,000	962	0
Total - Grants and Subsidies.....	<u>\$ 837,723</u>	<u>\$ 811,118</u>	<u>\$ 535,465</u>
STATE FUNDS.....	\$ 89,340	\$ 86,200	\$ 72,269
FEDERAL FUNDS.....	917,667	914,512	651,978
AUGMENTATIONS.....	49,694	42,740	41,795
RESTRICTED REVENUES.....	2,032	2,170	1,907
GENERAL FUND TOTAL	<u>\$ 1,058,733</u>	<u>\$ 1,045,622</u>	<u>\$ 767,949</u>
OTHER FUNDS:			
GENERAL FUND:			
Vending Machine Proceeds.....	\$ 637	\$ 855	\$ 466
ADMINISTRATION FUND:			
Administration of Unemployment.....	\$ 260,351	\$ 202,000	\$ 234,000
EMPLOYMENT FUND FOR THE BLIND:			
General Operations.....	\$ 1,202	\$ 800	\$ 800
JOB TRAINING FUND:			
Job Training (EA).....	\$ 7,600	\$ 7,800	\$ 3,600
HAZARDOUS MATERIAL RESPONSE FUND:			
Hazardous Material Response Administration.....	\$ 154	\$ 170	\$ 170
REHABILITATION CENTER FUND:			
General Operations.....	\$ 19,732	\$ 20,508	\$ 20,508
VOCATIONAL REHABILITATION FUND:			
General Operations (EA).....	\$ 521 ^a	\$ 700 ^a	\$ 700 ^a
Vocational Rehabilitation Services (F).....	137,299	137,299	137,299
ARRA - Vocational Rehabilitation Services.....	23,000	15,600	225
VOCATIONAL REHABILITATION FUND TOTAL.....	<u>\$ 160,820</u>	<u>\$ 153,599</u>	<u>\$ 138,224</u>
WORKMEN'S COMPENSATION ADMINISTRATION FUND:			
Administration of Workers' Compensation.....	\$ 72,218	\$ 74,951	\$ 81,990
(A) Conference Fees.....	396	400	400
WORKMEN'S COMPENSATION ADMINISTRATION FUND TOTAL.....	<u>\$ 72,614</u>	<u>\$ 75,351</u>	<u>\$ 82,390</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 89,340	\$ 86,200	\$ 72,269
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	917,667	914,512	651,978
AUGMENTATIONS.....	49,694	42,740	41,795
RESTRICTED.....	2,032	2,170	1,907
OTHER FUNDS.....	523,110	461,083	480,158
TOTAL ALL FUNDS	<u>\$ 1,581,843</u>	<u>\$ 1,506,705</u>	<u>\$ 1,248,107</u>

^a Transfer to Vocational Rehabilitation Fund not added to the total to avoid double counting: 2009-10 Actual is \$43,824,000, 2010-11 Available is \$41,173,000 and 2011-12 Budget is \$41,173,000.



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
COMMUNITY AND OCCUPATIONAL SAFETY AND STABILITY							
GENERAL FUND.....	\$ 26,054	\$ 25,638	\$ 24,971	\$ 24,971	\$ 24,971	\$ 24,971	\$ 24,971
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	5,500	5,536	900	900	900	900	900
OTHER FUNDS.....	2,248	2,393	2,147	2,147	2,147	2,147	2,147
SUBCATEGORY TOTAL.....	\$ 33,802	\$ 33,567	\$ 28,018	\$ 28,018	\$ 28,018	\$ 28,018	\$ 28,018
WORKERS COMPENSATION AND ASSISTANCE							
GENERAL FUND.....	\$ 2,360	\$ 2,289	\$ 2,040	\$ 2,040	\$ 2,040	\$ 2,040	\$ 2,040
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	113,002	133,847	141,645	141,645	141,645	141,645	141,645
OTHER FUNDS.....	340,565	285,151	319,990	319,990	319,990	319,990	319,990
SUBCATEGORY TOTAL.....	\$ 455,927	\$ 421,287	\$ 463,675	\$ 463,675	\$ 463,675	\$ 463,675	\$ 463,675
WORKFORCE INVESTMENT							
GENERAL FUND.....	\$ 14,221	\$ 14,364	\$ 1,613	\$ 1,613	\$ 1,613	\$ 1,613	\$ 1,613
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	799,165	775,129	509,433	509,433	509,433	509,433	509,433
OTHER FUNDS.....	49,632	42,687	41,725	41,725	41,725	41,725	41,725
SUBCATEGORY TOTAL.....	\$ 863,018	\$ 832,180	\$ 552,771	\$ 552,771	\$ 552,771	\$ 552,771	\$ 552,771
VOCATIONAL REHABILITATION							
GENERAL FUND.....	\$ 46,705	\$ 43,909	\$ 43,645	\$ 43,645	\$ 43,645	\$ 43,645	\$ 43,645
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	182,391	175,762	159,998	200,471	200,471	200,471	200,471
SUBCATEGORY TOTAL.....	\$ 229,096	\$ 219,671	\$ 203,643	\$ 244,116	\$ 244,116	\$ 244,116	\$ 244,116
ALL PROGRAMS:							
GENERAL FUND.....	\$ 89,340	\$ 86,200	\$ 72,269	\$ 72,269	\$ 72,269	\$ 72,269	\$ 72,269
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	917,667	914,512	651,978	651,978	651,978	651,978	651,978
OTHER FUNDS.....	574,836	505,993	523,860	564,333	564,333	564,333	564,333
DEPARTMENT TOTAL.....	\$ 1,581,843	\$ 1,506,705	\$ 1,248,107	\$ 1,288,580	\$ 1,288,580	\$ 1,288,580	\$ 1,288,580



PROGRAM OBJECTIVE: To further economic development in the commonwealth by promoting the health, welfare and safety of employees and acting to maintain continuous production and employment through mediation.

Program: Community and Occupational Safety and Stability

The department is responsible for administering a wide range of laws designed to enhance income security, safeguard the health of workers and the general public, protect the rights of Pennsylvania workers and promote labor relations stability and labor-management cooperation.

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, Medical Pay, Apprenticeship and Training, and Prohibition of Excessive Overtime in Health Care laws. The department informs employees and employers about the laws, conducts investigations and resolves disputes.

Program Element: Labor Relations

The Bureau of Mediation promotes labor relations stability by providing mediation services to the public and private sectors. Under the Public Employee Relations Act, parties to a contract in the public sector must notify the department if no agreement has been reached after contract negotiations have commenced. In the private sector, dispute notices must be filed with the department based on the National Labor Relations Act. Mediation services are mandatory in the public sector and voluntary in the private sector. Each year the department mediates more than 800 cases.

The Pennsylvania Labor Relations Board enforces and implements the provisions of the commonwealth's laws relating to private and public sector collective bargaining, including the Pennsylvania Labor Relations Act, the Public Employee Relations Act, and Act 111 of 1968. The Board determines collective bargaining representatives, prevents and discourages unfair practices in the public sector, and 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 Bureau of Occupational and Industrial Safety administers all 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. 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 act. 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 by the department. Department-certified inspectors ensure compliance with approved plans prior to issuance of an occupancy permit. Of the 2,562 municipalities in the commonwealth, 2,396 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 enforces the UCC for all commercial buildings in the 166 municipalities that have not chosen to provide their own enforcement. The department has sole jurisdiction for all state-owned buildings in the commonwealth.

The Bureau of PENNSAFE administers the Worker and Community Right-to-Know Act (Act 159 of 1984) and the Hazardous Material Emergency Planning & Response Act (Act 165 of 1990). Under these two acts, all employers doing business in Pennsylvania are required to provide certain information about hazardous chemicals located in their workplace or released into the environment and ensure that on-site chemical information is available to emergency response organizations. Tier II Hazardous Chemical Inventory Report data and the related Material

Program: Community and Occupational Safety and Stability (continued)

Safety Data Sheets and site plans are collected and managed via a secure online reporting program. The state Emergency Operations Center can access this system and retrieve this information in the event of an emergency incident at a reporting facility. Due to homeland security requirements, public inquiries relative to this information must meet set standards under a policy established by the Pennsylvania Emergency Management Agency (PEMA) and the Office of Homeland Security. The department provides training and outreach on hazardous chemical reporting requirements to facilities and to the county-level Local Emergency Planning Committees throughout the commonwealth. The department processes and deposits the hazardous chemical reporting fees into the Hazardous Materials Response Fund, which is then distributed by PEMA to the county emergency planning committees in the form of emergency planning and response grants.

The department enforces worker right-to-know provisions for public employees and provides education and outreach programs. The department also provides more than 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.

The Bureau of Labor Law Compliance enforces the Underground Utility Line Protection Act which protects public health and safety by preventing excavation or demolition work from damaging underground lines.

Program Recommendations:

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

	GENERAL FUND		
	General Government Operations	\$	-205
\$ -252	—nonrecurring 2010-11 budgetary freeze amount.		-277
\$ 88	—to continue current program.	\$	-482
\$ -164	<i>Appropriation Decrease</i>		
			PENNSAFE
		\$	-21
			—reduction in administrative costs.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
General Government Operations	\$ 13,460	\$ 13,669	\$ 13,505	\$ 13,505	\$ 13,505	\$ 13,505	\$ 13,505
Occupational and Industrial Safety	11,287	10,811	10,329	10,329	10,329	10,329	10,329
PENNSAFE	1,307	1,158	1,137	1,137	1,137	1,137	1,137
TOTAL GENERAL FUND	\$ 26,054	\$ 25,638	\$ 24,971	\$ 24,971	\$ 24,971	\$ 24,971	\$ 24,971

PROGRAM OBJECTIVE: To further economic development in the commonwealth by stabilizing the incomes of employees who become unemployed.

Program: Workers' Compensation and Assistance

This program provides income and medical services security to qualifying individuals. This program includes workers' compensation, unemployment compensation, occupational disease payments and Social Security disability payments.

Through private insurance companies, the State Workers' Insurance Fund and self-insured employers, workers' compensation insurance provides wage loss benefits and payments for medical services 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 loss 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 costs for businesses and the resultant improvement of the business climate in the commonwealth.

Act 49 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 affected by self-insured employers or defaulting members of self-insurance pooling arrangements and who sustained work related injuries prior to the effective date of Act 44 of 1993. Act 44 of 1993 provided for payments to eligible claimants from the Self-Insurance Guaranty Fund who sustained work related injuries after the effective date of the 1993 amendments.

Act 147 of 2006 amended the Workers' Compensation Act to create an Uninsured Employer Guaranty Fund to provide benefits to injured workers whose employers do not have workers' compensation insurance and are not approved by the commonwealth to self-insure. The benefits and claims management costs of this fund come from an annual assessment through the insurance industry

and self-insurers. This act also amended the workers' compensation litigation process by requiring a Worker's Compensation Judge to impose specific scheduling orders at the first hearing; mandating mediation unless it would be futile; requiring a "resolution hearing procedure" to expedite consideration of settlements; providing that no Worker's Compensation Judge may receive more than 75 percent of the petitions from a particular county; and limiting claimants' counsel fees in compromise and release cases to 20 percent of the settlement amount.

Occupational disease payments are made under the Workers' Compensation Act and the Occupational Disease Act, primarily to workers' with silicosis and related diseases, commonly referred to as "black lung." Workers with these diseases are covered based on their date of last exposure and disability. Injured workers proceeding under the Workers' Compensation Act where exposure occurred after July 1, 1973 and resulted in disability or death occurring between July 1, 1973 and June 30, 1976 are paid a proportional amount by the commonwealth; those exposed on or after June 30, 1976 receive benefits paid entirely by the coal industry employer. Those who do not meet the eligibility requirements under the Workers' Compensation Act may file claims pursuant to the Occupational Disease Act.

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.

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 percent of the average weekly wage for the preceding fiscal year. The maximum weekly payment during calendar year 2009 was \$558 for an unemployed individual with no dependents and \$566 for an individual with two dependents.

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, training and labor market information services administered by the Bureau of Workforce Development Partnership and the Center for Workforce Information and Analysis. The Department of Labor & 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 for Needy Families 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, with an update in 2007, the Department of Labor & Industry, working with Pennsylvania's lead workforce development agencies – the Departments of Labor & Industry, Community and Economic Development, Education, and Public Welfare – and local workforce investment areas, published "Pennsylvania's Targeted Industry Clusters" in order to ensure that training and education programs are driven by employer demand. Through additional occupational analysis by the Center for Workforce Information and Analysis, the implementation of a High Priority Occupation process 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 that 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 workforce development activities and services with approval by the Governor. The boards, in partnership with local elected officials, identify eligible 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 and employment 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

Pennsylvania CareerLink® is a one-stop system for workforce development services. Pennsylvania CareerLink® has improved service for businesses, job seekers and other customers by integrating systems and coordinating services. Services available at the PA CareerLink® for individuals 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 and information about available services and follow-up services to help customers keep their jobs after placement. Services available to businesses include assistance in matching qualified job-seekers with job openings, identifying tax incentives/credits that the business may be eligible for by employing certain target groups, assessment for occupational and training needs, and provision of labor market information. In addition to physical locations, the PA CareerLink® also offers an Internet-based system that both employer and job seeker customers can access 24 hours a day to receive available services.

The PA CareerLink® system is a cooperative effort involving the Departments of Education, Labor & Industry, Local Workforce Investment Boards and Public Welfare in partnership with training providers, employers and various system users.

Program Element: Dislocated Workers

The department provides assistance to dislocated workers through training programs, rapid response efforts, support services and needs-based payments.



Program: Workforce Investment (continued)

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, 60 percent is allocated to local areas, and 40 percent is retained at the state level (15 percent for statewide activities and 25 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 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. The Rapid Response program 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 program activities are triggered when the Department of Labor & Industry learns of a planned closure or layoff either by receiving a notice under the Federal Worker Adjustment and Retraining Notification 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: Industry Partnerships

Industry Partnerships are employer/worker consortiums that bring together companies with similar products, markets and human resource needs. They are organized by industry sector based on an analysis of where Pennsylvania, and/or multi-county regions, appear to have a competitive advantage. The intent is to make intelligent and prudent investments to develop the human capital that will lead to greater productivity, enlightened human resource practices and innovation – thereby helping these industries to survive and grow. Most importantly, by bringing together employers committed to the development of their workforce, these partnerships develop a deep and thorough understanding of their industry. Management and employees gain insight by researching the future of the industry. Government also uses this industry intelligence to help its education and training partners better understand the future needs of industry.

Industry Partnerships uncover common challenges within industries and, using economies of scale, apply private and public resources across numerous employers to develop incumbent workers' skills. Tax dollars and matching employer investments support the entire industry, not just one company's needs. Through these partnerships industry-recognized credentials can be developed that enable workers to advance with their current employers or seek better opportunities with those who reward their educational investment. Training needs are communicated to educational partners who develop curricula for new college courses, as well as high school and career and technical education programs.

Program Recommendations:

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

	GENERAL FUND				Employment Services
\$	-4,468	Pennsylvania Conservation Corps		\$	-1,100
		—program elimination.			—funding elimination.
\$	-5,951	Training Activities		\$	-32
		—program elimination.			Industry Partnerships
					—funding reduction.
\$	-1,200	New Choices / New Options			
		—funding elimination.			

Program: Workforce Investment (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Pennsylvania Conservation Corps	\$ 4,661	\$ 4,468	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Training Activities.....	6,500	5,951	0	0	0	0	0
New Choices / New Options.....	1,350	1,200	0	0	0	0	0
Employment Services.....	0	1,100	0	0	0	0	0
Industry Partnerships.....	1,710	1,645	1,613	1,613	1,613	1,613	1,613
TOTAL GENERAL FUND	\$ 14,221	\$ 14,364	\$ 1,613	\$ 1,613	\$ 1,613	\$ 1,613	\$ 1,613



PROGRAM OBJECTIVE: To enable eligible persons with disabilities to obtain competitive employment.

Program: Vocational Rehabilitation

The mission of the Office of Vocational Rehabilitation is to assist Pennsylvanians with disabilities to secure and maintain employment and independence. This program, conducted in conjunction with the federal government, targets the estimated 540,000 citizens of the commonwealth who have physical or mental impairments that present a substantial impediment to employment. During 2009, approximately 97,800 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 with disabilities who can benefit from 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 & Industry. This realignment provides more efficient and higher quality services while maintaining a distinct and specialized service model. Qualified applicants who are blind or visually impaired may receive specialized

services through programs that are fully state-funded or through the Independent Living for Older Blind program within the Rehabilitation Act. Services may coincide with vocational rehabilitation services or be provided separately, depending on the needs of the individual.

To address the needs of individuals who do not meet federal eligibility criteria, state funds are provided for the Centers for Independent Living (CILs). CILs are non-residential centers that provide information and referral services, peer counseling, independent living skills training and other services to Pennsylvanians with disabilities.

The Supported Employment program improves employment opportunities for those previously considered to have disabilities so severe that they could not benefit from the traditional vocational rehabilitation program. Supported employment combines job placement in the community with job training at the job site. Full-time training and support services are provided.

This program also includes the Hiram G. Andrews Center in Johnstown. The center provides a wide array of vocational rehabilitation and job training services and draws funds from the federal/state program as well as from numerous grants and special projects.

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 Recommendations:

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

		GENERAL FUND
		Supported Employment
\$	-9	—nonrecurring 2010-11 budgetary freeze amount.
		Centers for Independent Living
\$	-39	—nonrecurring 2010-11 budgetary freeze amount.
		Assistive Technology
\$	-216	—program reduction.

Transfer to Vocational Rehabilitation Fund is recommended at the current year funding level.



Program: Vocational Rehabilitation (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Transfer to Vocational Rehabilitation Fund	\$ 43,303	\$ 40,473	\$ 40,473	\$ 40,473	\$ 40,473	\$ 40,473	\$ 40,473
Supported Employment	482	464	455	455	455	455	455
Centers for Independent Living	2,154	2,072	2,033	2,033	2,033	2,033	2,033
Assistive Technology	742	900	684	684	684	684	684
Beacon Lodge Camp	24	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 46,705	\$ 43,909	\$ 43,645	\$ 43,645	\$ 43,645	\$ 43,645	\$ 43,645

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Community and Occupational Safety and Stability							
Income Security - Workers' Rights							
Minimum wage violations cited	565	600	600	600	610	610	610
Child Labor Law violations	121	130	130	130	130	130	130
Nonpayment of wage violations	5,275	5,000	5,000	5,000	5,000	5,000	5,000
Prevailing Wage Law violations	671	470	470	470	470	480	480
Prevailing Wage Law violations cases closed	522	520	520	520	520	520	520
Prevailing Wage Law violations cases closed-average number of days	78	78	78	78	78	78	78
Labor Relations							
Mediated cases for public sector bargaining units involving work stoppages	1.50%	2%	2%	2%	2%	2%	2%
Mediated cases for private sector bargaining units involving work stoppages	0%	10%	10%	10%	10%	10%	10%
Unfair Labor Practice Cases Opened	420	550	550	550	550	550	550
Unfair Labor Practice Cases Concluded	566	550	550	550	550	550	550
Union Representation Cases Opened	178	200	200	200	200	200	200
Union Representation Cases Concluded	189	200	200	200	200	200	200
Public Health and Safety Inspections							
Building inspections performed	33,061	31,000	30,000	30,000	29,000	29,000	29,000
Elevator inspections performed	10,482	11,650	12,000	12,000	12,000	12,000	12,000
Boiler inspections performed	30,375	28,000	28,000	30,000	30,000	30,000	30,000
Other inspections performed	2,218	2,500	2,800	3,000	3,500	4,000	4,000
Building approvals issued	4,675	4,650	4,650	4,650	4,625	4,625	4,550
New buildings certified and renovations of existing buildings certified	2,381	2,500	2,400	2,400	2,400	2,400	2,400
Municipalities choosing to provide their own enforcement under the Uniform Construction Code Act	2,396	2,400	2,400	2,400	2,400	2,400	2,400
Certifications, accreditations & licensing (Asbestos/Lead/PEAL/UCC)	1,521	1,500	1,500	1,500	1,500	1,500	1,500

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Incident reports received	1,417	1,280	1,280	1,280	1,280	1,280	1,280
Program: Workers' Compensation and Assistance							
Reportable injuries arising in the course of employment under the Workers' Compensation Act	91,837	98,000	98,000	98,000	98,000	98,000	98,000
Total petitions assigned resulting from reportable injuries under the Workers' Compensation Act	48,000	50,000	50,000	50,000	50,000	50,000	50,000
Number of final decisions in litigated workers' compensation claims	48,856	51,000	51,000	51,000	51,000	51,000	51,000
Claimants qualifying for occupational disease payments from commonwealth funds	494	470	440	420	390	370	340
Average time in months to litigate (i.e., hear and decide) a workers' compensation claim	6.80	6.80	6.80	6.80	6.80	6.80	6.80
New claims for unemployment compensation	846,201	765,000	733,000	700,000	680,000	680,000	680,000
Program: Workforce Investment							
Work Investment Act Title I							
Workforce Investment Act Adult Entered Employment Rate	70.30%	71%	73%	73%	75%	76%	76%
Dislocated Worker Entered Employment Rate	69.20%	72%	75%	77%	78%	80%	80%
Youth Placement Rate	50.50%	58%	59%	59%	59%	59%	59%
Workforce Investment Act Adult Employment Retention	80%	81%	82%	82%	82%	82%	82%
Dislocated Worker Employment Retention	87%	89%	90%	90%	90%	90%	90%
Youth Attainment (Individuals attaining a high school diploma, GED, post-secondary degree, or certification while enrolled in training)	66.80%	65%	65%	65%	65%	65%	65%
Number of Rapid Response Activities	471	400	350	300	300	300	300
Number of Youth Engaged in All Career Awareness Activities	263,280	225,000	225,000	225,000	225,000	225,000	225,000
Number of Internships	11,996	12,000	12,000	12,000	12,000	12,000	12,000
Number of Individuals Trained by Individual Training Accounts	9,595	6,000	6,000	6,000	6,000	6,000	6,000

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Wagner Peyser							
Wagner-Peyser Entered Employment Rate	49.70%	51%	53%	55%	56%	58%	58%
Wagner-Peyser Employment Retention	78.50%	80%	82%	82%	82%	82%	82%
Incumbent Workers							
Incumbent Worker Employment Retention Rate (Industry Partnership Participants)	81%	81%	82%	82%	83%	84%	84%
Incumbent Worker Wage Change (Industry Partnership Participants)	3%	4%	4%	4%	5%	5%	5%
Number of Incumbent Workers Trained (Industry Partnership Participants)	17,230	15,000	15,000	15,000	15,000	15,000	15,000
Apprentice completions-graduations	5,600	5,700	5,800	5,900	6,000	6,100	6,100
Registered Apprentices	16,400	16,500	16,550	16,600	16,650	16,700	16,700
Minorities Registered for Apprenticeship	1,940	1,950	1,975	2,000	2,025	2,050	2,050
Program: Vocational Rehabilitation							
Number of eligible participants with active plans	43,644	45,000	45,000	45,000	45,000	45,000	45,000
Number of participants closed as employed	8,790	10,000	10,000	10,000	10,000	10,000	10,000
Number of persons successfully completing independent living/specialized services	1,249	1,500	1,500	1,500	1,500	1,500	1,500
Number of persons moving into employment who received post-secondary education and who were referred to OVR while in secondary education	1,322	1,200	1,200	1,200	1,200	1,200	1,200
Number of persons moving into employment without receiving post-secondary education and who were referred to OVR while in secondary education	1,691	1,255	1,255	1,255	1,255	1,255	1,255

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LIQUOR CONTROL BOARD

The mission of the Liquor Control Board is to regulate the alcohol beverage industry in a fair and consistent manner; to 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.



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Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
(F)Enforcing Underage Drinking Laws (EA).....	\$ 92	\$ 100	\$ 100
<hr/>			
OTHER FUNDS:			
STATE STORES FUND:			
General Operations (EA).....	\$ 409,582	\$ 424,515	\$ 442,700
Purchase of Liquor (EA).....	1,066,615	974,257	1,069,000
Comptroller Operations (EA).....	5,944	6,022	6,000
Transfer of Profits to General Fund (EA).....	105,000	105,000	80,000
STATE STORES FUND TOTAL.....	<u>\$ 1,587,141</u>	<u>\$ 1,509,794</u>	<u>\$ 1,597,700</u>
 DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	92	100	100
OTHER FUNDS.....	1,587,141	1,509,794	1,597,700
TOTAL ALL FUNDS.....	<u><u>\$ 1,587,233</u></u>	<u><u>\$ 1,509,894</u></u>	<u><u>\$ 1,597,800</u></u>

Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
LIQUOR CONTROL							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	92	100	100	100	100	100	100
OTHER FUNDS.....	1,587,141	1,509,794	1,597,700	1,597,700	1,597,700	1,597,700	1,597,700
SUBCATEGORY TOTAL.....	\$ 1,587,233	\$ 1,509,894	\$ 1,597,800	\$ 1,597,800	\$ 1,597,800	\$ 1,597,800	\$ 1,597,800
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	92	100	100	100	100	100	100
OTHER FUNDS.....	1,587,141	1,509,794	1,597,700	1,597,700	1,597,700	1,597,700	1,597,700
DEPARTMENT TOTAL.....	\$ 1,587,233	\$ 1,509,894	\$ 1,597,800	\$ 1,597,800	\$ 1,597,800	\$ 1,597,800	\$ 1,597,800



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 625 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 six outlet stores, 19 one-stop shops located in grocery stores, 74 Premium Collection stores, one Wine Boutique, active kiosks and 155 stores that are open on Sundays.

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 Department of Health to support drug and alcohol programs as well as supplement the commonwealth's General Fund.

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. In 2009-10, more than 1.1 million documented minor challenges were performed in sales situations where store employees had concern regarding the legal age requirement of potential buyers. Recent agency initiatives to increase service and expand premium product selection include: self-service wine kiosks, an enhanced internet presence wine boutique stores, and a make-over of the Liquor Control Board's image through a complete re-branding effort in select retail locations. Expanded customer service has resulted from amendments to the Liquor Code that 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 percent of the state liquor 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 uses 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 October 2010, the board has objected to the renewal of more than 1,420 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 Education and Grants Management Division awards nearly \$1 million in educational grants annually to colleges, communities, and law enforcement agencies. These monies are used by the organizations to combat underage and dangerous drinking by use of environmental strategies. 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's Responsible Alcohol Management Program Division is responsible for overseeing this program, including offering owner/manager training to licensees and certifying, monitoring and tracking all server/seller training in Pennsylvania. In 2009-10, RAMP training was provided to approximately 21,525 licensees.

Liquor Control Board

Program: Liquor Control (continued)

Program Recommendations:

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

	STATE STORES FUND						
	General Operations (EA)						
\$	18,185	—to continue current program.		\$	-22	Comptroller Operations	—to continue current program.
	Purchase of Liquor			\$	-25,000	Transfer of Profits to General Fund	—decrease in the amount available for transfer to General Fund.
\$	94,743	—for inventory costs.					

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
STATE STORES FUND:							
General Operations (EA)	\$ 409,582	\$ 424,515	\$ 442,700	\$ 442,700	\$ 442,700	\$ 442,700	\$ 442,700
Purchase of Liquor (EA)	1,066,615	974,257	1,069,000	1,069,000	1,069,000	1,069,000	1,069,000
Comptroller Operations (EA)	5,944	6,022	6,000	6,000	6,000	6,000	6,000
Transfer of Profits to General Fund (EA)...	105,000	105,000	80,000	80,000	80,000	80,000	80,000
TOTAL STATE STORES FUND	\$ 1,587,141	\$ 1,509,794	\$ 1,597,700	\$ 1,597,700	\$ 1,597,700	\$ 1,597,700	\$ 1,597,700



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Liquor Control							
Pennsylvania State Liquor Stores	625	625	625	625	625	625	625
Gross sales (includes taxes) (in thousands)	\$1,904,688	\$1,981,000	\$2,048,000	\$2,129,000	\$2,213,000	\$2,301,000	\$2,392,000
Net sales per dollar spent - all stores	\$6	\$6.17	\$6.32	\$6.46	\$6.61	\$6.75	\$6.89
Net sales per dollar spent - Premium Collection stores	\$6.49	\$6.49	\$6.49	\$6.49	\$6.49	\$6.49	\$6.49
Alcohol education materials distributed	1,299,102	1,200,000	1,100,000	1,000,000	900,000	800,000	700,000
Licensees receiving Responsible Alcohol Management Program (RAMP) training	21,525	22,601	23,731	24,918	26,164	27,410	28,656

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DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

The Department of Military and Veterans Affairs has two missions in state government. One mission 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 and six veterans homes.

The other mission 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. Its federal mission is to be trained and equipped to join the active military forces in time of war or national emergency, and its 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 Center in Spring City, the Gino J. Merli Veterans Center in Scranton, the Southwestern Veterans Center in Pittsburgh and the Delaware Valley Veterans Home in Philadelphia.



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Military and Veterans Affairs

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 18,879	\$ 17,965	\$ 18,324
(F)Facilities Maintenance.....	73,213	77,685	77,685
(F)ARRA - Facilities Maintenance.....	10,000	5,000	5,000
(F)Federal Construction Grants.....	180,000	180,000	180,000
(F)ARRA - Federal Construction Grants.....	27,000	30,000	20,000
(F)Domestic Preparedness (EA).....	473	2,000	1,000
(A)Rental of Armories and Other Facilities.....	122	122	122
(A)Housing Fees.....	81	51	58
(A)Utility Reimbursements.....	170	195	195
(A)Miscellaneous Reimbursements.....	55	72	72
Facilities Management and Security.....	247	242	242
Burial Detail Honor Guard.....	76	74	100
Armory/Readiness Centers Maintenance and Repair.....	0	496	496
Special State Duty.....	0	35	35
Subtotal.....	\$ 310,316	\$ 313,937	\$ 303,329
Subtotal - State Funds.....	\$ 19,202	\$ 18,812	\$ 19,197
Subtotal - Federal Funds.....	290,686	294,685	283,685
Subtotal - Augmentations.....	428	440	447
Total - General Government.....	\$ 310,316	\$ 313,937	\$ 303,329
Institutional:			
Veterans Homes.....	\$ 81,219	\$ 82,226	\$ 94,290
(F)Enhanced Veterans Reimbursement.....	13,014	14,000	13,548
(F)ARRA - Enhanced Veterans Reimbursement.....	3,500	2,800	0
(F)Operations and Maintenance.....	35,414	39,521	41,474
(F)Medical Reimbursements.....	727	2,655	675
(F)ARRA - Broadband.....	0	382	0
(A)Aid and Attendance Payments.....	7,362	7,868	7,462
(A)Residential Fees.....	19,554	20,485	18,105
(A)Miscellaneous Reimbursements.....	69	50	46
(A)Estate Collections.....	3,242	2,714	2,609
Subtotal.....	\$ 164,101	\$ 172,701	\$ 178,209
Subtotal - State Funds.....	\$ 81,219	\$ 82,226	\$ 94,290
Subtotal - Federal Funds.....	52,655	59,358	55,697
Subtotal - Augmentations.....	30,227	31,117	28,222
Total - Institutional.....	\$ 164,101	\$ 172,701	\$ 178,209
Grants and Subsidies:			
Education of Veterans Children.....	\$ 103	\$ 102	\$ 102
Transfer to Educational Assistance Program Fund.....	5,995	5,767	13,000
Veterans Assistance.....	428	412	412
Blind Veterans Pension.....	273	220	222
Paralyzed Veterans Pension.....	419	419	425
National Guard Pension.....	0	5	5
Supplemental Life Insurance Premiums.....	371	368	368
Civil Air Patrol.....	135	0	0
Disabled American Veterans Transportation.....	350	339	339
Veterans Outreach Services.....	1,678	1,664	1,632
Subtotal.....	\$ 9,752	\$ 9,296	\$ 16,505
Total - Grants and Subsidies.....	\$ 9,752	\$ 9,296	\$ 16,505



Military and Veterans Affairs

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
STATE FUNDS.....	\$ 110,173	\$ 110,334	\$ 129,992
FEDERAL FUNDS.....	343,341	354,043	339,382
AUGMENTATIONS.....	30,655	31,557	28,669
GENERAL FUND TOTAL.....	\$ 484,169	\$ 495,934	\$ 498,043
OTHER FUNDS:			
GENERAL FUND:			
Military Family Relief Assistance.....	\$ 11	\$ 200	\$ 200
EDUCATIONAL ASSISTANCE PROGRAM FUND:			
National Guard Education (EA).....	\$ 0 ^a	\$ 0 ^a	\$ 0 ^a
PENNSYLVANIA VETERANS MEMORIAL TRUST FUND:			
Veterans Memorial (EA).....	\$ 90	\$ 90	\$ 90
STATE TREASURY ARMORY FUND:			
Armory Improvements.....	\$ 944	\$ 860	\$ 650
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 110,173	\$ 110,334	\$ 129,992
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	343,341	354,043	339,382
AUGMENTATIONS.....	30,655	31,557	28,669
OTHER FUNDS.....	1,045	1,150	940
TOTAL ALL FUNDS.....	\$ 485,214	\$ 497,084	\$ 498,983

^a Not added to the total to avoid double counting with the Transfer to the Educational Assistance Program Fund appropriation. 2009-10 Actual is \$10,000,000; 2010-11 Available is \$11,000,000 and 2011-12 Budget is \$13,000,000.



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
STATE MILITARY READINESS							
GENERAL FUND.....	\$ 19,202	\$ 18,812	\$ 19,197	\$ 19,197	\$ 19,197	\$ 19,197	\$ 19,197
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	290,686	294,685	283,685	258,685	258,685	258,685	258,685
OTHER FUNDS.....	1,473	1,590	1,387	1,387	1,387	1,387	1,387
SUBCATEGORY TOTAL.....	\$ 311,361	\$ 315,087	\$ 304,269	\$ 279,269	\$ 279,269	\$ 279,269	\$ 279,269
VETERANS HOMES							
GENERAL FUND.....	\$ 81,219	\$ 82,226	\$ 94,290	\$ 94,290	\$ 94,290	\$ 94,290	\$ 94,290
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	52,655	59,358	55,697	55,697	55,697	55,697	55,697
OTHER FUNDS.....	30,227	31,117	28,222	28,222	28,222	28,222	28,222
SUBCATEGORY TOTAL.....	\$ 164,101	\$ 172,701	\$ 178,209	\$ 178,209	\$ 178,209	\$ 178,209	\$ 178,209
COMPENSATION AND ASSISTANCE							
GENERAL FUND.....	\$ 9,752	\$ 9,296	\$ 16,505	\$ 15,505	\$ 15,505	\$ 15,505	\$ 15,505
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.....	\$ 9,752	\$ 9,296	\$ 16,505	\$ 15,505	\$ 15,505	\$ 15,505	\$ 15,505
ALL PROGRAMS:							
GENERAL FUND.....	\$ 110,173	\$ 110,334	\$ 129,992	\$ 128,992	\$ 128,992	\$ 128,992	\$ 128,992
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	343,341	354,043	339,382	314,382	314,382	314,382	314,382
OTHER FUNDS.....	31,700	32,707	29,609	29,609	29,609	29,609	29,609
DEPARTMENT TOTAL.....	\$ 485,214	\$ 497,084	\$ 498,983	\$ 472,983	\$ 472,983	\$ 472,983	\$ 472,983



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 to carry out its vital federal and state missions. Such missions may result in full or partial mobilization of the Pennsylvania National Guard for state service in the commonwealth or other states in emergency situations or active 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 respond to state and federal contingencies. The training of personnel is directly dependent upon the adequacy of the operation,

maintenance and repair of numerous National Guard readiness centers (formerly known as 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 100 readiness centers, field maintenance shops and six 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 readiness centers. These readiness centers 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 Recommendations:

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

\$	359	General Government Operations —to continue current program.
\$	26	Burial Detail Honor Guard —to continue current program.

Special State Duty, Armory/Readiness Centers Maintenance and Repair, and Facilities Management and Security appropriations are recommended at the current level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
General Government Operations	\$ 18,879	\$ 17,965	\$ 18,324	\$ 18,324	\$ 18,324	\$ 18,324	\$ 18,324
Facilities Management and Security.....	247	242	242	242	242	242	242
Burial Detail Honor Guard	76	74	100	100	100	100	100
Armory/Readiness Centers Maintenance and Repair	0	496	496	496	496	496	496
Special State Duty	0	35	35	35	35	35	35
TOTAL GENERAL FUND	\$ 19,202	\$ 18,812	\$ 19,197	\$ 19,197	\$ 19,197	\$ 19,197	\$ 19,197



PROGRAM OBJECTIVE: To provide nursing and domiciliary care for veterans.

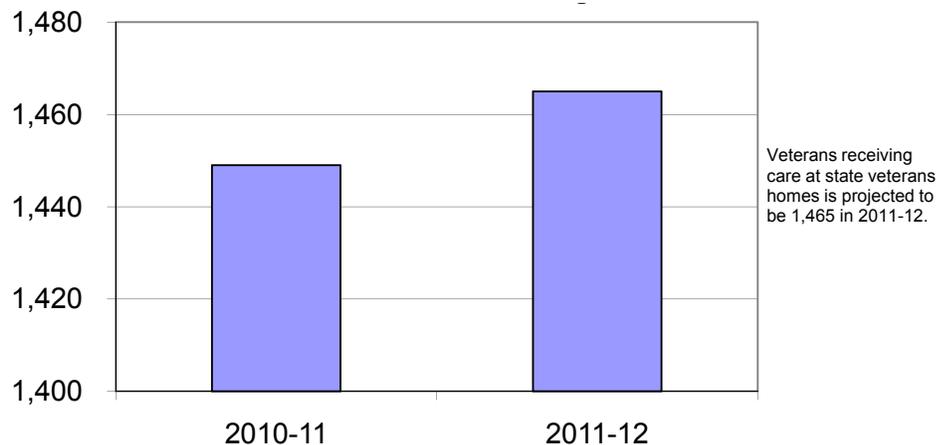
Program: Veterans Homes

The Department of Military and Veterans Affairs provides skilled nursing and domiciliary care for veterans who are in need of care. There are six veterans facilities 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 per diem assistance from the federal Department of Veterans Affairs for personal care and for nursing home care.

Eligible residents of state veterans facilities 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.

Veterans Receiving Care in State Veterans Homes



Expenditures by Institution: (Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget		2009-10 Actual	2010-11 Available	2011-12 Budget
Erie Soldiers and Sailors Home				Southwestern Veterans Center			
State Funds.....	\$ 9,596	\$ 9,205	\$ 10,649	State Funds.....	\$ 10,394	\$ 9,467	\$ 12,935
Federal Funds.....	5,619	6,392	6,040	Federal Funds.....	8,560	9,641	9,107
Augmentations.....	3,221	3,550	3,184	Augmentations.....	4,547	5,064	4,325
TOTAL.....	\$ 18,436	\$ 19,147	\$ 19,873	TOTAL.....	\$ 23,501	\$ 24,172	\$ 26,367
Hollidaysburg Veterans Home				Delaware Valley Veterans Home			
State Funds.....	\$ 23,252	\$ 21,621	\$ 27,625	State Funds.....	\$ 7,270	\$ 8,036	\$ 9,238
Federal Funds.....	16,422	17,807	15,487	Federal Funds.....	6,350	6,393	6,795
Augmentations.....	8,735	8,726	8,512	Augmentations.....	4,113	4,050	3,400
TOTAL.....	\$ 48,409	\$ 48,154	\$ 51,624	TOTAL.....	\$ 17,733	\$ 18,479	\$ 19,433
Southeastern Veterans Center				Central Veterans Homes Services			
State Funds.....	\$ 16,183	\$ 15,305	\$ 16,038	State Funds.....	\$ 3,736	\$ 8,494	\$ 5,301
Federal Funds.....	8,124	9,818	10,126	Federal Funds.....	-	382	-
Augmentations.....	5,135	5,227	4,751	Augmentations.....	-	-	-
TOTAL.....	\$ 29,442	\$ 30,350	\$ 30,915	TOTAL.....	\$ 3,736	\$ 8,876	\$ 5,301
Gino J. Merli Veterans Center							
State Funds.....	\$ 10,788	\$ 10,098	\$ 12,504				
Federal Funds.....	7,580	8,925	8,142				
Augmentations.....	4,476	4,500	4,050				
TOTAL.....	\$ 22,844	\$ 23,523	\$ 24,696				

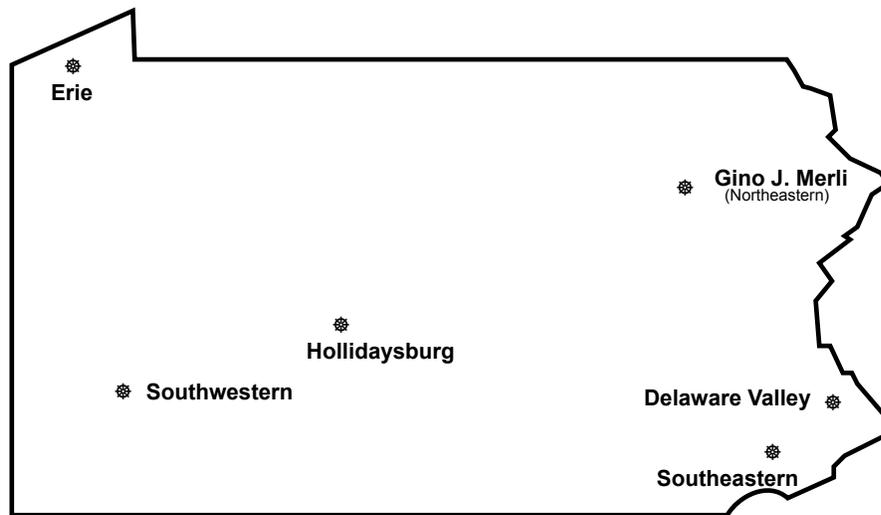


Military and Veterans Affairs

Program: Veterans Homes (continued)

Population and Capacity				
Institution	Population Dec 2010	Projected Population Dec 2011	Projected Capacity Dec 2011	Projected Percent of Capacity
Erie Soldiers and Sailors Home.....	186	186	207	90%
Hollidaysburg Veterans Home.....	486	497	514	97%
Southeastern Veterans Center	186	188	192	98%
Gino J. Merli Veterans Center.....	191	194	200	97%
Southwestern Veterans Center	230	232	236	98%
Delaware Valley Veterans Home.....	170	168	171	98%
Total.....	<u>1,449</u>	<u>1,465</u>	<u>1,520</u>	<u>96%</u>

Veterans Homes



Program Recommendations:

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

	Veterans Homes
\$ -1,562	—nonrecurring 2010-11 budgetary freeze amount.
<u>13,626</u>	—to continue current program.
\$ 12,064	<i>Appropriation Increase</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Veterans Homes.....	\$ <u>81,219</u>	\$ <u>82,226</u>	\$ <u>94,290</u>	\$ <u>94,290</u>	\$ <u>94,290</u>	\$ <u>94,290</u>	\$ <u>94,290</u>



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: 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 100 percent totally and permanently disabled or children of veterans who die or died in service during a period of war or armed conflict. Children must be between 16 and 23 years of age and living within Pennsylvania five years prior to application. They must also attend a school within Pennsylvania and demonstrate financial need. 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 increased the monetary benefit of the educational assistance program. Act 212 of 2004 created the Educational 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 \$2,902 in 2010-11 per semester) 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. Act 44 of 2006 extended the time in case of medical discharge. Act 87 of 2006 amends Title 51 to allow for grants to part-time students. 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: Veterans Assistance

The veterans emergency assistance program provides financial aid in an emergency and on a temporary basis (not to exceed three months in a 12 month period) to veterans and their beneficiaries who reside in Pennsylvania for the necessities of life (food, shelter, fuel and clothing). Basic program requirements include honorable discharge, service during an established war or conflict period, Pennsylvania residency, no receipt of public assistance and an unexpected loss of income within 180 days of application through no fault of the individual.

Program Element: Blind Veterans Pension

Pensions of \$150 per month are provided for Pennsylvania veterans who incurred functional blindness while performing active military service.

Program Element: Paralyzed Veterans Pension

Pensions of \$150 per month are provided to 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.

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 to 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 10 years. In the case of children of a deceased member, the pension is paid until the child reaches 18 years of age.

Program Element: Supplemental Life Insurance Premiums

Act 105 of 2006 authorized the commonwealth to pay or reimburse the cost not otherwise paid for by the federal government, of Servicemembers' Group Life Insurance premiums for eligible soldiers and airmen of the PA National Guard.

Program Element: Veterans Service Outreach Program

Act 66 of 2007 created the Veterans Service Organizations grant program to provide grants to these organizations for the improvement of the administration and delivery of services to Pennsylvania veterans.

Program Element: Persian Gulf Conflict Veterans Benefit Program

Compensation of up to \$525, calculated based on months of service in the theater of the operations during the first Persian Gulf conflict (August 1990 – August 1991) is paid to eligible Pennsylvania veterans of the conflict. In addition, compensation of \$5,000 is paid to eligible survivors of deceased veterans and prisoners of war. The program was authorized by Act 29 of 2006.

Program: Compensation and Assistance (continued)

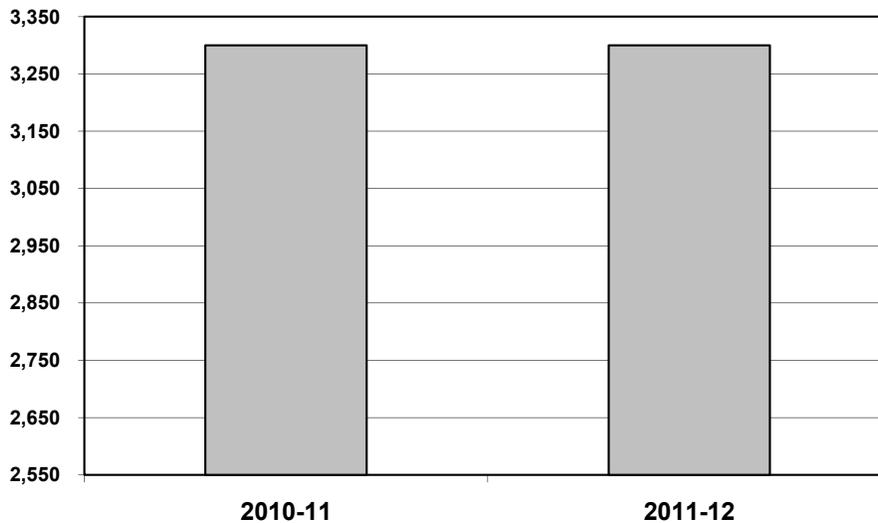
Program Element: Disabled Veterans Real Estate Tax Exemption Program

This program provides a real estate tax exemption for any honorably discharged veteran who is 100 percent disabled and a resident of the commonwealth with a financial need who served during established war service dates as determined by the U.S. Department of Veterans Affairs. This exemption shall be extended to the unmarried surviving spouse upon the death of an eligible veteran provided that the State Veterans Commission determines that such person is in need of the exemption.

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 is funded through contributions from state income tax return check offs and donations and was originally intended to last for five years. It has since been extended.

National Guard Personnel Receiving Educational Financial Aid



National Guard personnel receiving educational financial aid is projected to be 3,300 in 2011-12. Act 82 of 2005 extended the eligibility period so that those deployed can finish their education.

Program Recommendations:

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

<p>Transfer to Educational Assistance Program Fund \$ 7,233 —increased funding to continue current program.</p> <p>Blind Veterans Pension \$ 2 —to continue current program.</p>	<p>Paralyzed Veterans Pension \$ 6 —to continue current program.</p> <p>Veterans Outreach Services \$ -32 —nonrecurring 2010-11 budgetary freeze.</p>
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All other appropriations are recommended at the current year funding levels.

Military and Veterans Affairs

Program: Compensation and Assistance (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Education of Veterans Children	\$ 103	\$ 102	\$ 102	\$ 102	\$ 102	\$ 102	\$ 102
Transfer to Educational Assistance							
Program Fund	5,995	5,767	13,000	12,000	12,000	12,000	12,000
Veterans Assistance	428	412	412	412	412	412	412
Blind Veterans Pension	273	220	222	222	222	222	222
Paralyzed Veterans Pension	419	419	425	425	425	425	425
National Guard Pension	0	5	5	5	5	5	5
Supplemental Life Insurance Premiums....	371	368	368	368	368	368	368
Civil Air Patrol	135	0	0	0	0	0	0
Disabled American Veterans							
Transportation	350	339	339	339	339	339	339
Veterans Outreach Services	1,678	1,664	1,632	1,632	1,632	1,632	1,632
TOTAL GENERAL FUND	\$ 9,752	\$ 9,296	\$ 16,505	\$ 15,505	\$ 15,505	\$ 15,505	\$ 15,505



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: State Military Readiness							
Pennsylvania Army National Guard end strength	15,220	15,700	15,700	15,700	15,700	15,700	15,700
Pennsylvania Army National Guard Assigned*	15,006	15,194	15,194	15,194	15,194	15,194	15,194
Percentage of Army National Guard current strength	99%	97%	97%	97%	97%	97%	97%
Pennsylvania Air National Guard end strength	4,033	4,100	4,100	4,100	4,100	4,100	4,100
Pennsylvania Air National Guard Assigned*	4,175	4,200	4,200	4,200	4,200	4,200	4,200
Percentage of Air National Guard current strength	104%	102%	102%	102%	102%	102%	102%
Percentage of armories and field sites rated adequate	24%	31%	33%	33%	33%	33%	33%
Readiness centers and field sites under major repair	34	33	34	34	34	34	34
Department of Defense personnel receiving training at Fort Indiantown Gap	125,365	120,000	120,000	120,000	120,000	120,000	120,000
Non-Department of Defense personnel receiving training at Fort Indiantown Gap	9,707	14,000	14,000	14,000	14,000	14,000	14,000
* New Program Measure							
Program: Veterans Homes							
Veterans Homes							
Percentage of population at Veterans Homes that are veterans	91%	88%	88%	88%	88%	88%	88%
Percentage of population at Veterans Homes that are spouses	9%	12%	12%	12%	12%	12%	12%
Percentage of occupancy rate above national average of state veterans homes - Domiciliary care	14%	15%	15%	15%	15%	15%	15%
Percentage of occupancy rate above National average of state veterans homes - Nursing care	11%	10%	10%	10%	10%	10%	10%
Program: Compensation and Assistance							
Veterans in Pennsylvania	995,135	964,130	933,400	903,300	874,000	845,900	845,900
Recipients of veterans emergency assistance	618	750	750	750	750	750	750
Recipients of blind veterans pension	130	135	135	135	135	135	135
Children of deceased and disabled veterans receiving education grants	91	95	95	95	95	95	95
Participants in paralyzed veterans programs	241	245	245	245	245	245	245
National Guard personnel receiving educational financial aid	2,375	3,300	3,300	3,300	3,300	3,300	3,300





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.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
OTHER FUNDS:			
MILK MARKETING FUND:			
General Operations.....	\$ 2,861	\$ 2,836	\$ 2,802



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 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.....	2,861	2,836	2,802	2,802	2,802	2,802	2,802
SUBCATEGORY TOTAL.....	\$ 2,861	\$ 2,836	\$ 2,802	\$ 2,802	\$ 2,802	\$ 2,802	\$ 2,802
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.....	2,861	2,836	2,802	2,802	2,802	2,802	2,802
DEPARTMENT TOTAL.....	\$ 2,861	\$ 2,836	\$ 2,802	\$ 2,802	\$ 2,802	\$ 2,802	\$ 2,802



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 Producers' Security Act and board regulations.

The board's major function is to ensure 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 Recommendation:

This budget recommends the following changes from the Milk Marketing Fund:
(Dollar Amounts in Thousands)

MILK MARKETING FUND
General Operations
 \$ -34 —reduction in administrative costs.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
MILK MARKETING FUND:							
General Operations	\$ 2,861	\$ 2,836	\$ 2,802	\$ 2,802	\$ 2,802	\$ 2,802	\$ 2,802

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Milk Industry Regulation							
Percentage of producer payments made adequately and on time	99%	99%	99%	99%	99%	99%	99%
Public hearings held to consider the level and duration of the class 1 over-order premium	2	2	2	2	2	2	2
General and cost replacement hearings held to determine dealer and retailer costs	6	6	6	6	6	6	6
Licenses and permits issued	2,305	2,300	2,300	2,300	2,300	2,300	2,300
Audits of milk dealers for compliance with milk sales' rules and regulations	1,084	1,000	1,000	1,000	1,000	1,000	1,000



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.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 92,650	\$ 98,722	\$ 106,020
(F)Violence Prediction Model.....	175	175	130
(F)JAG - Client Identification (EA).....	37	0	0
(F)JAG - Violations Sanctioning (EA).....	29	0	0
(F)ARRA - Laptop Project (EA).....	0	500	172
(F)ARRA - Maximizing Victim Restitution (EA).....	0	75	15
(F)Absconder Apprehension (EA).....	14	0	0
(A)State Parole Supervision Fees.....	3,500	4,250	4,100
(A)Interstate Supervision Fees.....	91	0	0
Subtotal.....	<u>\$ 96,496</u>	<u>\$ 103,722</u>	<u>\$ 110,437</u>
Sexual Offenders Assessment Board.....	3,977	4,274	4,847
(F)ARRA - System Process Enhancements (EA).....	0	129	0
Subtotal.....	<u>\$ 3,977</u>	<u>\$ 4,403</u>	<u>\$ 4,847</u>
Subtotal - State Funds.....	\$ 96,627	\$ 102,996	\$ 110,867
Subtotal - Federal Funds.....	255	879	317
Subtotal - Augmentations.....	3,591	4,250	4,100
Total - General Government.....	<u>\$ 100,473</u>	<u>\$ 108,125</u>	<u>\$ 115,284</u>
<i>Grants and Subsidies:</i>			
Improvement of Adult Probation Services.....	\$ 18,275	\$ 17,582	\$ 17,248
(A)County Parole Supervision Fees.....	16,656	16,489	16,654
Subtotal.....	<u>\$ 34,931</u>	<u>\$ 34,071</u>	<u>\$ 33,902</u>
Subtotal - State Funds.....	\$ 18,275	\$ 17,582	\$ 17,248
Subtotal - Augmentations.....	16,656	16,489	16,654
Total - Grants and Subsidies.....	<u>\$ 34,931</u>	<u>\$ 34,071</u>	<u>\$ 33,902</u>
STATE FUNDS.....	\$ 114,902	\$ 120,578	\$ 128,115
FEDERAL FUNDS.....	255	879	317
AUGMENTATIONS.....	20,247	20,739	20,754
GENERAL FUND TOTAL.....	<u>\$ 135,404</u>	<u>\$ 142,196</u>	<u>\$ 149,186</u>
OTHER FUNDS:			
GENERAL FUND:			
Firearms Education and Training Commission.....	\$ 452	\$ 491	\$ 504
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 114,902	\$ 120,578	\$ 128,115
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	255	879	317
AUGMENTATIONS.....	20,247	20,739	20,754
OTHER FUNDS.....	452	491	504
TOTAL ALL FUNDS.....	<u>\$ 135,856</u>	<u>\$ 142,687</u>	<u>\$ 149,690</u>



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
REINTEGRATION OF THE ADULT OFFENDER							
GENERAL FUND.....	\$ 114,902	\$ 120,578	\$ 128,115	\$ 130,071	\$ 130,071	\$ 130,071	\$ 130,071
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	255	879	317	0	0	0	0
OTHER FUNDS.....	20,699	21,230	21,258	21,058	20,858	20,758	20,758
SUBCATEGORY TOTAL.....	\$ 135,856	\$ 142,687	\$ 149,690	\$ 151,129	\$ 150,929	\$ 150,829	\$ 150,829
ALL PROGRAMS:							
GENERAL FUND.....	\$ 114,902	\$ 120,578	\$ 128,115	\$ 130,071	\$ 130,071	\$ 130,071	\$ 130,071
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	255	879	317	0	0	0	0
OTHER FUNDS.....	20,699	21,230	21,258	21,058	20,858	20,758	20,758
DEPARTMENT TOTAL.....	\$ 135,856	\$ 142,687	\$ 149,690	\$ 151,129	\$ 150,929	\$ 150,829	\$ 150,829



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's primary goal is to protect the safety of the public through effective parole decisions and proper supervision and management of offenders who are returning to their communities. Successful reentry of offenders can reduce the likelihood that they will victimize anyone else and ultimately return to prison.

The responsibilities 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 who persist in continuing to violate parole conditions and revoke the parole of violators who are convicted of new crimes; and discharge from parole offenders under supervision who have fulfilled their sentences in compliance with the conditions of parole. The number of offenders projected to be under board supervision by June 2012 is 36,400, up from 32,378 in June 2010. The parole population includes offenders paroled from the state correctional system, special county probation and parole cases and offenders transferred pursuant to the interstate compact from other states into Pennsylvania. 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. Acts 81 and 83 of 2008 add the chairman of the Board of Probation and Parole to the Pennsylvania Commission on Sentencing and provide for rebuttable and administrative parole.

Program Element: Parole Decisions

Offenders must serve their minimum sentence before they become eligible for parole. To prepare offenders for reentry while incarcerated, the board and the Department of Corrections jointly develop a correctional plan to address drug and alcohol treatment needs, educational opportunities, vocational training, counseling services and employment opportunities within the institution. During a parole hearing, board members consider the offender's behavior and program performance while in prison, review the offender's risk and needs assessment and consider other factors required by law to determine if the offender's reentry into the community is not likely to compromise public safety. A validated risk and needs assessment instrument is used to maintain consistency and accuracy in parole decisions and to ensure that justice is administered fairly.

Program Element: Reentry Preparation

To fulfill the mission of community safety, the Bureau of Offender Reentry focuses on preparing inmates for

parole release and providing continued support during the critical initial period of readjustment following an inmate's return to the community. The board's institutional parole staff works with offenders while they are incarcerated to identify employment, housing and other issues that create obstacles or challenges to successful reentry. Inmates are introduced to the commonwealth's CareerLink services and given assistance with the basics of job search preparation. The parole staff provides a Parole Preparation program as part of the Department of Corrections' Community Orientation and Reintegration program to provide information and assistance with the offender's identified areas of need. Upon release, an offender's needs are reassessed every six months or more frequently if deemed appropriate. Drug and alcohol treatment, cognitive behavioral and other programming is made available via parole field staff and referrals to individual county programs or while under supervision at a Department of Corrections community corrections center or other contract facility.

Program Element: Supervision and Case Management

The reentry of an offender into the community requires effective parole supervision that is a balance of monitoring and enforcement of parole conditions coupled with effective case management. As part of the board's responsibility to public safety, the field parole agent uses problem-solving case management and other evidenced-based strategies to help manage and reduce the offender's risk to re-offend. Parole staff also helps the offender with challenges regarding his job, residence, continuity of care or other issues. Also key to public safety and a reduction of crime is the management of technical parole violators through alternative, community-based interventions and specialized support programs to safely and effectively allow for continued supervision in the community. Act 95 of 2010 authorizes the use of technical parole violator centers for certain offenders. These secure centers immediately address the issues causing the offender to struggle with their adjustment to life outside of prison with the goal to reduce the number of technical parole violators returned to prison. The board has implemented a violent offender management protocol that includes a curfew and violence prevention aftercare program. Anger management and life skills programming are also provided. The board has developed and initiated these actions to aid in reducing offender recidivism.

Program Element: County Probation

In addition to operating the state parole system, the board has the responsibility of administering a grant-in-



Program: Reintegration of the Adult Offender (continued)

aid program to support county adult probation personnel and services. Act 134 of 1986, which amended the Parole Act, provides that counties shall be reimbursed for up to 80 percent of the personnel costs for pre-sentence investigations and for improved probation supervision and programs, provided that sufficient funds are appropriated. The grant-in-aid program provides these funds to counties based on a historically-designated staffing level established in 1991.

Program Element: Other Probation and Parole Programs

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 \$25 unless reduced, waived or deferred.

Act 8 of Special Session 1 of 1995 created the Office of Victim Advocate, an independent entity 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. This board is responsible for conducting court-ordered 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. Megan's Law also requires the registration of all sexual offenders and sexually violent predators. Under Act 21 of 2003, certain sexually violent adolescent sex offenders are subject to an assessment by the Sexual Offenders Assessment Board upon reaching age 20. The assessment is used by the courts to determine the need for involuntary commitment and treatment of these offenders.

The federal Adam Walsh Act of 2006 eliminated the requirement to determine which sex offenders are sexually violent predators but imposes upon certain sex offenders many of the same requirements (such as lifetime registration and community notification) that currently apply to sexually violent predators. All sex offenders will be classified into three tiers based on the sex crimes for which they have been convicted.

Program Recommendations:

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

<table border="0"> <tr> <td colspan="2">General Government Operations</td> </tr> <tr> <td style="text-align: right;">\$ -1,875</td> <td>—nonrecurring 2010-11 budgetary freeze amount.</td> </tr> <tr> <td style="text-align: right;">3,355</td> <td>—Initiative — Enhancement of Parole Supervision and Case Management Services. To provide resources to maintain a favorable agent-to-parolee ratio and enhance case management processing.</td> </tr> <tr> <td style="text-align: right;">5,818</td> <td>—to continue current program.</td> </tr> <tr> <td style="text-align: right;"><u>\$ 7,298</u></td> <td><i>Appropriation Increase</i></td> </tr> </table>	General Government Operations		\$ -1,875	—nonrecurring 2010-11 budgetary freeze amount.	3,355	—Initiative — Enhancement of Parole Supervision and Case Management Services. To provide resources to maintain a favorable agent-to-parolee ratio and enhance case management processing.	5,818	—to continue current program.	<u>\$ 7,298</u>	<i>Appropriation Increase</i>	<table border="0"> <tr> <td colspan="2">Sexual Offenders Assessment Board</td> </tr> <tr> <td style="text-align: right;">\$ -81</td> <td>—nonrecurring 2010-11 budgetary freeze amount.</td> </tr> <tr> <td style="text-align: right;">654</td> <td>—to continue current program.</td> </tr> <tr> <td style="text-align: right;"><u>\$ 573</u></td> <td><i>Appropriation Increase</i></td> </tr> <tr> <td colspan="2">Improvement of Adult Probation Services</td> </tr> <tr> <td style="text-align: right;">\$ -334</td> <td>—nonrecurring 2010-11 budgetary freeze amount.</td> </tr> </table>	Sexual Offenders Assessment Board		\$ -81	—nonrecurring 2010-11 budgetary freeze amount.	654	—to continue current program.	<u>\$ 573</u>	<i>Appropriation Increase</i>	Improvement of Adult Probation Services		\$ -334	—nonrecurring 2010-11 budgetary freeze amount.
General Government Operations																							
\$ -1,875	—nonrecurring 2010-11 budgetary freeze amount.																						
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Sexual Offenders Assessment Board																							
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654	—to continue current program.																						
<u>\$ 573</u>	<i>Appropriation Increase</i>																						
Improvement of Adult Probation Services																							
\$ -334	—nonrecurring 2010-11 budgetary freeze amount.																						

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
General Government Operations	\$ 92,650	\$ 98,722	\$ 106,020	\$ 107,976	\$ 107,976	\$ 107,976	\$ 107,976
Sexual Offenders Assessment Board	3,977	4,274	4,847	4,847	4,847	4,847	4,847
Improvement of Adult Probation Services .	18,275	17,582	17,248	17,248	17,248	17,248	17,248
TOTAL GENERAL FUND	<u>\$ 114,902</u>	<u>\$ 120,578</u>	<u>\$ 128,115</u>	<u>\$ 130,071</u>	<u>\$ 130,071</u>	<u>\$ 130,071</u>	<u>\$ 130,071</u>



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Reintegration of the Adult Offender							
Board Parole Process							
Average monthly number of offenders eligible for parole interviews	3,059	3,210	3,235	3,240	3,265	3,295	3,325
Average monthly number of offenders interviewed	1,873	1,875	1,885	1,925	1,930	1,930	1,930
Average monthly percentage of scheduled interviews held	61%	58%	58%	59%	60%	60%	60%
Average monthly number of offenders granted parole or reparole	1,113	1,085	1,100	1,030	1,140	1,145	1,150
Average monthly number of offenders released to parole from state correctional institutions	797	900	910	935	940	950	955
State Supervision Process							
State parolees and probationers supervised at fiscal year end	32,378	34,800	36,400	38,000	39,300	40,600	41,700
Annual state sentence releases to parole supervision	10,292	11,750	11,800	11,850	11,950	12,000	12,100
Employment rate (percentage) of offenders who are able to work	67%	65%	66%	67%	68%	69%	69%
Successful completions of parole as a percentage of monthly cases closed (revocations or successful completions)	55%	57%	55%	52%	50%	48%	46%
Average monthly percentage of supervised offenders in absconder status	3.30%	3.10%	3.10%	3.10%	3%	3%	3%
Average monthly number of state sentence supervised offenders returned to prison and closed by the field as technical parole violators	231	185	225	250	285	325	365
Average monthly percentage of state sentence supervised offenders returned to prison and closed by the field as technical parole violators	1.06%	0.80%	0.90%	1%	1.10%	1.20%	1.30%
Average monthly number of state sentence supervised offenders returned to prison and closed by the field for new criminal convictions	156	170	180	190	200	205	215
Average monthly percentage of state sentence supervised offenders returned to prison and closed by the field as convicted parole violators	0.71%	0.72%	0.73%	0.74%	0.75%	0.76%	0.77%
One-year recidivism rate	20.20%	20.40%	20.50%	22.90%	25.20%	27.50%	29.90%

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
State Supervision Fee Collection							
Total state supervision fee dollars collected annually	\$3,701,685	\$3,600,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
Related Program Areas							
Total number of registrations and notifications to registered crime victims	23,214	23,675	24,150	24,635	25,130	25,630	26,145
Total number of sex offender assessments completed	1,797	1,620	1,540	1,465	1,390	1,320	1,255
Probationers and parolees supervised by county probation departments	212,042	216,300	220,600	225,000	229,500	234,100	238,800



PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

The mission of the Public School Employees' Retirement System is to serve the members and stakeholders of the system by providing timely and accurate payment of benefits, maintaining a financially sound system, prudently investing the assets of the system, clearly communicating members' and employers' rights and responsibilities, and effectively managing the resources of the system.

The Public School Employees' Retirement System is responsible for administering the School Employees' Retirement Fund, the School Employees' Health Insurance Fund, and supplemental retirement allowances and cost-of-living increases for annuitants.

The 2011-12 budget shows the Public School Employees' Retirement System as a separate department. Previously, the Public School Employees' Retirement System was shown in the Department of Education.



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Public School Employees' Retirement System

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
<u>OTHER FUNDS:</u>			
SCHOOL EMPLOYEES' RETIREMENT FUND:			
Administration.....	\$ 42,652	\$ 43,528	\$ 44,107
Directed Commissions.....	0	1,000	2,000
(A)Health Insurance - Administration Reimbursement.....	840	953	950
(A)Health Options - Administration Reimbursement.....	2,358	2,889	2,594
SCHOOL EMPLOYEES' RETIREMENT FUND TOTAL.....	\$ 45,850	\$ 48,370	\$ 49,651



Public School Employees' Retirement System

Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
PUBLIC SCHOOL EMPLOYEES' RETIREMENT							
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.....	45,850	48,370	49,651	49,651	49,651	49,651	49,651
SUBCATEGORY TOTAL.....	\$ 45,850	\$ 48,370	\$ 49,651	\$ 49,651	\$ 49,651	\$ 49,651	\$ 49,651
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.....	45,850	48,370	49,651	49,651	49,651	49,651	49,651
DEPARTMENT TOTAL.....	\$ 45,850	\$ 48,370	\$ 49,651	\$ 49,651	\$ 49,651	\$ 49,651	\$ 49,651



Public School Employees' Retirement System

PROGRAM OBJECTIVE: To provide retirement benefits to public school employees of the Commonwealth of Pennsylvania.

Program: Public School Employees' Retirement

The Public School Employees' Retirement System (PSERS) was established in 1917 to provide retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate include all full-time public school employees and part-time hourly and per diem public school employees who meet certain service requirements in any of the 749 reporting entities in Pennsylvania. The School Employees' Retirement Fund is shown in the Other Special Funds Appendix.

PSERS undergoes an annual independent actuarial valuation to calculate the actuarial assets and liabilities of the pension fund. Based on the actuarial valuation process and legal requirements, the actuary develops the recommended employer contribution rate that determines the employer contributions to the pension plan. The valuation process also measures the progress of the pension system towards funding pensions for its active and retired members. The three major sources of current income are earnings from investments and employer and member contributions.

Act 120 of 2010 brought about many significant changes to the system. Act 120 amended the benefit structure for most new employees hired after July 1, 2011 and amended the funding provisions. Key benefit changes include lowering the benefit accrual rate from 2.5 percent of final average salary for each year of service to

2 percent; setting the new employee contribution rate at 10.3 percent if employees elect to accrue service at 2.5 percent for each year of service; increasing the vesting period from 5 years to 10 years; eliminating the option for members to withdraw their contributions; increasing the normal retirement age to age 65 for most employees; and implementing a shared-risk provision that could raise or lower member contribution rates when annual returns over a multi-year period are higher or lower than the rate assumed for PSERS' actuarial valuations. The act also included changes to the funding provisions such as the fresh start of liabilities by re-amortizing existing liabilities and future experience gains and losses over 24 years with level percentage of pay amortization payments and the implementation of employer contribution rate collars which are limits on the amount of year-over-year increases in the employer contribution rate. The collar is 3 percent for the fiscal year ending 2012, 3.5 percent for the fiscal year ending 2013 and 4.5 percent for all subsequent years. Once the actuarial calculated rate is below the collared rate, the collars will disappear.

The Public School Employees' Retirement System is also responsible for the administration of the School Retirees' Health Insurance Fund that provides premium assistance benefits to retirees. The School Retirees' Health Insurance Fund is shown in the Other Special Funds Appendix.

Program Recommendations:

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

	SCHOOL EMPLOYEES' RETIREMENT FUND	
	School Employees' Retirement Administration	
\$	579	—to continue current program.

In addition, \$2,000,000 in Directed Commission expenditures will be used to support this program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
SCHOOL EMPLOYEES' RETIREMENT FUND:							
Administration.....	\$ 42,652	\$ 43,528	\$ 44,107	\$ 44,107	\$ 44,107	\$ 44,107	\$ 44,107
Directed Commissions.....	0	1,000	2,000	2,000	2,000	2,000	2,000
(A)Health Insurance - Administration Reimbursement	840	953	950	950	950	950	950
(A)Health Options - Administration Reimbursement	2,358	2,889	2,594	2,594	2,594	2,594	2,594
TOTAL SCHOOL EMPLOYEES' RETIREMENT FUND	\$ 45,850	\$ 48,370	\$ 49,651	\$ 49,651	\$ 49,651	\$ 49,651	\$ 49,651



Public School Employees' Retirement System

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Public School Employees' Retirement							
Retirement Counseling Sessions*	8,905	9,500	9,900	10,300	10,700	11,100	11,400
Total number of retired employees*	184,934	196,400	204,800	213,000	220,900	228,300	234,900
Total benefit payments (in billions)*	\$5	\$5.46	\$5.90	\$6.36	\$6.84	\$7.33	\$7.82

* New Program Measure





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.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
(R)General Government Operations.....	\$ 52,581	\$ 56,003	\$ 58,898
(F)Natural Gas Pipeline Safety.....	1,501	1,501	1,501
(F)Motor Carrier Safety.....	1,888	1,888	1,888
(F)ARRA - Electric Regulatory Assistance.....	1,068	868	511
(F)ARRA - Smart Grid Resiliency Initiative.....	0	500	224
Subtotal - Federal Funds.....	4,457	4,757	4,124
Subtotal - Restricted Revenues.....	52,581	56,003	58,898
Total - General Government.....	<u>\$ 57,038</u>	<u>\$ 60,760</u>	<u>\$ 63,022</u>
FEDERAL FUNDS.....	4,457	4,757	4,124
RESTRICTED REVENUES.....	52,581	56,003	58,898
GENERAL FUND TOTAL.....	<u>\$ 57,038</u>	<u>\$ 60,760</u>	<u>\$ 63,022</u>

Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 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.....	4,457	4,757	4,124	3,389	3,389	3,389	3,389
OTHER FUNDS.....	52,581	56,003	58,898	58,898	58,898	58,898	58,898
SUBCATEGORY TOTAL.....	\$ 57,038	\$ 60,760	\$ 63,022	\$ 62,287	\$ 62,287	\$ 62,287	\$ 62,287
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	4,457	4,757	4,124	3,389	3,389	3,389	3,389
OTHER FUNDS.....	52,581	56,003	58,898	58,898	58,898	58,898	58,898
DEPARTMENT TOTAL.....	\$ 57,038	\$ 60,760	\$ 63,022	\$ 62,287	\$ 62,287	\$ 62,287	\$ 62,287



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 Pennsylvania Public Utility Commission balances the needs of consumers and utilities to ensure safe and reliable utility service at reasonable rates; protect the public interest; educate consumers to make independent and informed utility choices; further economic development; and foster new technologies and competitive markets in an environmentally sound manner.

The commission regulates about 8,000 utilities providing electricity, natural gas, steam heat, water, wastewater collection and disposal, telephone, transportation of passengers and property by train, bus, truck, taxicab and limousine and transmission of gas and oil by pipeline.

The commission is funded by assessments 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.

During the past 20 years, the number of jurisdictional public utilities has increased, as have the commission's responsibilities and mandated functions. The focus of the commission has expanded from the traditional role of approving the cost-based rates and regulating the service of all public utilities to a broader mandate of also enabling and facilitating competitive markets for the electric, natural gas and telecommunications industries.

In 2010, the commission continued to experience an increase in the number of rate requests from electric, natural gas and water companies. The requests reflect the removal of electricity rate caps, established during the advent of electric competition, as well as significant increases in infrastructure investment and inflation-driven costs. Commission approval of mergers and acquisitions is an ongoing process, especially affecting the water and telecommunications industries.

During 2010, the commission expended significant resources on the continued implementation of Act 129 of 2008, which requires Pennsylvania's seven largest electric distribution companies to develop energy efficiency and conservation plans and use other methods of reducing the amount of electricity consumed by residential and business consumers. The act mandated an overall 1 percent reduction in consumption by 2011 and a 3 percent reduction in consumption by 2013. It also requires a 4.5 percent reduction in peak demand by 2013. The commission has the responsibility to implement the act by reviewing and approving energy efficiency and conservation programs; smart meter technology deployment plans; time of use rates; real-time pricing plans; and default service procurement plans and results.

The commission also continues to implement three other major laws:

Act 201 of 2004 established specific standards and procedures for payment arrangements, customer deposits, and termination of electric, natural gas and water service. The commission has issued numerous orders interpreting and implementing the law and is currently working to revise relevant regulations; biennial reports on this activity are submitted to the General Assembly.

Act 213 of 2004 established Alternative Energy Portfolio Standards, requiring electric distribution companies and generation suppliers to include electricity generated from alternative energy resources in their sales to retail customers. The commission has issued standards related to net metering, interconnection and demand side management, and is working with stakeholders and the Department of Environmental Protection to effectively carry out this law. The commission has contracted with an alternative energy credit program administrator as part of the implementation.

Act 183 of 2004 addressed the obligations of telecommunication public utilities by continuing existing network modernization plans and providing incentives for acceleration of the deployment of high-speed internet service, while reducing filing and reporting requirements for the Incumbent Local Exchange Carriers.

The Federal Energy Policy Act of 2005 established a number of new federal mandates that state regulators are required to consider and potentially implement. These include 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.

The commission has adopted default service regulations for electric providers and is exploring means to mitigate electric price increases when rate caps expire. In conjunction with those efforts, the commission is examining methods for enhancing consumer access to demand side response tools and energy conservation programs.

The commission has established the following goals for 2011-12 and future years:

- To ensure that necessary utility service is available to all residents of Pennsylvania.
- To foster development of competitive markets in the electric, telecommunications and natural gas industries.
- To promptly and effectively address anti-competitive activity by jurisdictional utilities or licensed competitive suppliers.

Program: Regulation of Public Utilities (continued)

- To promote greater public awareness and understanding of the public utility industry and how it affects customers.
- To establish policies that will encourage the public utilities to operate in the most environmentally compatible, safe, fair, and cost-effective manner.
- To encourage and coordinate the upgrade of Pennsylvania's water delivery and wastewater systems.
- To contribute to the economic development of Pennsylvania.
- To support Pennsylvania's environmental initiatives, particularly with respect to alternative energy portfolio standards, and energy efficiency and demand side response programs.
- To complete the deployment of the Information Management and Access Project (InfoMAP) that is comprised of technology enhancements upgrading the case management system to improve internal efficiencies, permit electronic filings and provide easier public access to information.
- To maintain policies and procedures for recruiting and retaining an efficient, diverse and well-trained Commission staff in order to enhance performance and promote timely, consistent, well-reasoned regulatory decisions.
- To provide the Pennsylvania General Assembly and the Congress with utility policy recommendations promoting the interest of Pennsylvania consumers in state and federal regulatory forums.

Program Recommendations:

This budget recommends the following changes in appropriations from restricted accounts: (Dollar Amounts in Thousands)

General Government Operations
 \$ 2,895 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
General Government Operations	\$ 52,581	\$ 56,003	\$ 58,898	\$ 58,898	\$ 58,898	\$ 58,898	\$ 58,898

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Regulation of Public Utilities							
Utilities Regulated							
Fixed utilities:							
Electric distribution	16	16	16	16	16	16	16
Electric generation	124	124	124	124	124	124	124
Transportation	7,160	7,200	7,200	7,200	7,200	7,200	7,200
Rate requests received:							
Fixed utilities - Rate Requests	69	69	69	69	69	69	69
Rate cases completed:							
Fixed utilities - Rate Cases Completed	45	49	49	49	49	49	49
Audits conducted - Fixed utilities:							
Special	42	44	37	37	37	37	37
Management	15	12	11	7	8	8	9
Audits conducted - Enforcement/investigations:							
Gas Safety	1,360	1,500	1,500	1,500	1,500	1,500	1,500
Audits conducted - Transportation:							
Rail safety	1,730	2,250	3,225	3,225	3,225	3,225	3,225
Motor safety	13,128	13,250	13,250	13,250	13,250	13,250	13,250
Consumer Services							
Fixed utilities:							
Complaints received, investigated and resolved	90,000	96,000	117,500	112,500	112,500	112,500	112,500
Electric Deregulation:							
Homes eligible to participate (thousands)	4,993	5,032	5,061	5,090	5,110	5,150	5,150
Businesses eligible to participate (thousands)	676	681	688	695	702	709	713
Estimated Savings:							
Homes (millions)	\$82	\$41	\$0	\$0	\$0	\$0	\$0
Businesses (millions)	\$110	\$79	\$0	\$0	\$0	\$0	\$0

Audits conducted for Transportation Rail Safety reflect an increase in staff resources in 2010-11.

Fixed Utilities Complaints received, investigated and resolved is anticipated to peak in 2011-12 due to rate cap expiration.

Data for "Estimated Savings for Homes and Businesses" reflects rate caps that end in December 2010.



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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.



Helping Pennsylvanians Achieve Self-Sufficiency Through Sensible Reforms

Pennsylvania has a broad “safety net” of publicly funded programs and services to aid those who need assistance when they face financial hardship, health care crises or other unexpected life events that put their well-being at risk. While some who rely on this safety net require long-term help due to circumstances beyond their control, there are many others who should have used the safety net for short-term assistance, but instead have come to view it as a long-term entitlement.

The continuing economic challenges facing Pennsylvania and the nation have created an increased reliance on public assistance programs at the same time government is facing increased difficulties funding those programs. As a result, Pennsylvania is at a crossroads where difficult decisions must be made on how to invest our limited resources for the maximum benefit of all taxpayers.

The commonwealth’s social services “safety net” no longer reflects the original purpose for which it was designed. Rather than providing temporary help to those facing temporary challenges, it has instead grown into an open-ended entitlement system for both clients and providers. We must change course and bring our social services programs back to their originally intended purpose – to provide short-term aid rather than become a long-term entitlement. We should not measure the success of these programs by how many people rely on them, but rather by how many people have moved away from them and toward self-sufficiency.

While Pennsylvania must strive to maintain essential public services in times of economic distress, it also must redouble efforts to invest in programs and supports that ultimately lead to Pennsylvanians becoming independent and self-sufficient. Now more than ever, our societal safety nets must not only protect our most vulnerable citizens, but more importantly, must also empower them to lead lives free of government dependence whenever possible. This requires a change in focus on behalf of the commonwealth and on behalf of affected citizens, who must see public assistance as a temporary aid to help them move toward empowered, independent lives.

Although Pennsylvania’s economy has fared better than most states, the difficult economic times have still had a notable impact on social services across the demographic spectrum, including:

- **Supplemental Nutrition Assistance Program.** The demand for nutrition assistance (food stamps) is at an all-time high in Pennsylvania and across the nation. In December 2010, the number of children and adults eligible for SNAP reached approximately 1.7 million, a 46 percent increase from December 2007, when the recession officially started. As with many other areas of public assistance, this level of dependence is unsustainable over the long term.
- **Cash Assistance.** The number of people receiving Temporary Assistance for Needy Families (TANF) cash assistance increased by 2.2 percent from December 2009 to December 2010, reversing a four-year trend of caseload declines resulting from intensive efforts to move families from TANF to work. The caseload increases reflect the acute impact of the national economy, but also underscore the need to bolster efforts to help Pennsylvanians becoming gainfully employed, self-sufficient and independent.
- **Medical Assistance.** Medical Assistance is a comprehensive source of medical and long-term living coverage for low-income families, seniors and people with disabilities. In 2011-12 the Medical Assistance program will provide health care and long-term care services to more than 2.2 million Pennsylvanians, a 4.5 percent increase over the prior year. The marked growth in Medicaid enrollment – and subsequent Medicaid costs to the commonwealth – in recent years must be addressed for the Medicaid system to remain viable and available to those who truly need it.

The Commonwealth Provides Vital Services to Children, Seniors and Other Pennsylvanians in Need

	People Served 2010-11*	People Served 2011-12*
Medical Assistance – Health Care for Low-Income Elderly, Disabled, Children, Adults and Chronically Ill Adults	2,176,010	2,273,555
Protection for Children at Risk Due to Abuse, Neglect and Delinquency	147,939	147,432
Cash Assistance (TANF, General Assistance and State Blind Pension)	250,380	256,005
Child Care for Low-Income Families	263,985	266,072
Community Intellectual Disability and Autism Services	54,507	54,638
*Some people may receive services in more than one category.		

Maintaining the Safety Net Depends on Cost Containment and Welfare Reform

In addition to the stress of the economy, the continued steep increase in health care costs puts additional strain on the state budget. The commonwealth’s focused management efforts have held the rate of increase in health care expenditures to a level significantly below the national trend, but any increase is a challenge given the declines in revenue. Ultimately, the long-term viability of our social safety net depends on moving from mere cost-containment into broader efforts to help those people now receiving social services develop lives of self-sufficiency and independence.

The commonwealth has approached the challenges of the economy with a focus on efficiency and a commitment to careful stewardship of state dollars. Pennsylvania’s effective management of its human service programs has yielded numerous performance bonuses from the federal government. Pennsylvania’s cost-containment strategy has also focused on preventing and prosecuting fraud in DPW programs. These efforts have resulted in \$116.9 million recovered through Third Party Liability collections and \$36.5 million in recoveries of erroneous and fraudulent payments annually. Improvements in the contracting process have resulted in more than \$100 million in savings over the lifetimes of the agreements, and improvements to the auditing process have resulted in recoveries and cost avoidance of more than \$20 million.

The 2011-12 budget includes several broad-based cost-containment reforms that are designed to save millions of dollars in state funds while having a minimal impact on older Pennsylvanians, children, families and other vulnerable citizens. As a key component of Pennsylvania’s efforts to control costs, the commonwealth is proposing an overhaul of its public welfare system. The Commonwealth of Pennsylvania has for a number of years been involved in multiple strategies to improve services, allow for more choices, rebalance the service delivery system, transition people off of the welfare system and manage care effectively. Even with all these programs, waivers and system re-design efforts, the commonwealth has not been able to effectively reform its Public Welfare programs so that the focus is on competition, prevention, wellness, employment first, integrity, personal responsibility, choice, consumer empowerment and independence. Reform is necessary to create an integrated, coordinated and seamless service delivery system that addresses consumer needs for quality, independence, flexibility, service coordination and options while addressing the need for cost containment and financial integrity. This budget takes the first step towards our goal of reforming the public welfare system through the following cost-containments initiatives.



Cost-Containment Initiatives

Millions

<p>Deinstitutionalization of human service systems and rebalancing of the long-term living system</p> <p>Pennsylvania's long-term living system is heavily reliant on nursing home care and institutions, and the child welfare, mental health and intellectual disabilities systems which are more costly, restrictive services. The commonwealth proposes specific initiatives designed to encourage more home and community-based care. Savings can be obtained by combining and consolidating Medicaid waivers for home and community-based services.</p>	\$40.5
<p>More effective care management</p> <p>A health care plan redesign that emphasizes and incentivizes personal responsibility, prevention and wellness can help curb the high costs of health care while maintaining high-quality levels of care. Strong care management based on assessment of need and empowering of individuals can enable us to broaden service options and optimize health outcomes.</p>	\$55.9
<p>Promoting smart purchasing</p> <p>Smart purchasing strategies promote competition, incentivize cost containment and link payment to quality outcomes. Competition among programs and services can be promoted through payment reform, standardized rate setting, selective contracting, creating incentives for innovation and restructuring, increasing choice, and empowering consumers to take a greater role in their care.</p>	\$165.5
<p>Ensuring program integrity</p> <p>We must continue to develop financial controls, fiscal accountability and tools to prevent and detect fraud, abuse and waste. This budget ensures rate structures and services have integrity by expanding recoveries and limiting some services consistent with other state Medicaid programs. It also tightens reimbursement requirements to help ensure access to public benefit programs is limited to those who are eligible and truly in need.</p>	\$46.6
<p>Stressing fair share payments</p> <p>The common goal of any reform must be to ensure a fair, accountable public welfare system in which recipients, whenever possible, pay their fair share for services and providers charge fair, competitive rates. This goal can be achieved through a "work first" approach and tighter timeframes for receiving assistance. This will preserve the safety net while maintaining fiscal accountability and cost containment.</p>	\$56.1
TOTAL	\$364.6

It is imperative that we act to control the spiraling costs of our social services in the coming fiscal year while also embarking on a longer-term, multi-year strategy to reduce those costs. This budget works towards both goals.

Clearly, the multi-billion-dollar system of supports and services that has evolved over the last several decades cannot be revamped in a single fiscal year, but the commonwealth's leaders have a fiscal and moral obligation to examine all of these programs in their totality in the coming years and find ways to make them more accountable and sustainable.

Over the next several years, Pennsylvania must examine all of the supports and services offered to aid those in need and find ways to operate them more effectively and efficiently – avoiding costly duplication of services, deterring people from relying on public assistance in lieu of self-sufficiency, and reducing or eliminating any programs that are not cost-effective or absolutely necessary to the prosperity of the commonwealth as a whole. Only through this arduous effort can we transform an unsustainable system into one that will be available for future generations of Pennsylvanians who might find themselves truly in need.



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 59,703	\$ 62,434	\$ 61,643
(F)Child Welfare Services - Administration.....	1,072	1,072	1,072
(F)Child Welfare - Title IV-E - Administration.....	4,111	5,844	5,021
(F)CCDFBG - Administration.....	13,480	13,480	13,754
(F)Medical Assistance - Administration.....	24,670	26,151	24,348
(F)TANFBG - Administration.....	4,980	4,980	4,980
(F)Food Stamps - Administration.....	6,041	4,782	5,158
(F)Developmental Disabilities - Basic Support.....	4,090	4,058	4,058
(F)Refugees and Persons Seeking Asylum - Administration.....	1,603	1,741	1,674
(F)Disabled Education - Administration.....	0	0	1,024
(F)MHSBG - Administration.....	210	273	273
(F)SSBG - Administration.....	3,641	3,641	3,641
(F)Community Based Family Resource and Support-Administration.....	689	689	689
(F)MCHSBG - Administration.....	0	0	208
(F)Medical Assistance Infrastructure.....	8,300	8,300	5,600
(F)Locally Organized Systems of Child Care.....	375	375	0
(F)ARRA - Early Learning Council.....	981	1,025	1,900
(F)ARRA - Early Headstart.....	840	1,346	1,355
(F)Lifespan Respite Care.....	0	200	0
(F)Mass Care Planning (EA).....	0	300	0
(A)Training Reimbursement.....	457	457	457
(A)Child Abuse Reviews.....	5,201	5,200	5,100
(A)Miscellaneous Reimbursements.....	13	15	30
(A)Adam Walsh Clearance.....	104	195	280
Subtotal.....	<u>\$ 140,561</u>	<u>\$ 146,558</u>	<u>\$ 142,265</u>
Information Systems.....	54,056	51,214	49,631
(F)Medical Assistance - Information Systems.....	65,326	78,731	64,694
(F)Child Welfare - Title IV-E - Information Systems.....	587	1,825	1,441
(F)TANFBG - Information Systems.....	9,327	9,327	9,327
(F)Food Stamps - Information Systems.....	12,551	20,007	13,712
(F)ARRA - Food Stamps - Information Systems.....	0	3,000	0
(F)Child Support Enforcement - Information Systems.....	10,647	10,568	10,560
(F)COMPASS Support - Food Nutrition Services (EA).....	0	731	0
(F)ARRA - Early Intervention Data System (EA).....	2,500	2,500	0
(A)Medical Data Exchange.....	59	50	50
(A)Information Systems - Food Stamp Bonus.....	0	3,425	0
Subtotal.....	<u>\$ 155,053</u>	<u>\$ 181,378</u>	<u>\$ 149,415</u>
County Administration - Statewide.....	37,734	38,656	33,124
(F)TANFBG - Statewide.....	2,150	2,150	2,150
(F)Medical Assistance - Statewide.....	36,505	41,209	36,950
(F)Food Stamps - Statewide.....	30,902	39,460	37,914
(F)ARRA - Food Stamps - Statewide.....	0	1,000	0
(F)ARRA - Health Information Technology.....	877	14,940	14,940
(F)Ryan White - Statewide.....	518	738	753
(F)CHIPRA - Statewide.....	650	2,925 ^a	3,444
(A)Fee for Material from Outside Vendors.....	4	5	5
(A)Food Stamps - Retained Collections.....	1,638	1,780	1,780
Subtotal.....	<u>\$ 110,978</u>	<u>\$ 142,863</u>	<u>\$ 131,060</u>
County Assistance Offices.....	252,849	270,186	264,809
(F)TANFBG - County Assistance Offices.....	42,090	49,190	64,190
(F)Medical Assistance - County Assistance Offices.....	77,910	96,342	87,580
(F)Food Stamps - County Assistance Offices.....	82,600	100,855	97,937
(F)ARRA - Food Stamps - County Assistance Offices.....	7,384	11,559	0



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
(F)SSBG - County Assistance Offices.....	6,262	6,262	6,262
(F)LIHEABG - Administration.....	20,000	22,000 ^b	22,000
Subtotal.....	\$ 489,095	\$ 556,394	\$ 542,778
Child Support Enforcement.....	10,303	14,681	13,935
(F)Child Support Enforcement - Title IV - D.....	134,963	149,426	153,697
(F)ARRA - Child Support Enforcement - Title IV-D.....	27,692	8,590	0
(A)Title IV - D Incentive Collections.....	7,051	10,505	10,505
(A)State Retained Support Collections.....	1,215	1,269	1,269
Subtotal.....	\$ 181,224	\$ 184,471	\$ 179,406
New Directions.....	54,051	32,801	17,357
(F)TANFBG - New Directions.....	134,473	151,202	124,287
(F)Medical Assistance - New Directions.....	4,145	5,337	4,450
(F)Food Stamps - New Directions.....	11,011	11,435	11,129
Subtotal.....	\$ 203,680	\$ 200,775	\$ 157,223
Subtotal - State Funds.....	\$ 468,696	\$ 469,972	\$ 440,499
Subtotal - Federal Funds.....	796,153	919,566	842,172
Subtotal - Augmentations.....	15,742	22,901	19,476
Total - General Government.....	\$ 1,280,591	\$ 1,412,439	\$ 1,302,147
Institutional:			
Youth Development Institutions and Forestry Camps.....	\$ 73,420	\$ 78,567	\$ 73,476
(F)SSBG - Basic Institutional Programs.....	10,000	10,000	10,000
(F)Food Nutrition Services.....	708	975	975
(A)Institutional Reimbursements.....	11	15	15
(A)MacArthur Foundation.....	151	0	0
Subtotal.....	\$ 84,290	\$ 89,557	\$ 84,466
Mental Health Services.....	709,167	695,358	717,666
(F)Medical Assistance - Mental Health.....	193,038	203,598	207,998
(F)ARRA - Medical Assistance - Mental Health Services.....	7,776	6,000	0
(F)Medicare Services - State Mental Hospitals.....	23,922	49,064	26,664
(F)Homeless Mentally Ill.....	2,265	2,487	2,265
(F)MHSBG - Community Mental Health Services.....	14,411	14,540	14,213
(F)SSBG - Community Mental Health Services.....	10,366	10,366	10,366
(F)Renewable Resource Program.....	0	150 ^c	0
(F)Mental Health Transformation Grant.....	0	750	750
(F)Suicide Prevention.....	434	420	500
(F)Mental Health Data Infrastructure.....	184	423	169
(F)Jail Diversion & Trauma Recovery.....	413	394	414
(F)Child Mental Health Initiative.....	1,000	2,500	2,000
(F)Emergency Response Grant.....	50	0	0
(F)Crisis Counseling (EA).....	319	296	296
(F)Justice & Mental Health Collaboration Program.....	0	0	200
(A)Institutional Collections.....	9,415	8,884	7,884
(A)Miscellaneous Institutional Reimbursements.....	2,016	1,565	1,565
Subtotal.....	\$ 974,776	\$ 996,795	\$ 992,950
Intellectual Disabilities - State Centers.....	75,434	81,701^d	107,384
(F)Medical Assistance - State Centers.....	148,922	165,821	166,161
(F)ARRA - Medical Assistance - State Centers.....	31,318	27,523 ^e	0
(F)Medicare Services - State Centers.....	633	645	756
(A)Institutional Collections - State Centers.....	10,891	10,616	10,616
(A)Embreeville Rents.....	208	0	0
(A)ID Assessment - State Centers.....	16,055	16,376	16,376
Subtotal.....	\$ 283,461	\$ 302,682	\$ 301,293



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
Subtotal - State Funds.....	\$ 858,021	\$ 855,626	\$ 898,526
Subtotal - Federal Funds.....	445,759	495,952	443,727
Subtotal - Augmentations.....	38,747	37,456	36,456
Total - Institutional.....	<u>\$ 1,342,527</u>	<u>\$ 1,389,034</u>	<u>\$ 1,378,709</u>
Grants and Subsidies:			
Cash Grants.....	\$ 268,579	\$ 278,175	\$ 249,025
(F)TANFBG - Cash Grants.....	261,371	276,953	283,710
(F)Other Federal Support - Cash Grants.....	30,887	35,051	33,551
(F)ARRA - TANFBG - Cash Grants.....	100,000	250,000	0
(F)LIHEABG - Low-Income Families and Individuals.....	272,785	320,000 ^f	320,000
(F)Refugees and Persons Seeking Asylum - Social Services.....	0	0	9,785
Subtotal.....	<u>\$ 933,622</u>	<u>\$ 1,160,179</u>	<u>\$ 896,071</u>
Supplemental Grants - Aged, Blind and Disabled.....	154,256	148,450	150,029
Subtotal.....	<u>\$ 154,256</u>	<u>\$ 148,450</u>	<u>\$ 150,029</u>
Payment to Federal Government - Medicare Drug Program.....	450,218	209,952^g	481,088
Medical Assistance - Outpatient.....	435,939	461,037^h	694,762
(F)Medical Assistance - Outpatient.....	1,061,211	1,165,384 ⁱ	1,212,231
(F)ARRA - Medical Assistance - Outpatient.....	213,000	204,866 ^j	0
(F)State Health Access Program.....	0	10,000	0
(A)Hospital Assessment.....	82,147	152,763	123,660
(A)Statewide Hospital Assessment.....	0	6,045	7,281
Subtotal.....	<u>\$ 1,792,297</u>	<u>\$ 2,000,095</u>	<u>\$ 2,037,934</u>
Medical Assistance - Inpatient.....	371,515	249,798^k	363,651
(F)Medical Assistance - Inpatient.....	577,147	955,601	965,440
(F)ARRA - Medical Assistance - Inpatient.....	101,294	106,110 ^l	0
(F)ARRA - MA Health Information Technology.....	0	136,538 ^m	344,738
(A)Statewide Hospital Assessment.....	0	365,671	336,274
Subtotal.....	<u>\$ 1,049,956</u>	<u>\$ 1,813,718</u>	<u>\$ 2,010,103</u>
Medical Assistance - Capitation.....	2,121,765	2,478,449	3,443,857
(F)Medical Assistance - Capitation.....	4,401,865	4,960,712 ⁿ	5,164,756
(F)ARRA - Medical Assistance - Capitation.....	748,072	795,462 ^o	0
(F)Asthma Control Program (EA).....	39	103	0
(A)Managed Care Assessment.....	177,158	0	0
(A)Medicaid Managed Care Gross Receipt Tax.....	505,000	582,008	601,444
(A)Statewide Hospital Assessment.....	0	173,558	203,079
(A)CHCS Red Disp P Site.....	40	0	0
Subtotal.....	<u>\$ 7,953,939</u>	<u>\$ 8,990,292</u>	<u>\$ 9,413,136</u>
Uncompensated Care.....	0	0	31,505
(F)Medical Assistance - Uncompensated Care.....	0	0	38,615
Subtotal.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 70,120</u>
Medical Assistance - Obstetric and Neonatal Services.....	4,500	4,908	0
(F)Medical Assistance - Obstetric and Neonatal Services.....	6,065	6,157	0
Subtotal.....	<u>\$ 10,565</u>	<u>\$ 11,065</u>	<u>\$ 0</u>
Long-Term Care.....	540,266	713,831^p	1,260,351
(F)Medical Assistance - Long-Term Care.....	2,092,636	2,237,776 ^q	2,193,890
(F)ARRA - Medical Assistance - Long-Term Care.....	398,910	362,976 ^r	0



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
(A)Intergovernmental Transfer.....	38,188	38,187	16,161
(A)Nursing Home Assessment.....	416,638	410,509	390,726
Subtotal.....	\$ 3,486,638	\$ 3,763,279	\$ 3,861,128
Hospital Based Burn Centers.....	4,630	5,042	0
(F)Medical Assistance - Hospital-Based Burn Centers.....	6,222	6,325	0
Subtotal.....	\$ 10,852	\$ 11,367	\$ 0
Medical Assistance - Critical Access Hospitals.....	4,378	4,768	0
(F)Medical Assistance - Critical Access Hospitals.....	5,883	5,980	0
Subtotal.....	\$ 10,261	\$ 10,748	\$ 0
Trauma Centers.....	10,387	11,541	0
(F)Medical Assistance - Trauma Centers.....	13,957	14,355	0
Subtotal.....	\$ 24,344	\$ 25,896	\$ 0
Medical Assistance - State-Related Academic Medical Centers.....	20,140	19,236	0
(F)Medical Assistance - State-Related Academic Medical Centers.....	24,356	25,050	0
Subtotal.....	\$ 44,496	\$ 44,286	\$ 0
Medical Assistance - Physician Practice Plans.....	9,840	9,721 s	0
(F)Medical Assistance - Physician Practice Plans.....	15,742	15,942	0
(F)ARRA - Medical Assistance - Physician Practice Plans.....	3,177	3,153	0
Subtotal.....	\$ 28,759	\$ 28,816	\$ 0
Medical Assistance - Transportation.....	70,216	75,300	74,571
(F)Medical Assistance - Transportation.....	72,820	75,955	71,465
(F)ARRA - Medical Assistance-Transportation.....	4,124	4,218 t	0
Subtotal.....	\$ 147,160	\$ 155,473	\$ 146,036
Expanded Medical Services for Women.....	4,650	4,612	4,566
(F)TANFBG - Alternatives to Abortion.....	1,000	1,000	1,000
Subtotal.....	\$ 5,650	\$ 5,612	\$ 5,566
AIDS Special Pharmaceutical Services.....	16,267	16,267	10,267
(F)AIDS - Ryan White.....	15,646	30,560 u	32,534
(A)AIDS - Pharmacy Rebates.....	22,000	18,257	22,701
Subtotal.....	\$ 53,913	\$ 65,084	\$ 65,502
Special Pharmaceutical Services.....	2,389	2,346	3,618
Behavioral Health Services.....	55,331	53,231	52,220
Subtotal.....	\$ 55,331	\$ 53,231	\$ 52,220
Psychiatric Services in Eastern PA.....	500	0	0
Intellectual Disabilities - Intermediate Care Facilities.....	100,234	110,444 v	145,256
(F)Medical Assistance - ID/ICF.....	190,608	200,524 w	198,930
(F)ARRA - Medical Assistance - ID/ICF.....	39,383	33,053 x	0
(A)ID Assessment - ID/ICF.....	17,686	17,686	17,686
Subtotal.....	\$ 347,911	\$ 361,707	\$ 361,872
Intellectual Disabilities - Community Base Program.....	155,053	155,958 y	166,520
(F)Medical Assistance - Community ID Services.....	57,292	57,674 z	57,394



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
(F)ARRA - Medical Assistance - Community ID Base.....	2,213	1,862 ^{aa}	0
(F)SSBG - Community ID Services.....	6,500	6,500	6,500
Subtotal.....	<u>\$ 221,058</u>	<u>\$ 221,994</u>	<u>\$ 230,414</u>
Intellectual Disabilities - Community Waiver Program.....	622,849	672,376 ^{bb}	845,957
(F)Medical Assistance - Community ID Waiver.....	905,894	955,580	949,606
(F)ARRA - Medical Assistance - Community ID Waiver.....	179,780	153,245 ^{cc}	0
(A)Intergovernmental Transfer.....	0	30,000	0
Subtotal.....	<u>\$ 1,708,523</u>	<u>\$ 1,811,201</u>	<u>\$ 1,795,563</u>
Early Intervention.....	115,551	103,700 ^{dd}	117,800
(F)Medical Assistance - Early Intervention.....	41,084	49,030	51,300
(F)ARRA - Medical Assistance - Early Intervention.....	5,787	8,765 ^{ee}	0
(F)Education for Children with Disabilities - Early Interventio.....	12,988	12,988	11,964
(F)ARRA-Educ. for Children with Disabilities-Early Intervention.....	7,633	16,118	10,574
Subtotal.....	<u>\$ 183,043</u>	<u>\$ 190,601</u>	<u>\$ 191,638</u>
Autism Intervention and Services.....	9,963	13,136	13,549
(F)Medical Assistance - Autism Intervention Services.....	26,316	20,687	15,701
(F)ARRA - Medical Assistance - Autism Intervention and Services.....	500	1,794	0
Subtotal.....	<u>\$ 36,779</u>	<u>\$ 35,617</u>	<u>\$ 29,250</u>
Intellectual Disabilities - Lansdowne Residential Services.....	413	398	390
County Child Welfare.....	1,037,890	1,045,607	1,024,019
(F)Child Welfare Services.....	14,372	14,372	14,372
(F)Child Welfare - Title IV-E.....	329,585	313,240	303,965
(F)ARRA - Child Welfare Title IV - E.....	18,725	20,200	0
(F)Medical Assistance - Child Welfare.....	1,606	843	1,411
(F)TANFBG - Child Welfare.....	67,883	67,883	56,883
(F)SSBG - Child Welfare.....	12,021	12,021	12,021
(F)Child Welfare Training and Certification.....	12,873	13,319	13,319
(F)Community Based Family Resource and Support.....	134	134	134
(F)Child Abuse Prevention and Treatment.....	2,100	2,100	2,100
(F)Title IV B - Caseworker Visits.....	1,900	1,400	0
(F)Child Welfare - Title IV B.....	0	0	2,653
(F)Family Preservation - Family Centers.....	0	0	7,009
(F)Family Resource & Support - Family Centers.....	0	0	480
(F)DFSC-Juvenile Aftercare Services (EA).....	118	118	0
(F)Abstinence Education (EA).....	0	975	0
(A)Casey Family Project (EA).....	231	0	0
Subtotal.....	<u>\$ 1,499,438</u>	<u>\$ 1,492,212</u>	<u>\$ 1,438,366</u>
Community Based Family Centers.....	6,570	6,321	0
(F)Family Preservation - Family Centers.....	7,009	7,009	0
(F)Family Resource & Support - Family Centers.....	480	480	0
(F)Title IV-B - Family Centers.....	1,253	1,253	0
Subtotal.....	<u>\$ 15,312</u>	<u>\$ 15,063</u>	<u>\$ 0</u>
Child Care Services.....	171,720	171,720	171,720
(F)CCDFBG - Child Care Services.....	190,316	181,735	196,592
(F)ARRA - CCDFBG - Child Care Services.....	22,151	41,693	11,200
(F)CCDFBG - School Age.....	1,260	1,260	1,260
(F)SSBG - Child Care Services.....	30,977	30,977	30,977
(F)Head Start Collaboration Project.....	225	225	225
Subtotal.....	<u>\$ 416,649</u>	<u>\$ 427,610</u>	<u>\$ 411,974</u>
Child Care Assistance.....	198,147	189,582 ^{ff}	190,335
(F)TANFBG - Child Care Assistance.....	31,686	31,686	31,686



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
(F)CCDFBG - Child Care Assistance.....	147,815	149,596	149,596
(F)Food Stamps - Child Care Assistance.....	15,607	15,915	15,915
(A)Early Childhood Education Revenue.....	4,775	4,000	4,000
Subtotal.....	\$ 398,030	\$ 390,779	\$ 391,532
Nurse Family Partnership.....	11,978	11,978	11,978
(F)Medical Assistance - Nurse Family Partnership.....	2,544	2,544	2,544
(F)MCHSBG - Early Childhood Home Visiting.....	0	2,100	5,176
Subtotal.....	\$ 14,522	\$ 16,622	\$ 19,698
Domestic Violence.....	12,487	12,385	12,261
(F)Family Violence Prevention Services.....	3,000	3,000	3,000
(F)SSBG - Domestic Violence Programs.....	5,705	5,705	5,705
(F)PHHSBG - Domestic Violence.....	150	150	150
(F)Date Violence Prevention (EA).....	168	223	19
(A)Marriage Law Fees.....	833	833	833
Subtotal.....	\$ 22,343	\$ 22,296	\$ 21,968
Rape Crisis.....	7,146	7,087	7,016
(F)SSBG - Rape Crisis.....	1,721	1,721	1,721
Subtotal.....	\$ 8,867	\$ 8,808	\$ 8,737
Breast Cancer Screening.....	1,653	1,639	1,623
(F)SSBG - Family Planning.....	2,000	2,000	2,000
Subtotal.....	\$ 3,653	\$ 3,639	\$ 3,623
Human Services Development Fund.....	25,346	23,478	0
(F)Refugees and Persons Seeking Asylum - Social Services.....	9,785	9,785	0
Subtotal.....	\$ 35,131	\$ 33,263	\$ 0
Legal Services.....	3,033	3,039	3,009
(F)SSBG - Legal Services.....	5,049	5,049	5,049
Subtotal.....	\$ 8,082	\$ 8,088	\$ 8,058
Homeless Assistance.....	22,793	22,834	22,606
(F)SSBG - Homeless Services.....	4,183	4,183	4,183
(F)SABG - Homeless Services.....	1,983	1,983	1,983
Subtotal.....	\$ 28,959	\$ 29,000	\$ 28,772
Services to Persons with Disabilities.....	95,063	115,635 ^{gg}	135,672
(F)Medical Assistance - Services to Persons with Disabilities.....	148,639	182,929	164,717
(F)ARRA-Medical Assistance-Svcs to Persons with Disabilities.....	28,988	28,587 ^{hh}	0
Subtotal.....	\$ 272,690	\$ 327,151	\$ 300,389
Attendant Care.....	99,488	106,203	103,463
(F)Medical Assistance - Attendant Care.....	82,925	99,723	81,516
(F)ARRA - Medical Assistance - Attendant Care.....	16,703	14,178 ⁱⁱ	0
(A)Attendant Care Parking Fines.....	103	103	103
(A)Attendant Care Patient Fee.....	889	875	875
Subtotal.....	\$ 200,108	\$ 221,082	\$ 185,957
Medical Assistance - Workers with Disabilities.....	0	1,600	80,394
(F)Medical Assistance - Workers with Disabilities.....	0	3,200	99,073
Subtotal.....	\$ 0	\$ 4,800	\$ 179,467



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
Facilities and Service Enhancements	450	2,700	0
Acute Care Hospitals	3,955	6,000	0
Health Care Clinics	2,700	2,500	0
Subtotal - State Funds.....	\$ 7,250,248	\$ 7,532,984	\$ 9,873,078
Subtotal - Federal Funds.....	13,127,826	14,799,541	13,202,318
Subtotal - Augmentations.....	1,265,688	1,800,495	1,724,823
Total - Grants and Subsidies.....	<u>\$ 21,643,762</u>	<u>\$ 24,133,020</u>	<u>\$ 24,800,219</u>
STATE FUNDS.....	\$ 8,576,965	\$ 8,858,582	\$ 11,212,103
FEDERAL FUNDS.....	14,369,738	16,215,059	14,488,217
AUGMENTATIONS.....	1,320,177	1,860,852	1,780,755
GENERAL FUND TOTAL	<u>\$ 24,266,880</u>	<u>\$ 26,934,493</u>	<u>\$ 27,481,075</u>
LOTTERY FUND:			
<i>Grants and Subsidies:</i>			
Medical Assistance - Long-Term Care.....	\$ 178,438	\$ 178,438	\$ 121,255
TOBACCO SETTLEMENT FUND:			
<i>Grants and Subsidies:</i>			
Medical Care for Workers with Disabilities (EA).....	\$ 41,948	\$ 43,623	\$ 0
(F)Medical Assistance - Workers with Disabilities (EA).....	65,720	90,165	0
(F)ARRA - Medical Assistance - Workers with Disabilities (EA).....	13,606	17,827	0
Subtotal.....	<u>\$ 121,274</u>	<u>\$ 151,615</u>	<u>\$ 0</u>
Uncompensated Care (EA).....	39,275	32,685	0
(F)Medical Assistance - Uncompensated Care (EA).....	47,497	40,653	0
Subtotal.....	<u>\$ 86,772</u>	<u>\$ 73,338</u>	<u>\$ 0</u>
Home and Community-Based Services (EA).....	23,783	18,973	0
(F)Medical Assistance - Community Services (EA).....	37,698	31,298	0
(F)ARRA - Medical Assistance - Community Services (EA).....	7,390	6,190	0
Subtotal.....	<u>\$ 68,871</u>	<u>\$ 56,461</u>	<u>\$ 0</u>
Medical Assistance - Long-Term Care.....	130,923	103,599	0
Subtotal - State Funds.....	\$ 235,929	\$ 198,880	\$ 0
Subtotal - Federal Funds.....	171,911	186,133	0
Total - Grants and Subsidies.....	<u>\$ 407,840</u>	<u>\$ 385,013</u>	<u>\$ 0</u>
STATE FUNDS.....	\$ 235,929	\$ 198,880	\$ 0
FEDERAL FUNDS.....	171,911	186,133	0
TOBACCO SETTLEMENT FUND TOTAL	<u>\$ 407,840</u>	<u>\$ 385,013</u>	<u>\$ 0</u>
OTHER FUNDS:			
CHILDREN'S TRUST FUND:			
Children's Trust Fund (EA).....	\$ 1,850	\$ 1,300	\$ 1,300
CTF One-Time Only.....	15	0	0
CHILDREN'S TRUST FUND TOTAL.....	<u>\$ 1,865</u>	<u>\$ 1,300</u>	<u>\$ 1,300</u>
EMERGENCY ENERGY ASSISTANCE FUND:			
Emergency Energy Assistance.....	\$ 0	\$ 30,000	\$ 10,000



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 8,576,965	\$ 8,858,582	\$ 11,212,103
SPECIAL FUNDS.....	414,367	377,318	121,255
FEDERAL FUNDS.....	14,541,649	16,401,192	14,488,217
AUGMENTATIONS.....	1,320,177	1,860,852	1,780,755
OTHER FUNDS.....	1,865	31,300	11,300
TOTAL ALL FUNDS.....	\$ 24,855,023	\$ 27,529,244	\$ 27,613,630



Summary by Fund and Appropriation

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- ^a Includes recommended supplemental appropriation of \$725,000.
 - ^b Includes recommended supplemental appropriation of \$2,000,000.
 - ^c Includes recommended supplemental appropriation of \$150,000.
 - ^d Includes recommended supplemental appropriation of \$4,222,000.
 - ^e Includes recommended appropriation reduction of \$5,496,000.
 - ^f Includes recommended supplemental appropriation of \$30,000,000.
 - ^g Includes recommended supplemental appropriation of \$13,862,000.
 - ^h Includes recommended supplemental appropriation of \$103,679,000.
 - ⁱ Includes recommended supplemental appropriation of \$114,586,000.
 - ^j Includes recommended supplemental appropriation of \$28,251,000.
 - ^k Includes recommended appropriation reduction of \$17,184,000.
 - ^l Includes recommended supplemental appropriation of \$4,486,000.
 - ^m Includes recommended supplemental appropriation of \$27,350,000.
 - ⁿ Appropriated as \$5,297,749,000. Amount shown is the best current estimate of the amount available for 2010-11. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
 - ^o Includes recommended appropriation reduction of \$10,351,000.
 - ^p Includes recommended supplemental appropriation of \$129,750,000.
 - ^q Includes recommended supplemental appropriation of \$36,414,000.
 - ^r Includes recommended appropriation reduction of \$60,358,000.
 - ^s Includes recommended supplemental appropriation of \$347,000.
 - ^t Includes recommended supplemental appropriation of \$601,000.
 - ^u Includes recommended supplemental appropriation of \$3,440,000.
 - ^v Includes recommended supplemental appropriation of \$6,809,000.
 - ^w Includes recommended supplemental appropriation of \$793,000.
 - ^x Includes recommended appropriation reduction of \$6,809,000.
 - ^y Includes recommended appropriation reduction of \$11,144,000.
 - ^z Includes recommended supplemental appropriation of \$1,276,000.
 - ^{aa} Includes recommended appropriation reduction of \$386,000.
 - ^{bb} Includes recommended supplemental appropriation of \$34,902,000.
 - ^{cc} Includes recommended appropriation reduction of \$29,046,000.
 - ^{dd} Includes recommended appropriation reduction of \$12,000,000.
 - ^{ee} Includes recommended supplemental appropriation of \$2,525,000.
 - ^{ff} Includes recommended appropriation reduction of \$7,471,000.
 - ^{gg} Includes recommended supplemental appropriation of \$4,172,000.
 - ^{hh} Includes recommended appropriation reduction of \$4,577,000.
 - ⁱⁱ Includes recommended appropriation reduction of \$6,169,000.



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
HUMAN SERVICES SUPPORT							
GENERAL FUND.....	\$ 113,759	\$ 113,648	\$ 111,274	\$ 111,274	\$ 111,274	\$ 111,274	\$ 111,274
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	176,021	204,946	174,489	174,489	174,489	174,489	174,489
OTHER FUNDS.....	5,834	9,342	5,917	5,917	5,917	5,917	5,917
SUBCATEGORY TOTAL.....	\$ 295,614	\$ 327,936	\$ 291,680	$ 291,680	$ 291,680	$ 291,680	$ 291,680
MEDICAL ASSISTANCE							
GENERAL FUND.....	\$ 3,533,489	\$ 3,563,077	\$ 5,188,279	\$ 5,188,279	\$ 5,188,279	\$ 5,188,279	\$ 5,341,939
SPECIAL FUNDS.....	81,223	76,308	0	0	0	0	0
FEDERAL FUNDS.....	7,398,443	8,675,316	7,929,852	7,892,338	8,278,177	8,682,148	9,105,103
OTHER FUNDS.....	786,345	1,298,302	1,294,439	1,326,969	1,376,096	1,419,493	1,465,059
SUBCATEGORY TOTAL.....	\$ 11,799,500	\$ 13,613,003	\$ 14,412,570	\$ 14,407,586	\$ 14,842,552	\$ 15,289,920	\$ 15,912,101
LONG TERM LIVING							
GENERAL FUND.....	\$ 734,817	\$ 935,669	\$ 1,499,486	\$ 1,499,486	\$ 1,499,486	\$ 1,499,486	\$ 1,542,826
SPECIAL FUNDS.....	333,144	301,010	121,255	121,255	121,255	121,255	121,255
FEDERAL FUNDS.....	2,813,889	2,963,657	2,440,123	2,476,858	2,559,781	2,645,530	2,734,204
OTHER FUNDS.....	455,818	449,674	407,865	407,865	407,865	407,865	407,865
SUBCATEGORY TOTAL.....	\$ 4,337,668	\$ 4,650,010	\$ 4,468,729	\$ 4,505,464	\$ 4,588,387	\$ 4,674,136	\$ 4,806,150
INCOME MAINTENANCE							
GENERAL FUND.....	\$ 777,772	\$ 782,949	\$ 728,279	\$ 728,279	\$ 728,279	\$ 728,279	\$ 728,279
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,307,326	1,638,317	1,325,929	1,309,882	1,309,882	1,309,882	1,309,882
OTHER FUNDS.....	9,908	43,559	23,559	23,559	23,559	23,559	23,559
SUBCATEGORY TOTAL.....	\$ 2,095,006	\$ 2,464,825	\$ 2,077,767	\$ 2,061,720	\$ 2,061,720	\$ 2,061,720	\$ 2,061,720
MENTAL HEALTH							
GENERAL FUND.....	\$ 764,998	\$ 748,589	\$ 769,886	\$ 769,886	\$ 769,886	\$ 769,886	\$ 769,886
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	254,178	290,988	265,835	257,739	254,739	254,325	254,325
OTHER FUNDS.....	11,431	10,449	9,449	9,449	9,449	9,449	9,449
SUBCATEGORY TOTAL.....	\$ 1,030,607	\$ 1,050,026	\$ 1,045,170	\$ 1,037,074	\$ 1,034,074	\$ 1,033,660	\$ 1,033,660
INTELLECTUAL DISABILITIES							
GENERAL FUND.....	\$ 963,946	\$ 1,034,013	\$ 1,279,056	\$ 1,279,056	\$ 1,279,056	\$ 1,279,056	\$ 1,279,056
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,589,359	1,624,908	1,395,048	1,401,891	1,400,132	1,399,632	1,399,132
OTHER FUNDS.....	44,840	74,678	44,678	44,678	44,678	44,678	44,678
SUBCATEGORY TOTAL.....	\$ 2,598,145	\$ 2,733,599	\$ 2,718,782	\$ 2,725,625	\$ 2,723,866	\$ 2,723,366	\$ 2,722,866



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
HUMAN SERVICES							
GENERAL FUND.....	\$ 1,184,218	\$ 1,197,336	\$ 1,144,010	\$ 1,144,010	\$ 1,144,010	\$ 1,144,010	\$ 1,144,010
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	513,402	507,497	459,706	449,132	449,132	448,862	448,862
OTHER FUNDS.....	1,226	848	848	848	848	848	848
SUBCATEGORY TOTAL.....	\$ 1,698,846	\$ 1,705,681	\$ 1,604,564	\$ 1,593,990	\$ 1,593,990	\$ 1,593,720	\$ 1,593,720
CHILD DEVELOPMENT							
GENERAL FUND.....	\$ 503,966	\$ 483,301	\$ 491,833	\$ 491,833	\$ 491,833	\$ 491,833	\$ 491,833
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	489,031	495,563	497,235	490,235	490,235	490,235	490,235
OTHER FUNDS.....	6,640	5,300	5,300	5,300	5,300	5,300	5,300
SUBCATEGORY TOTAL.....	\$ 999,637	\$ 984,164	\$ 994,368	\$ 987,368	\$ 987,368	\$ 987,368	\$ 987,368
ALL PROGRAMS:							
GENERAL FUND.....	\$ 8,576,965	\$ 8,858,582	\$ 11,212,103	\$ 11,212,103	\$ 11,212,103	\$ 11,212,103	\$ 11,409,103
SPECIAL FUNDS.....	414,367	377,318	121,255	121,255	121,255	121,255	121,255
FEDERAL FUNDS.....	14,541,649	16,401,192	14,488,217	14,452,564	14,916,567	15,405,103	15,916,232
OTHER FUNDS.....	1,322,042	1,892,152	1,792,055	1,824,585	1,873,712	1,917,109	1,962,675
DEPARTMENT TOTAL.....	\$ 24,855,023	\$ 27,529,244	\$ 27,613,630	\$ 27,610,507	\$ 28,123,637	\$ 28,655,570	\$ 29,409,265



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 are critical to 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 toward self-sufficiency. The continued creation and expansion of Web-based applications allows for more online services and efficient maintenance of common client and provider databases, as well as 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.

The department continues to strive toward system enhancements that will minimize administrative costs in relation to service costs.

Program Recommendations:

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

<table border="0"> <tr> <td colspan="2">General Government Operations</td> </tr> <tr> <td>\$ -167</td> <td>—reduction in administrative costs.</td> </tr> <tr> <td>-624</td> <td>—nonrecurring 2010-11 budgetary freeze amount.</td> </tr> <tr> <td><hr/></td> <td></td> </tr> <tr> <td>\$ -791</td> <td><i>Appropriation Decrease</i></td> </tr> </table>	General Government Operations		\$ -167	—reduction in administrative costs.	-624	—nonrecurring 2010-11 budgetary freeze amount.	<hr/>		\$ -791	<i>Appropriation Decrease</i>	<table border="0"> <tr> <td colspan="2">Information Systems</td> </tr> <tr> <td>\$ -544</td> <td>—reduction in administrative costs.</td> </tr> <tr> <td>-833</td> <td>—to reflect non-recurring hardware purchase.</td> </tr> <tr> <td>-206</td> <td>—to reflect change in federal earnings.</td> </tr> <tr> <td><hr/></td> <td></td> </tr> <tr> <td>\$ -1,583</td> <td><i>Appropriation Decrease</i></td> </tr> </table>	Information Systems		\$ -544	—reduction in administrative costs.	-833	—to reflect non-recurring hardware purchase.	-206	—to reflect change in federal earnings.	<hr/>		\$ -1,583	<i>Appropriation Decrease</i>
General Government Operations																							
\$ -167	—reduction in administrative costs.																						
-624	—nonrecurring 2010-11 budgetary freeze amount.																						
<hr/>																							
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-206	—to reflect change in federal earnings.																						
<hr/>																							
\$ -1,583	<i>Appropriation Decrease</i>																						

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
General Government Operations	\$ 59,703	\$ 62,434	\$ 61,643	\$ 61,643	\$ 61,643	\$ 61,643	\$ 61,643
Information Systems.....	54,056	51,214	49,631	49,631	49,631	49,631	49,631
TOTAL GENERAL FUND	\$ 113,759	\$ 113,648	\$ 111,274	\$ 111,274	\$ 111,274	\$ 111,274	\$ 111,274



PROGRAM OBJECTIVE: To support a health care delivery system that provides comprehensive health care services in appropriate settings for the eligible populations.

Program: Medical Assistance

The Medical Assistance program ensures access to comprehensive health care services for 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. Others who do not qualify for cash assistance grants but spend a significant portion of their income for medical expenses, qualify for Medical Assistance. A verifiable medical condition, which precludes work, will also allow participation.

This program includes women diagnosed with and on active treatment for breast or cervical cancer or a pre-cancer of breast or cervix who meet eligibility and program criteria in accordance with enhanced federal guidelines. Disabled workers with incomes under 250 percent of the federal poverty guidelines pay a premium equal to 5 percent of their monthly income to participate in the Medical Assistance program complete package of benefits.

This budget proposes to deposit the Tobacco Master Settlement Agreement revenue directly into the General Fund beginning in 2011-12. As a result, funding for Uncompensated Care and the Medical Assistance for Workers with Disabilities program is recommended to be appropriated from the General Fund. Please see the Tobacco Settlement Fund in the Summary by Fund section for additional information on this initiative.

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. Some examples of medical or dental outpatient services are care in a clinic or office setting, outpatient surgery, acute care short procedure units, rehabilitation, drug and alcohol treatment, pharmacy benefits, ambulance transportation, home health care, medical supplies and equipment, and prosthetic devices.

Individuals with low income and limited resources as defined by federal categorical criteria are eligible for a comprehensive array of outpatient services. Individuals with limited income and resources who do not qualify for cash payments are still eligible for all services except pharmacy benefits; dental care, except when provided in a short procedure unit or inpatient hospital; medical supplies and equipment, except when provided in conjunction with home health agency services; and prosthetic devices.

Some service restrictions, comparable to private insurance, apply to adult recipients. An exception process is available for unusual circumstances.

The ACCESS Plus program is available in the 42 counties where HealthChoices mandatory physical health is not available with the following exceptions: nursing home residents, long-term care capitation enrollees, Health Insurance Premium Payment eligible members, residents of state institutions and dual eligible Medicare/Medicaid members over the age of 21 with Medicare Part D certification. The department has placed a significant emphasis on implementing expanded disease management programs and has developed a series of financial incentives for both the disease management vendor and primary care practitioners to focus on providing quality care and actively supporting disease management programs.

In response to the rising cost of prescription drugs, steps have been taken to manage utilization of pharmacy services without compromising access to quality care. Outpatient pharmacy services has a clinically-based preferred drug list that provides for supplemental drug rebates and enforces the use of drugs considered best in class. Other efforts to manage pharmacy services in a cost effective manner include prior authorization of certain medications with high cost or health and safety risks to consumers, quantity limits and special initiatives such as the Specialty Pharmacy Drug program. The department's Specialty Pharmacy Drug program provides a reliable and convenient dispensing and delivery system for providers and Medical Assistance consumers through two nationally accredited specialty pharmacy providers.

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, certified registered nurse practitioner, dentist or podiatrist. Medical Assistance does not cover hospital care solely for cosmetic procedures, nor diagnostic or therapeutic procedures solely for experimental, research or educational purposes. All inpatient admissions are reviewed for medical necessity unless exempt from prior authorization such as deliveries and burns that fall into specific diagnosis related groups (DRG).

Program: Medical Assistance (continued)

The department uses a prospective payment system to reimburse general acute care hospitals. General acute care 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 DRG system is used to classify the various diagnoses based on the amount of resources hospitals customarily use for treatment. The department's payment for compensable inpatient hospital services under the DRG payment system is the product of the hospital specific average cost per case multiplied by the relative value of the DRG assigned to the admission. The DRG system pays for cost outliers for specific DRGs when 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. The DRG system also pays for "day outlier" costs not covered by the above-referenced cost outlier, for exceptionally long inpatient stays that exceed predetermined lengths of stay. Medical Assistance is in the process of implementing a new prospective payment system using the APR-DRG eliminating day outliers with allowance for high cost outliers. When professional care is provided to a Medical Assistance recipient, the department separately reimburses the health care professional 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 and regulations 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.

Additional payments are also provided 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) that provide services utilizing a fixed rate per recipient enrolled. MCOs emphasize outpatient preventive health services and disease management 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 use of limited health care resources.

Pennsylvania's mandatory managed care is known as HealthChoices. The statewide HealthChoices Behavioral Health (BH) program is administered by the Office of Mental

Health and Substance Abuse Services. The BH program is provided through contracts with counties that use an independent BH-MCO, or through contracts directly with BH-MCOs. Services provided include psychiatric inpatient treatment, partial hospitalization, psychiatric outpatient services, Early Periodic Screening Diagnosis and Treatment services for children, case management, and drug and alcohol detoxification, and rehabilitation services.

Physical health managed care services are administered by the Office of Medical Assistance Programs, Bureau of Managed Care Operations. The HealthChoices Physical Health program 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. The physical health program does not include recipients age 21 and older who are dually eligible for Medicare Part D. Recipients receive the full array of physical health services which primarily include inpatient, outpatient, primary care, pharmaceuticals, home health, dental and vision services. The MCOs also give incentives to both recipients and providers for accessing preventative and disease management services and participating in self management programs. Currently, the department contracts with eight MCOs to provide these services with the potential of qualified new MCOs entering the program through the department's procurement and readiness review process as existing contracts expire. The department also contracts with four MCOs to provide physical health services to recipients in a voluntary managed care program in 25 counties where the HealthChoices Physical Health program has not been implemented.

Program Element: Medical Assistance Transportation Program

The purpose of the Medical Assistance Transportation Program (MATP) is to provide efficient and effective non-emergency medical transportation to improve access to health care services for Medical Assistance recipients who need transportation assistance.

The MATP provides funding to 66 county programs and a transportation broker in Philadelphia County to provide transportation options to Medical Assistance covered services. The effectiveness of expanding the broker model to other regional areas within the Commonwealth is being reviewed.

The program includes the following: assessing MATP eligibility and determining the level of transportation services needed, providing funding for recipients to use public transit, reimbursing clients for private vehicle mileage use, developing and managing a network of on-demand transportation providers, scheduling and dispatching on-demand paratransit trips, and capturing and providing data.

Program: Medical Assistance (continued)

Counties are responsible for providing transportation services to Medical Assistance recipients in either fee-for-service or managed care arrangements and must transport clients to and/or from a medical facility, physician's office, dentist's office, hospital, clinic, pharmacy or purveyor of medical equipment for the purpose of receiving medical treatment or medical evaluation or purchasing prescription drugs or medical equipment.

Program Element: Special Pharmaceutical Benefits Program

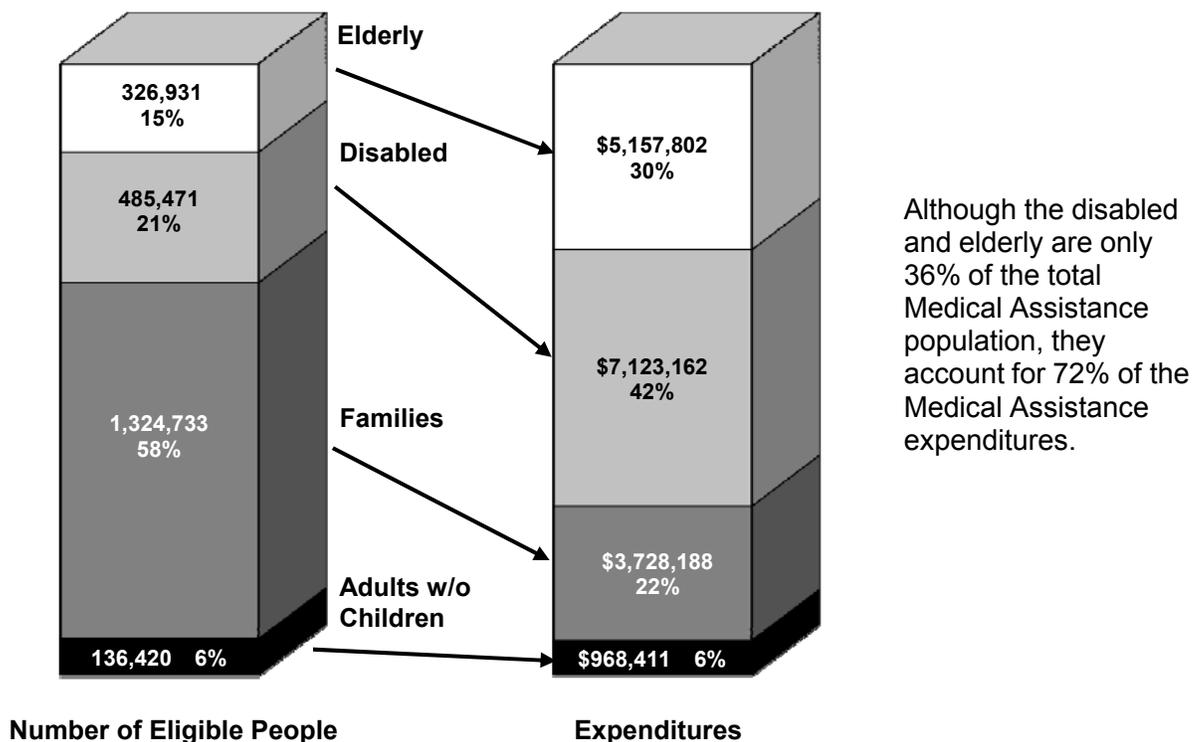
The Special Pharmaceutical Benefits Program (SPBP) is comprised of two components – an HIV/AIDS component and a mental health component. The HIV/AIDS component pays for specific drugs and lab services for low and moderate-income persons with HIV/AIDS disease not eligible for drug coverage through the Medical Assistance program. In order to qualify for this program, the applicant must be a resident of Pennsylvania, have a diagnosis of HIV/AIDS and a gross annual income of less than 337% of the federal poverty level. SPBP is the payer of last resort, and all available third party resources must be used before payment is made by the program.

The mental health component pays 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 the regular Medical Assistance program or some other entity such as Medicare Part D. Mental health applicants with a gross annual income of less than \$35,000 for an individual plus an allowance of \$2,893 for each additional family member and have the appropriate medical diagnosis are eligible for the mental health component of this program.

Program Element: Expanded Medical Services for Women

The Expanded Medical Services for Women program provides counseling services to women. Grants are provided to nonprofit agencies whose primary purpose is to assist pregnant women seeking alternatives to abortions. Services are provided up to 12 months after childbirth and include food, shelter, clothing, health care, counseling, adoption services, parenting classes, assistance for post delivery stress and other support programs.

**Medicaid Expenditures and Enrollees by Category of Assistance
Fiscal Year 2011-12
(Dollar Amounts in Thousands)**



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		\$	130,935	Medical Assistance - Capitation
\$	20,935	—reflects increase in mandated payback for pharmacy services.		140,153	—to provide for rate increases.
	95,571	—nonrecurring ARRA enhanced federal financial participation.		-11,566	—change in caseload and utilization.
	39,015	—nonrecurring prior year federal ARRA credit.		-41,813	—impact of claiming an additional quarter of Federalizing GA.
	115,615	—nonrecurring prior year carryover funds.		-8,652	—savings from administrative and other cash flow impacts.
\$	271,136	<i>Appropriation Increase</i>		-29,521	—impact of increase in Gross Receipts Tax Assessment.
				32,660	—impact of increase in Quality Care Assessment Revenue.
	Medical Assistance - Outpatient			20,607	—nonrecurring prior year carryover funds.
\$	19,798	—change in caseload and utilization.		20,607	—revision of federal financial participation from 55.64% to 55.07%.
	22,804	—to provide for increased price of prescription drugs.		699,680	—nonrecurring ARRA enhanced federal financial participation.
	21,157	—increase in cost and clients eligible for Medicare Part B premiums.		100,000	—one-time impact of the use of prior year federal funds.
	-7,328	—impact of increase in pharmacy rebates.		-38,050	—Initiative—Care Management. Savings generated through the implementation of limits for Medicaid optional pharmaceutical and dental benefits.
	-11,731	—savings from administrative and other cash flow impacts.		-29,025	—Initiative—Smart Purchasing. Savings generated through revisions to provider performance incentives, limitations on the use of behavioral health reinvestment funds, utilization of evidence-based behavioral health services for children and youth, offset by the transfer of the nonresidential drug and alcohol treatment services previously funded through the Medical Assistance - Outpatient appropriation.
	29,103	—impact of reduction in Philadelphia Hospital Assessment.			
	22,994	—nonrecurring prior year carryover funds.			
	3,994	—revision of federal financial participation from 55.64% to 55.07%.			
	175,274	—nonrecurring ARRA enhanced federal financial participation.			
	-6,524	—annualization of prior year initiatives.			
	-17,838	—Initiative—Care Management. Savings generated through the implementation of limits for Medicaid optional pharmaceutical and dental benefits, and the increased utilization management of drugs that have significant potential for health and safety risks, misuse and abuse.		\$	965,408
	-14,727	—Initiative—Smart Purchasing. Reflects transfer of the non-residential drug and alcohol treatment program to the managed care program.		\$	31,505
	-3,251	—Initiative—Program Integrity. Savings generated through the expansion of provider audit, claims review and recovery efforts.			
\$	233,725	<i>Appropriation Increase</i>			
					Uncompensated Care
	Medical Assistance - Inpatient				—reflects proposal to deposit Tobacco Master Settlement Agreement revenue directly into the General Fund beginning in 2011-12.
\$	46,323	—change in caseload and utilization.			
	5,470	—increase in costs and clients eligible for Medicare Part A premiums.			
	29,397	—impact of reduction in Statewide Hospital Assessment.			
	9,256	—nonrecurring prior year carryover funds.			
	2,369	—revision of federal financial participation from 55.64% to 55.07%.			
	110,162	—nonrecurring ARRA enhanced federal financial participation.			
	-2,393	—to provide for administrative and other cash flow changes.			
	-86,731	—Initiative—Smart Purchasing. Savings generated from a reduction to hospital supplemental grants.			
\$	113,853	<i>Appropriation Increase</i>			
					Medical Assistance - Obstetric and Neonatal Services
					—program elimination.
					Hospital Based Burn Centers
					—program elimination.
					Medical Assistance - Critical Access Hospitals
					—program elimination.
					Trauma Centers
					—program elimination.
					Medical Assistance - State-Related Academic Medical Centers
					—program elimination.
					Medical Assistance - Physician Practice Plans
					—program elimination.



Program: Medical Assistance (continued)

Program Recommendations: (continued)

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

<p>Medical Assistance - Transportation</p> <p>\$ 6,733 —change in caseload and utilization.</p> <p>4,218 —nonrecurring ARRA enhanced federal financial participation.</p> <p>92 —revision of federal financial participation from 55.64% to 55.07%.</p> <p><u>-11,772</u> —nonrecurring unallocated funds.</p> <p>\$ -729 <i>Appropriation Decrease</i></p>	<p>Acute Care Hospital</p> <p>\$ -6,000 —funding elimination.</p>
<p>Expanded Medical Services for Women</p> <p>\$ -46 —nonrecurring 2010-11 budgetary freeze.</p>	<p>Health Care Clinics</p> <p>\$ -2,500 —funding elimination.</p>
<p>AIDS Special Pharmaceutical Services</p> <p>\$ -6,000 —reflects utilization of federal drug rebates.</p>	<p>TOBACCO SETTLEMENT FUND</p> <p>Medical Care for Workers with Disabilities (EA)</p> <p>\$ -43,623 —reflects proposal to deposit Tobacco Master Settlement Agreement revenue directly into the General Fund beginning in 2011-12.</p>
<p>Special Pharmaceutical Services</p> <p>\$ 1,272 —nonrecurring prior year carryover funds.</p>	<p>Uncompensated Care (EA)</p> <p>\$ -32,685 —reflects proposal to deposit Tobacco Master Settlement Agreement revenue directly into the General Fund beginning in 2011-12.</p>
<p>Medical Care for Workers with Disabilities</p> <p>\$ 63,042 —reflects proposal to deposit Tobacco Master Settlement Agreement revenue directly into the General Fund beginning in 2011-12.</p> <p><u>15,752</u> —change in caseload and utilization.</p> <p>\$ 78,794 <i>Appropriation Increase</i></p>	

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Payment to Federal Government -							
Medicare Drug Program	\$ 450,218	\$ 209,952	\$ 481,088	\$ 481,088	\$ 481,088	\$ 481,088	\$ 481,088
Medical Assistance - Outpatient	435,939	461,037	694,762	694,762	694,762	694,762	718,402
Medical Assistance - Inpatient	371,515	249,798	363,651	363,651	363,651	363,651	375,471
Medical Assistance - Capitation	2,121,765	2,478,449	3,443,857	3,443,857	3,443,857	3,443,857	3,562,057
Uncompensated Care	0	0	31,505	31,505	31,505	31,505	31,505
Medical Assistance - Obstetric and							
Neonatal Services	4,500	4,908	0	0	0	0	0
Hospital Based Burn Centers	4,630	5,042	0	0	0	0	0
Medical Assistance - Critical Access							
Hospitals	4,378	4,768	0	0	0	0	0
Trauma Centers	10,387	11,541	0	0	0	0	0
Medical Assistance - State-Related							
Academic Medical Centers	20,140	19,236	0	0	0	0	0
Medical Assistance - Physician Practice							
Plans	9,840	9,721	0	0	0	0	0
Medical Assistance - Transportation	70,216	75,300	74,571	74,571	74,571	74,571	74,571
Expanded Medical Services for Women	4,650	4,612	4,566	4,566	4,566	4,566	4,566
AIDS Special Pharmaceutical Services	16,267	16,267	10,267	10,267	10,267	10,267	10,267
Special Pharmaceutical Services	2,389	2,346	3,618	3,618	3,618	3,618	3,618
Medical Assistance - Workers with							
Disabilities	0	1,600	80,394	80,394	80,394	80,394	80,394
Acute Care Hospitals	3,955	6,000	0	0	0	0	0
Health Care Clinics	<u>2,700</u>	<u>2,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL GENERAL FUND	\$ 3,533,489	\$ 3,563,077	\$ 5,188,279	\$ 5,188,279	\$ 5,188,279	\$ 5,188,279	\$ 5,341,939



Program: Medical Assistance (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
TOBACCO SETTLEMENT FUND:							
Medical Care for Workers with							
Disabilities (EA)	\$ 41,948	\$ 43,623	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Uncompensated Care (EA)	<u>39,275</u>	<u>32,685</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL TOBACCO SETTLEMENT							
FUND	<u>\$ 81,223</u>	<u>\$ 76,308</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



PROGRAM OBJECTIVE: To support a consumer-driven system that empowers persons with disabilities and older Pennsylvanians to live with dignity and independence in settings they prefer, to provide meaningful choice of long-term living services and to ensure that those services are delivered in a high-quality, cost-effective manner.

Program: Long-Term Living

This budget maintains funding for long-term living services and administration in the Department of Public Welfare. Long-term living policy and program direction will be coordinated between the departments of Public Welfare and Aging.

The commonwealth's commitment to supporting people with disabilities and older Pennsylvanians is demonstrated by a growing continuum of services ranging from independent living, with the support of home and community-based services, through institutional care. Eligible individuals can access the system through a network of 52 Area Agencies on Aging (AAAs) for seniors and the PA Independent Enrollment Broker for adults with physical disabilities. These organizations can provide information to people who seek assistance in identifying the right resource and can also assist individuals and families in accessing more extensive supports and services for those with greater needs.

Program Element: Home and Community-Based Services

For individuals who want to receive services in the community, the department administers six home and community-based Medicaid waiver programs in addition to and the Living Independence for the Elderly (LIFE) program that helps individuals to live as independently as possible and avoid institutionalization.

The AAA network and the PA Independent Enrollment Broker meet with individuals to provide information and access to these services. Assistance is provided to determine eligibility and enroll in applicable programs, develop individual service plans and coordinate with an extensive network of providers. The department is responsible for ensuring that services are being provided in a consistent and efficient manner.

A variety of specialized services are provided to enable people with physical and/or cognitive disabilities, as well as people over age 60, to live independently in the community. Personal assistance, 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.

The Attendant Care program provides personal assistance services to individuals who are between the ages of 18 and 59 and have physical disabilities. Personal assistance services, such as bathing, dressing, grooming

and other activities of daily living enable recipients to remain in or return to their own homes, rejoin the workforce and maintain independent lifestyles.

Home and community-based programs support people with disabilities who may have limitations in performing activities of daily living, understanding and/or use of language, learning, mobility, self-direction and capacity for independent living. These services help individuals to function independently in the community. Many individuals with disabilities who, in past years might have been served in nursing facilities, are now able to reside in the community with services and support.

Similar services are provided to people with traumatic brain injury. These services enable individuals to function in the community as independently as possible after they have progressed beyond initial acute rehabilitation. People with cognitive disabilities may require a special mix of services to address short-term memory issues.

Older Pennsylvanians who are in need of nursing facility level-of-care can receive services meeting those needs in the community through the federal Medicaid Aging Waiver Program and LIFE. These programs provide assistance with activities of daily living, as well as in-home nursing services, while incorporating the informal supports available through family and friends. Additionally, the LIFE program integrates Medicare funding with Medicaid funding to provide a fully coordinated and comprehensive service package to enrollees.

Program Element: Nursing Facility Services

Institutional services are provided to eligible persons by nursing facilities that are certified, in accordance with established standards, to participate in the Medical Assistance program. Nursing facility care is available to Medical Assistance recipients who are determined nursing facility clinically eligible through a level of care assessment conducted by the AAAs. 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.

This budget proposes to deposit the Tobacco Master Settlement Agreement revenue directly into the General Fund beginning in 2011-12. Funding previously provided for Long-Term Care, Home and Community-Based Services and PACENET from the Tobacco Fund is recommended to

Program: Long-Term Living (continued)

be appropriated to Long-Term Care from the General Fund. In addition, the Lottery Fund Medical Assistance – Long-Term Care appropriation is reduced to offset the increase in Lottery Funds for the Department of Aging’s Home and

Community-Based Services and PACENET programs which were previously funded with Tobacco Funds. Please see the Tobacco Settlement Fund in the Summary by Fund section for additional information.

Program Recommendations:

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

	GENERAL FUND		
	Long-Term Care	-17,230	—Initiative—Rebalancing Long-Term Living System. Savings generated through the implementation of a variety of home and community-based services reforms, including improved service coordination, revised reimbursement rates and reporting requirements, and expanded consumer-directed care.
\$ 6,947	—increase in utilization.		
11,397	—for increased utilization and annualization of a previous expansion in the Living Independence for the Elderly program.		
21,723	—for increased utilization and annualization of a previous expansion in home and community-based services.		
14,642	—to provide for administrative and other cash flow impacts.	\$ 20,037	<i>Appropriation Increase</i>
370,502	—nonrecurring ARRA enhanced federal financial participation.	\$ 5,474	Attendant Care
152,656	—reflects proposal to deposit the Tobacco Master Settlement Agreement revenue directly into the General Fund beginning 2011-12.	13,793	—for increased utilization and annualization of a previous expansion in community services.
22,026	—replacement of Intergovernmental Transfer Funds.	372	—nonrecurring ARRA enhanced federal financial participation.
8,913	—revision of federal financial participation from 55.64% to 55.07%.	-8,788	—revision of federal financial participation from 55.64% to 55.07%.
6,166	—nonrecurring prior year offsets.	-13,591	—nonrecurring projects.
-22,000	—reflects one-time only nursing home settlement costs.		—Initiative—Rebalancing Long-Term Living System. Savings generated through the implementation of a variety of home and community-based services reforms, including improved service coordination, revised reimbursement rates and reporting requirements, expanded consumer-directed care and increased federal funds.
-18,164	—Initiative—Rebalancing Long-Term Living System. Savings generated through the implementation of a variety of home and community-based services reforms, including improved service coordination, revised reimbursement rates and reporting requirements, and expanded consumer-directed care.	\$ -2,740	<i>Appropriation Decrease</i>
-22,913	—Initiative—Smart Purchasing. Savings generated through the implementation of a revised Budget Adjustment Factor used to establish nursing facility payment.		
-5,375	—Initiative—Program Integrity. Savings generated through the expansion of the nursing facility recovery audit program, including automated records review.		
\$ 546,520	<i>Appropriation Increase</i>		
	Services to Persons with Disabilities		
\$ 6,095	—net cost for increased utilization and annualization of a previous expansion in community services.	\$ -18,973	LOTTERY FUND
30,426	—nonrecurring ARRA enhanced federal financial participation.		Medical Assistance - Long-Term Care
746	—revision of federal financial participation from 55.64% to 55.07%.	\$ -57,183	—reflects proposal to deposit the Tobacco Master Settlement Agreement revenue directly into the General Fund beginning 2011-12. This decrease will offset the increase in Lottery Funds for Home and Community-Based Services in the Department of Aging.
			TOBACCO SETTLEMENT FUND
			Home and Community-Based Services
			—reflects proposal to deposit the Tobacco Master Settlement Agreement revenue directly into the General Fund beginning 2011-12.
			Medical Assistance - Long-Term Care
		\$ -103,599	—reflects proposal to deposit the Tobacco Master Settlement Agreement revenue directly into the General Fund beginning 2011-12.



Program: Long-Term Living (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Long-Term Care.....	\$ 540,266	\$ 713,831	\$ 1,260,351	\$ 1,260,351	\$ 1,260,351	\$ 1,260,351	\$ 1,303,691
Services to Persons with Disabilities.....	95,063	115,635	135,672	135,672	135,672	135,672	135,672
Attendant Care.....	99,488	106,203	103,463	103,463	103,463	103,463	103,463
TOTAL GENERAL FUND.....	<u>\$ 734,817</u>	<u>\$ 935,669</u>	<u>\$ 1,499,486</u>	<u>\$ 1,499,486</u>	<u>\$ 1,499,486</u>	<u>\$ 1,499,486</u>	<u>\$ 1,542,826</u>
LOTTERY FUND:							
Medical Assistance - Long-Term Care.....	<u>\$ 178,438</u>	<u>\$ 178,438</u>	<u>\$ 121,255</u>	<u>\$ 121,255</u>	<u>\$ 121,255</u>	<u>\$ 121,255</u>	<u>\$ 121,255</u>
TOBACCO SETTLEMENT FUND:							
Home and Community-Based Services (EA).....	\$ 23,783	\$ 18,973	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Medical Assistance - Long-Term Care.....	130,923	103,599	0	0	0	0	0
TOTAL TOBACCO SETTLEMENT FUND.....	<u>\$ 154,706</u>	<u>\$ 122,572</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



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, other support services and cash assistance.

Program Element: Income Assistance

Caseworkers in the county assistance offices (CAO) review financial and non-financial criteria with applicants of cash assistance, Medical Assistance and the Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps, 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 Agreement of Mutual Responsibility (AMR). The AMR outlines the steps the individual will take and the services 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 take realistic, concrete steps that will lead to increased success in the workplace. Adults are required to either work or participate in an approved work-related activity.

Upon application or re-determination for assistance, data is entered into the department's client information system and is available for Medical Assistance program determinations as well as cash assistance and SNAP. All

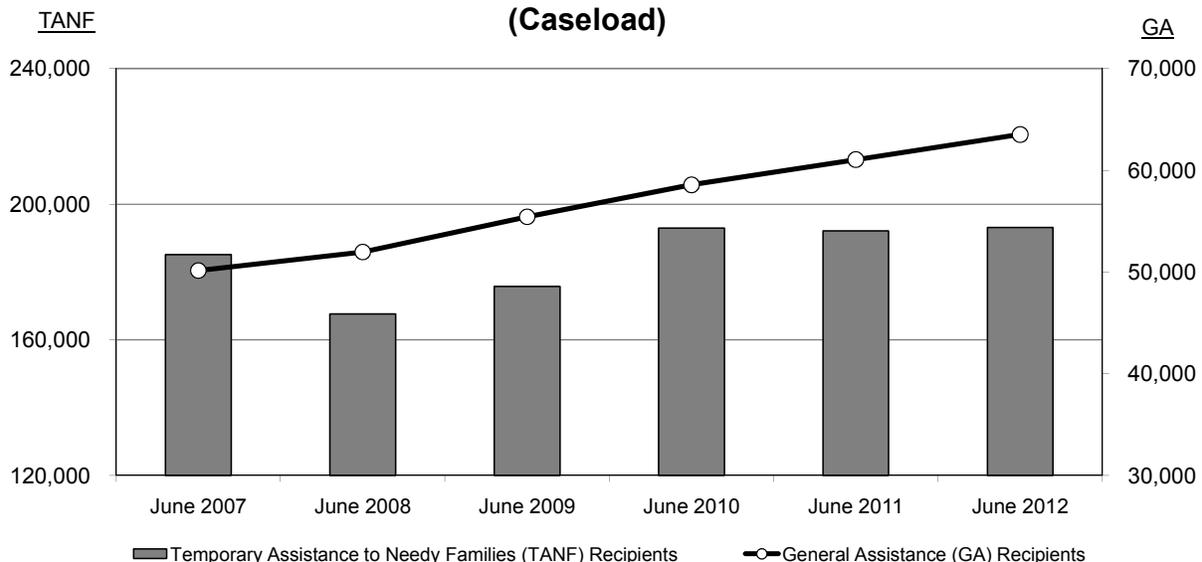
final Medical Assistance claims payments and most cash grants payments are processed through the central office using automated systems.

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. TANF cash assistance is provided for a limited time to people who meet income and resource guidelines and who comply with work activity requirements. 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 place a five-year lifetime limit on cash assistance benefits for most adult recipients and allows a hardship exemption for up to 20 percent of the caseload. 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.

The Low-Income Home Energy Assistance Program assists eligible households by offsetting the burden of high energy costs and intervening in energy crisis situations.

Cash Grants (Caseload)



Program: Income Maintenance (continued)

The eligibility standard, which is subject to annual revision based on the availability of funding, includes every household member's income. Payments are made to energy suppliers on behalf of 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.

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 \$674 and \$1,011 for couples. Pennsylvania will contribute a supplemental grant of \$22.10 for an individual and \$33.30 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 \$85 a month.

The department also administers a disability advocacy program 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 programs for cash assistance clients include 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 and case management services are also offered to help individuals retain employment. These initiatives provide 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 including programs offering adult literacy services, such as GED preparation, job-specific literacy and English as a second language. In recent years, the department has renamed the Single Point of Contact program to Employment, Advancement, Retention Network (EARN) as a more accurate description of efforts to assist clients gaining employment and help them attain and retain better jobs to move toward self sufficiency. The department partners with the Department of Labor and Industry and the Department of Education to offer subsidized employment and other education and training programs that respond to

the needs of the local business community. The Industry Specific Initiative provides collaboration and partnerships with employers regarding the development of customized training and direct job placement. 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. Participants are offered supports such as child care, transportation and clothing assistance to remove any barriers to work or training and ensure on-going success and avoid a return to cash assistance.

Program Element: Child Support Enforcement

Child Support Enforcement program services are provided at the local level through cooperative agreements between the department and the domestic relations section of the 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 age 18 or until the child graduates from high school or becomes 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 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 support and cases paying on arrears are both 83 percent – the highest percentage of any state in the nation. Pennsylvania is the first state in the nation to meet and exceed the five federal performance standards for establishment of paternity, establishment of court orders for child support, collection of current support, cases paying on arrears and administrative cost effectiveness. In addition, more than 85 percent of children receiving support currently have health insurance or other means of medical support.

Program: Income Maintenance (continued)

Program Recommendation:

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

County Administration-Statewide		Cash Grants	
\$ 127	—to continue current program.	\$ 1,448	—to continue current program.
-387	—nonrecurring 2010-11 budgetary freeze amount.	6,694	—impact of caseload increases.
-5,272	—to reflect change in federal earnings.	-11,000	—nonrecurring 2010-11 budgetary freeze amount.
\$ -5,532	<i>Appropriation Decrease</i>	-11,915	—Initiative—Fair Share. Savings generated from the redirection of federal TANF funds made available as a result of rightsizing employment and training contracts consistent with federal work participation requirements.
County Assistance Offices		Supplemental Grants - Aged, Blind, Disabled	
\$ 7,611	—to continue current program.		—to continue current program.
3,966	—nonrecurring federal ARRA grant.	\$ 38	—impact of caseload increases.
-1,954	—nonrecurring 2010-11 budgetary freeze amount.	4,224	—nonrecurring 2010-11 budgetary freeze amount.
-15,000	—Initiative—Fair Share. Savings generated from the redirection of federal TANF funds made available as a result of rightsizing employment and training contracts consistent with federal work participation requirements.	-2,683	
		\$ -29,150	<i>Appropriation Decrease</i>
\$ -5,377	<i>Appropriation Decrease</i>	Child Support Enforcement	
		\$ -252	—reduction in administrative costs.
		-1,025	—nonrecurring 2010-11 fixed asset purchase.
		677	—nonrecurring federal ARRA grant.
		-146	—nonrecurring 2010-11 budgetary freeze amount.
\$ -746	<i>Appropriation Decrease</i>	\$ 1,579	<i>Appropriation Increase</i>
New Directions			
\$ -328	—reduction in administrative costs.		
-328	—nonrecurring 2010-11 budgetary freeze amount.		
-14,788	—Initiative—Fair Share. Savings generated from rightsizing employment and training contracts consistent with federal work participation requirements.		
\$ -15,444	<i>Appropriation Decrease</i>		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
County Administration - Statewide.....	\$ 37,734	\$ 38,656	\$ 33,124	\$ 33,124	\$ 33,124	\$ 33,124	\$ 33,124
County Assistance Offices.....	252,849	270,186	264,809	264,809	264,809	264,809	264,809
Child Support Enforcement	10,303	14,681	13,935	13,935	13,935	13,935	13,935
New Directions	54,051	32,801	17,357	17,357	17,357	17,357	17,357
Cash Grants	268,579	278,175	249,025	249,025	249,025	249,025	249,025
Supplemental Grants - Aged, Blind and Disabled.....	154,256	148,450	150,029	150,029	150,029	150,029	150,029
TOTAL GENERAL FUND	\$ 777,772	\$ 782,949	\$ 728,279	\$ 728,279	\$ 728,279	\$ 728,279	\$ 728,279



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 addressing mental health treatment and support services as well as substance abuse services. The objective of these services is to promote individual movement toward recovery. The department seeks to ensure that there is a combined approach to the delivery and the financing of behavioral health services. The department administers community mental health funds, Behavioral Health Services Initiative funds for both mental health and substance abuse services, non-hospital residential substance abuse services and federal grant funds. The department oversees the Medicaid HealthChoices Behavioral Health Managed Care program either through county contracts or by direct contract with a behavioral health managed care organization. The department manages 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 of 1976. Direct mental health treatment services are currently provided through six state-operated hospitals and one restoration (long-term care) center.

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 and 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 jointers or through contracts with private, nonprofit organizations or agencies. Services, with some exceptions, are funded with state, federal and/or county matching funds.

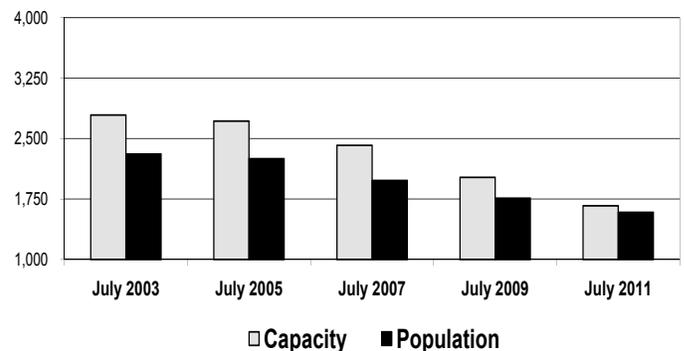
Program Element: Substance Abuse Services

The department is responsible for the oversight and administration of Behavioral Health Services Initiative funding. Substance abuse treatment services 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 needed or who cannot obtain Medical Assistance benefits. Services available include the full continuum of treatment, as well as case management services, to assist this population with 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 treatment. Additionally, they provide specialized inpatient care for the adolescent, criminal and elderly (long-term) populations. To move individuals into the most integrated setting, efforts continue to assess and transfer individuals to community mental health programs, where services are provided in a less restrictive setting through the Community/Hospital Integration Projects Program (CHIPPs).

**Mental Hospitals
Population Compared to Capacity**



The population at state mental hospitals has declined by 725 (or 31 percent) since July of 2003, as more people receive mental health services in the community. During that same period, capacity at the state mental hospitals has declined by 1,126, or 40 percent.

Program: Mental Health (continued)

Expenditures by Hospital, Restoration Center and Community Programs

(Dollar Amounts in Thousands)

	2009-10	2010-11	2011-12		2009-10	2010-11	2011-12
	Actual	Available	Budget		Actual	Available	Budget
Allentown				Torrance			
State Funds.....	\$ 25,328	\$ 21,851	\$ 4,969	State Funds.....	\$ 52,561	\$ 53,833	\$ 58,000
Federal Funds.....	6,227	366	122	Federal Funds.....	8,588	8,831	8,964
Augmentations.....	1,600	111	32	Augmentations.....	1,278	1,449	1,815
TOTAL.....	<u>\$ 33,155</u>	<u>\$ 22,328</u>	<u>\$ 5,123</u>	TOTAL.....	<u>\$ 62,427</u>	<u>\$ 64,113</u>	<u>\$ 68,779</u>
Clarks Summit				Warren			
State Funds.....	\$ 38,102	\$ 37,351	\$ 41,706	State Funds.....	\$ 35,667	\$ 35,536	\$ 38,090
Federal Funds.....	6,336	7,899	6,410	Federal Funds.....	6,665	8,088	6,168
Augmentations.....	1,354	1,460	1,500	Augmentations.....	1,682	1,475	1,284
TOTAL.....	<u>\$ 45,792</u>	<u>\$ 46,710</u>	<u>\$ 49,616</u>	TOTAL.....	<u>\$ 44,014</u>	<u>\$ 45,099</u>	<u>\$ 45,542</u>
Danville				Wernersville			
State Funds.....	\$ 32,989	\$ 32,272	\$ 38,009	State Funds.....	\$ 38,523	\$ 42,792	\$ 49,297
Federal Funds.....	6,186	8,537	6,115	Federal Funds.....	6,583	7,741	7,008
Augmentations.....	1,029	1,495	1,122	Augmentations.....	1,216	1,447	1,385
TOTAL.....	<u>\$ 40,204</u>	<u>\$ 42,304</u>	<u>\$ 45,246</u>	TOTAL.....	<u>\$ 46,322</u>	<u>\$ 51,980</u>	<u>\$ 57,690</u>
Mayview				Administrative Cost			
State Funds.....	\$ 11,482	\$ 10,595	\$ 0	State Funds.....	\$ 3,970	\$ 4,042	\$ 5,165
Federal Funds.....	0	353	0	Federal Funds.....	0	21	32
Augmentations.....	74	81	0	Augmentations.....	0	0	1
TOTAL.....	<u>\$ 11,556</u>	<u>\$ 11,029</u>	<u>\$ 0</u>	TOTAL.....	<u>\$ 3,970</u>	<u>\$ 4,063</u>	<u>\$ 5,198</u>
Norristown				Community Programs			
State Funds.....	\$ 70,027	\$ 62,798	\$ 65,033	State Funds.....	\$ 383,034	\$ 363,804	\$ 393,133
Federal Funds.....	7,996	8,490	11,092	Federal Funds.....	199,146	234,218	216,025
Augmentations.....	1,718	1,559	1,313	Augmentations.....	0	0	11
TOTAL.....	<u>\$ 79,741</u>	<u>\$ 72,847</u>	<u>\$ 77,438</u>	TOTAL.....	<u>\$ 582,180</u>	<u>\$ 598,022</u>	<u>\$ 609,169</u>
South Mountain State Restoration Center				Budgetary Reserve			
State Funds.....	\$ 17,484	\$ 20,344	\$ 24,264	State Funds.....	\$ 0	\$ 10,140	\$ 0
Federal Funds.....	6,451	6,444	3,899	Federal Funds.....	0	0	0
Augmentations.....	1,479	1,372	986	Augmentations.....	0	0	0
TOTAL.....	<u>\$ 25,414</u>	<u>\$ 28,160</u>	<u>\$ 29,149</u>	TOTAL.....	<u>\$ 0</u>	<u>\$ 10,140</u>	<u>\$ 0</u>



Program: Mental Health (continued)

Hospital and Restoration Center Populations for the Prior, Current and Upcoming Year

State Mental Hospitals	Population July 2009	Population July 2010	Projected Population July 2011	Projected Bed Capacity July 2011	Projected Percentage of Capacity July 2011
Allentown.....	173	88	-	-	0.0%
Clarks Summit.....	218	223	215	219	98.2%
Danville.....	164	173	175	179	97.8%
Norristown.....	367	360	325	366	88.8%
South Mountain.....	134	132	130	135	96.3%
Torrance.....	300	291	305	316	96.5%
Warren.....	187	190	164	180	91.1%
Wernersville.....	218	259	270	271	99.6%
TOTAL.....	1,761	1,716	1,584	1,666	95.1%

Program Recommendations:

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

Mental Health Services			
\$ 8,409	—to continue current program.	3,200	—nonrecurring prior year carryover funds.
6,000	—nonrecurring ARRA enhanced federal financial participation.	-2,901	—reflects savings from the closure of Allentown State Hospital.
15,000	—nonrecurring federal funds.	-3,000	—Initiative—Smart Purchasing. Net savings from the issuance of a competitively bid private contract for the operation of the forensic psychiatric units at Torrance and Norristown state hospitals.
-10,140	—nonrecurring 2010-11 budgetary freeze amount.		
-700	—to reflect the transfer of 7 individuals to the Intellectual Disabilities - Community Waiver Program.		
		\$ 22,308	<i>Appropriation Increase</i>
4,950	—Initiative—Rebalancing Long-Term Living System. To provide home and community-based services for 90 individuals currently residing in state hospitals.		
		\$ -1,011	Behavioral Health Services
-160	—Initiative—Rebalancing Long-Term Living System. Savings achieved through the discharge of 35 additional persons with dual diagnosis of mental illness and intellectual disabilities from state hospitals.		—nonrecurring 2010-11 budgetary freeze amount.
1,650	—annualization of Norristown CHIPPs.		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Mental Health Services.....	\$ 709,167	\$ 695,358	\$ 717,666	\$ 717,666	\$ 717,666	\$ 717,666	\$ 717,666
Behavioral Health Services	55,331	53,231	52,220	52,220	52,220	52,220	52,220
Psychiatric Services in Eastern PA.....	500	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 764,998	\$ 748,589	\$ 769,886	\$ 769,886	\$ 769,886	\$ 769,886	\$ 769,886



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: Intellectual Disabilities

The Department of Public Welfare supports a comprehensive array of services for people with developmental disabilities including community residential and non-residential programs provided through the home and community-based waiver program and the base program. Services are also provided in state operated institutions and private intermediate care facilities for the intellectually disabled (ICF/IDs). In addition to state and federal funding, local funding is provided for the community base program as required by the Mental Health and Mental Retardation Act of 1966.

The program for people with intellectual disabilities has evolved from a system 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 toward enhancing the natural supports that exist in the family and the community continues to define services.

In response to the recommendations of Pennsylvania's Autism Task Force, the Bureau of Autism Services was established in February 2007. Autism is a lifelong neurobiological disorder. The mission of the Bureau of Autism Services is to develop, coordinate, integrate and establish policies and services that effectively enhance the quality of life and promote independence for Pennsylvanians living with autism.

Program Element: Institutional Services

The department provides institutional care funding for people with developmental disabilities. Services are offered through five state centers whose primary goal is to develop residents' abilities to function more independently in preparation for living in a less restrictive environment. All facilities are currently certified for Medical Assistance (MA) under standards established by the Centers for Medicare & Medicaid Services. Private ICF/IDs provide intensive habilitative services to persons with developmental disabilities. 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: Intellectual Disabilities – Community Services

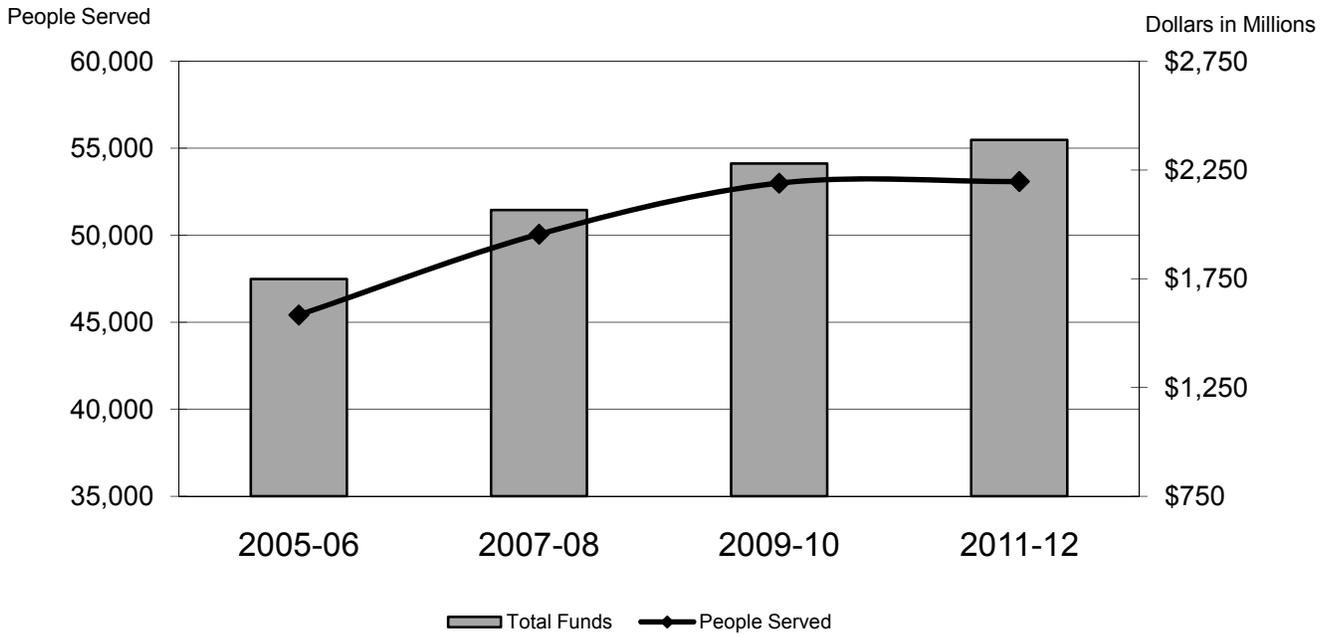
The Mental Health and Mental Retardation Act of 1966 provides the statutory basis for the development of community-based services for people with developmental disabilities. Community living arrangements include group homes, apartments with or without a roommate and life-sharing settings with family or friends. Day services such as supported employment, pre-vocational programs, adult training and home and community habilitation are provided for people living in the community, based on individual need. Other services available include transportation, home finding, environmental accessibility modifications, adaptive appliances/equipment, specialized therapies and nursing, and educational support. Respite services are also available for families of people with developmental disabilities.

Program Element: Services for Individuals with Autism

The department provides funding for a statewide program to support the needs of Pennsylvanians living with autism spectrum disorders. The department has developed two delivery systems to provide services for adults with autism—the Adult Community Autism Program (ACAP) and the Autism Home and Community-Based Medicaid Waiver Program. ACAP is a program for individuals age 21 or older with a diagnosis of autism spectrum disorder. Services include behavioral supports, physician services and a wide array of community-based and institutional services that build independence while maintaining cost effectiveness. The Autism Waiver has been designed to provide behavioral supports and community-based services tailored to individuals with autism. In addition, the department is working to increase the capacity of service providers and health care professionals by providing statewide training, technical assistance and cross-system collaboration; providing support and information to families; developing models for best practices and crisis response; and establishing regional autism centers.

Program: Intellectual Disabilities (continued)

Intellectual Disabilities - Community Services



Funding for the expansion of the community program has increased by nearly \$640 million since 2005-06, providing services to an additional 7,665 people. Over the same period, the state centers' population will have decreased by 20%.

State Centers Population for the Prior, Current and Upcoming Year

State Centers	Population July 2009	Population July 2010	Projected Population July 2011	Projected Bed Capacity July 2011	Projected Percentage Capacity July 2011
Ebensburg.....	286	277	267	402	66.4%
Hamburg.....	126	122	120	237	50.6%
Polk.....	313	303	291	521	55.9%
Selinsgrove.....	335	323	311	584	53.3%
White Haven.....	169	164	160	275	58.2%
TOTAL.....	1,229	1,189	1,149	2,019	56.9%



Program: Intellectual Disabilities (continued)

Expenditures by State Center
(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget		2009-10 Actual	2010-11 Available	2011-12 Budget
Ebensburg				Selinsgrove			
State funds.....	\$ 17,621	\$ 19,012	\$ 25,129	State funds.....	\$ 19,318	\$ 20,709	\$ 27,740
Federal funds.....	41,956	42,921	38,137	Federal funds.....	46,500	47,501	41,657
Augmentations.....	6,253	6,325	6,325	Augmentations.....	7,285	7,216	7,216
TOTAL.....	\$ 65,830	\$ 68,258	\$ 69,591	TOTAL.....	\$ 73,103	\$ 75,426	\$ 76,613
Hamburg				White Haven			
State funds.....	\$ 8,382	\$ 9,483	\$ 12,489	State funds.....	\$ 10,755	\$ 11,460	\$ 15,662
Federal funds.....	20,635	21,591	18,956	Federal funds.....	25,414	25,811	23,214
Augmentations.....	2,653	2,777	2,777	Augmentations.....	3,732	3,744	3,744
TOTAL.....	\$ 31,670	\$ 33,851	\$ 34,222	TOTAL.....	\$ 39,901	\$ 41,015	\$ 42,620
Polk				Budgetary Reserve			
State funds.....	\$ 17,583	\$ 19,131	\$ 25,412	State funds.....	\$ 0	\$ 0	\$ 0
Federal funds.....	44,347	45,613	39,953	Federal funds.....	0	10,552	5,000
Augmentations.....	7,023	6,930	6,930	Augmentations.....	0	0	0
TOTAL.....	\$ 68,953	\$ 71,674	\$ 72,295	TOTAL.....	\$ 0	\$ 10,552	\$ 5,000
Maintenance and security costs for closed facilities				Non-Facility/Other Operational costs			
State funds.....	\$ 1,033	\$ 1,102	\$ 33	State funds.....	\$ 742	\$ 804	\$ 919
Augmentations.....	208	0	0				
TOTAL.....	\$ 1,241	\$ 1,102	\$ 33				

Program Recommendations:

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

\$ 1,834	Intellectual Disabilities - State Centers				
26,665	—to continue current program.			\$ 11,988	Intellectual Disabilities - Community Waiver Program
-2,805	—nonrecurring ARRA enhanced federal financial participation.			145,260	—to annualize previous program revisions providing enhanced community services.
-699	—reflects increased federal earnings.			923	—non-recurring ARRA enhanced federal financial participation.
688	—sale of closed state center complex in Embreeville.			3,765	—to reflect 7 individuals transferring from the Mental Health program.
	—revision of federal financial participation from 55.64% to 55.07%.			30,000	—revision of federal financial participation from 55.64% to 55.07%.
\$ 25,683	<i>Appropriation Increase</i>			15,981	—replacement of Intergovernmental Transfer Funds.
				2,450	—to annualize prior year change in billing methodology from an accrual to a cash basis.
	Intellectual Disabilities - Intermediate Care Facilities			1,214	—Initiative—Rebalancing Long-Term Living System. To provide home and community-based services for 35 additional persons with dual diagnosis of mental illness and intellectual disabilities currently residing in state hospitals.
\$ 1,948	—to continue current program.				—Initiative—Rebalancing Long-Term Living System. To provide home and community-based services for 50 additional persons with intellectual disabilities currently residing in state centers.
-760	—nonrecurring project.			-11,000	—Initiative—Program Integrity. Savings generated from revised service definitions for the Medicaid home and community-based waiver program for persons with intellectual disabilities.
32,855	—nonrecurring ARRA enhanced federal financial participation.				
769	—revision of federal financial participation from 55.64% to 55.07%.				
\$ 34,812	<i>Appropriation Increase</i>				
	Intellectual Disabilities - Community Base Program				
\$ 302	—to continue current program.				
1,862	—nonrecurring ARRA enhanced federal financial participation.				
8,355	—nonrecurring prior year carryover funds.				
43	—revision of federal financial participation from 55.64% to 55.07%.				
\$ 10,562	<i>Appropriation Increase</i>				



Program: Intellectual Disabilities (continued)

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

-27,000	—Initiative—Program Integrity. Savings generated from limiting state reimbursement to group home providers for federally ineligible room and board costs for residents with intellectual disabilities.	\$	-8	Intellectual Disabilities - Lansdowne Residential Services —nonrecurring 2010-11 budgetary freeze amount.
<hr/>				
\$ 173,581	<i>Appropriation Increase</i>			
	Autism Intervention and Services			
\$ 1,371	—to continue current program.			
1,640	—nonrecurring ARRA enhanced federal financial participation.			
35	—revision of federal financial participation from 55.64% to 55.07%			
-2,633	—nonrecurring 2010-11 budgetary freeze amount.			
<hr/>				
\$ 413	<i>Appropriation Increase</i>			

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Intellectual Disabilities - State Centers	\$ 75,434	\$ 81,701	\$ 107,384	\$ 107,384	\$ 107,384	\$ 107,384	\$ 107,384
Intellectual Disabilities - Intermediate Care Facilities	100,234	110,444	145,256	145,256	145,256	145,256	145,256
Intellectual Disabilities - Community Base Program	155,053	155,958	166,520	166,520	166,520	166,520	166,520
Intellectual Disabilities - Community Waiver Program	622,849	672,376	845,957	845,957	845,957	845,957	845,957
Autism Intervention and Services	9,963	13,136	13,549	13,549	13,549	13,549	13,549
Intellectual Disabilities - Lansdowne Residential Services	413	398	390	390	390	390	390
TOTAL GENERAL FUND	\$ 963,946	\$ 1,034,013	\$ 1,279,056	\$ 1,279,056	\$ 1,279,056	\$ 1,279,056	\$ 1,279,056



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

The Department of Public Welfare and county governments are jointly responsible for providing services to children who are in need of care and protection. 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 families 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 children who cannot be returned to their own families, 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 or permanency services for all eligible children through a statewide adoption network. This program includes services to children who are in foster placement and cannot be returned to their birth parents.

The courts may order any service or care for children who have been adjudicated dependent or delinquent. This may include youth adjudicated delinquent but remanded to private residential treatment programs. Treatment is reviewed on a periodic basis.

Program Element: Youth Development Service

Pennsylvania's juvenile justice system is designed to minimize institutionalization while recognizing that confinement in a treatment environment is necessary for certain juveniles who pose a threat to themselves or others. The court may sentence youth to either the Youth Development Center and Youth Forestry Camp (YDC/YFC) system or a private facility. Both systems

provide residential programming in secure settings for Pennsylvania's serious juvenile offenders and those with serious at-risk behaviors. The purpose of the system is to bring about positive changes in the juveniles by helping them to develop skills and attitudes that will enable them to become responsible, productive members of society. This budget proposes to consolidate low occupancy facilities and underutilized programs to reduce excess capacity, resulting in a revised capacity of 530 youths.

Administrative Complex	Population July 2009	Population July 2010	Population July 2011	Projected Capacity July 2011	Projected Percentage of Capacity July 2011
YFC-Hickory Run.....	39	32	45	49	91.8%
YFC-Trough Creek	44	44	46	50	92.0%
New Castle	217	141	132	152	86.8%
Loysville.....	257	219	248	279	88.9%
Total Current Program	557	436	471	530	88.9%

Included in the YDC/YFC system are specialized treatment services for sex offenders, arsonists, drug and alcohol abusers, emotionally disturbed youth and those with developmental disabilities.

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 used in the development of Individual Education Plans 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.



Program: Human Services (continued)

Breast cancer screening for low-income women is directed toward those at high risk of developing breast cancer. The target group is new family planning clients, women 35 years and older, and women with a family history of breast cancer.

Program Element: Legal Services

The department contracts with the Pennsylvania Legal Aid Network, a private nonprofit corporation, to provide low-income persons assistance with family, consumer, employment and other civil legal 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 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.

Rape crisis services also 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. Educational programs are provided to lessen the risk of sexual assault for adults and children in the community.

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 used 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 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 Recommendations:

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

<p>Youth Development Institutions and Forestry Camps</p> <p>\$ 1,694 —to continue current program.</p> <p>-785 —nonrecurring 2010-11 budgetary freeze amount.</p> <p>-6,000 —Initiative—Smart Purchasing. Savings generated from the consolidation of low occupancy facilities and underutilized programs.</p> <hr/> <p>\$ -5,091 <i>Appropriation Decrease</i></p> <p>County Child Welfare</p> <p>\$ -9,621 —nonrecurring projects.</p> <p>-8,867 —nonrecurring 2010-11 budgetary freeze amount.</p> <p>-5,500 —Initiative—Smart Purchasing. Saving achieved through federal reimbursement for permanent legal guardianship services.</p> <p>2,400 —Initiative—Smart Purchasing. Loss of revenue resulting from the youth development center consolidation initiative.</p> <hr/> <p>\$ -21,588 <i>Appropriation Decrease</i></p>	<p>Domestic Violence</p> <p>\$ -124 —nonrecurring 2010-11 budgetary freeze amount.</p> <p>Rape Crisis</p> <p>\$ -71 —nonrecurring 2010-11 budgetary freeze amount.</p> <p>Breast Cancer Screening</p> <p>\$ -16 —nonrecurring 2010-11 budgetary freeze amount.</p> <p>Human Services Development Fund</p> <p>\$ -23,478 —program elimination.</p> <p>Legal Services</p> <p>\$ -30 —nonrecurring 2010-11 budgetary freeze amount.</p> <p>Homeless Assistance</p> <p>\$ -228 —nonrecurring 2010-11 budgetary freeze amount.</p> <p>Facilities and Service Enhancements</p> <p>\$ -2,700 —funding elimination.</p>
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Program: Human Services (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Youth Development Institutions and Forestry Camps	\$ 73,420	\$ 78,567	\$ 73,476	\$ 73,476	\$ 73,476	\$ 73,476	\$ 73,476
County Child Welfare.....	1,037,890	1,045,607	1,024,019	1,024,019	1,024,019	1,024,019	1,024,019
Domestic Violence.....	12,487	12,385	12,261	12,261	12,261	12,261	12,261
Rape Crisis.....	7,146	7,087	7,016	7,016	7,016	7,016	7,016
Breast Cancer Screening	1,653	1,639	1,623	1,623	1,623	1,623	1,623
Human Services Development Fund.....	25,346	23,478	0	0	0	0	0
Legal Services.....	3,033	3,039	3,009	3,009	3,009	3,009	3,009
Homeless Assistance	22,793	22,834	22,606	22,606	22,606	22,606	22,606
Facilities and Service Enhancements.....	450	2,700	0	0	0	0	0
TOTAL GENERAL FUND	\$ 1,184,218	\$ 1,197,336	\$ 1,144,010	\$ 1,144,010	\$ 1,144,010	\$ 1,144,010	\$ 1,144,010



PROGRAM OBJECTIVE: To promote opportunities for all Pennsylvania children and families by building systems and providing supports that help ensure access to high-quality child and family services.

Program: Child Development

The Department of Public Welfare promotes opportunities for all 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 educational disparities of young children that influence their ability to attain economic independence and self-sufficiency as adults.

Recognizing that child care is a consumer driven system, the department developed standards by which families can select high-quality child care. Keystone STARS is the largest, most comprehensive, voluntary quality rating program in the nation. The department offers technical assistance, financial incentives for staff development and additional staff compensation to enhance 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 families receiving cash assistance through the Temporary Assistance for Needy Families (TANF) program, families formerly receiving TANF and low-income families to access child care while their parents are attending training or working. The subsidy program uses both state and federal funds to supplement parental co-payments 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 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 age three, provides services and supports to children and their families in order to maximize the child’s development and to decrease the need for special education. These services are provided to the child and family in their home, community setting or early childhood education setting so that children are well prepared for school and life success.

The Nurse Family Partnership program also provides services that support early childhood development and assists parents to improve their child-rearing skills. The program provides intensive and comprehensive home visitation for pregnant teens and young women, starting with prenatal care and continuing through the child’s infancy. The program is designed to serve low-income, at-risk pregnant women expecting their first child.

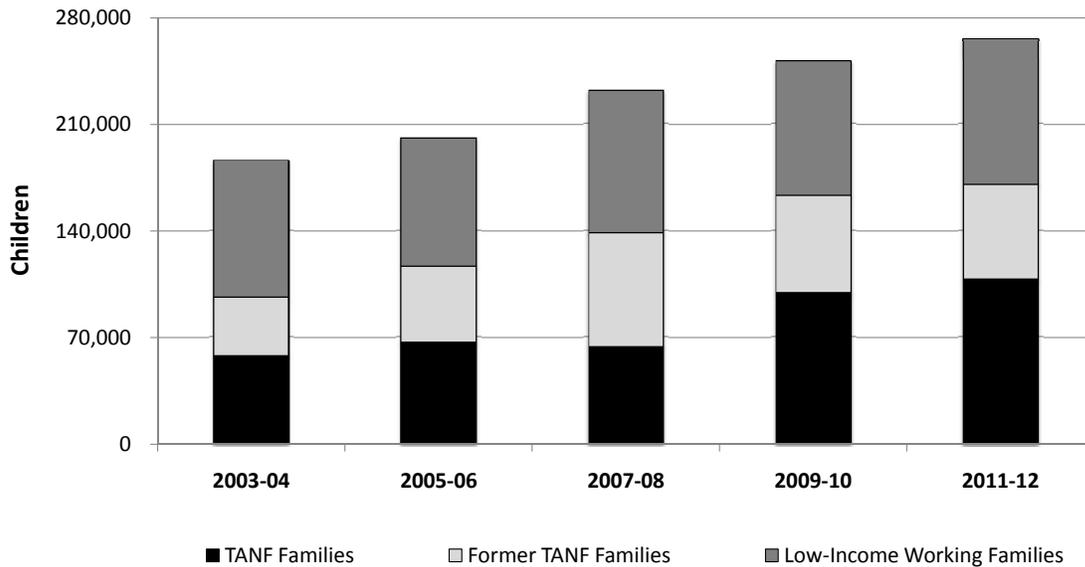
Child Care Funding	
<i>(Dollar Amounts in Thousands)</i>	
	<u>2011-12</u>
Low-Income Working Families	
State Funds ¹	\$ 171,720
Federal Funds	<u>240,254</u>
Total	<u>\$ 411,974</u>
TANF Recipients / Former TANF Recipients	
State Funds ²	\$ 190,335
Federal Funds	197,197
Other Funds	<u>4,000</u>
Total	<u>\$ 391,532</u>
Grand Total	<u><u>\$ 803,506</u></u>

¹ Child Care Services appropriation.
² Child Care Assistance appropriation.



Program: Child Development (continued)

Child Care



In 2011-12, the child care system will serve an estimated 80,100 more children of low-income families than in 2003-04, an increase of 30%.

Program Recommendations:

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

<p>Early Intervention</p> <p>\$ 8,019 —nonrecurring ARRA enhanced federal financial participation.</p> <p>6,977 —nonrecurring prior year carryover.</p> <p>2,448 —to annualize children added in 2010-11.</p> <p>782 —to continue current program.</p> <p>63 —revision of federal financial participation from 55.64% to 55.07%.</p> <p><u>-4,189</u> —elimination of unallocated funds.</p> <p>\$ 14,100 <i>Appropriation Increase</i></p>	<p>Community Based Family Centers</p> <p>\$ -6,321 —elimination of state funding.</p> <p>Child Care Assistance</p> <p>\$ 753 —to continue current program.</p>
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All other appropriations are recommended at current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Early Intervention.....	\$ 115,551	\$ 103,700	\$ 117,800	\$ 117,800	\$ 117,800	\$ 117,800	\$ 117,800
Community Based Family Centers.....	6,570	6,321	0	0	0	0	0
Child Care Services.....	171,720	171,720	171,720	171,720	171,720	171,720	171,720
Child Care Assistance.....	198,147	189,582	190,335	190,335	190,335	190,335	190,335
Nurse Family Partnership.....	11,978	11,978	11,978	11,978	11,978	11,978	11,978
TOTAL GENERAL FUND.....	\$ 503,966	\$ 483,301	\$ 491,833	\$ 491,833	\$ 491,833	\$ 491,833	\$ 491,833



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Human Services Support							
Third-party liability cases referred for recovery	21,367	14,300	14,400	14,500	14,600	14,700	14,800
Total dollars recovered (in thousands)	\$117,700	\$113,000	\$116,000	\$117,500	\$119,000	\$120,000	\$121,000
Recipient appeals cases receiving final disposition	60,112	65,000	65,000	65,000	65,000	65,000	65,000
Provider appeals cases receiving final disposition	1,542	700	1,000	1,500	1,500	1,500	1,500
On-line applications submitted thru COMPASS	604,562	582,380	623,145	654,305	687,020	721,370	757,440
Program: Medical Assistance							
Persons participating in Medical Assistance (monthly average)	2,072,461	2,176,010	2,273,555	2,371,335	2,468,955	2,570,600	2,676,420
Medical Assistance recipients served (monthly average): Fee-for-service delivery - Physical Health Only	877,706	924,477	982,240	1,031,745	1,074,220	1,118,440	1,164,485
Medical Assistance recipients served (monthly average): Average Managed Care Enrollment - Physical Health	1,194,755	1,251,533	1,291,315	1,339,590	1,394,735	1,452,155	1,511,935
Medical Assistance recipients served (monthly average): Average HealthChoices Behavioral Health enrollment	1,768,105	1,849,907	1,926,985	2,023,335	2,106,630	2,193,355	2,283,650
Outpatient							
Services/visits per 1,000 enrollees:							
Physician visits	2,429	2,505	2,510	2,515	2,520	2,525	2,530
Clinic visits	400	405	410	410	410	410	410
Emergency Room visits	445	440	440	440	435	435	435
Average prescriptions filled per enrollee per month	2.50	2.50	2.60	2.60	2.60	2.60	2.60
Percent of generic and over the counter prescriptions	75%	75%	70%	71%	71%	72%	72%
Percent of brand name prescriptions filled	25%	25%	26%	26%	26%	26%	26%
Average cost - generic and over the counter	\$11.48	\$12.05	\$13.25	\$14.60	\$16.05	\$17.65	\$19.65
Average cost - brand name	\$199.39	\$217.45	\$228.30	\$229.20	\$240.70	\$260.50	\$281.60
Inpatient							
Admissions per 1,000 enrollees:							
General Hospital	142	136	135	135	135	130	130
Rehabilitation Hospital	1	1	1	1	1	1	1
Private psychiatric hospital	4	4	4	4	4	4	4
Capitation							



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Percent of children from birth to 15 months visiting a physician 3 or more times in the past year	93.70%	94.80%	95.50%	96%	96.50%	97%	97.50%
Percent of children age 12 to 24 months visiting a doctor or nurse in the past year	95.80%	96.10%	96.50%	97%	97.50%	98%	98.50%
Percent of children 25 months to 6 years visiting a doctor or nurse in the past year	86.70%	88%	89%	89.50%	90%	91%	91.50%
Percent of pregnant women who received over 80% of the recommended prenatal visits	69.70%	72.80%	73.50%	74.50%	75%	76%	76.50%
Transportation Program							
One-way trips (in thousands)	11,748	12,227	12,225	12,225	12,225	12,225	12,225
Cost per trip	\$11.32	\$11.89	\$11.10	\$11.10	\$11.10	\$11.10	\$11.10
Medical Care for Workers with Disabilities							
Recipients Enrolled in Program (monthly average)	18,179	22,591	26,860	26,860	26,860	26,860	26,860
Program: Long Term Living							
Long-Term Care							
Recipients under age 60 receiving institutional care (annual unduplicated users)	7,612	7,395	7,180	6,960	6,745	6,525	6,310
Recipients over age 60 receiving institutional care (monthly average)	75,302	75,820	76,025	76,235	76,440	76,646	76,796
Percentage of long-term care recipients receiving institutional care	60.80%	57.50%	57.50%	57.50%	57.50%	57.50%	57.50%
Average monthly cost of nursing home care	\$5,167	\$5,217	\$5,271	\$5,324	\$5,377	\$5,431	\$5,490
Recipients over age 60 receiving home and community-based waiver services	23,757	25,570	25,570	25,570	25,570	25,570	25,570
Average monthly cost of home and community-based waiver services (age 60 age over)	\$1,646	\$1,672	\$1,672	\$1,672	\$1,672	\$1,672	\$1,672
Percentage of long-term care recipients receiving services in the community	33.90%	33.50%	35.10%	36.60%	38.10%	39.50%	N/A
Recipients receiving services through the LIFE program	2,024	2,975	2,975	2,975	2,975	2,975	2,975
Other Long-Term Living Services							
Recipients under age 60 receiving attendant care services (Waiver and Act 150)	9,999	10,840	10,840	10,840	10,840	10,840	10,840
Persons with developmental disabilities served in the community	6,776	7,435	7,435	7,435	7,435	7,435	7,435



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Income Maintenance							
Persons receiving cash assistance (monthly average)	240,650	250,380	256,005	259,405	259,405	259,405	259,405
Persons receiving State Supplemental Grants (monthly average)	359,307	370,085	381,185	392,625	404,400	416,535	429,030
Households receiving energy cash payments	432,834	489,630	364,780	364,780	364,780	364,780	364,780
Households receiving energy crisis payments	130,294	188,720	38,530	38,530	38,530	38,530	38,530
TANF recipients enrolled in RESET employment and training program (monthly average)	22,367	21,355	12,755	12,755	12,755	12,755	12,755
TANF recipients obtaining employment	19,045	20,600	20,600	20,600	20,600	20,600	20,600
Child support orders established	401,734	424,000	424,000	424,000	424,000	424,000	424,000
Child support collected (in millions)	\$1,434	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Program: Mental Health							
Community Mental Health Services							
Total persons provided mental health services	530,387	534,460	538,265	542,105	545,985	549,905	553,865
Persons receiving mental health inpatient and outpatient services from community mental health funds (unduplicated)	123,129	124,490	124,650	124,650	124,650	124,650	124,650
Persons receiving services through Medical Assistance expenditures (fee for service and HealthChoices) (unduplicated)	377,076	380,375	384,180	388,020	391,900	395,820	399,780
Persons receiving services through BHSI funds (unduplicated)	27,086	27,000	27,000	27,000	27,000	27,000	27,000
Average cost per person served	\$3,829	\$3,855	\$3,890	\$3,945	\$3,980	\$4,010	\$4,040
Substance Abuse Services							
Total persons receiving DPW administered substance abuse services	112,568	115,000	115,000	115,000	115,000	115,000	115,000
Persons receiving services through Medical Assistance expenditures (fee-for-service and HealthChoices) (unduplicated)	63,103	63,735	63,735	63,735	63,735	63,735	63,735
Non-hospital detoxification and rehabilitation clients	6,013	6,000	6,000	6,000	6,000	6,000	6,000
Persons receiving services through BHSI funds (unduplicated)	46,166	46,500	46,500	46,500	46,500	46,500	46,500
Average cost per person served	\$2,035	\$2,055	\$2,055	\$2,055	\$2,055	\$2,055	\$2,055
State Mental Hospitals							
Total persons served in State Mental Hospitals	2,812	2,780	2,620	2,620	2,620	2,620	2,620



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Total admissions to State Mental Hospitals	1,101	1,110	1,110	1,110	1,110	1,110	1,110
Cost per person in State Mental Hospital population	\$140,750	\$142,160	\$142,160	\$142,160	\$142,160	\$142,160	\$142,160
Forensic admissions to State Mental Hospitals	415	510	510	510	510	510	510
Percentage of adults readmitted to State Mental Hospitals within one year of last discharge	11%	9%	9%	9%	9%	9%	9%
Percentage of persons in State Mental Hospitals with stay longer than two years	36%	33%	33%	33%	33%	33%	33%
Program: Intellectual Disabilities							
Persons receiving Autism services during fiscal year	202	322	408	408	408	408	408
Persons receiving Intellectual Disability services during fiscal year	53,399	53,410	53,420	53,420	53,420	53,420	53,420
Persons receiving residential services (at end of year):							
Private ID/ICF	2,525	2,495	2,460	2,460	2,460	2,460	2,460
State Centers	1,229	1,190	1,150	1,110	1,070	1,030	990
Persons receiving Intellectual Disability services during fiscal year: Home and Community Services	50,464	50,500	50,620	50,620	50,620	50,620	50,620
Average cost of individuals served in the community:							
Residential Services	\$102,086	\$102,490	\$107,640	\$107,640	\$107,640	\$107,640	\$107,640
Non-residential services (Day programs or other supports)	\$14,988	\$14,670	\$15,570	\$15,570	\$15,570	\$15,570	\$15,570
Program: Human Services							
Youth Development Centers							
Youth served	1,151	1,200	1,200	1,200	1,200	1,200	1,200
Occupancy rates	79%	85%	85%	85%	85%	85%	85%
Youth in work experience	617	600	600	600	600	600	600
Family Support Services							
Unduplicated annual number of children receiving child welfare services at home	120,800	120,800	120,800	120,800	120,800	120,800	120,800
Out of home placements in:							
Community residential programs	24,064	23,583	23,110	22,650	22,200	21,750	21,320
In-state institutional care programs (annual unduplicated recipients)	3,592	3,555	3,520	3,485	3,450	3,415	3,380
Children in out of state programs	348	338	325	320	310	300	290
Percentage of children reunited with parents or primary caregiver within twelve months of placement	46.70%	47.20%	47.70%	48.20%	48.70%	49.20%	49.70%



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Percentage of children not returning to care within 12 months of discharge to parents or primary caregivers	71.50%	71.50%	71.50%	71.50%	71.50%	71.50%	71.50%
Finalized Adoptions	2,341	2,365	2,390	2,410	2,435	2,460	2,485
Children reaching permanency outside of adoption	1,736	1,760	1,790	1,815	1,845	1,870	1,900
Investigations of reported child abuse	25,248	24,870	24,495	24,130	23,765	23,410	23,060
Percentage of child abuse investigations substantiated	14.90%	14.90%	14.90%	14.90%	14.90%	14.90%	14.90%
Homeless Assistance							
Total persons receiving homeless services	90,730	110,000	110,000	110,000	110,000	110,000	110,000
Human Services							
Domestic violence victims served	46,000	46,000	46,000	46,000	46,000	46,000	46,000
Rape crisis/sexual assault persons served	26,885	26,885	26,885	26,885	26,885	26,885	26,885
Breast cancer screening clients	114,455	114,455	114,455	114,455	114,455	114,455	114,455
Legal service clients	21,073	20,325	20,325	20,325	20,325	20,325	20,325
Program: Child Development							
Child Development							
Children enrolled in Keystone STARS facilities	168,530	172,520	172,520	172,520	172,520	172,520	172,520
Number of Keystone STARS facilities	4,420	4,650	4,650	4,650	4,650	4,650	4,650
Percent of child care centers participating in Keystone STARS	67%	70%	70%	70%	70%	70%	70%
Children participating in subsidized child care (unduplicated)	251,347	263,985	266,070	266,070	266,070	266,070	266,070
Children participating in subsidized child care (monthly average):							
Welfare/TANF Families	34,845	38,612	37,623	37,835	37,835	37,835	37,835
Former TANF Families	33,807	31,854	32,611	32,611	32,611	32,611	32,611
Low-income working families	61,085	64,615	64,615	64,615	64,615	64,615	64,615
Percentage of children participating in subsidized child care enrolled in a department regulated setting:							
TANF Families	76%	76%	76%	76%	76%	76%	76%
Former TANF Families	70%	70%	70%	70%	70%	70%	70%
Low-income working families	80%	80%	80%	80%	80%	80%	80%
Early Intervention							
Children participating in Early Intervention (EI) services	33,288	34,385	35,300	35,300	35,300	35,300	35,300



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Children who met their individual goals and no longer needed EI services prior to their third birthday	3,162	3,815	4,210	4,210	4,210	4,210	4,210
Children who met their individual goals at their third birthday and no longer needed EI services	742	740	740	740	740	740	740
Percent of EI children served in typical early childhood educational settings (e.g. home, child care, Head Start)	99%	99%	99%	99%	99%	99%	99%





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.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 134,822 a	\$ 135,229	\$ 135,229
(A)Cigarette Fines and Penalties.....	30	41	40
(A)Cigarette Tax Enforcement.....	834	762	740
(A)Services to Special Funds.....	12,289	11,761	12,003
(A)EDP and Staff Support.....	4,327	6,692	6,512
(A)Tax Information.....	506	110	110
(A)Private Letter Valuation Charges.....	0	1	1
(A)Local Sales Tax.....	4,220	3,472	3,371
(A)Small Games of Chance.....	204	205	205
(A)Reimbursed Costs from Other Agencies.....	2,054	2,266	2,200
(A)BTFT - Fines and Penalties.....	93	200	200
(A)RTT Local Collection.....	246	165	165
(A)Sale of Equipment.....	0	10	10
(A)Reimbursement for Tax Amnesty Admin.....	10,700	2,000	0
(A)Enhanced Revenue Collections.....	0	4,300	4,300
(A)Sales of Automobiles.....	1	0	0
Commissions - Inheritance & Realty Transfer Taxes (EA).....	6,054	6,431	7,322
Technology and Process Modernization.....	15,200	15,869	22,950
Subtotal - State Funds.....	\$ 156,076	\$ 157,529	\$ 165,501
Subtotal - Augmentations.....	35,504	31,985	29,857
Total - General Government.....	\$ 191,580	\$ 189,514	\$ 195,358
<i>Grants and Subsidies:</i>			
Distribution of Public Utility Realty Tax.....	\$ 30,306	\$ 32,202	\$ 32,160
STATE FUNDS.....	\$ 186,382	\$ 189,731	\$ 197,661
AUGMENTATIONS.....	35,504	31,985	29,857
GENERAL FUND TOTAL.....	\$ 221,886	\$ 221,716	\$ 227,518
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Collections - Liquid Fuels Tax.....	\$ 14,197	\$ 15,218	\$ 15,218
(F)Federal Fuel Tax Evasion Project (EA).....	342	130	250
Subtotal - State Funds.....	\$ 14,197	\$ 15,218	\$ 15,218
Subtotal - Federal Funds.....	342	130	250
Total - General Government.....	\$ 14,539	\$ 15,348	\$ 15,468
<i>Refunds:</i>			
Refunding Liquid Fuels Tax (EA).....	\$ 10,000	\$ 11,000	\$ 11,000
STATE FUNDS.....	\$ 24,197	\$ 26,218	\$ 26,218
FEDERAL FUNDS.....	342	130	250
MOTOR LICENSE FUND TOTAL.....	\$ 24,539	\$ 26,348	\$ 26,468
LOTTERY FUND:			
<i>General Government:</i>			
General Operations (EA).....	\$ 38,726 b	\$ 40,976	\$ 39,897
(A)License Fees.....	142	163	147
(A)Annuity Assignment Fees.....	6	13	6
(A)Sale of Automobiles.....	2	0	2
Lottery Advertising (EA).....	37,900	37,000	37,000
(A)PowerBall Advertising Reimbursement.....	3,329	0	200
Property Tax Rent Rebate - General Operations (EA).....	13,407 c	14,046	13,847



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
On-Line Vendor Commissions (EA)	29,441	32,018	30,653
Instant Vendor Commissions (EA)	18,043	22,132	21,032
Payment of Prize Money (EA)	329,367	348,341	347,414
Subtotal - State Funds.....	\$ 466,884	\$ 494,513	\$ 489,843
Subtotal - Augmentations.....	3,479	176	355
Total - General Government.....	<u>\$ 470,363</u>	<u>\$ 494,689</u>	<u>\$ 490,198</u>
Grants and Subsidies:			
Property Tax & Rent Assistance for Older Pennsylvanians (EA).....	\$ 278,000	\$ 285,500	\$ 283,900
STATE FUNDS.....	\$ 744,884	\$ 780,013	\$ 773,743
AUGMENTATIONS.....	3,479	176	355
LOTTERY FUND TOTAL	<u>\$ 748,363</u>	<u>\$ 780,189</u>	<u>\$ 774,098</u>
RACING FUND:			
General Government:			
Collections - State Racing (EA).....	\$ 234	\$ 238	\$ 238
OTHER FUNDS:			
PROPERTY TAX RELIEF FUND:			
Transfer to the State Lottery Fund.....	\$ 0 ^d	\$ 0 ^d	\$ 0 ^d
STATE GAMING FUND:			
(R)General Operations.....	\$ 9,754	\$ 9,942	\$ 9,501
Transfer to Compulsive/Problem Gambling Treatment Fund (EA).....	0 ^e	0 ^e	0 ^e
Transfer to the Property Tax Relief Fund (EA).....	0 ^f	0 ^f	0 ^f
STATE GAMING FUND TOTAL	<u>\$ 9,754</u>	<u>\$ 9,942</u>	<u>\$ 9,501</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 186,382	\$ 189,731	\$ 197,661
SPECIAL FUNDS.....	769,315	806,469	800,199
FEDERAL FUNDS.....	342	130	250
AUGMENTATIONS.....	38,983	32,161	30,212
OTHER FUNDS.....	9,754	9,942	9,501
TOTAL ALL FUNDS	<u><u>\$ 1,004,776</u></u>	<u><u>\$ 1,038,433</u></u>	<u><u>\$ 1,037,823</u></u>

^a Appropriated as \$128,623,000 for General Government Operations and \$6,199,000 for Revenue Enforcement.

^b Authorized as part of the \$35,216,000 for General Operations and \$16,917,000 for Expanded Sales.

^c Authorized as part of the \$35,216,000 for General Operations.

^d Not added to the total to avoid double counting with the program expenditures from the Lottery Fund: 2009-10 Actual is \$176,700,000; 2010-11 Available is \$165,900,000; and 2011-12 Budget is \$164,100,000.

^e Not added to the total to avoid double counting with the program expenditures from the Compulsive and Problem Gambling Treatment Fund shown in the Department of Health: 2009-10 Actual is \$5,471,000; 2010-11 Available is \$8,756,000; and 2011-12 Budget is \$7,800,000 (including \$3,000,000 for Drug and Alcohol Treatment Services in each of those fiscal years).

^f Not added to the total to avoid double counting with the program expenditures from the Property Tax Relief Fund shown in the Department of Education: 2009-10 Actual is \$613,200,000; 2010-11 Available is \$616,500,000; and 2011-12 Budget is \$617,200,000.



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
REVENUE COLLECTION AND ADMINISTRATION							
GENERAL FUND.....	\$ 156,076	\$ 157,529	\$ 165,501	\$ 162,904	\$ 157,620	\$ 155,872	\$ 145,557
SPECIAL FUNDS.....	491,315	520,969	516,299	518,622	522,042	525,555	529,224
FEDERAL FUNDS.....	342	130	250	250	250	250	250
OTHER FUNDS.....	48,737	42,103	39,713	39,713	39,713	39,713	39,713
SUBCATEGORY TOTAL.....	\$ 696,470	\$ 720,731	\$ 721,763	\$ 721,489	\$ 719,625	\$ 721,390	\$ 714,744
COMMUNITY DEVELOPMENT AND PRESERVATION							
GENERAL FUND.....	\$ 30,306	\$ 32,202	\$ 32,160	\$ 33,767	\$ 35,456	\$ 37,228	\$ 39,090
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.....	\$ 30,306	\$ 32,202	\$ 32,160	\$ 33,767	\$ 35,456	\$ 37,228	\$ 39,090
HOMEOWNERS AND RENTERS ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	278,000	285,500	283,900	284,600	285,300	286,100	286,800
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 278,000	\$ 285,500	\$ 283,900	\$ 284,600	\$ 285,300	\$ 286,100	\$ 286,800
ALL PROGRAMS:							
GENERAL FUND.....	\$ 186,382	\$ 189,731	\$ 197,661	\$ 196,671	\$ 193,076	\$ 193,100	\$ 184,647
SPECIAL FUNDS.....	769,315	806,469	800,199	803,222	807,342	811,655	816,024
FEDERAL FUNDS.....	342	130	250	250	250	250	250
OTHER FUNDS.....	48,737	42,103	39,713	39,713	39,713	39,713	39,713
DEPARTMENT TOTAL.....	\$ 1,004,776	\$ 1,038,433	\$ 1,037,823	\$ 1,039,856	\$ 1,040,381	\$ 1,044,718	\$ 1,040,634



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, Racing and Gaming 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 and 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. To ensure fairness in tax administration, the department audits and verifies tax returns to detect fraud and non-filers. In addition, there is an 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 and Mega Millions games, mid-day drawings and Player-Activated Terminal installations.

Program Recommendation:

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

	GENERAL FUND				
	Commissions - Inheritance & Realty Transfer Taxes (EA)		\$	-1,365	On-Line Vendor Commissions (EA)
\$	891	—based on current revenue estimates.			—based on the latest projection of program requirements.
	Technology and Process Modernization		\$	-1,100	Instant Vendor Commissions (EA)
\$	7,081	—to continue modernizing the department's tax information systems and revenue collection processes.			—based on the latest projection of program requirements.
	LOTTERY FUND				Payment of Prize Money (EA)
	General Operations (EA)		\$	-927	—based on the latest projection of program requirements.
\$	-1,079	—reduced equipment and maintenance costs.			
	Property Tax Rent Rebate - General Operations (EA)				
\$	-199	—decrease in administrative costs.			

All other appropriations are recommended at the current funding level.

Program: Revenue Collection and Administration (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
General Government Operations	\$ 134,822	\$ 135,229	\$ 135,229	\$ 135,229	\$ 135,229	\$ 135,229	\$ 135,229
Commissions - Inheritance & Realty Transfer Taxes (EA)	6,054	6,431	7,322	7,675	8,891	9,643	10,328
Technology and Process Modernization....	<u>15,200</u>	<u>15,869</u>	<u>22,950</u>	<u>20,000</u>	<u>13,500</u>	<u>11,000</u>	<u>0</u>
TOTAL GENERAL FUND	<u>\$ 156,076</u>	<u>\$ 157,529</u>	<u>\$ 165,501</u>	<u>\$ 162,904</u>	<u>\$ 157,620</u>	<u>\$ 155,872</u>	<u>\$ 145,557</u>
MOTOR LICENSE FUND:							
Collections - Liquid Fuels Tax	\$ 14,197	\$ 15,218	\$ 15,218	\$ 15,218	\$ 15,218	\$ 15,218	\$ 15,218
Refunding Liquid Fuels Tax (EA)	<u>10,000</u>	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>
TOTAL MOTOR LICENSE FUND	<u>\$ 24,197</u>	<u>\$ 26,218</u>	$ 26,218	$ 26,218	$ 26,218	$ 26,218	$ 26,218
LOTTERY FUND:							
General Operations (EA)	\$ 38,726	\$ 40,976	\$ 39,897	\$ 39,746	\$ 40,781	\$ 41,868	\$ 43,009
Lottery Advertising (EA)	37,900	37,000	37,000	37,000	37,000	37,000	37,000
Property Tax Rent Rebate - General Operations (EA)	13,407	14,046	13,847	14,126	14,418	14,725	15,048
On-Line Vendor Commissions (EA)	29,441	32,018	30,653	30,873	30,936	31,080	31,234
Instant Vendor Commissions (EA)	18,043	22,132	21,032	21,252	21,491	21,721	21,957
Payment of Prize Money (EA)	<u>329,367</u>	<u>348,341</u>	<u>347,414</u>	<u>349,169</u>	<u>350,960</u>	<u>352,705</u>	<u>354,420</u>
TOTAL LOTTERY FUND	<u>\$ 466,884</u>	<u>\$ 494,513</u>	<u>\$ 489,843</u>	<u>\$ 492,166</u>	<u>\$ 495,586</u>	<u>\$ 499,099</u>	<u>\$ 502,668</u>
RACING FUND:							
Collections - State Racing (EA)	<u>\$ 234</u>	$ 238	$ 238	$ 238	$ 238	$ 238	<u>\$ 238</u>



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 ensuring 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 deregulation which opened market competition and changed 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 Recommendation:

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

\$ -42 **Distribution of Public Utility Realty Tax**
—reflects normal fluctuations in tax assessments.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Distribution of Public Utility Realty Tax	\$ 30,306	\$ 32,202	\$ 32,160	\$ 33,767	\$ 35,456	\$ 37,228	\$ 39,090

PROGRAM OBJECTIVE: To increase economic stability by assisting eligible Pennsylvania citizens to maintain their homes.

Program: Homeowners and Renters Assistance

This program allows Pennsylvanians 65 years of age or older, surviving spouses over 50 and permanently disabled citizens 18 years of age or older 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 2009-10, the average tax assistance payment was \$437.80, and the average rent rebate was \$530.30.

Act 1 of Special Session No. 1 of 2006 dramatically expanded the Property Tax / Rent Rebate program to give more Pennsylvanians a rebate while also increasing the amounts of the rebates. The expansion includes increasing the household income limit from \$15,000 to \$35,000 and increasing the maximum rebate from \$500 to \$650.

Program Recommendation:

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

Property Tax & Rent Assistance for Older Pennsylvanians (EA)
 \$ -1,600 —based on current estimates for decreased participation.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
LOTTERY FUND:							
Property Tax & Rent Assistance for Older Pennsylvanians (EA).....	\$ 278,000	\$ 285,500	\$ 283,900	\$ 284,600	\$ 285,300	\$ 286,100	\$ 286,800



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Revenue Collection and Administration							
Active accounts by tax type							
Corporation	355,318	355,000	355,000	355,000	355,000	355,000	355,000
Sales and Use	332,808	325,000	325,000	325,000	325,000	325,000	325,000
Employer	361,997	362,000	363,000	364,000	365,000	366,000	367,000
Personal Income Tax	6,239,340	5,950,000	5,950,000	5,950,000	5,950,000	5,950,000	5,950,000
Liquid Fuels	780	760	760	760	760	760	760
Motor Carrier - IFTA	12,948	12,850	12,850	12,850	12,850	12,850	12,850
Motor Carrier - Pennsylvania only	12,098	12,000	12,000	12,000	12,000	12,000	12,000
Personal Income Tax							
Returns Processed	5,847,441	6,050,000	6,100,000	6,150,000	6,200,000	6,250,000	6,300,000
Total electronic	3,709,651	3,900,000	4,000,000	4,100,000	4,200,000	4,300,000	4,400,000
Total paper	2,137,790	2,150,000	2,100,000	2,050,000	2,000,000	1,950,000	1,900,000
Pass Through Business (PTB) assessments							
Assessments as a result of PTB action (in millions)	\$105	\$110	\$130	\$130	\$130	\$130	\$130
Assessment collections as a result of PTB action (in millions)	\$27	\$33	\$39	\$39	\$39	\$39	\$39
Delinquent Collections							
Collections from delinquent accounts (in millions)	\$689	\$681	\$686	\$691	\$696	\$701	\$706
Delinquent taxes collected per dollar spent	\$11.81	\$11.50	\$11	\$11	\$11	\$11	\$11
Board of Appeals							
Appeals filed with the Board of Appeals (all tax types)	22,925	23,185	23,185	23,185	23,185	23,185	23,185
Average time to close Board of Appeals cases (in days)	75	70	70	70	70	70	70
Taxpayer Services							
Electronic business tax registrations as a percentage of the total	85%	86%	87%	88%	89%	90%	91%
Taxpayer Service and Information Center calls answered	345,675	400,000	400,000	400,000	400,000	400,000	400,000
Use and Cigarette Tax							
Use Tax Compliance Program Collections	\$37,451,886	\$35,000,000	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Business License Information							
Increase in delinquent tax collections	\$1,488,610	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Lottery Operations							
Lottery operating costs as a percentage of ticket sales (includes advertising and commissions)	3.34%	2.92%	2.83%	2.82%	2.82%	2.82%	2.81%
Lottery operating costs as a percentage of ticket sales (includes cost of lottery administration only)	1.15%	1.31%	1.27%	1.26%	1.29%	1.31%	1.34%
Program: Community Development and Preservation							
Taxing authorities receiving funds	2,949	2,900	2,900	2,900	2,900	2,900	2,900
Program: Homeowners and Renters Assistance							
Households provided property tax or rent assistance	579,754	611,000	609,000	608,000	607,000	606,000	606,000
Households applying by June 30	553,364	550,000	550,000	550,000	550,000	550,000	550,000
Rebates mailed by July 31	513,700	519,000	519,000	519,000	519,000	519,000	519,000



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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.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 1,386	\$ 1,145	\$ 1,131
(A)Consumer Protection	7,727	7,727	8,186
Subtotal - State Funds.....	\$ 1,386	\$ 1,145	\$ 1,131
Subtotal - Augmentations.....	7,727	7,727	8,186
Total - General Government.....	\$ 9,113	\$ 8,872	\$ 9,317
STATE FUNDS.....	\$ 1,386	\$ 1,145	\$ 1,131
AUGMENTATIONS.....	7,727	7,727	8,186
GENERAL FUND TOTAL.....	\$ 9,113	\$ 8,872	\$ 9,317



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
SECURITIES INDUSTRY REGULATION							
GENERAL FUND.....	\$ 1,386	\$ 1,145	\$ 1,131	\$ 1,131	\$ 1,131	\$ 1,131	\$ 1,131
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	7,727	7,727	8,186	8,186	8,186	8,186	8,186
SUBCATEGORY TOTAL.....	\$ 9,113	\$ 8,872	\$ 9,317	\$ 9,317	\$ 9,317	\$ 9,317	\$ 9,317
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1,386	\$ 1,145	\$ 1,131	\$ 1,131	\$ 1,131	\$ 1,131	\$ 1,131
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	7,727	7,727	8,186	8,186	8,186	8,186	8,186
DEPARTMENT TOTAL.....	\$ 9,113	\$ 8,872	\$ 9,317	\$ 9,317	\$ 9,317	\$ 9,317	\$ 9,317



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 made 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 also allow the Pennsylvania Securities Commission to enhance consumer protection operations and securities regulation.

Program Recommendations:

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

		General Government Operations
\$	-22	—nonrecurring 2010-11 budgetary freeze amount.
	<u>8</u>	—to continue current program.
\$	-14	<i>Appropriation Decrease</i>

This budget also recommends an increase in augmentation support for the agency to address increased responsibilities due to the passage of federal financial reform legislation.

Apropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
General Government Operations	\$ <u>1,386</u>	\$ <u>1,145</u>	\$ <u>1,131</u>	\$ <u>1,131</u>	\$ <u>1,131</u>	\$ <u>1,131</u>	\$ <u>1,131</u>

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Securities Industry Regulation							
Securities filings received	4,931	5,500	5,500	5,500	5,500	5,500	5,500
Securities filings cleared	4,823	5,475	5,475	5,475	5,475	5,475	5,475
Securities cleared for sale (in billions)	\$242,177	\$260,000	\$260,000	\$260,000	\$260,000	\$260,000	\$260,000
Broker-dealers registered	2,374	2,450	2,520	2,595	2,670	2,750	2,830
Agents registered	168,864	177,300	186,200	195,500	205,300	215,500	226,300
Investment advisers registered	2,695	2,800	2,860	2,950	3,040	3,130	3,225
Investment adviser representatives registered	11,973	12,930	16,930	18,300	19,800	21,300	23,000
Formal investigations conducted	98	104	106	108	110	112	114
Compliance examinations conducted	98	105	110	115	120	125	130
Enforcement/compliance actions	76	85	90	95	100	105	110



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 29 professional and occupational licensing boards.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 3,808	\$ 3,340	\$ 3,142
(F)Federal Election Reform.....	38,000	38,000	25,670
(F)Election Data Collection.....	1,490	1,409	0
(A)Departmental Services.....	0 ^a	0 ^a	0 ^a
(R)Professional and Occupational Affairs.....	34,148 ^b	38,800 ^b	35,552 ^b
(R)State Board of Medicine.....	6,614 ^b	6,393 ^b	6,665 ^b
(R)State Board of Osteopathic Medicine.....	922 ^b	973 ^b	960 ^b
(R)State Board of Podiatry.....	195 ^b	189 ^b	189 ^b
(R)State Athletic Commission.....	526 ^b	518 ^b	509 ^b
(R)Corporation Bureau (EA).....	4,721 ^c	4,983 ^c	5,016 ^c
Subtotal.....	<u>\$ 90,424</u>	<u>\$ 94,605</u>	<u>\$ 77,703</u>
Statewide Uniform Registry of Electors.....	4,400	3,887	3,813
Voter Registration.....	468	468	456
(F)Elections Assistance - Grants to Counties.....	2,242	2,242	1,800
Subtotal.....	<u>\$ 2,710</u>	<u>\$ 2,710</u>	<u>\$ 2,256</u>
Lobbying Disclosure.....	384	364	694
Publishing State Reapportionment Maps.....	0	0	1,400
Publishing Federal Reapportionment Maps.....	0	0	300
Subtotal - State Funds.....	\$ 9,060	\$ 8,059	\$ 9,805
Subtotal - Federal Funds.....	41,732	41,651	27,470
Subtotal - Restricted Revenues.....	47,126	51,856	48,891
Total - General Government.....	<u>\$ 97,918</u>	<u>\$ 101,566</u>	<u>\$ 86,166</u>
<i>Grants and Subsidies:</i>			
Voting of Citizens in Military Service.....	\$ 40	\$ 40	\$ 40
County Election Expenses (EA).....	725	397	397
Total - Grants and Subsidies.....	<u>\$ 765</u>	<u>\$ 437</u>	<u>\$ 437</u>
STATE FUNDS.....	\$ 9,825	\$ 8,496	\$ 10,242
FEDERAL FUNDS.....	41,732	41,651	27,470
RESTRICTED REVENUES.....	47,126	51,856	48,891
GENERAL FUND TOTAL.....	<u>\$ 98,683</u>	<u>\$ 102,003</u>	<u>\$ 86,603</u>
OTHER FUNDS:			
GENERAL FUND:			
Lobbying Disclosure (R).....	\$ 491	\$ 490	\$ 175
REAL ESTATE RECOVERY FUND:			
Real Estate Recovery Payments (EA).....	\$ 100	\$ 150	\$ 150



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 9,825	\$ 8,496	\$ 10,242
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	41,732	41,651	27,470
RESTRICTED.....	47,126	51,856	48,891
OTHER FUNDS.....	591	640	325
TOTAL ALL FUNDS.....	\$ 99,274	\$ 102,643	\$ 86,928

^a Not added to the total to avoid double counting: 2009-10 Actual is \$4,474,000, 2010-11 Available is \$4,514,000 and 2011-12 Budget is \$5,171,000.

^b Appropriated from restricted revenue account.

^c Executive Authorization from a restricted revenue account.



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
CONSUMER PROTECTION							
GENERAL FUND.....	\$ 9,825	\$ 8,496	\$ 10,242	\$ 8,447	\$ 8,417	\$ 8,417	\$ 8,417
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	41,732	41,651	27,470	27,477	27,477	27,477	27,477
OTHER FUNDS.....	47,717	52,496	49,216	49,341	49,341	49,341	49,341
SUBCATEGORY TOTAL.....	<u>\$ 99,274</u>	<u>\$ 102,643</u>	<u>\$ 86,928</u>	<u>\$ 85,265</u>	<u>\$ 85,235</u>	<u>\$ 85,235</u>	<u>\$ 85,235</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 9,825	\$ 8,496	\$ 10,242	\$ 8,447	\$ 8,417	\$ 8,417	\$ 8,417
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	41,732	41,651	27,470	27,477	27,477	27,477	27,477
OTHER FUNDS.....	47,717	52,496	49,216	49,341	49,341	49,341	49,341
DEPARTMENT TOTAL.....	<u>\$ 99,274</u>	<u>\$ 102,643</u>	<u>\$ 86,928</u>	<u>\$ 85,265</u>	<u>\$ 85,235</u>	<u>\$ 85,235</u>	<u>\$ 85,235</u>



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 programs within the Consumer Protection program.

Program Element: Protection of the Electoral Process

This program ensures the 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. As required by the Election Code, committees file campaign expense reports and 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 approximately 9,300 election precincts.

Act 61 of 2001 amended the Pennsylvania Voter Registration Act and requires the department to develop and maintain 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 program functions include commissioning gubernatorial appointees to boards and commissions and preparing commissions for judges, magisterial district judges and notaries public, as well as enforcement of the Notary Public Law. In addition, the department maintains a record of all legislation passed by the General Assembly by docketing the bills and assigning act numbers.

Act 134 of 2006, the Lobbying Disclosure Act, assigns registration and monitoring duties to the department. The act requires that the department receive filings and reports from lobbyists, make this information available to the public, have the information on a Web site, produce annual reports and a biennial directory, conduct audits and provide administrative assistance to the regulating committee.

Program Element: Protection by Professional Licensing

This program ensures that acceptable professional and technical services are provided to the commonwealth's residents. To accomplish this, 29 boards of the Bureau of Professional and Occupational Affairs 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 used 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 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 Act, further provides for medical malpractice liability insurance, tort reform, mandatory reporting by and to state licensing boards and continuing medical education.

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 encompasses the activities of the Corporation Bureau, the Bureau of Charitable Organizations 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 2.6 million corporate entities in the database and the bureau processes approximately 109,000 corporate filings annually. It also registers approximately 135,000 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

Program: Consumer Protection (continued)

major objectives of the bureau are to promote transparency and disclosure by charities, educate consumers, and aggressively pursue fraudulent solicitation activities.

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.

The State Athletic Commission monitors and regulates all professional and amateur boxing, kickboxing and mixed martial arts events, professional wrestling contests, and the licensing of all persons who participate in these events. The individual license categories include announcer, agent, boxer, judge, manager, matchmaker, physician, promoter (including those promoting professional wrestling), referee, second, timekeeper and trainer.

Program Recommendations:

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

General Government Operations	
\$ -63	—nonrecurring 2010-11 budgetary freeze amount.
-135	—reduction in administrative costs.
<u>\$ -198</u>	<i>Appropriation Decrease</i>
Statewide Uniform Registry of Electors	
\$ -74	—nonrecurring 2010-11 budgetary freeze amount.
Voter Registration	
\$ -9	—nonrecurring 2010-11 budgetary freeze amount.
-3	—reduction in administrative costs.
<u>\$ -12</u>	<i>Appropriation Decrease</i>
Lobbying Disclosure	
\$ -7	—nonrecurring 2010-11 budgetary freeze amount.
337	—to continue current program based on most recent projection of biennial fees.
<u>\$ 330</u>	<i>Appropriation Increase</i>
Publishing State Reapportionment Maps	
\$ 1,400	—decennial reapportionment costs.
Publishing Federal Reapportionment Maps	
\$ 300	—decennial reapportionment costs.

This budget also recommends the following changes in appropriations and executive authorizations from restricted accounts:

Professional and Occupational Affairs	
\$ -2,170	—to continue current program based on updated allocation of Board costs.
-1,078	—nonrecurring projects.
<u>\$ -3,248</u>	<i>Appropriation Decrease</i>
State Board of Medicine	
\$ 499	—to continue current program based on updated allocation of Board costs.
-227	—nonrecurring project.
<u>\$ 272</u>	<i>Appropriation Increase</i>
State Board of Osteopathic Medicine	
\$ 27	—to continue current program based on updated allocation of Board costs.
-40	—nonrecurring project.
<u>\$ -13</u>	<i>Appropriation Decrease</i>
State Athletic Commission	
\$ -9	—to continue current program.
Corporation Bureau (EA)	
\$ 33	—to continue current program.

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

The State Board of Podiatry appropriation is recommended at the current year funding level.

Recommendations assume that fees for all boards will be sufficient to fund the recommended expenditure level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
General Government Operations	\$ 3,808	\$ 3,340	\$ 3,142	\$ 3,142	\$ 3,142	\$ 3,142	\$ 3,142
Statewide Uniform Registry of Electors	4,400	3,887	3,813	3,813	3,813	3,813	3,813
Voter Registration	468	468	456	456	456	456	456
Lobbying Disclosure	384	364	694	569	569	569	569
Electoral College	0	0	0	10	0	0	0
Publishing State Reapportionment Maps ..	0	0	1,400	0	0	0	0
Publishing Federal Reapportionment Maps	0	0	300	0	0	0	0
Voting of Citizens in Military Service	40	40	40	60	40	40	40
County Election Expenses (EA)	725	397	397	397	397	397	397
TOTAL GENERAL FUND	<u>\$ 9,825</u>	<u>\$ 8,496</u>	<u>\$ 10,242</u>	<u>\$ 8,447</u>	<u>\$ 8,417</u>	<u>\$ 8,417</u>	<u>\$ 8,417</u>



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Consumer Protection							
Electoral Process							
Voter registration transactions	990,000	990,000	1,000,000	1,500,000	990,000	990,000	1,000,000
Campaign finance reports filed online	3,700	3,800	4,100	3,900	4,400	4,100	4,500
Notary public commissions issued	27,500	28,000	28,500	29,000	29,500	30,000	30,500
Notary public commissions renewed	26,750	27,000	27,300	27,500	27,800	28,000	28,300
Certifications and apostilles completed	41,286	41,500	42,000	42,500	43,000	43,500	44,000
Commissions processed	1,008	950	1,800	1,200	900	950	950
Professional Licensing							
Licenses and renewals processed	350,914	370,000	360,000	380,000	370,000	390,000	380,000
Cases opened	10,948	12,500	13,500	15,000	16,500	18,500	19,700
Cases closed	11,314	12,000	13,500	15,000	16,500	18,500	19,700
Disciplinary actions	3,635	3,800	4,000	4,200	4,500	4,800	5,100
Regulation packages proposed and enacted	39	35	40	35	40	35	40
Enforcement and Investigation							
Inspections completed	17,984	19,000	19,000	19,000	19,000	19,000	19,000
Investigations opened	3,324	3,500	3,600	3,600	3,600	3,600	3,600
Investigations closed	3,412	3,500	3,600	3,600	3,600	3,600	3,600
Health Monitoring Program:							
Cases opened	1,395	1,600	1,750	1,900	1,950	2,000	2,050
Cases closed	1,291	1,550	1,700	1,850	1,900	1,950	1,950
Licensees who completed a recovery program	176	180	185	190	195	205	210
Corporation Bureau							
Business entity and trademark filings	108,674	111,000	113,000	115,000	118,000	120,000	122,000
Uniform Commercial Code filings	135,369	138,000	141,000	144,000	147,000	149,000	152,000
Corporate and Uniform Commercial Code requests	179,394	183,000	187,000	190,000	194,000	198,000	202,000
Charitable Organizations							
Charity registrations	11,250	11,600	11,900	12,300	12,700	13,000	13,400
Professional fundraiser registrations	418	420	420	420	420	420	420
Professional fundraiser contract filings	1,603	1,600	1,600	1,600	1,600	1,600	1,600
Investigations opened	341	250	250	250	250	250	250
Investigations closed	325	250	250	250	250	250	250



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
State Athletic Commission							
Professionals licensed	2,012	1,150	1,150	1,150	1,170	1,170	1,170
Boxing events (professional, amateur and kickboxing) and mixed martial arts events	135	150	150	150	150	150	150
Wrestling events	344	320	320	320	320	320	320



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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; to 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.



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State Employees' Retirement System

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
National Guard - Employer Contribution.....	\$ 4	\$ 4	\$ 4
OTHER FUNDS:			
STATE EMPLOYEES' RETIREMENT FUND:			
State Employees' Retirement Administration.....	\$ 27,733	\$ 28,075	\$ 27,320
Directed Commissions.....	0	1,500	1,200
STATE EMPLOYEES' RETIREMENT FUND TOTAL.....	<u>\$ 27,733</u>	<u>\$ 29,575</u>	<u>\$ 28,520</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 4	\$ 4	\$ 4
SPECIAL FUNDS.....	0	0	0
OTHER FUNDS.....	27,733	29,575	28,520
TOTAL ALL FUNDS.....	<u><u>\$ 27,737</u></u>	<u><u>\$ 29,579</u></u>	<u><u>\$ 28,524</u></u>



State Employees' Retirement System

Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 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.....	27,733	29,575	28,520	28,520	28,520	28,520	28,520
SUBCATEGORY TOTAL.....	\$ 27,737	\$ 29,579	\$ 28,524	\$ 28,524	\$ 28,524	\$ 28,524	\$ 28,524
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.....	27,733	29,575	28,520	28,520	28,520	28,520	28,520
DEPARTMENT TOTAL.....	\$ 27,737	\$ 29,579	\$ 28,524	\$ 28,524	\$ 28,524	\$ 28,524	\$ 28,524



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 1923. The State Employees' Retirement Fund uses contributions by the employees and the employing agencies and earnings from investments for payment of annuities and disability benefits and for administration of the system. The State Employees' Retirement Fund is shown in the Other Special Funds Appendix.

The net assets available for benefits are in excess of \$25 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 for 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. As a result of Act 9 of 2001, effective January 2002, most system members contribute 6.25 percent of pay to the system, depending upon individual employee election of membership. Through December 31, 2010, normal retirement for most employees was 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 120 of 2010 brought about many significant changes to the system. Act 120 amended the benefit structure for

most new employees hired after December 31, 2010 and amended the funding provisions. Key benefit changes include: lowering the benefit accrual rate from 2.5 percent of final average salary for each year of service to 2 percent; setting the new employee contribution rate at 9.3 percent if employees elect to accrue service at 2.5 percent for each year of service; increasing the vesting period from 5 years to 10 years; eliminating the option for members to withdraw their contributions; increasing the normal retirement age to age 65 for most employees and age 55 for safety employees and members of the Legislature; implementing a shared risk provision that could raise or lower member contribution rates when annual returns over a multi-year period are higher or lower than the rate assumed for SERS' actuarial valuations. The Act also included changes to the funding provisions such as the fresh start of liabilities by re-amortizing existing liabilities and future experience gains and losses over 30 years with level dollar payments, and the implementation of employer contribution rate collars which are limits on the amount of year-over-year increases in the employer contribution rate. The collar is 3 percent for the fiscal year ending 2012, 3.5 percent for the fiscal year ending 2013 and 4.5 percent for all subsequent years. Once the actuarial calculated rate is below the collared rate, the collars will disappear.

The State Employees' Retirement Board is responsible for the administration of the commonwealth's 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 Other Special Funds Appendix.

Program Recommendations:

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

	STATE EMPLOYEES' RETIREMENT FUND	
	State Employees' Retirement	
	Administration	
\$	-755	—reduction in administrative costs.

The National Guard-Employer Contribution appropriation is recommended at the current year funding level.

In addition, \$1,200,000 in Directed Commission expenditures will be used to support this program.



State Employees' Retirement System

Program: State Employees' Retirement (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
National Guard - Employer Contribution....	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4
STATE EMPLOYEES' RETIREMENT FUND:							
State Employees' Retirement							
Administration	\$ 27,733	\$ 28,075	\$ 27,320	\$ 27,320	\$ 27,320	\$ 27,320	\$ 27,320
Directed Commissions.....	0	1,500	1,200	1,200	1,200	1,200	1,200
TOTAL STATE EMPLOYEES' RETIREMENT FUND.....	\$ 27,733	\$ 29,575	\$ 28,520	\$ 28,520	\$ 28,520	\$ 28,520	\$ 28,520



State Employees' Retirement System

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: State Employees' Retirement							
Retirement Counseling Sessions	10,000	10,000	10,000	8,000	8,000	8,000	8,000
Total number of retired employees and beneficiaries	110,910	113,602	115,793	118,125	120,278	122,194	123,887
Total benefit payments (in billions)	\$2.40	\$2.50	\$2.70	\$2.80	\$3.05	\$3.10	\$3.30

Retirement counseling sessions is 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.



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STATE POLICE

The mission of the State Police is to promote traffic safety, to 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.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 168,671	\$ 164,639	\$ 174,873
(F)Drug Enforcement.....	1,500	1,500	1,500
(F)Motor Carrier Safety.....	12,898	13,768	13,768
(F)Homeland Security Grants (EA).....	0	4,500	5,000
(F)Area Computer Crime.....	15,500	10,000	8,000
(F)Law Enforcement Preparedness (EA).....	7,000	5,000	5,110
(F)Construction Zone Patrolling (EA).....	10,000	10,000	10,000
(F)Combat Underage Drinking (EA).....	115	150	140
(F)Pa Port Security Grant (EA).....	2,635	10,500	500
(F)Law Enforcement Projects (EA).....	5,858	2,500	2,300
(F)ARRA- Stop Violence Against Women (EA).....	0	162	162
(F)ARRA-JAG Protection from Abuse Database (EA).....	0	184	185
(F)ARRA-JAG Instant Check System Rewrite (EA).....	0	290	290
(F)ARRA-JAG Megan's Law Modernization (EA).....	0	2,000	2,000
(A)Turnpike Commission.....	36,435	34,500	36,000
(A)Sale of Automobiles.....	14	30	20
(A)Criminal History Record Checks.....	7,851	8,750	7,500
(A)Training Fees.....	12	5	5
(A)Reimbursement for Services.....	3,864	2,700	3,000
(A)Electronic Surveillance.....	66	27	50
(A)Fingerprint Record Checks.....	1,960	3,735	2,000
(A)Registry of Protection.....	136	135	130
(A)Littering Fines.....	6	6	6
(A)PATCH Credit Card Receipts.....	4,242	3,236	3,500
(A)Photographic Services.....	23	20	20
(A)Delaware River Toll Bridge.....	1,955	1,500	1,600
(A)Miscellaneous Revenue.....	236	174	176
Subtotal.....	<u>\$ 280,977</u>	<u>\$ 280,011</u>	<u>\$ 277,835</u>
Law Enforcement Information Technology.....	6,964	6,689	6,501
Municipal Police Training.....	1,211	1,061	1,039
(A)Admission Vouchers.....	52	0	0
Subtotal.....	<u>\$ 1,263</u>	<u>\$ 1,061</u>	<u>\$ 1,039</u>
Automated Fingerprint Identification System.....	928	893	879
Gun Checks.....	2,376	2,286	2,286
(R)Firearm Records Check.....	2,899	2,703	2,703
Subtotal.....	<u>\$ 5,275</u>	<u>\$ 4,989</u>	<u>\$ 4,989</u>
Subtotal - State Funds.....	\$ 180,150	\$ 175,568	\$ 185,578
Subtotal - Federal Funds.....	55,506	60,554	48,955
Subtotal - Augmentations.....	56,852	54,818	54,007
Subtotal - Restricted Revenues.....	2,899	2,703	2,703
Total - General Government.....	<u>\$ 295,407</u>	<u>\$ 293,643</u>	<u>\$ 291,243</u>
STATE FUNDS.....	\$ 180,150	\$ 175,568	\$ 185,578
FEDERAL FUNDS.....	55,506	60,554	48,955
AUGMENTATIONS.....	56,852	54,818	54,007
RESTRICTED REVENUES.....	2,899	2,703	2,703
GENERAL FUND TOTAL.....	<u>\$ 295,407</u>	<u>\$ 293,643</u>	<u>\$ 291,243</u>



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
MOTOR LICENSE FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 472,406	\$ 493,312	\$ 524,619
Law Enforcement Information Technology.....	19,512	19,821	19,503
Municipal Police Training.....	1,018	1,103	1,081
Patrol Vehicles.....	11,000	11,000	11,000
(A)Automobile Sales.....	746	0	0
(R)Vehicle Sales and Purchases.....	0	2,000	2,000
Automated Fingerprint Identification System.....	91	92	87
Commercial Vehicles Inspection.....	8,053	8,127	8,770
(A)Sale of Vehicles.....	0	2	0
(A)Waste Transportation Safety Enforcement.....	300	550	0
Subtotal.....	\$ 513,126	\$ 536,007	\$ 567,060
Subtotal - State Funds.....	\$ 512,080	\$ 533,455	\$ 565,060
Subtotal - Augmentations.....	1,046	552	0
Subtotal - Restricted Revenues.....	0	2,000	2,000
Total -	\$ 513,126	\$ 536,007	\$ 567,060
STATE FUNDS.....	\$ 512,080	\$ 533,455	\$ 565,060
AUGMENTATIONS.....	1,046	552	0
RESTRICTED REVENUES.....	0	2,000	2,000
MOTOR LICENSE FUND TOTAL.....	\$ 513,126	\$ 536,007	\$ 567,060
OTHER FUNDS:			
GENERAL FUND:			
Seized/Forfeited Property - Federal.....	\$ 757	\$ 315	\$ 315
State Drug Act Forfeiture Funds.....	580	430	430
State Criminal Enforcement Forfeiture Funds.....	1	65	65
Crime Lab User Fees.....	1,177	600	600
Auto Theft & Insurance Fraud Investigation Fund.....	1,943	2,666	2,850
GENERAL FUND TOTAL.....	\$ 4,458	\$ 4,076	\$ 4,260
DNA DETECTION FUND:			
DNA Detection of Offenders (EA).....	\$ 1,891	\$ 1,891	\$ 1,891
STATE GAMING FUND:			
(R)Gaming Enforcement.....	\$ 16,636	\$ 18,283	\$ 19,268
STATE STORES FUND:			
Liquor Control Enforcement.....	\$ 24,834	\$ 25,252	\$ 25,034
Sale of Vehicles.....	4	0	0
STATE STORES FUND TOTAL.....	\$ 24,838	\$ 25,252	\$ 25,034
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 180,150	\$ 175,568	\$ 185,578
SPECIAL FUNDS.....	512,080	533,455	565,060
FEDERAL FUNDS.....	55,506	60,554	48,955
AUGMENTATIONS.....	57,898	55,370	54,007
RESTRICTED.....	2,899	4,703	4,703
OTHER FUNDS.....	47,823	49,502	50,453
TOTAL ALL FUNDS.....	\$ 856,356	\$ 879,152	\$ 908,756



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
PUBLIC PROTECTION AND LAW ENFORCEMENT							
GENERAL FUND.....	\$ 180,150	\$ 175,568	\$ 185,578	\$ 189,084	\$ 189,084	\$ 189,084	\$ 189,084
SPECIAL FUNDS.....	512,080	533,455	565,060	575,579	575,579	575,579	575,579
FEDERAL FUNDS.....	55,506	60,554	48,955	46,318	46,318	46,318	46,318
OTHER FUNDS.....	108,620	109,575	109,163	109,163	109,163	109,163	109,163
SUBCATEGORY TOTAL.....	\$ 856,356	\$ 879,152	\$ 908,756	\$ 920,144	\$ 920,144	\$ 920,144	\$ 920,144
ALL PROGRAMS:							
GENERAL FUND.....	\$ 180,150	\$ 175,568	\$ 185,578	\$ 189,084	\$ 189,084	\$ 189,084	\$ 189,084
SPECIAL FUNDS.....	512,080	533,455	565,060	575,579	575,579	575,579	575,579
FEDERAL FUNDS.....	55,506	60,554	48,955	46,318	46,318	46,318	46,318
OTHER FUNDS.....	108,620	109,575	109,163	109,163	109,163	109,163	109,163
DEPARTMENT TOTAL.....	\$ 856,356	\$ 879,152	\$ 908,756	\$ 920,144	\$ 920,144	\$ 920,144	\$ 920,144



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 also components of this program.

State-of-the-art technology continues to automate a broad range of State Police functions. The Commonwealth Law Enforcement Assistance Network (CLEAN) upgrade is on-schedule for completion in summer 2011. CLEAN is used by the commonwealth's criminal justice agencies to access driver license and motor vehicle information, state and federal criminal history record information, protection from abuse orders, stolen items and wanted persons files, and a host of other services. CLEAN is Pennsylvania's conduit to the FBI's National Crime Information Center, and to the International Justice and Public Safety Network. When the project is completed, law enforcement across the commonwealth will have a new, much more functional interface to critical information. The department is also finalizing a contract to upgrade its Automated Fingerprint Identification System (AFIS) to increase capacity and meet the needs for fingerprint-based identification across the state.

The Pennsylvania Criminal Intelligence Center 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 through supervision of motor vehicle safety inspection stations, emissions inspection stations and motor vehicle dealers. State Police continues to administer the school bus and mass transit vehicle inspection function and investigate complaints of improper practices by official inspection stations and motor vehicle dealers.

Program Element: Traffic Supervision

Enforcing the commonwealth's traffic laws is a major responsibility of the State Police. The department emphasizes reducing traffic crashes and bringing the motoring public into voluntary compliance with all traffic laws through patrol and enforcement activities. All police services and traffic 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 utilizes various patrol and enforcement techniques; however, the very presence of visible police patrols continues to have the greatest impact on reducing traffic crashes. 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. Aggressive drivers are targeted under the Pennsylvania Aggressive Driving Enforcement and Education program. Enforcement efforts continue to be concentrated in areas identified by the Problem Specific Policing 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. Furthermore, the Checkpoint Strike Force Initiative is used as a DUI enforcement tool, as well as being a psychological deterrent to impaired driving. The program requires each of the 15 county troops to conduct 20 sobriety checkpoints this year.

Program: Public Protection and Law Enforcement (continued)

The commonwealth Commercial Vehicle Enforcement program is a responsibility of the Pennsylvania State Police, and its goal is to reduce commercial motor vehicle involved crashes, fatalities, and injuries through consistent, uniform, and effective commercial motor vehicle safety programs. Enforcement of the federal motor carrier safety regulations is the responsibility of commercial vehicle enforcement teams that are strategically located throughout the commonwealth. These regulations pertain to drivers, equipment, documents, loads and hazardous materials transportation. The federal regulations are applicable to both interstate and intra-state motor carrier vehicles. In addition to enforcing federal motor carrier safety regulations, State Police personnel also enforce the commonwealth's laws pertaining to the size and weight of commercial vehicles. This is accomplished through the use of a permanent weigh station along Interstate 80 in Clarion County and 25 weigh-in-motion scales located along various commonwealth interstate highways.

In a program sponsored by the National Highway Traffic Safety Administration, 250 Pennsylvania State Troopers are currently certified as child passenger safety technicians. The State Police maintains 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, crime stoppers, and a new Business Tip program developed to encourage the reporting of suspicious activity for follow-up investigation in support of the Homeland Security mission.

The State Police provides assistance to municipalities in suppression of violent crime through saturation patrols. The State Police works hand-in-hand with federal and local law enforcement officials to purge violent crime from urban neighborhoods. Community involvement and intelligence gathering 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 and 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.

The State Police oversee and coordinate the Pennsylvania Amber Alert System, a child abduction alert notification system. The Amber Alert utilizes the Emergency Alert System and the state's new "Alert-PA" Web site to inform the public of an abduction of a child under the age of 18, whom the police believe to be in danger of serious bodily harm or death.

The 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, including a central forensic server that allows investigators to complete forensics from remote locations across 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 percent of the commonwealth's land area, comprising 27 percent 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 or man-made hazards to prevent loss of life or property, economic loss and disruption of normal living conditions.

The Domestic Security Division (DSD), formed in October 2002, administers and coordinates numerous homeland and domestic security responsibilities. DSD primary mission areas include emergency planning and preparedness, continuity of operations, National Incident Management System implementation, liaison to Pennsylvania Emergency Management Agency and the Office of Homeland Security, facility security for department installations, and risk and vulnerability assessments for facilities and critical infrastructures, and management of federal homeland security grants.

Program: Public Protection and Law Enforcement (continued)

The Special Emergency Response Team 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 six 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 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

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, authorized casino gaming in Pennsylvania and established the Gaming Control Board to regulate and oversee the implementation and operation of casino gaming activities within the commonwealth. The responsibilities of the Pennsylvania State Police under the act include investigating and prosecuting criminal infractions, conducting various background checks, and providing overall law enforcement services at Pennsylvania gaming facilities.

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>\$ 28,100 —to continue current program.</p> <p>13,441 —Initiative—Trooper Replacement Cadet Classes. Funding for 2 classes with a total of 237 cadets.</p> <hr style="width: 50%; margin-left: 0;"/> <p>\$ 41,541 <i>Appropriation Increase</i></p> <p>Law Enforcement Information Technology</p> <p>\$ -506 —program reduction.</p> <p>Municipal Police Training</p> <p>\$ -44 —program reduction.</p> <p>Automated Fingerprint Identification System</p> <p>\$ -19 —nonrecurring 2010-11 budgetary freeze amount.</p> <p>Commercial Vehicles Inspection</p> <p>\$ 643 —to continue current program.</p>	<p>STATE STORES FUND</p> <p>Liquor Control Enforcement</p> <p>\$ -218 —to continue current program.</p> <p>STATE GAMING FUND</p> <p>Gaming Enforcement</p> <p>\$ 985 —to provide coverage at licensed gaming facilities.</p>
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The Gun Checks and Patrol Vehicles appropriations are recommended at the current year funding levels.

In addition, the Pennsylvania Instant Check System initiative recommends \$2,703,000 from the Firearms Record Check restricted account.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
General Government Operations	\$ 168,671	\$ 164,639	\$ 174,873	\$ 178,379	\$ 178,379	\$ 178,379	\$ 178,379
Law Enforcement Information Technology	6,964	6,689	6,501	6,501	6,501	6,501	6,501
Municipal Police Training	1,211	1,061	1,039	1,039	1,039	1,039	1,039
Automated Fingerprint Identification System	928	893	879	879	879	879	879
Gun Checks	2,376	2,286	2,286	2,286	2,286	2,286	2,286
TOTAL GENERAL FUND	\$ 180,150	\$ 175,568	\$ 185,578	\$ 189,084	\$ 189,084	\$ 189,084	\$ 189,084



Program: Public Protection and Law Enforcement (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
MOTOR LICENSE FUND:							
General Government Operations	\$ 472,406	\$ 493,312	\$ 524,619	\$ 535,138	\$ 535,138	\$ 535,138	\$ 535,138
Law Enforcement Information Technology	19,512	19,821	19,503	19,503	19,503	19,503	19,503
Municipal Police Training	1,018	1,103	1,081	1,081	1,081	1,081	1,081
Patrol Vehicles	11,000	11,000	11,000	11,000	11,000	11,000	11,000
Automated Fingerprint Identification System	91	92	87	87	87	87	87
Commercial Vehicles Inspection	8,053	8,127	8,770	8,770	8,770	8,770	8,770
TOTAL MOTOR LICENSE FUND	\$ 512,080	533,455	565,060	575,579	575,579	575,579	575,579
STATE STORES FUND:							
Liquor Control Enforcement	\$ 24,834	\$ 25,252	\$ 25,034	\$ 25,034	\$ 25,034	\$ 25,034	\$ 25,034



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Public Protection and Law Enforcement							
Operations							
Sworn complement (authorized)	4,677	4,677	4,677	4,677	4,677	4,677	4,677
Civilian complement (authorized)	1,685	1,685	1,685	1,685	1,685	1,685	1,685
Percentage of commonwealth population served by the State Police	27%	27%	27%	27%	27%	27%	27%
Percentage of commonwealth highways/roadways patrolled by the State Police	63%	63%	63%	63%	63%	63%	63%
Percentage of commonwealth geographic area served by the State Police	83%	83%	83%	83%	83%	83%	83%
Vehicle Traffic Supervision							
Motor vehicle crashes	76,494	75,300	74,200	73,100	71,900	70,700	69,600
Fatal motor vehicle crashes	596	585	575	570	560	550	540
Traffic citations issued	567,116	575,600	584,100	592,600	601,100	609,700	618,200
Written warnings issued for traffic violations	301,370	305,900	310,400	314,900	319,400	324,000	328,500
Child safety seat inspections conducted	2,527	2,565	2,600	2,640	2,680	2,720	2,750
Traffic citations issued for occupant restraint violations	16,949	17,200	17,500	17,700	18,000	18,200	18,500
DUI-related crashes	4,503	4,430	4,360	4,300	4,230	4,160	4,100
DUI arrests	17,116	17,375	17,600	17,900	18,100	18,400	18,700
DUI sobriety checkpoints	565	605	615	625	630	640	650
Roving DUI patrols	669	450	505	515	520	530	535
Vehicle Standards Control							
Commercial vehicle safety inspections	66,813	67,800	68,800	69,800	70,800	71,800	72,800
Percentage of commercial vehicle safety inspections resulting in vehicles being placed out of service	14.50%	14.50%	14.50%	14.50%	14.50%	14.50%	14.50%
Criminal Law Enforcement and Crime Prevention							
Crimes per 100,000 population in State Police jurisdiction areas:							
Violent crimes per 100,000 population	107	105	104	102	101	100	98
Arrests for violent crimes per 100,000 population	48	49	50	50	51	52	53
Percentage of violent crimes cleared (i.e. cases solved and prosecuted or disposed of through other legal means)	83.40%	84.50%	85.70%	86.90%	88%	89.20%	90.40%
Property crimes per 100,000 population	1,124	1,108	1,090	1,075	1,060	1,045	1,030



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Arrests for property crimes per 100,000 population	262	265	270	275	280	285	290
Percentage of property crimes cleared (i.e. cases solved and prosecuted or disposed of through other legal means)	31.40%	31.80%	32.30%	32.70%	33.20%	33.60%	34%
Enforcement and Investigation							
Drug offenses	6,954	6,860	6,760	6,660	6,565	6,465	6,370
Drug-related arrests	5,728	5,810	5,890	5,970	6,050	6,130	6,210
Clandestine Laboratory Response Team deployments for illegal drug manufacturing facilities (e.g. methamphetamine labs, etc.)	63	64	65	66	67	68	69
Municipal law enforcement agencies receiving information from Pennsylvania Intelligence Center*	760	770	780	790	800	810	820
Requests for intelligence information from Pennsylvania Criminal Intelligence Center*	15,179	15,400	15,600	15,800	16,000	16,300	16,500
Intelligence products disseminated by Pennsylvania Criminal Intelligence Center*	26,314	26,680	27,100	27,400	27,800	28,100	28,500
Megan's Law - registered sex offenders*	10,256	10,400	10,550	10,700	10,800	11,000	11,100
CLEAN/NCIC confirmed responses (i.e. computer checks resulting in the identification of wanted persons, stolen property, etc.)	117,180	113,000	114,700	116,200	117,900	119,400	121,000
Crime Lab							
Convicted offender DNA submissions	23,326	25,300	25,600	26,000	26,400	26,700	27,000
DNA evidence submissions	1,950	2,540	2,600	2,600	2,700	2,700	2,700
Criminal suspects identified through DNA evidence submissions*	525	855	865	900	900	900	900
Fingerprint card submissions	707,301	717,200	727,100	737,000	747,000	756,800	766,700
Criminal suspects identified through latent fingerprint comparison (i.e. fingerprint evidence)	2,043	2,970	3,000	3,100	3,100	3,200	3,200
Background Checks							
Pennsylvania Instant Check System (PICS) firearms purchase background checks	596,879	605,200	613,600	622,000	630,300	638,700	647,000
Pennsylvania Instant Check System (PICS) firearms purchase initial denials	8,333	8,450	8,570	8,680	8,800	8,900	9,000
Crime and Terrorism Tip Lines							
Drug hotline tips	416	420	430	435	440	445	450
Terrorism hotline tips	600	610	620	625	635	640	650



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Emergency Preparedness and Response							
Municipal public safety agencies receiving Department Watch Center immediate reports*	693	700	715	725	735	745	755
Department Watch Center immediate reports*	3,726	3,780	3,850	3,900	3,950	4,000	4,050
Requests for Special Emergency Response Team (SERT)	213	190	195	195	200	200	205
Requests for Hazardous Device and Explosives Section services	218	220	225	225	230	235	235
Domestic terrorism threat assessments conducted*	39	40	40	40	40	40	40
Liquor Control Enforcement							
Liquor law investigations	46,577	46,900	47,230	47,555	47,880	48,210	48,530
Routine liquor law inspections	2,466	2,485	2,500	2,520	2,535	2,550	2,570
Liquor law violations	13,768	13,700	13,600	13,500	13,400	13,300	13,200
Administrative citation letters issued for liquor law violations	2,872	2,850	2,830	2,810	2,790	2,770	2,750
Administrative warning letters issued for liquor law violations	2,614	2,600	2,580	2,560	2,540	2,520	2,500

* New Program Measure





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.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
<u>GENERAL FUND:</u>			
<i>General Government:</i>			
General Government Operations.....	\$ 1,147	\$ 1,009	\$ 1,068



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
EDUCATION SUPPORT SERVICES							
GENERAL FUND.....	\$ 1,147	\$ 1,009	\$ 1,068	\$ 1,068	\$ 1,068	\$ 1,068	\$ 1,068
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.....	\$ 1,147	\$ 1,009	\$ 1,068	\$ 1,068	\$ 1,068	\$ 1,068	\$ 1,068
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1,147	\$ 1,009	\$ 1,068	\$ 1,068	\$ 1,068	\$ 1,068	\$ 1,068
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.....	\$ 1,147	\$ 1,009	\$ 1,068	\$ 1,068	\$ 1,068	\$ 1,068	\$ 1,068



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 447 of 1947, determines annually the aggregate market value of taxable real property in each of the more than 2,500 municipalities and 500 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 located 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)

\$ 59 **State Tax Equalization Board**
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
General Government Operations	\$ 1,147	\$ 1,009	\$ 1,068	\$ 1,068	\$ 1,068	\$ 1,068	\$ 1,068

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DEPARTMENT OF TRANSPORTATION

The mission of the Department of Transportation is to provide, through the active involvement of customers, employees and partners, services and a safe intermodal transportation system that attracts businesses and residents and stimulates Pennsylvania's economy.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Rail Freight and Intermodal Coordination.....	\$ 1,078	\$ 896	\$ 909
(F)FTA - Technical Studies Grants.....	4,465	4,465	4,465
(F)Surface Transportation Assistance.....	500	200	400
(F)FTA - Capital Improvement Grants.....	12,000	8,000	8,000
(F)Title IV Rail Assistance.....	36	36	36
(F)Maglev.....	5,000	10,000	10,000
Vehicle Sales Tax Collections.....	1,124	1,093	891
Voter Registration.....	297	198	426
Subtotal - State Funds.....	\$ 2,499	\$ 2,187	\$ 2,226
Subtotal - Federal Funds.....	22,001	22,701	22,901
Total - General Government.....	<u>\$ 24,500</u>	<u>\$ 24,888</u>	<u>\$ 25,127</u>
<i>Grants and Subsidies:</i>			
(F)TEA 21 - Access to Jobs.....	\$ 4,000	\$ 6,000	\$ 6,000
(F)Surface Transportation - Operating.....	16,000	16,000	16,000
(F)Surface Transportation Assistance Capital.....	12,000	12,000	12,000
(F)FTA - Capital Improvements.....	25,000	25,000	25,000
(F)FTA - Hybrid Mass Transit Vehicles.....	15,000	14,000	10,000
(F)ARRA - Transit in Non-Urban Areas.....	30,000	25,000	10,000
(F)ARRA - National Railroad Passenger Corporation.....	50,000	50,000	50,000
(R)Technical Assistance - PTAF (EA).....	1,083	1,139	0
(F)Mid Atlantic Clean Diesel.....	220	915	0
(F)Rail Line Relocation.....	5,000	5,000	6,002
(F)ARRA - Supplemental Rail Freight Projects.....	0	90,000	90,000
(F)ARRA - High Speed Rail.....	0	75,000	75,000
(R)Community Transportation Equipment Grants - PTAF (EA).....	324	344	0
Rail Freight Assistance.....	8,000	0	0
Subtotal - State Funds.....	\$ 8,000	\$ 0	\$ 0
Subtotal - Federal Funds.....	157,220	318,915	300,002
Subtotal - Restricted Revenues.....	1,407	1,483	0
Total - Grants and Subsidies.....	<u>\$ 166,627</u>	<u>\$ 320,398</u>	<u>\$ 300,002</u>
STATE FUNDS.....	\$ 10,499	\$ 2,187	\$ 2,226
FEDERAL FUNDS.....	179,221	341,616	322,903
RESTRICTED REVENUES.....	1,407	1,483	0
GENERAL FUND TOTAL.....	<u>\$ 191,127</u>	<u>\$ 345,286</u>	<u>\$ 325,129</u>
MOTOR LICENSE FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 47,738	\$ 51,860	\$ 52,456
(F)Emergency Evacuation Planning.....	0	125	0
(A)Reimbursement - Other Agencies.....	185	215	215
(A)Duplicating Services.....	85	114	114
(A)Aviation Restricted Revenue.....	181	161	161
(A)Administrative Hearings.....	24	40	40
(A)Litter Fine Receipts.....	103	100	100
(A)Reimb Drug & Alcohol Testing.....	0	60	60
Welcome Centers.....	2,528	3,064	3,158
Subtotal.....	<u>\$ 50,844</u>	<u>\$ 55,739</u>	<u>\$ 56,304</u>
Highway and Safety Improvements.....	92,225	102,885	110,000
Expanded Highway and Bridge Program.....	465,000	165,000	165,000
Highway Capital Projects (EA).....	201,000	205,000	215,000
(F)Highway Research, Planning and Construction.....	773,220	832,000	837,000



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
(A)Highway Construction Contributions.....	4,009	13,000	13,000
(A)Joint Use Leases.....	552	0	0
(A)Intern Program - PHEAA Reimbursement.....	101	0	0
(A)Reimbursement - Other Agencies.....	4	0	0
(A)Licensing Fees- Engineering Software.....	46	0	0
(A)Proceeds from sale of R/W.....	1,116	0	0
(A)Reimb-Accident Damage Claims.....	1	0	0
(A)Proceeds from bond sales.....	248,330	200,000	200,000
(R)Highway Capital Projects - Excise Tax (EA).....	71,751	74,127	76,533
(R)Highway Bridge Projects (EA).....	65,000	30,000	30,000
(A)Construction Contributions.....	980	2,800	2,800
(R)Bridges - Excise Tax (EA).....	54,234	56,685	58,291
(F)Federal Aid - Highway Bridge Projects.....	371,051	400,000	400,000
(F)ARRA - Highway Infrastructure Improvement.....	351,095	500,000	150,000
(A)Bridge Reimbursement from Local Governments.....	57	200	200
Highway Maintenance.....	754,159	799,147	890,000
Secondary Road - Maintenance and Resurfacing (EA).....	63,143	61,040	63,797
Reinvestment - Facilities.....	12,000	12,000	16,000
(F)Highway Research, Planning and Construction.....	101,148	170,000	170,000
(F)Highway Safety - Maintenance (EA).....	4,000	4,000	4,000
(F)Federal Disaster Reimbursement - FHWA.....	563	12,500	12,500
(R)Highway Maintenance - Excise Tax (EA).....	180,909	179,496	189,553
(R)Highway Maintenance Enhancement (EA).....	263,668	264,928	275,937
(A)Highway Maintenance Contributions.....	8,679	20,000	20,000
(F)Disaster Recovery - FEMA.....	764	12,500	12,500
(A)Sale of Gas, Oil and Antifreeze.....	3	0	0
(A)Sale of Equipment.....	3,778	5,000	5,000
(A)Heavy Hauling - Bonded Roads.....	426	0	0
(A)Sale of Road Salt - Municipalities.....	14	0	0
(A)Sale of Signs.....	37	0	0
(A)Accident Damage Claims.....	7,324	0	0
(A)Recovered Permit Compliance Cost.....	252	0	0
(A)Intern Program - PHEAA Reimbursement.....	58	0	0
Subtotal.....	\$ 4,100,697	\$ 4,122,308	\$ 3,917,111
Safety Administration and Licensing.....	112,747	124,420	125,109
(F)Highway Safety - Safety Administration (EA).....	500	500	500
(F)Motor Carrier Safety Improvement.....	2,266	3,100	3,100
(F)National Motor Vehicle Titling Information System (EA).....	300	300	0
(F)REAL ID (EA).....	3,212	3,617	3,617
(A)Administrative Support.....	31	100	100
(A)Photo ID Program.....	22,081	24,600	25,100
(A)Emission Mechanic Training Courses.....	26	45	45
(A)Vehicle Sales Tax Collections.....	0 ^a	0 ^a	0 ^a
(A)Reimbursement - Data Line Charges.....	103	300	300
(A)Reimbursements - Other Agencies.....	17	25	25
(A)Postage.....	503	455	455
(A)Reimbursement - Inspection Manuals.....	0	28	28
(A)Reimbursement - Dealer Forms.....	0	34	34
Subtotal.....	\$ 141,786	\$ 157,524	\$ 158,413
(R)Aviation Operations.....	4,116	4,134	4,099
(F)Aviation Planning (EA).....	516	545	516
(F)Airport Inspections (EA).....	30	30	30
(F)Small Community Air Service Development (EA).....	400	99	0
(F)Highway Planning and Construction - Intermodal (EA).....	400	0	0
(A)Reimbursement - Flight Operations.....	638	640	640
(A)Airport Inspections and Licensing.....	36	7	7
(A)General Fund Reimbursement.....	46	0	0
(A)Reimbursement - Statewide Program.....	0	60	60
Subtotal.....	\$ 6,182	\$ 5,515	\$ 5,352



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
Subtotal - State Funds.....	\$ 1,750,540	\$ 1,524,416	\$ 1,640,520
Subtotal - Federal Funds.....	1,609,465	1,939,316	1,593,763
Subtotal - Augmentations.....	299,826	267,984	268,484
Subtotal - Restricted Revenues.....	639,678	609,370	634,413
Total - General Government.....	\$ 4,299,509	\$ 4,341,086	\$ 4,137,180
Grants and Subsidies:			
Local Road Maintenance and Construction Payments.....	\$ 188,382	\$ 192,100	\$ 199,928
Supplemental Local Road Maintenance & Construction Payments.....	5,000	5,000	5,000
Municipal Roads and Bridges.....	30,000	30,000	30,000
Maintenance and Construction of County Bridges.....	5,000	5,000	5,000
Payment to Turnpike Commission (EA).....	28,000	28,000	28,000
(R)Local Road Payments - Excise Tax (EA).....	48,873	51,823	53,728
(R)Payments to Municipalities (EA).....	35,599	36,523	37,310
(R)Local Grants for Bridge Projects (EA).....	30,000	25,000	25,000
(A)Reimbursements From Local Governments.....	4	100	100
(R)County Bridges - Excise Tax (EA).....	10,000	10,000	10,000
(F)Federal Aid - Local Grants for Bridge Projects.....	1,996	1,100	1,100
(F)Federal Aid - County Bridges.....	16	200	200
(R)Toll Roads - Excise Tax (EA).....	59,733	60,996	63,205
(R)Annual Maintenance Payments - Highway Transfer (EA).....	19,016	18,752	18,748
(R)Restoration Projects - Highway Transfer (EA).....	8,000	8,000	8,000
(R)Airport Development.....	7,000	8,500	7,000
(F)Airport Development (EA).....	21,000	21,000	21,000
(R)Real Estate Tax Rebate.....	250	250	250
Subtotal.....	<u>\$ 497,869</u>	<u>\$ 502,344</u>	<u>\$ 513,569</u>
Subtotal - State Funds.....	\$ 256,382	\$ 260,100	\$ 267,928
Subtotal - Federal Funds.....	23,012	22,300	22,300
Subtotal - Augmentations.....	4	100	100
Subtotal - Restricted Revenues.....	218,471	219,844	223,241
Total - Grants and Subsidies.....	\$ 497,869	\$ 502,344	\$ 513,569
Refunds:			
Refunding Collected Monies (EA).....	\$ 1,500	\$ 2,500	\$ 2,500
Subtotal.....	<u>\$ 1,500</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>
STATE FUNDS.....	\$ 2,008,422	\$ 1,787,016	\$ 1,910,948
FEDERAL FUNDS.....	1,632,477	1,961,616	1,616,063
AUGMENTATIONS.....	299,830	268,084	268,584
RESTRICTED REVENUES.....	858,149	829,214	857,654
MOTOR LICENSE FUND TOTAL.....	\$ 4,798,878	\$ 4,845,930	\$ 4,653,249
LOTTERY FUND:			
Grants and Subsidies:			
Older Pennsylvanians Shared Rides (EA).....	\$ 80,186	\$ 81,500	\$ 79,000
Transfer to Public Transportation Trust Fund (EA).....	0 b	0 b	0 b
Total - Grants and Subsidies.....	<u>\$ 80,186</u>	<u>\$ 81,500</u>	<u>\$ 79,000</u>
LOTTERY FUND TOTAL.....	\$ 80,186	\$ 81,500	\$ 79,000



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
OTHER FUNDS:			
GENERAL FUND:			
Federal Grants - Railroad Freight Rehabilitation.....	\$ 0	\$ 200	\$ 200
Child Passenger Restraint Fund.....	26	100	100
GENERAL FUND TOTAL.....	\$ 26	\$ 300	\$ 300
MOTOR LICENSE FUND:			
Federal Reimbursements - Highway Safety Program.....	\$ 19,244	\$ 17,000	\$ 19,000
Reimbursements to Municipalities - Vehicle Code Fines.....	12,830	14,000	7,250
Federal Reimbursements - Flood Related Costs.....	0	1,200	1,200
Reimbursements to Other States- Apportioned Registration Plan.....	16,441	20,000	18,000
Federal Reimbursements - Bridge Projects.....	79,304	70,000	80,000
Motorcycle Safety Education.....	5,325	4,000	5,000
Federal Reimbursements - Political Subdivisions.....	107,226	110,000	110,000
License and Registration Pickups.....	0	15	15
CDL- Hazardous Material Fees.....	516	700	700
Local Share - Highway & Bridge Projects.....	1,617	0	0
MOTOR LICENSE FUND TOTAL.....	\$ 242,503	\$ 236,915	\$ 241,165
HIGHWAY BEAUTIFICATION FUND:			
Control of Junkyards (EA).....	\$ 15	\$ 0	\$ 0
Control of Outdoor Advertising (EA).....	700	275	336
HIGHWAY BEAUTIFICATION FUND TOTAL.....	\$ 715	\$ 275	\$ 336
INFRASTRUCTURE BANK FUND:			
Infrastructure Bank Loans (EA).....	\$ 37,250	\$ 30,000	\$ 30,000
LIQUID FUELS TAX FUND:			
Payments to Counties.....	\$ 31,173	\$ 29,914	\$ 31,000
Auditor General's Audit Costs (EA).....	500	500	500
LIQUID FUELS TAX FUND TOTAL.....	\$ 31,673	\$ 30,414	\$ 31,500
MOTOR VEHICLE TRANSACTION RECOVERY FUND:			
Reimbursement to Transportation.....	\$ 0	\$ 80	\$ 80
PUBLIC TRANSPORTATION ASSISTANCE FUND:			
Mass Transit (EA).....	\$ 170,447	\$ 165,464	\$ 154,738
Transfer to Public Transportation Trust Fund (EA).....	0 ^c	0 ^c	0 ^c
PUBLIC TRANSPORTATION ASSISTANCE FUND TOTAL.....	\$ 170,447	\$ 165,464	\$ 154,738
PUBLIC TRANSPORTATION TRUST FUND:			
Mass Transit Operating (EA).....	\$ 702,813	\$ 663,174	\$ 687,930
Asset Improvement (EA).....	131,151	20,302	9,272
Capital Improvement (EA).....	24,813	16,710	22,046
Programs of Statewide Significance (EA).....	56,702	66,744	61,180
Transit Administration and Oversight (EA).....	4,513	4,431	4,488
(A) Interagency Revenue Reimbursement.....	660	0	0
PUBLIC TRANSPORTATION TRUST FUND TOTAL.....	\$ 920,652	\$ 771,361	\$ 784,916
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 10,499	\$ 2,187	\$ 2,226
SPECIAL FUNDS.....	2,088,608	1,868,516	1,989,948
FEDERAL FUNDS.....	1,811,698	2,303,232	1,938,966
AUGMENTATIONS.....	299,830	268,084	268,584
RESTRICTED.....	859,556	830,697	857,654
OTHER FUNDS.....	1,403,266	1,234,809	1,243,035
TOTAL ALL FUNDS.....	\$ 6,473,457	\$ 6,507,525	\$ 6,300,413



Summary by Fund and Appropriation

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- ^a Not added to the total to avoid double counting: 2009-10 Actual is \$1,124,000, 2010-11 Available is \$1,093,000, 2011-12 Budget is \$891,000.
- ^b Not added to the total to avoid double counting: 2009-10 Actual is \$86,597,000, 2010-11 Available is \$88,199,000, 2011-12 Budget is \$89,610,000.
- ^c Not added to the total to avoid double counting: 2009-10 Actual is \$15,082,000, 2010-11 Available is \$17,110,000, 2011-12 Budget is \$15,811,000.



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
TRANSPORTATION SUPPORT SERVICES							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	49,238	54,360	54,956	54,956	54,956	54,956	54,956
FEDERAL FUNDS.....	0	125	0	0	0	0	0
OTHER FUNDS.....	1,120	1,490	1,490	1,490	1,490	1,490	1,490
SUBCATEGORY TOTAL.....	\$ 50,358	\$ 55,975	\$ 56,446	\$ 56,446	\$ 56,446	\$ 56,446	\$ 56,446
HIGHWAYS AND BRIDGES							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	1,618,055	1,376,136	1,490,955	1,402,339	1,402,788	1,408,305	1,418,891
FEDERAL FUNDS.....	1,601,841	1,931,000	1,586,000	1,411,000	1,411,000	1,411,000	1,411,000
OTHER FUNDS.....	1,028,271	954,507	983,855	775,855	760,556	745,855	745,855
SUBCATEGORY TOTAL.....	\$ 4,248,167	\$ 4,261,643	\$ 4,060,810	\$ 3,589,194	\$ 3,574,344	\$ 3,565,160	\$ 3,575,746
LOCAL HIGHWAY AND BRIDGE ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	228,382	232,100	239,928	241,078	242,298	243,726	245,371
FEDERAL FUNDS.....	2,012	1,300	1,300	1,300	1,300	1,300	1,300
OTHER FUNDS.....	384,142	374,612	381,636	376,961	377,322	377,776	378,231
SUBCATEGORY TOTAL.....	\$ 614,536	\$ 608,012	\$ 622,864	\$ 619,339	\$ 620,920	\$ 622,802	\$ 624,902
INTERMODAL TRANSPORTATION							
GENERAL FUND.....	\$ 9,078	\$ 896	\$ 909	\$ 909	\$ 909	\$ 909	\$ 909
SPECIAL FUNDS.....	80,186	81,500	79,000	81,386	83,844	86,376	88,984
FEDERAL FUNDS.....	201,567	363,290	344,449	119,449	119,449	119,449	119,449
OTHER FUNDS.....	1,104,592	953,299	953,110	944,117	944,769	945,421	946,353
SUBCATEGORY TOTAL.....	\$ 1,395,423	\$ 1,398,985	\$ 1,377,468	\$ 1,145,861	\$ 1,148,971	\$ 1,152,155	\$ 1,155,695
SAFETY ADMINISTRATION AND LICENSING							
GENERAL FUND.....	\$ 1,421	\$ 1,291	\$ 1,317	\$ 1,317	\$ 1,317	\$ 1,317	\$ 1,317
SPECIAL FUNDS.....	112,747	124,420	125,109	127,810	123,893	124,078	123,687
FEDERAL FUNDS.....	6,278	7,517	7,217	7,217	7,217	7,217	7,217
OTHER FUNDS.....	44,527	49,682	49,182	49,182	49,182	49,182	49,182
SUBCATEGORY TOTAL.....	\$ 164,973	\$ 182,910	\$ 182,825	\$ 185,526	\$ 181,609	\$ 181,794	\$ 181,403
ALL PROGRAMS:							
GENERAL FUND.....	\$ 10,499	\$ 2,187	\$ 2,226	\$ 2,226	\$ 2,226	\$ 2,226	\$ 2,226
SPECIAL FUNDS.....	2,088,608	1,868,516	1,989,948	1,907,569	1,907,779	1,917,441	1,931,889
FEDERAL FUNDS.....	1,811,698	2,303,232	1,938,966	1,538,966	1,538,966	1,538,966	1,538,966
OTHER FUNDS.....	2,562,652	2,333,590	2,369,273	2,147,605	2,133,319	2,119,724	2,121,111
DEPARTMENT TOTAL.....	\$ 6,473,457	\$ 6,507,525	\$ 6,300,413	\$ 5,596,366	\$ 5,582,290	\$ 5,578,357	\$ 5,594,192



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 and activities necessary for the achievement of commonwealth goals and objectives.

The General Government Operations appropriation within the Motor License Fund develops general guidelines for highway-related activities while directing and coordinating construction, maintenance, and safety functions that are discussed under the Highways and Bridges program and the Safety Administration and Licensing program. General Government Operations personnel administer grant allocations to local governments and coordinate highway transfer activities, which are discussed under the Local Highway and Bridge Assistance program. Although funding for direct supervision and

oversight of aviation, mass transportation and rail freight activities is provided within the Intermodal Transportation program, several appropriations within that program reimburse General Government Operations for general administrative and overhead services. Managerial and administrative support is provided in legal, budgetary, accounting, personnel, procurement, information systems and public relations matters. In addition, the State Transportation Commission and the Transportation Advisory Committee are funded within this appropriation.

The Refunding Collected Monies appropriation provides for refunds of Motor License Fund overpayments associated with operator licenses, vehicle registrations, and safety inspection stickers.

Program Recommendations:

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

MOTOR LICENSE FUND
General Government Operations
 \$ 596 —to continue current program.

Refunding Collected Monies is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
MOTOR LICENSE FUND:							
General Government Operations	\$ 47,738	\$ 51,860	\$ 52,456	\$ 52,456	\$ 52,456	\$ 52,456	\$ 52,456
Refunding Collected Monies (EA)	1,500	2,500	2,500	2,500	2,500	2,500	2,500
TOTAL MOTOR LICENSE FUND.....	\$ 49,238	\$ 54,360	\$ 54,956	\$ 54,956	\$ 54,956	\$ 54,956	\$ 54,956



PROGRAM OBJECTIVE: To provide a safe and efficient state-administered highway network through road and bridge improvements, as well as through ongoing maintenance activities including winter traffic services.

Program: Highways and Bridges

Program Element: Highway and Bridge Construction/Reconstruction

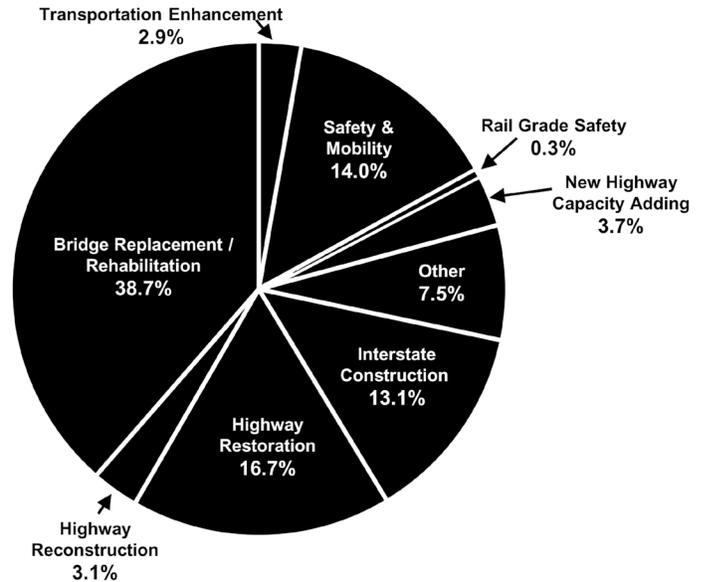
This program contributes to the economic vitality of the commonwealth and to the mobility of its residents through major reconstruction or construction of highways and bridges on the state-owned network.

Work is performed on heavily traveled interstate and primary routes, as well as on state roads and bridges that are not part of the federal aid system. With funding available from federal aid, local construction contributions and 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 roadway network, including projects to enhance safety and mobility.

Recognizing the importance of highway bridges to Pennsylvania's transportation infrastructure, the General Assembly created a special bridge program in Act 234 of 1982. Projects to rehabilitate and replace structures are listed in the Highway, Railroad and Highway Bridge Capital Budget Act for 1982-1983 and its subsequent amendments. Currently, the commonwealth maintains approximately 25,000 state-owned bridges that are more than eight feet in length.

Decisions on regional allocations and project selection for construction and reconstruction investments are determined through two public processes. State law (Act 120 of 1970) requires that a Twelve-Year Transportation program be developed and updated every two years. The Twelve-Year program is divided into three four-year sections with projects in the first four years of the Twelve-Year program considered to be "active" projects. Federal surface transportation legislation that authorizes grants to states also addresses planning, program development and management. This federal legislation and its implementing regulations require regional Metropolitan and Rural Transportation Planning Organizations to be partners in the development of fiscally constrained transportation programs. The department, the State Transportation Commission and the Metropolitan and Rural Transportation Planning Organizations closely coordinate public input and public comment efforts during the biennial transportation program update. All regionally developed Transportation Improvement programs are combined to form the federally mandated Statewide Transportation Improvement program, which is then considered to be the first four-year segment of the commonwealth's Twelve-Year Transportation program. This constitutes a mutually agreed upon list of priority projects for each region of Pennsylvania.

Current Four-Year Project Distribution
(October 2010 – September 2014)



A base level of state highway and bridge improvement activity is funded by annual appropriations from the Motor License Fund. These appropriations are supplemented by a series of dedicated revenue sources approved by the General Assembly. The first of these was created in Act 234 of 1982, which established a separate account within the Motor License Fund to be used exclusively for highway bridge rehabilitation and replacement. Bridge improvements are funded through a portion of the annual registration fees for commonwealth-registered vehicles having a gross weight in excess of 26,000 pounds and through a 55 mill Oil Company Franchise Tax. Additional dedicated revenue sources were provided in Act 26 of 1991 and Act 3 of 1997. The Act 26 Oil Company Franchise Tax is allocated among several programs including a portion for state highway and bridge improvement and a portion for bridge rehabilitation and replacement. Most of the Act 3 vehicle registration fee increases are directed toward state highway and bridge improvement. The Pennsylvania Turnpike Commission receives funding from both Act 26 and Act 3 for use on toll road expansion projects.

Act 44 of 2007 provides additional revenue for this program from Pennsylvania Turnpike Commission contributions. The legislation specifies that funding be provided each fiscal year for an expanded highway and bridge program. These revenues are deposited in the Motor License Fund and are appropriated annually by

Program: Highways and Bridges (continued)

the General Assembly. All funds are spent for project work with priority on preserving and rehabilitating bridges, resurfacing roadways, improving safety and using technology to improve traffic operations.

Program Element: State Highway and Bridge Maintenance

Pennsylvania, with the fifth largest state-owned roadway network in the nation, experiences high volumes of interstate traffic and is subject to severe winter weather. These factors contribute to significant highway and bridge maintenance challenges.

Road and bridge repairs, as well as preventive maintenance activities that prolong the useful life of existing infrastructure, are performed by department forces or by private contractors. Roadway treatments range from crack sealing and patching to more extensive surface treatment that may include resurfacing, stabilization and lower-cost betterment projects. Bridge activity ranges from deck washing and cleaning drainage outlets to repair and preventive maintenance of deck surface and structural components.

The department emphasizes durable resurfacing of high-volume routes that serve interstate and regional commerce, intermodal transportation facilities and major population centers. Bridge activities focus on ensuring the safety of the motoring public and minimizing closures or weight restrictions by performing repairs and preservation work. Winter snow and ice control require considerable resources to keep routes under the jurisdiction of the department in a safe and passable condition. Other routine maintenance and betterment work includes safety improvements such as skid resistant pavement applications, left turn lanes, intersection sight improvements, shoulder and curve upgrades and guiderail updates. Maintenance work not directly involved with the roadway surface itself includes activities such as pipe replacement, ditch cleaning, mowing, vegetation control and tree trimming.

Unscheduled maintenance services must be performed in response to flooding, wind storms, landslides, sinkholes and similar acts of nature. These include clean-up and repair of storm damage, which can range from isolated low-cost work to significant restoration projects across many counties. An event that is declared a national disaster becomes eligible for federal assistance, which typically covers about half of the total costs incurred. Owners of motor vehicles that cause damage to bridges, guiderails

or other transportation assets are required to reimburse the maintenance program for the costs incurred as a result of an accident.

The condition of highways and bridges is monitored on an ongoing basis to ensure safety and to assess needs. Highway pavement conditions on the National Highway System are reviewed each year while less traveled routes are evaluated every other year. Under the National Bridge Inspection Standards program, the commonwealth is responsible for reporting the status of all Pennsylvania highway bridges greater than 20 feet in length. Bridges must be inspected at least every two years, but more frequent inspections are scheduled as warranted by the condition of individual structures. The department conducts a bridge inspection training and certification program while contracting with an external consultant to certify and enhance the quality of inspections. Some local bridges are inspected by the department, and the cost is deducted from Motor License Fund grants to these political subdivisions as has been authorized by the General Assembly.

The department issues special permits to truck operators with excess weight or size loads for the use of certain highways and bridges. 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 highways and bridges or the safe and convenient passage of traffic.

An 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 provide a systematic means of selecting the highest priority sites for maintenance and reconstruction work.

A base level of state highway and bridge maintenance activity is funded by ongoing annual appropriations from the Motor License Fund. These appropriations are supplemented by a dedicated share of Oil Company Franchise tax rate increases enacted in Act 26 of 1991 and in Act 3 of 1997. In addition, the General Assembly has approved special maintenance-related appropriations for accelerated restoration, preventive maintenance and emergency repair based on the financial status of the Motor License Fund.

Program: Highways and Bridges (continued)

Program Recommendations:

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

\$ 7,115	<p>Highway and Safety Improvements —to continue current program. New highway construction and reconstruction focuses on projects that will spur economic development. Key projects expected to be under construction in 2011-12 include the four lane relocation of Rt. 220 at the Rt. 550 intersection in Centre County and of PA 52: PA926-US1 in Chester County, interchange improvement and bridge replacement at SR222/183 Interchange in Berks County, relocation and new construction of Marshalls Creek Bypass in Monroe County, widening and bridge replacement on SR 412 in Northampton County and on US15/PA581 in Cumberland County, addition of lane at Plank Road Interchange in Blair County, US 219 realignment in Somerset County, Meadowlands Interchange Improvement in Washington County.</p> <p>Another priority is the preservation of the Interstate Highway System. During 2011-12 key projects in this area will include I-80 bridge rehabilitation of eastbound and westbound lanes in Clearfield County, bridge replacement at I-79/I-70 Interchange in Washington County, bridge replacement and reconstruction of 1.7 miles on I-76 in Berks County, and highway restoration of I-70 in Fulton County.</p>		<p>the Monongahela River between Fayette and Greene Counties, Charleroi-Monessen Bridge in Washington County, Arch Street Bridge in Lycoming County, Locust Street Bridge in Cambria County, the Bridge at St. Mary's Cemetery in Lackawanna County, and the Marshall Interchange in Allegheny County.</p>
	<p>Highway Capital Projects (EA) —to continue current program. This line item supplements the Highway and Safety Improvement appropriation. Projects are identified under that appropriation.</p>		<p>Expanded Highway and Bridge Program —funding is provided by Act 44 of 2007 and the associated lease agreement with the Pennsylvania Turnpike Commission.</p> <p>Major projects expected to start in Fiscal Year 2011-12 include the replacement of Moffitts Mill Bridge on SR 3010 over Raccoon Creek and a bridge replacement on SR3022/Tank Farm Rd in Beaver County, replacement of 17-span Trafford Bridge viaduct in Westmoreland County, bridge replacement on SR 106 over Tunkhannock Creek in Susquehanna County, bridge replacements over T-574 Chapman's Rd and over Norfolk Southern RR in Lehigh County, bridge replacement on State Road over Brandywine Creek and on PA 41 over Officers Run in Chester County, bridge superstructure replacement on PA 316 over CSX in Franklin County, resurfacing of PA-624 from PA-24 to PA-124 in York County and restoration of I-99 from milepost 17 to East Freedom interchange in Blair County.</p> <p>Future projects will be determined by available Act 44 funds and through the metropolitan and rural planning organization process with the update of their 4-year Transportation Improvement Programs.</p>
	<p>Bridge Restricted Revenue Given the acceleration of bridge projects through bond financing, state funds for project work will be redirected to debt service. While there is a decrease in state funding available for bridge projects, the agency budget request includes continuation of borrowing which will provide \$200 million to advance replacement, reconstruction and preservation work. Major bridge projects to be started or continued during 2011-12 include the Freeport Bridge in Westmoreland County, I-80 Susquehanna River Bridge in Columbia County, 30th Street Station Bridge in Philadelphia County, I-81 Wade Bridge in Dauphin County, replacement of the Masontown Bridge over</p>	<p>\$ 90,853</p> <p>\$ 94</p> <p>\$ 2,757</p> <p>\$ 4,000</p>	<p>Highway Maintenance —for distribution to all 67 counties through a needs-based formula.</p> <p>Welcome Centers —to continue current program.</p> <p>Secondary Roads - Maintenance and Resurfacing (EA) —to continue current program.</p> <p>Reinvestment - Facilities —to restore funding for project deferrals.</p>

The Payment to Turnpike Commission is recommended at the current year funding level.



Program: Highways and Bridges (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
MOTOR LICENSE FUND:							
Welcome Centers	\$ 2,528	\$ 3,064	\$ 3,158	\$ 3,158	\$ 3,158	\$ 3,158	\$ 3,158
Highway and Safety Improvements.....	92,225	102,885	110,000	110,000	110,000	110,000	110,000
Expanded Highway and Bridge Program ..	465,000	165,000	165,000	165,000	165,000	165,000	165,000
Highway Capital Projects (EA).....	201,000	205,000	215,000	220,000	220,000	225,000	235,000
Highway Maintenance	754,159	799,147	890,000	800,000	800,000	800,000	800,000
Secondary Road - Maintenance and Resurfacing (EA).....	63,143	61,040	63,797	64,181	64,630	65,147	65,733
Reinvestment - Facilities	12,000	12,000	16,000	12,000	12,000	12,000	12,000
Payment to Turnpike Commission (EA).....	28,000	28,000	28,000	28,000	28,000	28,000	28,000
TOTAL MOTOR LICENSE FUND.....	\$ 1,618,055	\$ 1,376,136	\$ 1,490,955	\$ 1,402,339	\$ 1,402,788	\$ 1,408,305	\$ 1,418,891



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 municipal and county governments in the maintenance and construction of their roads and bridges. The majority of state funds are distributed by statutory formula, while federal funds are allocated in partnership with metropolitan and rural transportation planning organizations.

A portion of the revenues from motor fuel taxes is directed by law to municipal payments. Of the flat 12 cent tax on gasoline and diesel fuel, 20 percent of 11.5 cents is set aside for municipal governments. The Oil Company Franchise Tax, which was created by Act 35 of 1981, provides a 20 percent share to municipalities. Act 26 of 1991 and Act 3 of 1997 provide a 12 percent share of the revenue received from those increased tax rates. The distribution of funds to the commonwealth's 2,563 municipalities is made in accordance with a statutory formula established in Act 655 of 1956 based on 50 percent road mileage and 50 percent population. Grants may be used for a broad range of highway and bridge activities as set forth in the 1956 legislation. The department provides technical assistance to local governments and is responsible for assuring that expenditures are made in accordance with Act 655.

Municipalities benefit from the receipts generated from three other revenue sources. The funds are distributed to municipalities using the same 50 percent road mileage and 50 percent population distribution formula. The largest of these is a \$30 million annual appropriation created in Act 44 of 2007 with funding from the lease agreement with the Pennsylvania Turnpike Commission. An additional \$14 million per year comes from the collection of certain Vehicle Code fines that are split between the state and local governments. The third revenue source is a \$5 million Supplemental Local Roads Maintenance and Construction Payments appropriation, which was established by Act 68 of 1980.

The General Assembly authorized improvements to both state and local bridges through the Highway, Railroad and Highway Bridge Capital Budget Act of 1982-1983 and subsequent amendments. A restricted account was

established in the Motor License Fund, which receives revenue from a portion of the Oil Company Franchise Tax and annual registration fees from commonwealth-registered vehicles having a gross weight in excess of 26,000 pounds. For the local program, both municipalities and counties are eligible for grants on approximately 6,300 bridges greater than 20 feet long that are owned by these political subdivisions. Projects are selected by metropolitan or rural planning organizations and must be approved in the commonwealth's capital budget.

The highway transfer program began with Act 32 of 1983 to restore and turn back local service roads. A restricted account was created in the Motor License Fund, which receives a portion of Oil Company Franchise Tax receipts. At the onset of the program, approximately 12,000 miles of roads on the state-owned system were identified as candidates for return to local government control. This is a voluntary program in which the department pays to upgrade a road segment to acceptable standards, transfers ownership to the political subdivision and provides a \$4,000 per mile per year subsidy for future maintenance. Since inception of the program in 1983, more than 4,700 miles of these roads have been returned to local government control.

There are three programs specifically directed toward county governments. The largest of these goes back to 1931 with the creation of the Liquid Fuels Tax Fund from a half cent of the 12 cent flat tax on gasoline and diesel fuel. About \$33 million is distributed to the 67 counties each fiscal year based on a statutory formula. A second program of about \$4.4 million is funded from a share of the Oil Company Franchise Tax, which was set aside in Act 26 of 1991 to assist economically distressed counties in funding the local share of bridge improvement projects. A third program was added in Act 44 of 2007 for maintenance and construction of county bridges with funding from the lease agreement with the Pennsylvania Turnpike Commission. Act 44 specifies the distribution of the \$5 million annual appropriation be calculated based on the percentage of bridge deck area in each of the 67 counties compared to the total for all counties in the state.

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**

\$ 7,828 —to continue current program.

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

This budget proposes that the Motor License fund retain 100 percent of vehicle fine revenue generated in municipalities where the State Police serves as the primary police force.

Appropriations within this Program:

(Dollar Amounts in Thousands)

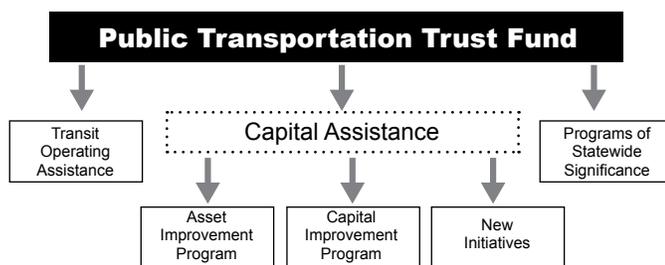
	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
MOTOR LICENSE FUND:							
Local Road Maintenance and Construction Payments.....	\$ 188,382	\$ 192,100	\$ 199,928	\$ 201,078	\$ 202,298	\$ 203,726	\$ 205,371
Supplemental Local Road Maintenance & Construction Payments.....	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Municipal Roads and Bridges.....	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Maintenance and Construction of County Bridges	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL MOTOR LICENSE FUND.....	\$ 228,382	\$ 232,100	\$ 239,928	\$ 241,078	\$ 242,298	\$ 243,726	\$ 245,371

PROGRAM OBJECTIVE: To support public transportation, intercity bus, intercity rail and aviation options that improve the mobility and the quality of life for urban and rural Pennsylvanians, and enhance economic activity throughout the commonwealth.

Program: Intermodal Transportation

Act 44 of 2007 significantly changed the way public transportation is funded in Pennsylvania. The foundation of the law rests on providing dedicated and predictable funding through the Public Transportation Trust Fund, which is linked to need and performance. This law also repealed and replaced much of the public transportation provisions enacted in Act 3 of 1997, Act 26 of 1991 and Act 10 of 1976. It strengthened the department's oversight authority and requires transit agencies to be more accountable.

The Public Transportation Trust Fund consists of five separate accounts. The Transit Operating Assistance account provides grants to service providers for transit operations. Capital assistance comes from three accounts: the Asset Improvement program, the Capital Improvements program and New Initiatives (for fixed guideway systems such as commuter rail or dedicated bus lanes). The Programs of Statewide Significance account supports a variety of programs including Rural Transportation for Persons with Disabilities, intercity bus and rail, Welfare to Work and Job Access Reverse Commute, technical assistance and demonstration projects and rail safety oversight. As of 2010-11, new turnpike revenues that would have funded part of the Asset Improvement program and the entire New Initiatives program have been eliminated as a result of federal disapproval of the commonwealth's proposal to toll Interstate 80.



Primary revenue sources for the Public Transportation Trust Fund are a 4.4 percent share of the state sales tax, proceeds from the lease agreement with the Pennsylvania Turnpike Commission and transfers from the Lottery Fund. Transit agencies receive additional state funds from the Public Transportation Assistance Fund and from Capital Facilities Fund bond proceeds. Urban systems receive federal funds directly from the Federal Transit Administration, while federal grants to rural service providers are administered by the department and are reflected in commonwealth budget totals.

Program Element: Public Transportation

Public transportation service within Pennsylvania is provided by 37 transit systems. Operating grants to these organizations are determined by a base allocation calculated on pre-Act 44 subsidy data and supplemental funding coming from four performance factors. The factors are total passengers, senior passengers, revenue vehicle miles and revenue vehicle hours. In order to be eligible for operating assistance, transit agencies eventually will be required to collect a local match of 15 percent of the state grant. Three capital assistance programs are available to transit operators. The Asset Improvement program is discretionary and requires a local match of 3¹/₃ percent of the state grant. The Capital Improvements program is allocated by formula to transit systems based on the number of passengers and requires no local match. Finally, the New Initiatives program may be funded at the discretion of the department by transfer of monies from the Asset Improvement program. New Initiatives may include new or expanded fixed guideway projects with a local match of 3¹/₃ percent.

In addition to traditional transit operations, the commonwealth supports affordable access to designated groups whose mobility would otherwise be limited. This includes programs for persons with disabilities, older Pennsylvanians (discussed under the Older Pennsylvanians Transit program element) and workers who can benefit from welfare to work or reverse commute services.

The Persons with Disabilities program provides discounted fares on shared ride services to individuals who do not have access to other publicly funded transportation. Act 44 authorized expansion of this program to all eligible counties. Allegheny and Philadelphia counties, with their extensive fixed route networks and complementary paratransit service, are not included. In 2009-10, individuals with disabilities scheduled nearly 315,000 shared ride trips at discounted fares.

Welfare to Work and Job Access Reverse Commute were originally created as federal programs to connect workers to their place of employment. As federal grant amounts declined, continued service was in jeopardy without additional state support. Act 44 of 2007 provided program authorization and state funding.

Program Element: Older Pennsylvanians Transit

The commonwealth's older citizens have benefited from greater mobility through the implementation of the Free

Program: Intermodal Transportation (continued)

Transit program in 1973 and the subsequent addition of the Shared Ride program in 1980. Both programs are funded from a portion of the revenues received from state lottery sales.

Under the State Lottery Law, Pennsylvanians who are 65 years of age or older are eligible for free rides on participating local fixed route operations. Act 44 eliminated peak travel time restrictions so that free service is now available during all operating hours. Proceeds from the Lottery Fund are transferred to the Public Transportation Trust Fund for distribution by the department to transit systems as part of their annual operating assistance grant.

The Shared Ride program for older Pennsylvanians, authorized by Act 101 of 1980 and amended by Act 36 of 1991, enables citizens 65 years or older to use demand responsive service at a significant discount of fares. The department contracts with shared-ride service providers who operate on a non-fixed route basis. Riders pay 15 percent of the applicable fare for their respective trips. This program continues to be administered directly from the Lottery Fund, which 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. Given that many retired persons must live within a fixed and limited income, these programs enhance the ability of older Pennsylvanians to remain connected with local services and community life.

Program Element: Intercity Transportation

This program element includes intercity bus service operated by private bus companies and intercity rail passenger service operated by Amtrak.

The commonwealth's intercity bus program supports operations on routes where, without state assistance, essential service would be terminated. In 2009-10, over 395,000 passengers utilized commonwealth subsidized intercity bus services. As private operators propose termination of such services, the department evaluates the economic and social impacts of service termination and determines the merits of public subsidy. Federal funds also are 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). Limited service is operated as part of Amtrak's national system without financial assistance from the commonwealth. To provide additional service, the department has contracted with Amtrak to supplement Amtrak's national system schedule in the Harrisburg to Philadelphia Corridor (Keystone Corridor). This financial assistance helps to support 79 one-way trains per week on the Keystone Corridor, with nearly 1.3 million passenger trips made through this service in 2009-10.

Program Element: Rail Freight

Commonwealth involvement in rail freight began in the mid-1970's as a result of the bankruptcy of seven northeastern and midwestern railroad companies. Congress provided interim federal funding to help states retain service and preserve track on priority routes slated for abandonment. Act 119 of 1984, the Rail Freight Preservation and Improvement Act, established an ongoing state program in recognition of the economic impact of rail freight service on local communities. Short line railroad corporations were formed to acquire and operate these lines so that businesses would continue to have access to low-cost, bulk commodity shipping. Act 119 authorized the department to issue grants to these entities for acquisition, accelerated maintenance and new construction. Pennsylvania now has about 67 short line and regional railroad corporations, which is more than any other state.

To address the fact that many rail lines throughout the commonwealth were in a state of disrepair, two programs were initiated to assist railroad owners with infrastructure improvements. The Rail Freight Assistance program is funded from an annual General Fund appropriation, and the Transportation Assistance program is funded from Capital Facilities Fund bond proceeds. Grants may be issued to private railroads, companies utilizing rail in their shipping process, and public authorities or municipalities that are conduits for rail activities. The Rail Freight Assistance program and Transportation Assistance program have been used to improve track, make acquisitions and construct new rail facilities. The benefits from these programs include economic development (private investment and associated jobs), environmental quality (fuel efficiency with low emissions), less congestion on the highways (an alternate mode for goods movement), and land use opportunities (redevelopment of existing commercial sites).

Program Element: Aviation

Aviation plays a major role in the movement of passengers and cargo throughout the commonwealth, with 133 public use airports and heliports. These include 14 with scheduled passenger service, all of which are operated by local governments or authorities. In addition to facilitating the movement of people and goods, aviation facilities bring substantial economic benefits to the state. According to a 2002 study, aviation contributes over \$12 billion of economic benefits to Pennsylvania annually and is responsible for over 280,000 jobs, representing \$5.6 billion in payrolls to Pennsylvania workers.

The department provides programs to improve the safety and effectiveness of the commonwealth's aviation network, including an airport inspection and licensing program.

Program: Intermodal Transportation (continued)

The department administers federal and state grant programs that are available for the commonwealth's public use airports. Two state funded grant programs are funded from the Aviation Restricted Revenue Account, into which taxes on jet fuel and aviation fuel sold in the commonwealth are deposited. These grant programs include:

- An airport development grant program for public use airports to meet safety, security, capacity, environmental and planning needs.

- A real estate tax rebate program for public airports, funded from the statewide aviation fuel tax.

The commonwealth is one of only ten states chosen as a federal block grant state. The commonwealth, through the department, is receiving approximately \$18 million each year from the Federal Aviation Administration to distribute to qualifying airports throughout the commonwealth.

Program Recommendations:

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

<p>GENERAL FUND Rail Freight and Intermodal Coordination \$ 13 —to continue current program.</p>	<p>LOTTERY FUND Older Pennsylvanians Shared Ride (EA) \$ -2,500 —to continue current program based on transit system projections.</p>
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This budget recommends the Airport Development Grants program at the \$7.0 million level. It is funded from the Aviation Restricted Revenue Account.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Rail Freight and Intermodal Coordination..	\$ 1,078	\$ 896	\$ 909	\$ 909	\$ 909	\$ 909	\$ 909
Rail Freight Assistance.....	8,000	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 9,078	\$ 896	\$ 909	\$ 909	\$ 909	\$ 909	\$ 909
 LOTTERY FUND:							
Older Pennsylvanians Shared Rides (EA)	\$ 80,186	\$ 81,500	\$ 79,000	\$ 81,386	\$ 83,844	\$ 86,376	\$ 88,984
 PUBLIC TRANSPORTATION TRUST FUND:							
Mass Transit Operating (EA)	\$ 702,813	\$ 663,174	\$ 687,930	\$ 687,930	\$ 687,930	\$ 687,930	\$ 687,930
Asset Improvement (EA)	131,151	20,302	9,272	0	0	0	0
Capital Improvement (EA)	24,813	16,710	22,046	22,046	22,046	22,046	22,046
Programs of Statewide Significance (EA)..	56,702	66,744	61,180	61,180	61,180	61,180	61,180
Transit Administration and Oversight (EA)	4,513	4,431	4,488	4,488	4,488	4,488	4,488
(A)Interagency Revenue Reimbursement .	660	0	0	0	0	0	0
TOTAL PUBLIC TRANSPORTATION TRUST FUND.....	\$ 920,652	\$ 771,361	\$ 784,916	\$ 775,644	\$ 775,644	\$ 775,644	\$ 775,644



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. The department is responsible for processing applications and collecting fees for all vehicle registrations, titles and operator licenses. Last year, more than 11 million vehicles were registered under Pennsylvania's annual renewal cycle. This total included more than 192,000 heavy trucks greater than 17,000 pounds and more than 172,000 trailers greater than 10,000 pounds. The number of licensed drivers has remained consistent over the past few years at 8.7 million, including 430,000 commercial drivers. The four-year driver's license expiration cycle is staggered so that about 2.1 million renewals are processed each year. The Safety Administration and Licensing program oversees operator and vehicular licensing activities such as testing, inspections and revocations. The department also operates the Driver's License Examination program. More than 880,000 driving knowledge and skills tests were conducted in 2009-10, to certify applicants to operate passenger and commercial vehicles and motorcycles. A statewide network of facilities conducts written, oral and skills tests. Generally, around 275,000 new drivers are licensed each year, either as first-time drivers or drivers from other states.

The safety inspection program for the commonwealth's more than 11 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 25 counties affecting approximately 6.8 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. More than 650,000 of the 1.7 million citations issued in 2009-10 resulted 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 recalls driver's licenses for an accumulation of points. Commercial drivers may be sanctioned by having their commercial driving privilege revoked for certain offenses.

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 process combined with the authority granted to enforcement officials to cite motorists detected as not having insurance can result in a revocation or suspension of vehicle registration. A total of 119,000 vehicle suspensions were imposed during fiscal year 2009-10 for insurance infractions.

The department currently has 97 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. In 2009-10, 2.3 million customers visited driver license centers and over 3 million customers came to get their pictures taken for their photo license and photo ID cards. The computerized online messenger program, which connects the private business with the department, has been the cornerstone of the decentralization effort. Currently there are 237 messenger sites, processing 1.2 million driver's license and motor vehicle transactions annually. 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. Customers can also process transactions on the department's Internet renewal system. During 2009-10, 3.4 million customers renewed their non-commercial driver's license, photo identification card or vehicle registration via the Internet.

Program: Safety Administration and Licensing (continued)

Program Recommendations:

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

	GENERAL FUND			MOTOR LICENSE FUND
	Vehicle Sales Tax Collections			Safety Administration and Licensing
\$ -202	—reduction in reimbursement to the Motor License Fund for costs to collect vehicle sales taxes.		\$ 689	—to continue current program.
	Voter Registration			
\$ 228	—to continue current program.			

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Vehicle Sales Tax Collections.....	\$ 1,124	\$ 1,093	\$ 891	\$ 891	\$ 891	\$ 891	\$ 891
Voter Registration.....	297	198	426	426	426	426	426
TOTAL GENERAL FUND	\$ 1,421	\$ 1,291	\$ 1,317	\$ 1,317	\$ 1,317	\$ 1,317	\$ 1,317
MOTOR LICENSE FUND:							
Safety Administration and Licensing.....	\$ 112,747	\$ 124,420	\$ 125,109	\$ 127,810	\$ 123,893	\$ 124,078	\$ 123,687



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Transportation Support Services							
Overhead costs as a percentage of department budget (state funds)	1.31%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Program: Highways and Bridges							
Highway and Bridge Construction/Reconstruction							
Miles of new highway construction	11	24	6	15	15	15	15
Miles of Interstate reconstruction or restoration	246	152	84	113	113	113	113
Miles of non-Interstate reconstruction or restoration	242	223	112	133	133	133	133
Interstate highway system in good or excellent condition	80.80%	81.10%	80.20%	79.30%	78.40%	77.50%	76.60%
Interstate highway system in poor condition	3.90%	3.80%	4.50%	5.10%	5.70%	6.40%	7%
National Highway System non-Interstate highway system in good or excellent condition	70.30%	68.60%	66.80%	64.90%	63.10%	61.30%	59.40%
National Highway System non-Interstate highway system in poor condition	6.40%	7.60%	8.90%	10.20%	11.40%	12.70%	13.90%
Bridges replaced/repaired	658	340	300	290	280	265	250
Structurally deficient bridges by deck area	18.40%	17%	15.90%	15.80%	15.70%	15.90%	16%
Variance of final cost of construction versus original contract amount	4.50%	3%	3%	3%	3%	3%	3%
Number of bridges preserved	569	210	210	210	210	210	210
Highway and Bridge Maintenance							
Miles of State maintained highways	39,845	39,820	39,795	39,770	39,745	39,720	39,695
Miles of State maintained highways improved:							
Structural restoration	170	160	160	140	135	135	135
Maintenance resurfacing	1,237	1,220	1,210	860	800	800	800
Surface Repairs	4,305	4,400	4,395	4,310	4,150	4,150	4,150
Total	5,712	5,780	5,760	5,310	5,085	5,085	5,085
Program: Local Highway and Bridge Assistance							
Miles of highway locally administered:							
Total	77,540	77,880	78,170	78,470	78,780	79,090	79,400
Percentage of all locally maintained highways in the commonwealth	66.10%	66.20%	66.30%	66.40%	66.50%	66.60%	66.70%
Local bridges:							
Total (greater than 20 feet)	6,318	6,318	6,318	6,318	6,318	6,318	6,318
Brought up to standard through State Bridge Program	30	32	32	32	32	32	32

Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Program: Intermodal Transportation							
Mass Transportation							
Passengers carried by state-assisted operators (millions annually)	423.10	409.40	409.40	409.40	409.40	409.40	409.40
Passengers per vehicle hour	39.40	37.70	37.70	37.70	37.70	37.70	37.70
Percentage share of average income of mass transit trips:							
From revenue	37.90%	37.10%	37.10%	37.10%	37.10%	37.10%	37.10%
From commonwealth	49.50%	49.70%	49.70%	49.70%	49.70%	49.70%	49.70%
From federal government	5.70%	6.60%	6.60%	6.60%	6.60%	6.60%	6.60%
From local government	6.90%	6.60%	6.60%	6.60%	6.60%	6.60%	6.60%
Older Pennsylvanians Transit							
Free transit trips (millions annually)	36	36.35	36.75	37.10	37.45	37.85	38.20
Trips on state assisted shared ride vehicles (millions annually)	4.61	4.65	4.70	4.75	4.80	4.85	4.90
Cost to the commonwealth per trip:							
Free Transit	\$2.29	\$2.41	\$2.41	\$2.42	\$2.42	\$2.43	\$2.43
State assisted shared ride vehicles	\$15.29	\$15.47	\$15.66	\$15.85	\$16	\$16.23	\$16.42
Intercity Transportation							
Intercity Bus:							
Passengers handled	395,044	406,895	419,100	431,675	444,625	457,965	471,705
Subsidy per bus mile	\$0.48	\$0.48	\$0.48	\$0.48	\$0.48	\$0.48	\$0.48
Intercity Rail:							
Passengers handled	1,277,075	1,315,385	1,354,850	1,395,495	1,437,360	1,480,480	1,524,895
Subsidy per passenger mile	\$0.23	\$0.23	\$0.24	\$0.24	\$0.25	\$0.25	\$0.25
Rail Freight:							
Miles of rail lines, state assisted	240	190	190	190	190	190	190
Jobs created by state-supported rail freight improvements	1,011	985	985	985	985	985	985
Additional trucks that would be needed without rail freight bulk cargo service	215,808	244,565	244,565	244,565	244,565	244,565	244,565
Aviation:							
Airport development grants	90	60	50	50	50	50	50
Percentage of projects receiving federal priority	90%	90%	90%	90%	90%	90%	90%
Percentage of runways with a pavement condition index of fair or better	94%	94%	94%	93%	93%	92%	93%
Program: Safety Administration and Licensing							
Vehicles inspected:							
Safety inspections	11,027,590	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Emission inspections	6,692,842	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000



Program Measures

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Registrations:							
New	784,299	790,000	800,000	810,000	820,000	830,000	840,000
Renewed	8,605,675	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000
Licensed drivers:							
New	275,804	275,000	275,000	275,000	275,000	275,000	275,000
Renewed	2,132,159	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
New commercial drivers licensed	10,515	10,000	10,000	10,000	10,000	10,000	10,000
Photo identification cards issued (non-driver photos)	350,511	350,000	350,000	350,000	350,000	350,000	350,000
Service center customers served within 30 minutes	89.10%	99%	99%	99%	99%	99%	99%
Access rate of driver and vehicle services call center	99.80%	95%	95%	95%	95%	95%	95%

Declines in certain Highway and Bridge measure projections are based in part on reductions in Act 44 revenues and elimination of American Recovery and Reinvestment Act (ARRA) funding.



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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.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Senate:			
Senators' Salaries.....	\$ 5,626	\$ 5,570	\$ 5,570
Senate President - Expenses.....	303	300	300
Employees of Chief Clerk.....	2,750	2,723	2,723
Salaried Officers and Employees.....	8,970	8,880	8,880
Reapportionment Expenses.....	0	800	800
Incidental Expenses.....	2,992	2,963	2,963
Postage.....	1,050	1,040	1,040
Expenses - Senators.....	1,250	1,238	1,238
Legislative Printing and Expenses.....	7,500	7,425	7,425
Computer Services (R).....	2,000	0	0
Computer Services (D).....	2,000	0	0
Computer Services (R) and (D).....	0	3,960	3,960
Committee on Appropriations (R).....	100	0	0
Committee on Appropriations (D).....	100	0	0
Committee on Appropriations (R) and (D).....	0	498	498
Caucus Operations (R) and (D).....	0	56,559	55,371
Caucus Operations (R).....	28,717	0	0
Caucus Operations (D).....	28,717	0	0
Subtotal.....	\$ 92,075	\$ 91,956	\$ 90,768
House of Representatives:			
Members' Salaries, Speaker's Extra Compensation.....	\$ 17,834	\$ 17,656	\$ 17,656
House Employees (R).....	18,964	18,774	18,380
House Employees (D).....	18,964	18,774	18,380
Speaker's Office.....	1,731	1,714	1,714
Bi-Partisan Committee, Chief Clerk, Comptroller & EMS.....	11,412	11,298	11,298
Reapportionment Expenses.....	0	800	800
Mileage - Representatives, Officers and Employees.....	356	352	352
Chief Clerk and Legislative Journal.....	2,672	2,645	2,645
Speaker.....	20	0	0
Chief Clerk.....	560	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	671	671
Legislative Office for Research Liaison.....	583	577	0
Incidental Expenses.....	7,879	7,800	7,800
Expenses - Representatives.....	4,572	4,526	4,526
Legislative Printing and Expenses.....	15,766	15,608	15,608
National Legislative Conference - Expenses.....	489	484	0
Committee on Appropriations (R).....	5,103	5,052	5,052
Committee on Appropriations (D).....	5,103	5,052	5,052
Special Leadership Account (R).....	10,328	10,225	10,010



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
Special Leadership Account (D).....	10,328	10,225	10,010
Legislative Management Committee (R).....	19,370	19,176	18,773
Legislative Management Committee (D).....	19,370	19,176	18,773
Information Technology (R).....	6,564	6,498	6,498
Information Technology (D).....	6,564	6,498	6,498
Subtotal.....	\$ 184,630	\$ 183,581	\$ 180,496
Legislative Reference Bureau:			
Legislative Reference Bureau - Salaries & Expenses.....	\$ 6,767	\$ 6,699	\$ 6,699
Contingent Expenses.....	18	18	18
Printing of PA Bulletin and PA Code.....	708	701	701
Subtotal.....	\$ 7,493	\$ 7,418	\$ 7,418
Legislative Miscellaneous and Commissions:			
Legislative Budget and Finance Committee.....	\$ 1,775	\$ 1,757	\$ 1,757
Legislative Data Processing Center.....	2,819	2,791	2,791
Joint State Government Commission.....	1,416	1,402	1,402
Local Government Commission.....	1,074	1,063	1,063
Local Government Codes.....	22	22	22
Joint Legislative Air and Water Pollution Control Committee.....	393	389	389
Legislative Audit Advisory Commission.....	165	163	163
Independent Regulatory Review Commission.....	1,697	1,680	1,680
Capitol Preservation Committee.....	418	414	414
Capitol Restoration.....	1,925	1,906	1,906
Commission on Sentencing.....	1,159	1,397	1,397
(F)JAG - Consolidated Project Grants (EA).....	1,248	1,280	1,280
Center For Rural Pennsylvania.....	879	870	870
Commonwealth Mail Processing Center.....	1,037	1,027	1,027
Legislative Reapportionment Commission.....	0	2,400	2,400
Host State Committee Expenses.....	49	49	49
Subtotal.....	\$ 16,076	\$ 18,610	\$ 18,610
Subtotal - State Funds.....	\$ 299,026	\$ 300,285	\$ 296,012
Subtotal - Federal Funds.....	1,248	1,280	1,280
Total - General Government.....	\$ 300,274	\$ 301,565	\$ 297,292
STATE FUNDS.....	\$ 299,026	\$ 300,285	\$ 296,012
FEDERAL FUNDS.....	1,248	1,280	1,280
GENERAL FUND TOTAL.....	\$ 300,274	\$ 301,565	\$ 297,292



Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
LEGISLATURE							
GENERAL FUND.....	\$ 299,026	\$ 300,285	\$ 296,012	\$ 292,012	\$ 292,012	\$ 292,012	\$ 292,012
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,248	1,280	1,280	1,280	1,280	1,280	1,280
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 300,274	\$ 301,565	\$ 297,292	\$ 293,292	\$ 293,292	\$ 293,292	\$ 293,292
ALL PROGRAMS:							
GENERAL FUND.....	\$ 299,026	\$ 300,285	\$ 296,012	\$ 292,012	\$ 292,012	\$ 292,012	\$ 292,012
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,248	1,280	1,280	1,280	1,280	1,280	1,280
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 300,274	\$ 301,565	\$ 297,292	\$ 293,292	\$ 293,292	\$ 293,292	\$ 293,292



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)

GENERAL FUND
Legislature
 \$ -4,273 —funding reduction.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
TOTAL GENERAL FUND	\$ 299,026	\$ 300,285	\$ 296,012	\$ 292,012	\$ 292,012	\$ 292,012	\$ 292,012



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 Magisterial District Judges, Philadelphia Municipal Court, Philadelphia Traffic Court and the Pittsburgh Municipal Court.



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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Supreme Court:			
Supreme Court.....	\$ 13,424	\$ 13,424	\$ 13,424
Justices Expenses.....	115	115	115
Judicial Center Operations.....	655	655	655
Judicial Council.....	137	137	137
District Court Administrators.....	16,773	16,773	16,773
Interbranch Commission.....	349	349	349
Court Management Education.....	71	71	71
Rules Committees.....	1,448 ^a	1,448 ^a	1,448
Court Administrator.....	9,663	9,663	9,663
(F)Court Improvement Project.....	1,705	1,705	1,420
(F)Drug Court - MIS.....	0	200	0
(F)Drug Court Training (EA).....	61	40	0
(F)Stop Violence Against Women.....	0	198	0
Integrated Criminal Justice System.....	2,303	2,303	2,303
(R)Judicial Computer System.....	57,048	57,048	57,048
Unified Judicial System Security.....	1,994	1,994	1,994
Subtotal.....	\$ 105,746	\$ 106,123	\$ 105,400
Superior Court:			
Superior Court.....	\$ 26,237	\$ 26,237	\$ 26,237
Judges Expenses.....	178	178	178
Subtotal.....	\$ 26,415	\$ 26,415	\$ 26,415
Commonwealth Court:			
Commonwealth Court.....	\$ 15,926	\$ 15,926	\$ 15,926
Judges Expenses.....	128	128	128
Subtotal.....	\$ 16,054	\$ 16,054	\$ 16,054
Courts of Common Pleas:			
Courts of Common Pleas.....	\$ 79,136	\$ 79,136	\$ 79,136
Senior Judges.....	3,607	3,607	3,607
Judicial Education.....	1,105	1,105	1,105
Ethics Committee.....	55	55	55
Subtotal.....	\$ 83,903	\$ 83,903	\$ 83,903
Magisterial District Judges:			
Magisterial District Judges.....	\$ 58,986	\$ 58,986	\$ 58,986
Magisterial District Judge Education.....	651	651	651
Subtotal.....	\$ 59,637	\$ 59,637	\$ 59,637
Philadelphia Courts:			
Traffic Court.....	\$ 912	\$ 912	\$ 912
Municipal Court.....	5,546	5,546	5,546
Subtotal.....	\$ 6,458	\$ 6,458	\$ 6,458



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2009-10 ACTUAL	2010-11 AVAILABLE	2011-12 BUDGET
Judicial Conduct Board	\$ 1,182	\$ 1,182	\$ 1,182
Court of Judicial Discipline	454	454	454
Subtotal - State Funds.....	\$ 241,035	\$ 241,035	\$ 241,035
Subtotal - Federal Funds.....	1,766	2,143	1,420
Subtotal - Restricted Revenues.....	57,048	57,048	57,048
Total - General Government.....	\$ 299,849	\$ 300,226	\$ 299,503
Grants and Subsidies:			
Reimbursement of County Costs:			
Jurors Cost Reimbursement	\$ 1,085	\$ 1,085	\$ 1,085
County Courts Reimbursement	33,405 ^b	33,405 ^b	33,405
Senior Judge Reimbursement	1,335	1,335	1,335
Subtotal.....	\$ 35,825	\$ 35,825	\$ 35,825
Total - Grants and Subsidies.....	\$ 35,825	\$ 35,825	\$ 35,825
STATE FUNDS.....	\$ 276,860	\$ 276,860	\$ 276,860
FEDERAL FUNDS.....	1,766	2,143	1,420
RESTRICTED REVENUES.....	57,048	57,048	57,048
GENERAL FUND TOTAL	\$ 335,674	\$ 336,051	\$ 335,328

^a Appropriated as \$291,000 for Civil Procedure Rules Committee, \$150,000 for Appellate/Orphans Rules Committee, \$157,000 for Rules of Evidence Committee, \$139,000 for Minor Court Rules Committee, \$375,000 for Criminal Procedural Rules Committee, \$168,000 for Domestic Relations Committee, and \$168,000 for Juvenile Court Rules Committee.

^b Appropriated as \$30,235,000 for County Courts Reimbursement, \$36,000 for Law Clerks, \$218,000 for Domestic Violence Services, \$1,276,000 for Gun Court Reimbursements, and \$1,640,000 for Court Consolidations.

Program Funding Summary

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
STATE JUDICIAL SYSTEM							
GENERAL FUND.....	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,766	2,143	1,420	1,420	1,420	1,420	1,420
OTHER FUNDS.....	57,048	57,048	57,048	57,048	57,048	57,048	57,048
SUBCATEGORY TOTAL.....	\$ 335,674	\$ 336,051	\$ 335,328	\$ 335,328	\$ 335,328	\$ 335,328	\$ 335,328
ALL PROGRAMS:							
GENERAL FUND.....	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,766	2,143	1,420	1,420	1,420	1,420	1,420
OTHER FUNDS.....	57,048	57,048	57,048	57,048	57,048	57,048	57,048
DEPARTMENT TOTAL.....	\$ 335,674	\$ 336,051	\$ 335,328	\$ 335,328	\$ 335,328	\$ 335,328	\$ 335,328



PROGRAM OBJECTIVE: To provide the citizens of the commonwealth with prompt and equitable justice under the law.

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 Municipal Court, Traffic Court of Philadelphia and Magisterial District 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 District Judges who have jurisdiction over summary criminal cases, landlord-tenant matters and other civil actions where the amount claimed does not exceed \$12,000. They also have jurisdiction to issue warrants, hold arraignments and preliminary hearings in all criminal cases and 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 (MJEB) in order to be certified. They must also participate in one week of continuing education each year.

In Philadelphia, the minor 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 District Judges. The Philadelphia Traffic Court, composed of seven judges who need not be lawyers, has jurisdiction over all summary offenses under the Motor Vehicle Code and related city ordinances. Like Magisterial District Judges, Traffic Court judges must complete the certifying course, pass the qualifying examination administered by the MJEB and fulfill the annual continuing education requirement.

The Supreme Court established by Order an administrative judicial unit within the Fifth Judicial District (Allegheny County) known as "Pittsburgh Municipal Court." The court was created in January 2005. Most matters that were previously assigned to Pittsburgh Magistrates Court have been assigned to this court. The Pittsburgh Municipal Court is staffed by Magisterial District Judges from districts throughout Allegheny County (including the City of Pittsburgh) who are assigned to sit on the court by the president judge of the Fifth Judicial District.

The second level in the court system are the Courts of Common Pleas. These courts 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.

In general, at the third level of the court system are appeals from the Courts of Common Pleas, which are handled by one of the two intermediate-level appellate courts: Superior Court and Commonwealth Court. Commonwealth Court, with nine judges, 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, with 15 judges, has jurisdiction over all direct appeals that are not within the specific statutory jurisdiction of another appellate court.

At the highest level is Pennsylvania's court of last resort: the Supreme Court, with seven justices, including the Chief Justice. It is also responsible for the administration of the Unified Judicial System. The Supreme Court of Pennsylvania was established by the Pennsylvania Provincial Assembly in 1722.

In accordance with the state constitution and statute, there is a two-tiered independent judicial disciplinary system. The role of the first tier, the Judicial Conduct Board, is to investigate complaints regarding the conduct of judges. 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 judicial automation.

The Supreme Court has initiated a number of programs in recent years to facilitate the administration of justice within the commonwealth. Among the more recent of these are the creation within AOPC of the Office for Children and Families in the Court, which assists courts statewide in providing neglected and abused children with safe and permanent homes in as brief a time as possible, and a program to assist judicial districts in establishing, expanding or maintaining special problem-solving courts, such as drug courts, mental health and veterans courts. Responsibility for these programs is vested in the AOPC. Through exercise of its statutory

Program: State Judicial System (continued)

realignment responsibilities, the Court has established the goal of reducing the number of magisterial districts by approximately 10 percent as a cost-cutting measure. This process is presently underway, and will continue throughout the decennial realignment process following release of data from the 2010 census.

The Judicial Computer System (JCS) has the ultimate goal of computerization of the entire judiciary. The integrated case and financial management system envisioned by the Supreme Court is being constructed in stages. The first component completed is the Magisterial District Judge System, which serves the 544 magisterial district judge offices. The next major components completed in order are the Pennsylvania Appellate Courts Case Management System, which serves the three appellate courts; and the Common Pleas Criminal Case Management System, which automated the criminal courts statewide. Future major phases will incorporate the civil courts. Although not a component of the automated court

system, JCS also established the Administrative Services Application System to serve the vital administrative functions of accounting, budgeting, payroll and human resources. 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 court system.

Act 49 of 2009 was enacted to provide an additional funding stream to support judiciary operations. It imposed a temporary 25-month surcharge on the existing Act 122 (2002) fee established to support the Judicial Computer System and Access to Justice. The surcharge, which expires on January 7, 2012, consists of \$10.25 to fund judiciary operations and \$1.00 for Access to Justice. It also established a permanent \$2.25 fee directed to the Criminal Justice Enhancement Account to help support salaries for the full-time county district attorneys.

Program Recommendations:

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

Judiciary is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL FUND:							
Supreme Court	\$ 13,424	\$ 13,424	\$ 13,424	\$ 13,424	\$ 13,424	\$ 13,424	\$ 13,424
Justices Expenses.....	115	115	115	115	115	115	115
Judicial Center Operations	655	655	655	655	655	655	655
Judicial Council.....	137	137	137	137	137	137	137
District Court Administrators.....	16,773	16,773	16,773	16,773	16,773	16,773	16,773
Interbranch Commission.....	349	349	349	349	349	349	349
Court Management Education.....	71	71	71	71	71	71	71
Rules Committees	1,448	1,448	1,448	1,448	1,448	1,448	1,448
Court Administrator.....	9,663	9,663	9,663	9,663	9,663	9,663	9,663
Integrated Criminal Justice System.....	2,303	2,303	2,303	2,303	2,303	2,303	2,303
Unified Judicial System Security	1,994	1,994	1,994	1,994	1,994	1,994	1,994
Superior Court.....	26,237	26,237	26,237	26,237	26,237	26,237	26,237
Judges Expenses	178	178	178	178	178	178	178
Commonwealth Court.....	15,926	15,926	15,926	15,926	15,926	15,926	15,926
Judges Expenses	128	128	128	128	128	128	128
Courts of Common Pleas	79,136	79,136	79,136	79,136	79,136	79,136	79,136
Senior Judges.....	3,607	3,607	3,607	3,607	3,607	3,607	3,607
Judicial Education.....	1,105	1,105	1,105	1,105	1,105	1,105	1,105
Ethics Committee	55	55	55	55	55	55	55
Magisterial District Judges.....	58,986	58,986	58,986	58,986	58,986	58,986	58,986
Magisterial District Judge Education	651	651	651	651	651	651	651
Traffic Court.....	912	912	912	912	912	912	912
Municipal Court.....	5,546	5,546	5,546	5,546	5,546	5,546	5,546
Judicial Conduct Board.....	1,182	1,182	1,182	1,182	1,182	1,182	1,182
Court of Judicial Discipline	454	454	454	454	454	454	454
Jurors Cost Reimbursement.....	1,085	1,085	1,085	1,085	1,085	1,085	1,085
County Courts Reimbursement.....	33,405	33,405	33,405	33,405	33,405	33,405	33,405
Senior Judge Reimbursement.....	1,335	1,335	1,335	1,335	1,335	1,335	1,335
TOTAL GENERAL FUND	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860	\$ 276,860



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Commonwealth of Pennsylvania

Governor's Executive Budget

CAPITAL BUDGET

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CAPITAL BUDGET

Program Summary

This section contains the 2011-12 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 movable 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.

2011-12 New Project Authorizations — This section itemizes and describes the new capital projects recommended for authorization in 2011-12 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 2012-13 through 2015-16. 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 2011-12 and projects which will be authorized in the future (2012-16).

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)

	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
GENERAL OBLIGATION BOND FUNDING					
Revenues					
Capital Facilities Bonds:					
Public Improvement Projects - Buildings and Structures.....	\$ 885,000	\$ 885,000	\$ 315,000	\$ 330,000	\$ 235,000
Public Improvement Projects - Furniture and Equipment.....	10,000	50,000	7,000	0	0
Redevelopment Assistance Projects.....	270,000	420,000	465,000	360,000	76,000
Flood Control Projects.....	35,000	20,000	0	0	0
Transportation Assistance Projects.....	212,000	175,000	175,000	175,000	175,000
Less: Costs of Issue.....	-24,180	-23,250	-14,430	-12,975	-4,860
Miscellaneous Revenue.....	37,720	17,955	17,093	17,258	13,617
Change in Available Cash.....	5,662	15,067	18,084	-3,444	76,478
Total.....	<u>\$ 1,431,202</u>	<u>\$ 1,559,772</u>	<u>\$ 982,747</u>	<u>\$ 865,839</u>	<u>\$ 571,235</u>
Expenditures					
Capital Facilities Fund:					
Public Improvement Projects - Buildings and Structures.....	\$ 896,608	\$ 876,447	\$ 321,071	\$ 334,583	\$ 236,849
Public Improvement Projects - Furniture and Equipment.....	9,584	69,549	22,067	0	0
Redevelopment Assistance Projects.....	269,750	418,142	462,717	356,142	159,386
Flood Control Projects.....	43,260	20,634	1,892	114	0
Transportation Assistance Projects.....	212,000	175,000	175,000	175,000	175,000
Total - General Obligation Bonds.....	<u>\$ 1,431,202</u>	<u>\$ 1,559,772</u>	<u>\$ 982,747</u>	<u>\$ 865,839</u>	<u>\$ 571,235</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.....	18,040	17,961	18,619	16,826	23,148
Acquisition, Rehabilitation and Development Projects Environmental Stewardship Fund.....	7,905	11,761	12,173	12,599	13,040
Highway Projects - Motor License Fund.....	396,385	387,780	380,444	381,105	373,735
Total Current Revenues.....	<u>\$ 423,080</u>	<u>\$ 418,252</u>	<u>\$ 411,986</u>	<u>\$ 411,280</u>	<u>\$ 410,672</u>
TOTAL - ALL FUNDS	<u><u>\$ 1,854,282</u></u>	<u><u>\$ 1,978,023</u></u>	<u><u>\$ 1,394,732</u></u>	<u><u>\$ 1,277,118</u></u>	<u><u>\$ 981,906</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

(Dollar Amounts in Thousands)

	2011-12	2012-13	2013-14	2014-15	2015-16	Total
Agriculture.....	\$ 0	\$ 90,825	\$ 0	\$ 0	\$ 0	\$ 90,825
Conservation and Natural Resources.....	75,053	92,300	116,000	114,000	100,800	498,153
Corrections.....	42,472	0	0	0	0	42,472
Education.....	107,950	133,950	135,000	136,200	139,000	652,100
Emergency Management Agency.....	0	0	0	0	0	0
Environmental Protection.....	17,750	26,542	100,714	45,686	19,320	210,012
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.....	11,090	0	0	0	0	11,090
Historical and Museum Commission.....	31,500	31,500	47,820	42,000	0	152,820
Liquor Control Board.....	0	0	0	0	0	0
Military and Veterans Affairs.....	68,357	0	0	0	0	68,357
Public Welfare.....	30,800	29,090	26,820	21,880	24,270	132,860
State Police.....	0	0	0	0	0	0
Transportation.....	1,797,675	475,000	475,000	475,000	475,000	3,697,675
TOTAL.....	\$ 2,182,647	\$ 883,207	\$ 903,854	\$ 836,766	\$ 760,390	\$ 5,566,864



RECOMMENDED 2011-12 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.....	\$ 0	\$ 0	\$ 0	\$ 0
Conservation and Natural Resources.....	36,500	0	0	0
Corrections.....	42,472	0	0	0
Education.....	107,500	450	0	0
Emergency Management Agency.....	0	0	0	0
Environmental Protection.....	7,750	0	0	10,000
Executive Offices.....	0	0	0	0
Fish and Boat Commission.....	0	0	0	0
Game Commission.....	0	0	0	0
General Services.....	11,090	0	0	0
Historical and Museum Commission.....	28,800	2,700	0	0
Liquor Control Board.....	0	0	0	0
Military and Veterans Affairs.....	65,357	3,000	0	0
Public Welfare.....	30,800	0	0	0
State Police.....	0	0	0	0
Transportation.....	49,650	0	288,797	0
TOTAL.....	\$ 379,919	\$ 6,150	\$ 288,797	\$ 10,000

	Current Revenues		All Funds
	Highway Projects	Public Improvement Projects	
Agriculture.....	\$ 0	\$ 0	\$ 0
Conservation and Natural Resources.....	0	38,553	75,053
Corrections.....	0	0	42,472
Education.....	0	0	107,950
Emergency Management Agency.....	0	0	0
Environmental Protection.....	0	0	17,750
Executive Offices.....	0	0	0
Fish and Boat Commission.....	0	0	0
Game Commission.....	0	0	0
General Services.....	0	0	11,090
Historical and Museum Commission.....	0	0	31,500
Liquor Control Board.....	0	0	0
Military and Veterans Affairs.....	0	0	68,357
Public Welfare.....	0	0	30,800
State Police.....	0	0	0
Transportation.....	1,459,228	0	1,797,675
TOTAL.....	\$ 1,459,228	\$ 38,553	\$ 2,182,647



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
2011-12 PUBLIC IMPROVEMENT PROJECTS				
Parks and Forest Management.....	\$ 71,153	\$ 0	\$ 3,900	\$ 75,053
TOTAL PROJECTS.....	\$ 71,153	\$ 0	\$ 3,900	\$ 75,053
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 32,600	\$ 0	\$ 3,900	\$ 36,500
Capital Facilities Fund - Furniture and Equipment.....	0	0	0	0
Subtotal General Obligation Bond Issues.....	\$ 32,600	\$ 0	\$ 3,900	\$ 36,500
Current Revenues				
Keystone Recreation, Park and Conservation Fund - Improvements and Rehabilitation.....	\$ 27,878	\$ 0	\$ 0	\$ 27,878
State Forestry Bridge - Parks and Forest Management.....	10,675	0	0	10,675
Subtotal Current Revenues.....	\$ 38,553	\$ 0	\$ 0	\$ 38,553
TOTAL.....	\$ 71,153	\$ 0	\$ 3,900	\$ 75,053

Capital Budget

Department of Conservation and Natural Resources 2011-12 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
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Parks and Forest Management

Tobyhanna State Park, Monroe County	\$ 7,000	\$ 0	\$ 1,500	\$ 8,500
REHABILITATE TOBYHANNA NO. 2 DAM: This project will provide for the replacement of existing spillway structure and construction of a new primary spillway and an emergency spillway structure. When completed, this project is not expected to increase operating costs.				
Ryerson State Park, Greene County	5,000	0	0	5,000
REHABILITATE RYERSON STATION DAM: This project will provide for the rehabilitation of the dam including necessary repairs to return it to a safe operating condition. When completed, this project is not expected to increase operating costs.				
Forest District #12, Lycoming County	1,000	0	0	1,000
CONSTRUCT SLATE RUN BRIDGE: This project will provide for the construction of a bridge over Slate Run to provide safe crossing for hikers using the Black Forest Trail. When completed, this project is not expected to increase operating costs.				
Moraine State Park, Butler County	5,000	0	0	5,000
UPGRADE SEWAGE TREATMENT FACILITIES: This project will provide for the upgrade of existing, failing sewage treatment plant within the park including infrastructure. When completed, this project is not expected to increase operating costs.				
Presque Isle State Park, Erie County	5,000	0	0	5,000
REPLENISH BEACH: This project will provide for the replenishment of sand to maintain beach. When completed, this project is not expected to increase operating costs.				
Lackawanna State Park, Lackawanna County	4,800	0	1,200	6,000
REPLACE POOL: This project will provide for the removal of old pool and replace with a new pool. When completed, this project is not expected to increase operating costs.				
Various Parks and Forest Districts, Statewide	4,800	0	1,200	6,000
REPLACE FORESTRY FIRE TOWERS: This project will provide for the rehabilitation and/or replacement of lookout fire towers throughout the park system. When completed, this project is not expected to increase operating costs.				
PROGRAM TOTAL	\$ 32,600	\$ 0	\$ 3,900	\$ 36,500



Department of Conservation and Natural Resources 2011-12 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 Forest, Union County	\$ 316	\$ 0	\$ 0	\$ 316
REHAB SAND MOUNTAIN TRAIL: This project will provide for the rehab or replacement of Sand Mountain Trail within the forest. When completed, this project is not expected to increase operating costs.				
Bald Eagle State Forest, Union County	500	0	0	500
UPGRADE SEWAGE TREATMENT PLANT: This project will provide for the upgrade of the Sewage Treatment Plant within the forest including infrastructure. When completed, this project is not expected to increase operating costs.				
Blue Knob State Park, Bedford County	250	0	0	250
REHAB CULVERTS: This project will provide for the the paving and replace culverts at Willow Springs Road. When completed, this project is not expected to increase operating costs.				
Buchanan State Forest, Fulton County	1,750	0	0	1,750
CONSTRUCT RESOURCE MANAGEMENT CENTER: This project will provide for the construction of the Buchanan Resource Management Center including infrastructure and necessary demolition. When completed, this project is not expected to increase operating costs.				
Cook Forest, Clarion County	175	0	0	175
REPLACE SEWAGE LINES: This project will provide for the replacement of sewage line inflow and infiltration. When completed, this project is not expected to increase operating costs.				
Delaware Canal State Park, Bucks County	900	0	0	900
REPLACE FERRY STREET BRIDGE: This project will provide for the replacement of Ferry Street Bridge within the park. When completed, this project is not expected to increase operating costs.				
Frances Slocum State Park, Luzerne County	1,500	0	0	1,500
UPGRADE SEWAGE TREATMENT PLANT: This project will provide for the upgrade of the sewage treatment plant within the park including infrastructure. When completed, this project is not expected to increase operating costs.				

Capital Budget

Department of Conservation and Natural Resources 2011-12 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				
Lackawanna State Park, Lackawanna County	\$ 3,000	\$ 0	\$ 0	\$ 3,000
REHAB POOL AND DAY USE AREA: This project will provide for the rehabilitation of the pool complex and day use area, including renovation of bath houses and adding space for lifeguard and first aid station. When completed, this project is not expected to increase operating costs.				
Laurel Ridge State Park, Somerset County	1,600	0	0	1,600
REPLACE BRIDGE: This project will provide for the replacement of Laurel Highlands Hiking Trail Bridge within the park construction of a horse trailer and parking/camping at Bakers Run. When completed, this project is not expected to increase operating costs.				
Loyalsock State Forest, Sullivan County	525	0	0	525
REFURBISH RANGER STATION EQUIPMENT SHED: This project will rehabilitate the Hillsgrove Ranger Station equipment storage shed. When completed, this project is not expected to increase operating costs.				
Loyalsock State Forest, Sullivan County	200	0	0	200
ROAD UPGRADES: This project will provide for the repair of Pleasant Stream Road. When completed, this project is not expected to increase operating costs.				
Moraine State Park, Butler County	3,500	0	0	3,500
UPGRADE SEWAGE TREATMENT PLANT: This project will provide for the upgrade of the sewage treatment plant within the park including infrastructure. When completed, this project is not expected to increase operating costs.				
Moraine State Park, Butler County	1,500	0	0	1,500
REHABILITATE WATER TREATMENT PLANT: This project will provide for water treatment plant upgrades. When completed, this project is not expected to increase operating costs.				
Presque Isle State Park, Erie County	400	0	0	400
MITIGATE FLOODING: This project will provide for road flooding mitigation - Pre Disaster Mitigation Grant Project. When completed, this project is not expected to increase operating costs.				



Department of Conservation and Natural Resources 2011-12 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				
Presque Isle State Park, Erie County	\$ 250	\$ 0	\$ 0	\$ 250
REPLACE SANDMOUND: This project will replace sandmound phase 4 B11 and B10. When completed, this project is not expected to increase operating costs.				
Prince Gallitzin State Park, Cambria County	3,000	0	0	3,000
REHABILITATE MARINA: This project will provide for the rehabilitation of the Beaver Valley Marina. When completed, this project is not expected to increase operating costs.				
Pymatuning State Park, Crawford County	500	0	0	500
REHAB SEWER AUTHORITY: This project will provide for the connection of Jamestown sewage to sewer authority. When completed, this project is not expected to increase operating costs.				
Ridley Creek State Park, Delaware County	250	0	0	250
RENOVATE MANSION KITCHEN: This project will provide for the renovation of the mansion kitchen. When completed, this project is not expected to increase operating costs.				
Salt Springs State Park, Susquehanna County	437	0	0	437
REPLACE SANITARY FACILITY: This project will provide for the replacement of existing sanitary station with new comfort station including infrastructure. When completed, this project is not expected to increase operating costs.				
Shawnee State Park, Bedford County	250	0	0	250
PAVE CAMPGROUND: This project will provide for the paving of areas near and around campgrounds. When completed, this project is not expected to increase operating costs.				
Shikellamy State Park, Northumberland County	1,500	0	0	1,500
CONSTRUCT CAUSEWAY: This project will provide for the construction of a permanent causeway. When completed, this project is not expected to increase operating costs.				
Shikellamy State Park, Northumberland County	1,000	0	0	1,000
CONSTRUCT CAUSEWAY: This project will provide for the replacement of Bag #'s 6 & 7 and construction of a permanent causeway. When completed, this project is not expected to increase operating costs.				

Capital Budget

Department of Conservation and Natural Resources 2011-12 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				
Sproul State Forest, Clinton County	\$ 250	\$ 0	\$ 0	\$ 250
REHABILITATE BAKER'S RUN: This project will provide for the rehabilitation Baker's Run horse trailer parking/camping within the park. When completed, this project is not expected to increase operating costs.				
Sproul State Forest, Clinton County	200	0	0	200
REHABILITATE BAKER'S RUN: This project will provide for the rehabilitation of Baker's Run boat launch and canoe access. When completed, this project is not expected to increase operating costs.				
Susquehannock State Park, Lancaster County	250	0	0	250
REHABILITATE ROADS & DRAINAGE: This project will provide for the rehabilitation of drainage improvements and pave main park roads. When completed, this project is not expected to increase operating costs.				
Tiadaghton State Forest, Lycoming County	225	0	0	225
RELOCATE TROUT RUN ROAD: This project will provide for the relocation of Trout Run Road. When completed, this project is not expected to increase operating costs.				
Tobyhanna State Park, Monroe County	350	0	0	350
PAVE PARK ROADS: This project will provide for the paving of roads throughout the park. When completed, this project is not expected to increase operating costs.				
Weiser State Forest, Schuylkill County	3,300	0	0	3,300
CONSTRUCT RESOURCE CENTER: This project will provide for the construction of a of the Weiser Resource Management Center with the forest. When completed, this project is not expected to increase operating costs.				
PROGRAM TOTAL.....	\$ 27,878	\$ 0	\$ 0	\$ 27,878



Capital Budget

Department of Conservation and Natural Resources 2011-12 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM STATE FORESTRY BRIDGE				
CURRENT REVENUES				
PUBLIC IMPROVEMENT PROJECTS				
Program: Parks and Forest Management				
Elk State Forest, Elk County	\$ 500	\$ 0	\$ 0	\$ 500
REPLACE ROAD: This project will replace Dents Run Road over Bear Hallow 13-9005 and Weatherbord Run 13-9006. When completed, this project is not expected to increase operating costs.				
Elk State Forest, Elk County	200	0	0	200
REPLACE BRIDGE: This project will replace Bridge No 13-9025, Little Dents Road over Little Dents Run. When completed, this project is not expected to increase operating costs.				
Elk State Forest, Cameron County	250	0	0	250
REHAB ROAD: This project will rehab Whitehead Road/Whitehead Run-9000. When completed, this project is not expected to increase operating costs.				
Elk State Forest, Potter County	300	0	0	300
REPLACE STRUCTURES: This project will replace structures for Bridge No. 13-0045 East Cowley Run Road over East Cowley Run. When completed, this project is not expected to increase operating costs.				
Forbes State Forest, Somerset County	600	0	0	600
REHABILITATE BRIDGES: This project will rehabilitate Jones Mill Run Road and Blue Hole Road bridges, widen roads, replace deck bridge with precast box culvert. When completed, this project is not expected to increase operating costs.				
Forbes State Forest, Somerset County	600	0	0	600
REPLACE BRIDGES: This project will replace three bridges at South Wolfe Rock Road. When completed, this project is not expected to increase operating costs.				
Gallitzin State Forest, Somerset County	250	0	0	250
REPLACE CULVERT: This project will replace culvert at Shade Road over unnamed tributary to Shade Creek. When completed, this project is not expected to increase operating costs.				
Loyalsock State Forest, Sullivan County	350	0	0	350
REHABILITATE ROAD: This project will rehabilitate Yellow Dog Road over Rock Run - 0017. When completed, this project is not expected to increase operating costs.				



Capital Budget

Department of Conservation and Natural Resources 2011-12 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM STATE FORESTRY BRIDGE CURRENT REVENUES				
PUBLIC IMPROVEMENT PROJECTS (continued)				
Program: Parks and Forest Management				
Loyalsock State Forest, Sullivan County	\$ 250	\$ 0	\$ 0	\$ 250
REHABILITATE ROAD: This project will rehabilitate Hillsgrove Road over tributary to Pleasant Stream (12-9018). When completed, this project is not expected to increase operating costs.				
Loyalsock State Forest, Sullivan County	250	0	0	250
REPLACE BRIDGE: This project will replace Bridge No 20-9011, High Knob Road over Ketchum Run. When completed, this project is not expected to increase operating costs.				
Moshannon State Forest, Centre County	300	0	0	300
REPLACE ROAD: This project will replace Shirks Road over Black Moshannon Creek Bridge # 9-0028. When completed, this project is not expected to increase operating costs.				
Moshannon State Forest, Centre County	700	0	0	700
REPLACE ROAD: This project will replace Clay Mine Road over Six Mile Run-0029 bridge and Huckleberry Road over Black Moshannon Creek-0016. When completed, this project is not expected to increase operating costs.				
Rothrock State Forest, Huntingdon County	100	0	0	100
REPLACE CULVERT: This project will replace an old culvert at Laurel Run Road with a box culvert over the tributary to Galbraith Gap Run. When completed, this project is not expected to increase operating costs.				
Rothrock State Forest, Huntingdon County	150	0	0	150
REHABILITATE BRIDGE: This project will rehabilitate bridge at Crowfield Road over Standing Stone Creek. When completed, this project is not expected to increase operating costs.				
Rothrock State Forest, Huntingdon County	200	0	0	200
REPLACE CULVERT: This project will replace a pipe culvert at Thickhead Mountain Road over Sinking Creek. When completed, this project is not expected to increase operating costs.				
Rothrock State Forest, Huntingdon County	500	0	0	500
REPLACE CULVERT: This project will replace three small box culverts at Martin and Frew Roads. When completed, this project is not expected to increase operating costs.				



Capital Budget

Department of Conservation and Natural Resources 2011-12 Projects

	(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM STATE FORESTRY BRIDGE CURRENT REVENUES				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Program: Parks and Forest Management				
Rothrock State Forest, Huntingdon County	\$ 350	\$ 0	\$ 0	\$ 350
REPLACE BRIDGE: This project will replace a bridge at Beidler Road over Laurel Run. When completed, this project is not expected to increase operating costs.				
Sproul State Forest, Clinton County	200	0	0	200
REPLACE ROAD: This project will replace the Beaver Dam Road over left fork of Beaver Dam Run. When completed, this project is not expected to increase operating costs.				
Sproul State Forest, Clinton County	250	0	0	250
REPLACE CULVERT: This project will replace culvert at Little Greenlick Road over Little Greenlick Run. When completed, this project is not expected to increase operating costs.				
Sproul State Forest, Clinton County	300	0	0	300
REPLACE ROAD: This project will replace Birch Island Road over Amos Branch Bridge # 10-0040. When completed, this project is not expected to increase operating costs.				
Sproul State Forest, Clinton County	325	0	0	325
REPLACE ROAD: This project will replace State Line Road over Beauty Run Bridge # 10-0029. When completed, this project is not expected to increase operating costs.				
Susquehannock State Forest, Potter County	200	0	0	200
REPLACE BRIDGE/ROAD: This project will replace Bridge No. 15-9013, Nelson Run Road over Gas Well Hollow. When completed, this project is not expected to increase operating costs.				
Tiadaghton State Forest, Lycoming County	800	0	0	800
REPLACE ROAD: This project will replace Four Frances Road/Slate Run Road structures. When completed, this project is not expected to increase operating costs.				
Tioga State Forest, Lycoming County	175	0	0	175
REPLACE ROAD: This project will replace Owasse Road/Chimney Hollow. When completed, this project is not expected to increase operating costs.				
Tioga State Forest, Lycoming County	300	0	0	300
REPLACE ROAD: This project will replace Cedar Mountain Road over Cedar Run Bridge # 16-0014. When completed, this project is not expected to increase operating costs.				



Capital Budget

Department of Conservation and Natural Resources 2011-12 Projects

	(Dollar Amounts in Thousands)			Total Project Cost
	Base Project Cost	Land Cost	Design & Contingencies	
FROM STATE FORESTRY BRIDGE				
CURRENT REVENUES				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Program: Parks and Forest Management				
Tioga State Forest, Lycoming County	\$ 325	\$ 0	\$ 0	\$ 325
REPLACE ROAD: This project will replace Laureus Road at South Creek - 0023. When completed, this project is not expected to increase operating costs.				
Tioga State Forest, Lycoming County	325	0	0	325
REPLACE ROAD: This project will replace Spoor Hollow Road over Norris Brook Bridge # 16-0001. When completed, this project is not expected to increase operating costs.				
Tuscarora State Forest, Perry County	150	0	0	150
REPLACE BRIDGE: This project will replace bridge over Couch Road. When completed, this project is not expected to increase operating costs.				
Tuscarora State Forest, Perry County	175	0	0	175
REPLACE BRIDGE: This project will replace the bridge at Coloel Denning Road over Doubling Gap Creek. When completed, this project is not expected to increase operating costs.				
Tuscarora State Forest, Perry County	200	0	0	200
REPLACE BRIDGE: This project will replace the bridge on Gunter Valley Road over Trout Run. When completed, this project is not expected to increase operating costs.				
Tuscarora State Forest, Perry County	300	0	0	300
REPLACE BRIDGE: This project will replace Meadow Run Road Bridge over Laurel Run. When completed, this project is not expected to increase operating costs.				
Weiser State Forest, Schuylkill County	200	0	0	200
CONSTRUCT ROAD: This project will construct a roadway and culvert over a stream at Jefferson Tract & Road in S. Manhiem Township. When completed, this project is not expected to increase operating costs.				
Weiser State Forest, Schuylkill County	400	0	0	400
REPLACE ROAD: This project will replace White Oak Road over Wolf Run and Mud Run and Lykens Road - 9000. When completed, this project is not expected to increase operating costs.				



Capital Budget

Department of Conservation and Natural Resources 2011-12 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM STATE FORESTRY BRIDGE CURRENT REVENUES				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Program: Parks and Forest Management				
Weiser State Forest, Schuylkill County	\$ 200	\$ 0	\$ 0	\$ 200
CONSTRUCT CULVERT/ROAD: This project provides for the construction of a culvert at Weaver Road (Second Mountain) over an unnamed tributary. When completed, this project is not expected to increase operating costs.				
PROGRAM TOTAL.....	<u>\$ 10,675</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,675</u>



DEPARTMENT OF CORRECTIONS

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
2011-12 PUBLIC IMPROVEMENT PROJECTS				
Institutionalization of Offenders.....	\$ 33,978	\$ 0	\$ 8,494	\$ 42,472
TOTAL PROJECTS.....	\$ 33,978	\$ 0	\$ 8,494	\$ 42,472
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 33,978	\$ 0	\$ 8,494	\$ 42,472
Capital Facilities Fund - Furniture and Equipment.....	0	0	0	0
Subtotal General Obligation Bond Issues.....	33,978	0	8,494	42,472
TOTAL.....	\$ 33,978	\$ 0	\$ 8,494	\$ 42,472

Department of Corrections 2011-12 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
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Institutionalization of Offenders

State Correctional Institution at Houtzdale

\$ 816	\$ 0	\$ 204	\$ 1,020
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REPLACE MICROWAVE SECURITY SYSTEM: This project will replace the current microwave security system with a buried coaxial system. When completed, this project is not expected to increase operating costs.

State Correctional Institution at Laurel Highlands

2,000	0	500	2,500
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REPLACE PERIMETER INTRUSION DETECTION SYSTEM: This project will provide for the replacement of Perimeter Security Detection System (PIDS) including a taut wire system on perimeter fence and add new razor wire. When completed, this project is not expected to increase operating costs.

State Correctional Institution at Rockview

1,920	0	480	2,400
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REPLACE SECURITY FENCE: This project will replace and add fencing to the front of the institution. When completed, this project is not expected to increase operating costs.

State Correctional Institution at Fayette

1,040	0	260	1,300
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UPGRADE SECURITY SYSTEMS: This project will provide for the upgrade of the security system including door control, intercom, public address, and perimeter security head unit for the institution. When completed, this project is not expected to increase operating costs.

State Correctional Institution at Huntingdon

6,800	0	1,700	8,500
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UPGRADE ELECTRICAL: This project will replace the electrical services to blocks and cells which are insufficient to meet current power demand requirements. When completed, this project is not expected to increase operating costs.

State Correctional Institution at Dallas

320	0	80	400
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EXPAND VISITING ROOM: This project will provide for the expansion of the existing visiting room with approximately 2,000 square foot addition to handle increased visitation demands. When completed, this project is not expected to increase operating costs.

State Correctional Institution at Albion

960	0	240	1,200
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REPLACE ROOFS: This project will replace various roofs throughout the institution. When completed, this project is not expected to increase operating costs.

Department of Corrections 2011-12 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: Institutionalization of Offenders				
State Correctional Institution at Albion	\$ 720	\$ 0	\$ 180	\$ 900
REPLACE FIRE ALARM SYSTEM: This project will replace fire alarm system throughout the institution. When completed, this project is not expected to increase operating costs.				
State Correctional Institution at Somerset	346	0	86	432
RENOVATE DISTRIBUTION SWITCHGEAR: This project will provide for funding to to renovate 480 volt distribution switchgear and replace obsolete circuit breakers. When completed, this project is not expected to increase operating costs.				
State Correctional Institution at Somerset	336	0	84	420
REPLACE BUILDING MANAGEMENT SYSTEM: This project will replace the existing digital management system (DMS) panels throughout the institution. When completed, this project is not expected to increase operating costs.				
State Correctional Institution at Rockview	1,152	0	288	1,440
REPLACE WATER TANK: This project will provide for the replacement of existing institution water tank. When completed, this project is not expected to increase operating costs.				
State Correctional Institution at Chester	5,600	0	1,400	7,000
REPLACE ROOFS: This project will replace various roofs throughout the institution. When completed, this project is not expected to increase operating costs.				
State Correctional Institution at Waymart	2,736	0	684	3,420
RENOVATE BUILDING EXTERIOR: This project will provide for the repointing of exterior building masonry and repair parapits and brick work throughout the institution. When completed, this project is not expected to increase operating costs.				
State Correctional Institution at Rockview	1,920	0	480	2,400
REPLACE WINDOWS: This project will provide for the replacement of windows in the treatment building. When completed, this project is not expected to increase operating costs.				

Department of Corrections 2011-12 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: Institutionalization of Offenders				
State Correctional Institution at Waymart	672	0	168	840
DEMOLISH J-WARD: This project will provide for the demolition of J-Ward and repair the corridor and roof structure the current building tie-in point. When completed, this project is not expected to increase operating costs.				
State Correctional Institution at Muncy	2,400	0	600	3,000
NEW WATER TOWER AND LINE: This project will provide for the installation of a new one million gallon water tower and install new water line for municipal water service tie-in. When completed, this project is not expected to increase operating costs.				
State Correctional Institution at Muncy	4,240	0	1,060	5,300
EXPAND VISITING ROOM: This project will provide for the expansion of the existing visiting room with approximately 15,000 square foot addition to handle increased visitation demands. When completed, this project is not expected to increase operating costs.				
PROGRAM TOTAL.....	\$ 33,978	\$ 0	\$ 8,494	\$ 42,472

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
2011-12 PUBLIC IMPROVEMENT PROJECTS				
Educational Support Services.....	\$ 0	\$ 0	\$ 0	\$ 0
Higher Education - State-Related Universities.....	\$ 50,360	\$ 0	\$ 12,590	\$ 62,950
Higher Education - State System of Higher Education.....	36,000	0	9,000	45,000
	<u>86,360</u>	<u>0</u>	<u>21,590</u>	<u>107,950</u>
TOTAL PROJECTS.....	<u>\$ 86,360</u>	<u>\$ 0</u>	<u>\$ 21,590</u>	<u>\$ 107,950</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 86,000	\$ 0	\$ 21,500	\$ 107,500
Capital Facilities Fund - Furniture and Equipment.....	360	0	90	450
	<u>86,360</u>	<u>0</u>	<u>21,590</u>	<u>107,950</u>
Subtotal General Obligation Bond Issues.....	<u>\$ 86,360</u>	<u>\$ 0</u>	<u>\$ 21,590</u>	<u>\$ 107,950</u>
TOTAL.....	<u>\$ 86,360</u>	<u>\$ 0</u>	<u>\$ 21,590</u>	<u>\$ 107,950</u>

Department of Education 2011-12 Projects

(Dollar Amounts in Thousands)

This section provides a brief description of each recommended project, its location and cost components. Operating cost impacts are not provided for these projects since these costs are borne by the operating budget of each university.

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Higher Education - State-Related Universities

Lincoln University RENOVATE ATHLETIC FACILITIES: This project will provide for additional funds for the construction of seating, locker rooms, exercise facilities, soccer field, football field and track facility (phase II of DGS Project No. 1101-46). When completed, this project will not increase operating costs since the University is responsible for maintenance.	\$ 16,000	\$ 0	\$ 4,000	\$ 20,000
Pennsylvania State University CONVERSION OF POWER PLANT: This project will provide for the conversion of existing coal-fired boilers to natural gas to comply with new EPA/DEP clean air regulations. When completed, this project will not increase operating costs since the University is responsible for maintenance.	20,000	0	5,000	25,000
University of Pittsburgh RENOVATE HILLMAN LIBRARY EXTERIOR: This project will provide for the renovation of the exterior of Hillman Library including plaza, planters, windows, masonry and water proofing membrane. When completed, this project will not increase operating costs since the University is responsible for maintenance.	8,000	0	2,000	10,000
Thaddeus Stevens College of Technology UPGRADE MAIN ELECTRICAL SYSTEM: This project will provide for the rehabilitation of the college's electrical system including infrastructure which is outdated on the main campus. When completed, this project will not increase operating costs since the College is responsible for maintenance.	2,400	0	600	3,000
Temple University RENOVATE TOMLINSON HALL: This project will provide for the renovation and modernization to the existing entrance to Tomlinson Hall, home to the college's school of communication and theater. When completed, this project will not increase operating costs since the University is responsible for maintenance.	3,600	0	900	4,500
Temple University ORIGINAL FURNITURE AND EQUIPMENT, TOMLINSON HALL: This project will provide the necessary furniture and equipment associated with the renovation of Tomlinson Hall to design and construct a new entrance way. When completed, this project will not increase operating costs since the University is responsible for maintenance.	360	0	90	450
PROGRAM TOTAL	<u>\$ 50,360</u>	<u>\$ 0</u>	<u>\$ 12,590</u>	<u>\$ 62,950</u>

Capital Budget

Department of Education 2011-12 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				
East Stoudsburg University	\$ 36,000	\$ 0	\$ 9,000	\$ 45,000
RENOVATE KEMP LIBRARY: This project will provide for the complete renovation to the Kemp Library Building. When completed, this project will not increase operating costs since the University is responsible for maintenance.				
PROGRAM TOTAL.....	<u>\$ 36,000</u>	<u>\$ 0</u>	<u>\$ 9,000</u>	<u>\$ 45,000</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
2011-12 PUBLIC IMPROVEMENT PROJECTS				
Environmental Protection and Management.....	\$ 6,200	\$ 0	\$ 1,550	\$ 7,750
FLOOD CONTROL PROJECTS				
Environmental Protection and Management.....	10,000	0	0	10,000
TOTAL PROJECTS.....	<u>\$ 16,200</u>	<u>\$ 0</u>	<u>\$ 1,550</u>	<u>\$ 17,750</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 6,200	\$ 0	\$ 1,550	\$ 7,750
Capital Facilities Fund - Flood Control.....	10,000	0	0	10,000
TOTAL.....	<u>\$ 16,200</u>	<u>\$ 0</u>	<u>\$ 1,550</u>	<u>\$ 17,750</u>

Department of Environmental Protection 2011-12 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
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Environmental Protection and Management

Cheltenham and Abington Townships, Montgomery County

\$ 3,200	\$ 0	\$ 800	\$ 4,000
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ADDITIONAL FUNDS: This project would add additional funds to DGS project 181-08 providing for the raising of the existing concrete channel and compacted earthen levee and construction of 600 feet of floodwall. When completed, this project is not expected to increase operating costs.

Borough of Weissport, Carbon County

3,000	0	750	3,750
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WEISSPORT FLOOD PROTECTION PROJECT: This project will provide for the complete rehabilitation of the flood protection to bring the existing flood protection to current standards including shaping, grading, seeding, replace drainage structures and install sluice gates. When completed, this project is not expected to increase operating costs.

PROGRAM TOTAL.....	<u>\$ 6,200</u>	<u>\$ 0</u>	<u>\$ 1,550</u>	<u>\$ 7,750</u>
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Department of Environmental Protection 2011-12 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
<i>FLOOD CONTROL PROJECTS</i>				
Program: Environmental Protection and Management				
Town of Bloomsburg, Columbia County	\$ 10,000	\$ 0	\$ 0	\$ 10,000
<p>ADDITIONAL FUNDING: This project will provide additional funds for the flood protection project currently being designed by the Baltimore District to satisfy post Hurricane Katrina federal guidelines. When completed, this project is not expected to increase operating costs.</p>				
PROGRAM TOTAL.....	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,000</u>



DEPARTMENT OF GENERAL SERVICES

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
2011-12 PUBLIC IMPROVEMENT PROJECTS				
Facility, Property and Commodity Management.....	\$ 9,754	\$ 0	\$ 1,336	\$ 11,090
TOTAL PROJECTS.....	<u>\$ 9,754</u>	<u>\$ 0</u>	<u>\$ 1,336</u>	<u>\$ 11,090</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 9,754	\$ 0	\$ 1,336	\$ 11,090
TOTAL.....	<u>\$ 9,754</u>	<u>\$ 0</u>	<u>\$ 1,336</u>	<u>\$ 11,090</u>

Department of General Services 2011-12 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
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Facility, Property and Commodity Management

Main Capitol Building, Dauphin County	\$ 1,500	\$ 0	\$ 0	\$ 1,500
REWIRE LIGHTING: This project will provide for the complete replacement of all wiring in all lighting fixtures. When completed, this project is not expected to increase operating costs.				
Finance Building, Dauphin County	700	0	210	910
RENOVATE ELEVATORS: This project will provide for the upgrades and renovations to all existing elevators including upgrading motors and remodeling cabs in the Finance Building to make functional, reliable and safe. When completed, this project is not expected to increase operating costs.				
Forum Building, Dauphin County	700	0	210	910
RENOVATE ELEVATORS: This project will provide for the upgrades and renovations to all existing elevators including upgrading motors and remodeling cabs in the Forum Building to make functional, reliable and safe. When completed, this project is not expected to increase operating costs.				
Reading State Office Building, Berks County	150	0	100	250
RENOVATE ELEVATORS: This project will provide for the upgrades and renovations to two elevators in the Reading State Office Building including the replacement of the controller, car fixtures, corridor fixtures, door operator, tracks/hangars and power unit to make functional, reliable and safe. When completed, this project is not expected to increase operating costs.				
Keystone Building, Dauphin County	2,000	0	500	2,500
REPLACE ROOF: This project will provide for the complete roof replacement including paver supports, roof membrane and roof and parapet material. When completed, this project is not expected to increase operating costs.				
Finance Building, Dauphin County	600	0	100	700
REPLACE ROOF: This project will provide for the complete parapet roof replacement to include full removal of old roof and repair spalling. When completed, this project is not expected to increase operating costs.				

Department of General Services 2011-12 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: Facility, Property and Commodity Management				
Main Capitol Building, Dauphin County	900	0	100	1,000
REPLACE ROOF: This project will provide for the repair to roof - interstice space between roof and ceiling and tied into the control system. When completed, this project is not expected to increase operating costs.				
Matthew Ryan Office Building, Dauphin County	500	0	50	550
REPLACE ROOF AND WINDOWS: This project will provide for the complete roof replacement as well as complete window replacement. When completed, this project is not expected to increase operating costs.				
DGS Annex Complex - Administration Building, Dauphin County	110	0	3	113
REPLACE ROOF: This project will provide for the removal and replacement of architectural grade shingles, remove and replace BUR roofs with R-30 insulation and EPDM roofing and replace EPDM roof on windows including insulation. When completed, this project is not expected to increase operating costs.				
DGS Annex Complex - Chapel Building, Dauphin County	113	0	3	116
INSTALL AIR CONDITIONING: This project will provide for the installation of central air conditioning in the Chapel Building. When completed, this project is not expected to increase operating costs.				
Archives Building, Dauphin County	300	0	10	310
REHABILITATE PLAZA: This project will provide for the repair or replacement of the damage sandstone headers along the entryway including facade. When completed, this project is not expected to increase operating costs.				
Central Plant, Dauphin County	1,500	0	0	1,500
RELINE COOLING TOWERS: This project will provide for the relining of the cooling towers including membrane for chillers. When completed, this project is not expected to increase operating costs.				

Department of General Services 2011-12 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: Facility, Property and Commodity Management				
North Office Building, Dauphin County	300	0	50	350
CONSTRUCT ADA ENTRANCE: This project will provide for the construction of an ADA entrance in the North Office Building to provide another handicap entrance into the Capitol Complex. When completed, this project is not expected to increase operating costs.				
DGS Annex Complex, Dauphin County	381	0	0	381
REPAVE ROAD: This project will provide for the repaving or rebuilding of various Annex cartways to handle current vehicle and truck traffic. When completed, this project is not expected to increase operating costs.				
 PROGRAM TOTAL.....	<u>\$ 9,754</u>	<u>\$ 0</u>	<u>\$ 1,336</u>	<u>\$ 11,090</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
2011-12 PUBLIC IMPROVEMENT PROJECTS				
State Historic Preservation.....	\$ 26,700	\$ 0	\$ 4,800	\$ 31,500
TOTAL PROJECTS.....	<u>\$ 26,700</u>	<u>\$ 0</u>	<u>\$ 4,800</u>	<u>\$ 31,500</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 24,000	\$ -	\$ 4,800	\$ 28,800
Capital Facilities Fund - Furniture and Equipment.....	<u>2,700</u>	<u>0</u>	<u>0</u>	<u>2,700</u>
TOTAL.....	<u>\$ 26,700</u>	<u>\$ 0</u>	<u>\$ 4,800</u>	<u>\$ 31,500</u>

Historical and Museum Commission 2011-12 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
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: State Historic Preservation

Erie Maritime Museum, Erie County

\$ 3,000	\$ 0	\$ 600	\$ 3,600
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EXHIBIT IMPROVEMENTS: This project involves replacement of portions of existing exhibits, selective exhibit component improvements, new energy efficient exhibit lighting and the installation of new exhibits. When completed, this project will not increase operating costs.

Landis Valley Museum, Lancaster County

7,500	0	1,500	9,000
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ENERGY CONSERVATION & INFRASTRUCTURE: This project involves replacement of underground sewage, water, electrical, phone, data and fire and security lines throughout the site, upgrading HVAC system with new geothermal systems and other energy saving equipment and features. When completed, this project is expected to decrease costs by \$20,000 annually.

Washington's Crossing Historic Park, Bucks County

5,000	0	1,000	6,000
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RENOVATE BOWMAN'S HILL TOWER: This project involves the restoration and improvements to Bowman's Hill Tower and ancillary facilities, including structural reinforcement, masonry restoration, improvements to drainage, replacement of the elevator, electrical, phone, data and fire and security lines throughout the Tower complex and other improvements as necessary. When completed, this project will decrease operating costs by \$3,000.00 annually.

Daniel Boone Homestead, Berks County

3,000	0	600	3,600
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RESTORATION AND IMPROVEMENTS: This project will provide for the restoration of the Boone Homestead and other historic structures as well as non historic structures at the site. When completed, this project is not expected to increase operating costs.

Old Economy Village, Beaver County

2,500	0	500	3,000
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BUILDING AND SITE IMPROVEMENTS: This project will provide for the rehabilitation of exterior and structure of 18 buildings to include painting, roofing, moisture barriers, repair structural members, masonry, gutters and drainage chimneys, electrical, wastewater systems, HVAC and water supply lines with archaeological investigations at the site. When completed, this project is not expected to increase operating costs.

Pennsylvania Lumber Museum, Potter County

3,000	0	600	3,600
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EXHIBIT IMPROVEMENTS: This project provides for a second phase of exhibits in the main gallery, as well as outdoor site interpretive signage and exhibits including design, fabrication and installation of exhibits. When completed, this project will not increase operating costs.



Historical and Museum Commission 2011-12 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: State Historic Preservation				
Railroad Museum of Pennsylvania, Lancaster County	\$ 1,200	\$ 0	\$ 0	\$ 1,200
ORIGINAL EQUIPMENT FOR ROLLING STOCK STORAGE FACILITY: This project will provide for original equipment for a new rolling stock storage facility in order to maintain restore and service and move the museum's collection of rail cars. When completed, this project is not expected to increase operating costs.				
Landis Valley Museum, Lancaster County	1,500	0	0	1,500
ORIGINAL EQUIPMENT FOR NEW VISITOR CENTER: This project will provide for original equipment for a new visitor center including furniture and equipment for visitors, offices, auditorium and classrooms, A/V equipment, computer equipment maintenance and custodial equipment. When completed, this project is not expected to increase operating costs.				
 PROGRAM TOTAL.....	<u>\$ 26,700</u>	<u>\$ 0</u>	<u>\$ 4,800</u>	<u>\$ 31,500</u>



DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
2011-12 PUBLIC IMPROVEMENT PROJECTS				
State Military Readiness.....	\$ 68,930	\$ 7,000	\$ 11,013	\$ 86,943
Veterans Homes and School.....	10,200	0	2,050	12,250
TOTAL PROJECTS.....	\$ 79,130	\$ 7,000	\$ 13,063	\$ 99,193
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 49,698	\$ 7,000	\$ 8,659	\$ 65,357
Capital Facilities Fund - Furniture and Equipment.....	3,000	0	0	\$ 3,000
Current Revenues				
Federal Funds.....	\$ 26,432	\$ 0	\$ 4,404	\$ 30,836
Other.....	0	0	0	0
TOTAL.....	\$ 79,130	\$ 7,000	\$ 13,063	\$ 99,193

Department of Military and Veterans Affairs 2011-12 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
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: State Military Readiness

Phoenixville Readiness Center, Chester County

REHABILITATION OF PHOENIXVILLE READINESS CENTER: This project will provide for the rehabilitation of the Phoenixville Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors and repairs to the facade. When completed, this project is not expected to increase operating costs.

State	\$ 4,200	\$ 0	\$ 800	\$ 5,000
Fed.	0	0	0	0

Bradford/Wyoming Readiness Center, Bradford County

CONSTRUCT A NATIONAL GUARD READINESS CENTER: This project will provide for the construction of a National Guard Readiness Center to include assembly hall, dining facility, classrooms, administrative offices, storage space, restrooms, locker rooms, parking for privately owned and military vehicle's and renovation of existing facility. When completed, this project is expected to increase operating costs by \$59,858 annually.

State	3,500	1,500	651	5,651
Fed.	7,715	0	1,184	8,899

Waynesburg Readiness Center, Greene County

CONSTRUCT A NATIONAL GUARD READINESS CENTER: This project will provide for a supplemental increase for the construction of a National Guard Readiness Center to include assembly hall, dining facility, classrooms, administrative offices, storage space, rest rooms, locker rooms, and mechanical room. When completed, this project is expected to increase operating costs by \$59,858 annually.

State	698	0	158	856
Fed.	2,736	0	351	3,087

Field Maintenance Shop, Lycoming/Montour County

CONSTRUCTION OF A MAINTENANCE SHOP: This project will provide for the construction of a National Guard Field Maintenance Shop to include work bays, electronics shop, small arms repair shop, tool and supply, administrative areas and parking facilities for employees and military vehicles. When completed, this project is expected to increase operating costs by \$59,858 annually.

State	2,000	1,500	400	3,900
Fed.	15,981	0	2,869	18,850

Friedens Readiness Center, Somerset County

REHABILITATION OF FRIEDENS READINESS CENTER: This project will provide for the rehabilitation of the Friedens Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors and repairs to the facade. When completed, this project is expected to decrease operating costs by \$2,344 annually.

State	2,200	0	300	2,500
Fed.	0	0	0	0



Department of Military and Veterans Affairs 2011-12 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: State Military Readiness				
Fort Indiantown Gap Readiness Center, Lebanon County	State \$ 0	\$ 4,000	\$ 0	\$ 4,000
PURCHASE SURROUNDING LAND: This project will provide for the purchase of in-holdings on FTIG property and/or surrounding property as part of Joint Land Use Agreement and Army Compatibility Use Buffers. When completed, this project is not expected to increase annual operating costs.	Fed. 0	0	0	0
Greensburg Readiness Center, Westmoreland County	State 2,200	0	400	2,600
REHABILITATION OF GREENSBURG READINESS CENTER: This project will provide for the rehabilitation of the Greensburg Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors, repairs to the facade, expansion of parking and construction of unheated storage facility. When completed, this project is expected to decrease operating costs by \$2,519 annually.	Fed. 0	0	0	0
Grove City Readiness Center, Mercer County	State 1,500	0	300	1,800
REHABILITATION OF GROVE CITY READINESS CENTER: This project will provide for the rehabilitation of the Grove City Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors, repairs to the facade, expansion of parking and construction of unheated storage facility. When completed, this project is expected to decrease operating costs by \$5,497 annually.	Fed. 0	0	0	0
Hamburg Readiness Center, Berks County	State 2,000	0	300	2,300
REHABILITATION OF HAMBURG READINESS CENTER: This project will provide for the rehabilitation of the Hamburg Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors, repairs to the facade, expansion of parking and construction of unheated storage facility. When completed, this project is expected to decrease operating costs by \$7,827 annually.	Fed. 0	0	0	0

Department of Military and Veterans Affairs 2011-12 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: State Military Readiness				
Hershey Readiness Center, Dauphin County	State \$ 2,200	\$ 0	\$ 300	\$ 2,500
REHABILITATION OF HERSHEY READINESS CENTER: This project will provide for the rehabilitation of the Hershey Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors, repairs to the facade, expansion of parking and construction of unheated storage facility. When completed, this project is expected to decrease operating costs by \$4,701 annually.	Fed. 0	0	0	0
Johnstown Walters Ave. Readiness Center, Cambria County	State 3,800	0	500	4,300
REHABILITATION OF JOHNSTOWN WALTERS AVE. READINESS CENTER: This project will provide for the rehabilitation of the Johnstown Walters Ave. Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors, repairs to the facade, expansion of parking and construction of unheated storage facility. When completed, this project is expected to decrease operating costs by \$7,001 annually.	Fed. 0	0	0	0
Lehighton Readiness Center, Carbon County	State 2,400	0	300	2,700
REHABILITATION OF LEHIGHTON READINESS CENTER: This project will provide for the rehabilitation of the Lehighton Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors, repairs to the facade, expansion of parking and construction of unheated storage facility. When completed, this project is expected to decrease operating costs by \$4,985 annually.	Fed. 0	0	0	0
Lewisburg Readiness Center, Union County	State 4,300	0	700	5,000
REHABILITATION OF LEWISBURG READINESS CENTER: This project will provide for the rehabilitation of the Lewisburg Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors, repairs to the facade, expansion of parking and construction of unheated storage facility. When completed, this project is expected to decrease operating costs by \$4,717 annually.	Fed. 0	0	0	0

Department of Military and Veterans Affairs 2011-12 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost	
FROM CAPITAL FACILITIES BOND FUNDS					
PUBLIC IMPROVEMENT PROJECTS (continued)					
Program: State Military Readiness					
Williamstown Readiness Center, Dauphin County	State	2,600	0	400	3,000
REHABILITATION OF WILLIAMSTOWN READINESS CENTER:	Fed.	0	0	0	0
This project will provide for the rehabilitation of the Williamstown Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors, repairs to the facade, expansion of parking and construction of unheated storage facility. When completed, this project is expected to decrease operating costs by \$2,146 annually.					
Beaver Falls Readiness Center, Beaver County	State	\$ 3,700	\$ 0	\$ 600	\$ 4,300
REHABILITATION OF BEAVER FALLS READINESS CENTER:	Fed.	0	0	0	0
This project will provide for the rehabilitation of the Beaver Falls Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors, repairs to the facade, expansion of parking and construction of unheated storage facility. When completed, this project is expected to decrease operating costs by \$7,012 annually.					
Carbondale Readiness Center, Carbon County	State	2,200	0	500	2,700
REHABILITATION OF CARBONDALE READINESS CENTER:	Fed.	0	0	0	0
This project will provide for the rehabilitation of the Carbondale Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors, repairs to the facade, expansion of parking and construction of unheated storage facility. When completed, this project is expected to decrease operating costs by \$8,498 annually.					
Fort Indiantown Gap Readiness Center, Lebanon County	State	3,000	0	0	3,000
PURCHASE OF FURNITURE, FIXTURES AND EQUIPMENT:	Fed.	0	0	0	0
This project will provide for the purchase of furniture, fixtures, and equipment for DGS Project 962-20. When completed, this project is expected to decrease operating costs by \$2,146 annually.					
Total State.....	\$	42,498	\$ 7,000	\$ 6,609	\$ 56,107
Total Federal.....		26,432	0	4,404	30,836
PROGRAM TOTAL.....	\$	68,930	\$ 7,000	\$ 11,013	\$ 86,943

Department of Military and Veterans Affairs 2011-12 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: Veterans Homes and School				
Hollidaysburg Veterans Home, Blair County	State \$ 800	\$ 0	\$ 200	\$ 1,000
RENOVATION OF HOLLIDAYSBURG VETERANS HOME: This project will provide for the renovation and general repairs of the Hollidaysburg Veterans Home including upgrading the community living center at Eisenhower Hall and constructing meal delivery systems at Arnold and Eisenhower Halls. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
Southeastern Veterans Center, Chester County	State 5,600	0	1,400	7,000
RENOVATION OF SOUTHEASTERN VETERANS CENTER: This project will provide for the renovation and general repairs of the Southeastern Veterans Center including upgrades and renovations at Coates Hall and construct new maintenance building. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
Southwestern Veterans Center, Allegheny County	State 600	0	150	750
RENOVATION OF SOUTHWESTERN VETERANS CENTER: This project will provide for the renovation and general repairs of the Southwestern Veterans Center including replacement of facility roof. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
Pennsylvania Soldiers and Sailors Home, Erie County	State 400	0	100	500
RENOVATION OF SOLDIERS' & SAILORS' HOME: This project will provide for the renovation and general repairs of the PA Soldiers and Sailors Home including life safety and regulatory deficiencies. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
Gino J. Merli Veterans Center, Lackawanna County	State 400	0	100	500
RENOVATION OF GINO J. MERLI VETERANS CENTER: This project will provide for the renovation and general repairs of the Gino J. Merli Veterans Center including life safety and regulatory deficiencies. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0

Department of Military and Veterans Affairs 2011-12 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: Veterans Homes and School					
Delaware Valley Veterans Home, Philadelphia County	State	400	0	100	500
RENOVATION OF DELAWARE VALLEY VETERANS HOME: This project will provide for the renovation and general repairs of the Delaware Valley Veterans Home including life safety and regulatory deficiencies. When completed, this project is not expected to increase operating costs.	Fed.	0	0	0	0
Southeastern Veterans' Center, Chester County	State	2,000	0	0	2,000
ADDITIONAL FUNDING FOR PROJECT 960-55: This project will provide for funding of Furniture, Fixtures and Equipment. When completed, this project is not expected to increase operating costs.	Fed.	0	0	0	0
Total State.....		\$ 10,200	\$ 0	\$ 2,050	\$ 12,250
Total Federal.....		0	0	0	0
PROGRAM TOTAL.....		\$ 10,200	\$ 0	\$ 2,050	\$ 12,250

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
2011-12 PUBLIC IMPROVEMENT PROJECTS				
Human Services.....	\$ 26,913	\$ 0	\$ 3,887	\$ 30,800
TOTAL PROJECTS.....	<u>\$ 26,913</u>	<u>\$ 0</u>	<u>\$ 3,887</u>	<u>\$ 30,800</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 26,913	\$ 0	\$ 3,887	\$ 30,800
Capital Facilities Fund - Furniture and Equipment.....	0	0	0	0
TOTAL.....	<u>\$ 26,913</u>	<u>\$ 0</u>	<u>\$ 3,887</u>	<u>\$ 30,800</u>

Department of Public Welfare 2011-12 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
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Human Services

<p>Cresson Secure Treatment Unit, Cambria County</p> <p>CONSTRUCT MODULAR BUILDING: This project will provide for the construction of a multi-purpose modular building for classroom and gym use. When completed this project is not expected to increase operating costs.</p>	\$ 2,500	\$ 0	\$ 500	\$ 3,000
<p>Polk Center, Venango County</p> <p>REPLACE WATER PLANT: This project will provide for the removal and replacement of the water plant. When completed this project is not expected to increase operating costs.</p>	2,500	0	0	2,500
<p>Clarks Summit State Hospital, Lackawanna County</p> <p>REPLACE HIGH VOLTAGE SWITCH/LINES: This project will replace all G&W oil switches and high voltage lines throughout the facility and install new generators at buildings 2 & 7 to include a new 200 amp service. When completed this project is not expected to increase operating costs.</p>	4,300	0	700	5,000
<p>North Central Secure Treatment Unit, Montour County</p> <p>CONSTRUCT MODULAR BUILDING: This project will provide for the construction of a multi-purpose modular building for classroom and gym use. When completed this project is not expected to increase operating costs.</p>	4,500	0	900	5,400
<p>Polk Center, Venango County</p> <p>REPAIR BRICK AND MORTAR: This project will repair all mortar joints between brick and seal all brick and mortar joints. When completed this project is not expected to increase operating costs.</p>	2,250	0	250	2,500
<p>Danville State Hospital, Montour County</p> <p>REPLACE ROOF: This project will replace tower roof and flat roof of Building I. When completed this project is not expected to increase operating costs.</p>	650	0	100	750
<p>New Castle Youth Development Center, Lawrence County</p> <p>INSTALL AIR CONDITIONING UNIT: This project will provide for the installation of air conditioning for the Free Mills School to reduce extreme heat and humidity for residents. When completed this project is not expected to increase operating costs.</p>	2,750	0	550	3,300



Department of Public Welfare 2011-12 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: Human Services				
Selinsgrove Center, Snyder County	\$ 475	\$ 0	\$ 75	\$ 550
REPAIR STEAM TUNNELS: This project will provide for the resealing of joints, renovate lighting and drainage system in the steam tunnels between the power plant and central building complex. When completed this project is not expected to increase operating costs.				
Norristown State Hospital, Montgomery County	900	0	100	1,000
DEMOLISH VACANT BUILDINGS: This project will provide for the demolition of vacant and deteriorated buildings considered a nuisance and hazard. When completed this project is not expected to increase operating costs.				
Loysville Youth Development Center, Perry County	1,500	0	300	1,800
REPLACE FIRE CONTROL SYSTEM: This project will replace fire lines/pumps and install new fire sprinklers in building 10. When completed this project is not expected to increase operating costs.				
Ebensburg Center, Cambria County	388	0	112	500
UPGRADE AIR CONDITIONING: This project will replace install and upgrade air conditioning to various hallways, corridors, day activity rooms, and dining areas in five residential units. When completed, this project is not expected to increase operating costs.				
Torrance State Hospital, Westmoreland County	4,200	0	300	4,500
REPLACE WASTEWATER TREATMENT PLANT: This project will replace existing wastewater treatment plant to comply with current regulations and codes. When completed this project is not expected to increase operating costs.				
PROGRAM TOTAL.....	\$ 26,913	\$ 0	\$ 3,887	\$ 30,800



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
2011-12 PUBLIC IMPROVEMENT PROJECTS				
State Highway and Bridge Maintenance.....	\$ 44,600	\$ 220	\$ 4,830	\$ 49,650
Subtotal.....	\$ 44,600	\$ 220	\$ 4,830	\$ 49,650
TRANSPORTATION ASSISTANCE PROJECTS				
Urban Mass Transportation.....	\$ 904,874	\$ 0	\$ 28,880	\$ 933,754
Subtotal.....	\$ 904,874	\$ 0	\$ 28,880	\$ 933,754
HIGHWAY PROJECTS				
State Highway, Bridge & Administration Construction/Reconstruction.....	\$ 3,622,406	\$ 58,386	\$ 215,733	\$ 3,896,525
TOTAL PROJECTS.....	<u>\$ 4,571,880</u>	<u>\$ 58,606</u>	<u>\$ 249,443</u>	<u>\$ 4,879,929</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Transportation Assistance.....	\$ 259,917	\$ 0	\$ 28,880	\$ 288,797
Capital Facilities Fund - Public Improvement Projects.....	44,600	220	4,830	49,650
Current Revenues				
Motor License Fund.....	\$ 1,459,228	\$ 20,674	\$ 136,436	\$ 1,616,337
Federal Funds.....	\$ 2,795,248	\$ 37,654	\$ 78,330	\$ 2,911,233
Local Funds.....	\$ 12,887	\$ 59	\$ 967	\$ 13,912
TOTAL.....	<u>\$ 4,571,880</u>	<u>\$ 58,606</u>	<u>\$ 249,443</u>	<u>\$ 4,879,929</u>

Department of Transportation 2011-12 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
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: State Highway and Bridge Maintenance

Washington County Stockpile Facility

DEVELOP NEW STOCKPILE FACILITY: This project will provide for the development of a new stockpile including site purchase, design and construction. When completed, this project will not increase operating costs.

State	\$ 2,000	\$ 20	\$ 200	\$ 2,220
Fed.	0	0	0	0
Local	0	0	0	0

Washington County Stockpile Facility

DEVELOP NEW STOCKPILE FACILITY: This project will provide for the development of a new stockpile including site purchase, design and construction at Atlasburg. When completed, this project will not increase operating costs.

State	2,000	20	200	2,220
Fed.	0	0	0	0
Local	0	0	0	0

Luzerne County Stockpile Facility

DEVELOP NEW STOCKPILE FACILITY: This project will provide for the development of a new stockpile including site purchase, design and construction. When completed, this project will not increase operating costs.

State	2,000	20	200	2,220
Fed.	0	0	0	0
Local	0	0	0	0

Berks County Maintenance Garage

CONSTRUCT NEW VEHICLE WASH: This project will provide for a new vehicle wash building at the Berks County Maintenance Garage. When completed, this project will not increase operating costs.

State	600	0	90	690
Fed.	0	0	0	0
Local	0	0	0	0

Lehigh County Maintenance Garage

CONSTRUCT NEW VEHICLE WASH: This project will provide for a new vehicle wash building at the Lehigh County Maintenance Garage. When completed, this project will not increase operating costs.

State	600	0	90	690
Fed.	0	0	0	0
Local	0	0	0	0

Lehigh County Maintenance Garage

RENOVATE COUNTY FACILITY: This project will provide for the renovation and expansion to the facility to upgrade building systems, improve program requirements and energy efficiency. When completed, this project will not increase operating costs.

State	1,000	0	150	1,150
Fed.	0	0	0	0
Local	0	0	0	0

Schuylkill County Maintenance Garage

RENOVATE COUNTY FACILITY: This project will provide for the renovation and expansion to the facility to upgrade building systems, improve program requirements and energy efficiency. When completed, this project will not increase operating costs.

State	1,000	0	150	1,150
Fed.	0	0	0	0
Local	0	0	0	0



Department of Transportation 2011-12 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: State Highway and Bridge Maintenance				
Montgomery County District Office	State \$ 400	\$ 0	\$ 40	\$ 440
RENOVATE FACILITY: This project will provide for the renovation to the facility to design and construct a dry chemical fire protection system for TCC & all server rooms. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
Montgomery County District Office	State 3,000	0	300	3,300
CONSTRUCT NEW PARKING FACILITY: This project will provide for the construction of a new garage parking deck. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
Delaware County Stockpile Facility	State 2,000	20	200	2,220
DEVELOP NEW STOCKPILE FACILITY: This project will provide for the development of a new stockpile including site purchase, design and construction. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
Montgomery County Maintenance Garage	State 750	0	75	825
RENOVATE COUNTY FACILITY: This project will provide for the renovation and expansion to the facility to upgrade building systems, improve program requirements and energy efficiency. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
Adams County Maintenance Garage	State 600	0	90	690
CONSTRUCT NEW VEHICLE WASH: This project will provide for a new vehicle wash building at the Adams County Maintenance Garage. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
Adams County Stockpile Facility	State 2,000	20	200	2,220
DEVELOP NEW STOCKPILE FACILITY: This project will provide for the development of a new stockpile including site purchase, design and construction. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
Franklin County Stockpile Facility	State 2,000	20	200	2,220
DEVELOP NEW STOCKPILE FACILITY: This project will provide for the development of a new stockpile including site purchase, design and construction. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
Franklin County Stockpile Facility	State 2,000	20	200	2,220
DEVELOP NEW STOCKPILE FACILITY: This project will provide for the development of a new stockpile including site purchase, design and construction to replace SP #17. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

Department of Transportation 2011-12 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
PUBLIC IMPROVEMENT PROJECTS (continued)				
Program: State Highway and Bridge Maintenance				
York County Stockpile Facility	State \$ 2,000	\$ 20	\$ 200	\$ 2,220
DEVELOP NEW STOCKPILE FACILITY: This project will provide for the development of a new stockpile including site purchase, design and construction. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
York County Maintenance Garage	State 600	0	90	690
CONSTRUCT NEW VEHICLE WASH: This project will provide for a new vehicle wash building at the York County Maintenance Garage. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
Dauphin County Maintenance Garage	State 600	0	90	690
CONSTRUCT NEW VEHICLE WASH: This project will provide for a new vehicle wash building at the Dauphin County Maintenance Garage. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
Dauphin County Stockpile Facility	State 2,000	20	200	2,220
DEVELOP NEW STOCKPILE FACILITY: This project will provide for the development of a new stockpile including site purchase, design and construction. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
Dauphin County Maintenance Garage	State 600	0	90	690
CONSTRUCT NEW VEHICLE WASH: This project will provide for a new vehicle wash building at the Dauphin County Maintenance Garage Stockpile #02 Elizabethville. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
Lancaster County Stockpile Facility	State 2,000	20	200	2,220
DEVELOP NEW STOCKPILE FACILITY: This project will provide for the development of a new stockpile including site purchase, design and construction. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
Perry County Stockpile Facility	State 2,000	20	200	2,220
DEVELOP NEW STOCKPILE FACILITY: This project will provide for the development of a new stockpile including site purchase, design and construction. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
Allegheny County District 11-0 Office	State 2,000	0	200	2,200
RENOVATE DISTRICT 11-0 OFFICE: This project will provide for the renovation to the facility including roof, infrastructure, energy efficiencies and program requirements. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
Allegheny County Maintenance Garage	State 750	0	75	825
RENOVATE MAINTENANCE GARAGE: This project will provide for the renovation to the facility including roof, infrastructure, energy efficiencies and program requirements. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

Department of Transportation 2011-12 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: State Highway and Bridge Maintenance				
Allegheny County Neville Island Stockpile Facility	State \$ 700	\$ 0	\$ 75	\$ 775
CONSTRUCT NEW BUILDING: This project will provide for the construction of a new PM/Service/Line Paint building at the Neville Island Stockpile Facility. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
Beaver County Maintenance Garage	State 700	0	75	775
CONSTRUCT NEW BUILDING: This project will provide for the construction of a new PM/Service/Line Paint building at the Beaver County Maintenance Facility. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
Beaver County Maintenance Garage	State 450	0	75	525
REPLACE ROOF AT MAINTENANCE GARAGE: This project will provide for the removal and replacement of the roof system at the maintenance facility. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
Beaver County Maintenance Garage	State 1,000	0	100	1,100
CONSTRUCT NEW BUILDING: This project will provide for the construction of a new PM building at the Beaver County Maintenance Facility. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
Lawrence County Maintenance Garage	State 750	0	75	825
CONSTRUCT NEW BUILDING: This project will provide for the construction of a new PM building at the Lawrence County Maintenance Facility. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
Allegheny County Ft. Pitt Tunnel	State 3,500	0	350	3,850
CONSTRUCT NEW BUILDING: This project will provide for the construction of a new service/PM building at the Ft Pitt Tunnel Facility to meet program requirements. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
Allegheny County Ft. Pitt, Liberty, Squirrel Hill Tunnels	State 3,000	0	350	3,350
REPLACE GENERATORS and ROOFS: This project will provide for the replacement of electric generators and remove existing roof systems at the Ft. Pitt, Liberty and Squirrel Hill Tunnel facilities. When completed, this project will not increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
PROGRAM TOTAL	\$ 44,600	\$ 220	\$ 4,830	\$ 49,650

Department of Transportation 2011-12 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
TRANSPORTATION ASSISTANCE PROJECTS				
Program: Urban Mass Transportation				
All of the following projects are grants to local transportation authorities. Consequently, no staffing or operating cost impacts are provided since these will be borne by local budgets.				
Southeastern Pennsylvania Transportation Authority	State \$ 21,448	\$ 0	\$ 2,383	\$ 23,831
F.F.Y. 2012 FORMULA PROGRAM OF PROSPECTS:	Fed. 98,500	0	0	98,500
This project will provide for SEPTA's state of good repair program, vehicle overhaul program, regional rail signal mechanization, system improvements program, bus purchase and paratransit vehicle purchase program.	Local 794	0	0	794
Southeastern Pennsylvania Transportation Authority	State 21,753	0	2,417	24,170
F.F.Y. 2012 RAIL MODERNIZATION PROGRAM:	Fed. 99,900	0	0	99,900
This project will provide for SEPTA's state of good repair program, vehicle overhaul program, regional rail signal mechanization, system improvements program, transit and regional rail station program and station accessibility program.	Local 805	0	0	805
Southeastern Pennsylvania Transportation Authority	State 3,720	0	413	4,133
F.F.Y. 2012 BUS PURCHASE PROGRAM	Fed. 17,083	0	0	17,083
This project will provide for the acquisition and replacement of buses for SEPTA Services.	Local 138	0	0	138
Southeastern Pennsylvania Transportation Authority	State 697	0	77	774
2012 FEDERAL HIGHWAY FLEX PROGRAM:	Fed. 3,200	0	0	3,200
This project will provide funds for SEPTA's railroad/highway grade crossings and for CMAQ projects that help meet the requirements of the Clean Air Act by improving air quality and removing congestion.	Local 26	0	0	26
Southeastern Pennsylvania Transportation Authority	State 14,255	0	1,584	15,839
FEDERAL COMPETITIVE GRANT PROGRAM:	Fed. 65,466	0	0	65,466
This project will provide for the state funds to match federal capital funding awarded through competitive grant programs.	Local 528	0	0	528
Port Authority of Allegheny County	State 6,607	0	734	7,341
FY 2011-2012 SECTION 5307 PROGRAM:	Fed. 30,341	0	0	30,341
This program provides for the replacement/rehabilitation of major components of a bus and fixed guideway system.	Local 244	0	0	244
Port Authority of Allegheny County	State 5,400	0	600	6,000
FY 2011-2012 SECTION 5309 PROGRAM:	Fed. 24,800	0	0	24,800
This project provides for the replacement/rehabilitation of major components within the Port Authority's rail and busway system to ensure safety and reliability including the North Shore Connector project.	Local 200	0	0	200
Port Authority of Allegheny County	State 1,344	0	149	1,493
FY 2011-2012 SECTION 5307 FLEX PROGRAM:	Fed. 6,172	0	0	6,172
This project will provide for the funding of 70 replacement busses and to standardize bus procurement program.	Local 50	0	0	50

Department of Transportation 2011-12 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					
Port Authority of Allegheny County	State	\$ 1,045	\$ 0	\$ 116	\$ 1,161
FY 2011-2012 SECTION 5309 BUS AND BUS FACILITIES PROGRAM:	Fed.	4,800	0	0	4,800
This project will provide for the utilization of bus and bus facilities earmarks to perform various bus upgrades and facility improvements.	Local	39	0	0	39
Department of Transportation	State	45,000	0	5,000	50,000
VEHICLE AND CAPITAL EQUIPMENT PROGRAM:	Fed.	206,665	0	0	206,665
This project will provide funding for the purchase of transit vehicles and other capital equipment.	Local	1,666	0	0	1,666
Area Transportation Authority	State	2,028	0	225	2,253
UPGRADE FACILITY:	Fed.	9,313	0	0	9,313
This project will provide for the facility and facility upgrades including mobility management center, terminals, fuel storage, parking lots, fueling depots, roof replacement and miscellaneous equipment.	Local	75	0	0	75
Butler Transit Authority	State	405	0	45	450
EXPAND CRANBERRY AREA PARK & RIDE FACILITY:	Fed.	1,860	0	0	1,860
This project will provide for the property acquisition and construction for expanded park and ride lot on Route 528 near I-79 Butler County.	Local	15	0	0	15
Cambria County Transit Authority	State	2,177	0	242	2,419
REPLACE TRANSIT OPERATIONS MAINTENANCE FACILITY:	Fed.	10,000	0	0	10,000
This project will provide for the replacement of transit facility in Johnstown, which is over 116 years old, to meet current standards and requirements.	Local	81	0	0	81
Centre Area Transportation Authority	State	871	0	97	968
EXPAND MAINTENANCE AND BUS STORAGE:	Fed.	4,000	0	0	4,000
This project will provide funding for the expansion of CATA's maintenance and bus storage areas.	Local	32	0	0	32
Crawford Area Transportation Authority	State	348	0	39	387
CONSTRUCT BUS STORAGE AND WASH FACILITY:	Fed.	1,598	0	0	1,598
This project will provide for the construction of a steel structure sheltered bus storage facility and wash bay for bus fleet.	Local	13	0	0	13
Capitol Area Transit Authority	State	6,968	0	774	7,742
REPLACE MAINTENANCE FACILITY:	Fed.	32,000	0	0	32,000
This project will provide for the replacement of CAT's transit facility to meet modern requirements.	Local	258	0	0	258
Capitol Area Transit Authority	State	1,742	0	193	1,935
UPGRADE TRANSIT TECHNOLOGY:	Fed.	8,000	0	0	8,000
This project will provide for transportation technology to provide vehicle monitoring and real-time information for CAT's Transit operations.	Local	65	0	0	65

Department of Transportation 2011-12 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				
Mid Mon Valley Transit Authority	State \$ 175	\$ 0	\$ 19	\$ 194
REHABILITATE BUS STORAGE PHASE II:	Fed. 800	0	0	800
This project will provide for phase II construction to rehab the existing bus storage, administration and passenger areas at the Donora transit facility.	Local 6	0	0	6
River Valley Transit	State 1,045	0	116	1,161
EXPAND TRADE AND TRANSIT CENTER:	Fed. 4,800	0	0	4,800
This project will provide for the expansion of the Trade & Transit Centre and Church Street Transportation Intermodal Center for the RVT	Local 39	0	0	39
York County Transportation Authority	State 7,839	0	871	8,710
RENOVATE TRANSIT OPERATIONS CENTER:	Fed. 6,035	0	0	6,035
This project will renovate a former distribution center to create a cost effective, energy efficient transit operation center for YCTA.	Local 290	0	0	290
Southeastern Pennsylvania Transportation Authority	State 21,755	0	2,419	24,174
FY 2012-2013 STATE OF GOOD REPAIR PROGRAM:	Fed. 0	0	0	0
This program is designed to bring transit and railroad facilities to a state of good repair including communications, track right-of-way, station facilities, environmental concerns, and bridges.	Local 806	0	0	806
Southeastern Pennsylvania Transportation Authority	State 28,742	0	3,194	31,936
INFRASTRUCTURE SAFETY RENEWAL PROGRAM:	Fed. 0	0	0	0
This project provides for the restoration of SEPTA's transit and railroad infrastructure including maintenance support facilities	Local 1,064	0	0	1,064
Southeastern Pennsylvania Transportation Authority	State 47,903	0	5,323	53,226
VEHICLE OVERHAUL PROGRAM:	Fed. 0	0	0	0
This project will provide for SEPTA's FY 2011-2012 Vehicle Overhaul Program, which provides for the major overhaul of the rolling stock.	Local 1,774	0	0	1,774
Port Authority of Allegheny County	State 14,400	0	1,600	16,000
INFRASTRUCTURE SAFETY RENEWAL PROGRAM:	Fed. 0	0	0	0
This project provides for the restoration of PAAC's transit and railroad infrastructure including maintenance support facilities	Local 533	0	0	533
Port Authority of Allegheny County	State 2,250	0	250	2,500
VEHICLE OVERHAUL PROGRAM:	Fed. 0	0	0	0
This project will provide for PAAC's Vehicle Overhaul Program, which provides for the major overhaul of the rolling stock.	Local 83	0	0	83
TOTAL STATE FUNDS.....	\$ 259,917	\$ 0	\$ 28,880	\$ 288,797
TOTAL FEDERAL FUNDS.....	635,333	0	0	635,333
TOTAL LOCAL FUNDS.....	9,624	0	0	9,624
PROGRAM TOTAL.....	\$ 904,874	\$ 0	\$ 28,880	\$ 933,754

Capital Budget

Department of Transportation 2011-12 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Adams	State	6,512	0	0	6,512
Straban (Twp), Butler (Twp), Tyrone (Twp)	Federal	26,048	0	0	26,048
US-15 from PA-394 to PA-234	Local	0	0	0	0
Resurface and guiderail updates	Total	32,560	0	0	32,560
Adams	State	4,600	0	0	4,600
Freedom (Twp), Cumberland (Twp)	Federal	0	0	0	0
Route 15 Southbound PA/Maryland State Line to Plum Run	Local	0	0	0	0
Resurfacing	Total	4,600	0	0	4,600
Adams	State	200	100	30	330
Conewago (Twp), Mcsherrystown (Boro)	Federal	800	0	270	1,070
Intersection of PA-116 & SR 2008	Local	0	0	0	0
Intersection realignment, turnlanes, new signals	Total	1,000	100	300	1,400
Allegheny	State	5,000	0	280	5,280
Richland (Twp)	Federal	0	0	0	0
SR 8 William Flynn Highway, Grandview Drive to Butler County	Local	0	0	0	0
Signal upgrades, ADA ramp work, guiderail, pavement markings, Signaling and centerline rumble strips, Pavement reconstruction	Total	5,000	0	280	5,280
Allegheny	State	3,200	0	380	3,580
Wilkinsburg (Boro), Pittsburgh (City)	Federal	0	0	0	0
SR 8 (Ardmore Blvd/Penn Ave) from Swissvale Ave to Point Breeze Court	Local	0	0	0	0
Pavement reconstruction	Total	3,200	0	380	3,580
Allegheny	State	3,150	0	380	3,530
Pittsburgh (City)	Federal	0	0	0	0
SR 8 (Washington Boulevard) from Leech Farm to Zoo	Local	0	0	0	0
Pavement reconstruction	Total	3,150	0	380	3,530
Allegheny	State	2,250	0	380	2,630
Shaler (Twp)	Federal	0	0	0	0
SR 8 (William Flynn Highway) from Saxonburg Boulevard to Butler Plank	Local	0	0	0	0
Pavement reconstruction	Total	2,250	0	380	2,630



Capital Budget

Department of Transportation 2011-12 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	2,500	0	350	2,850
Mt Lebanon (Twp)	Federal	0	0	0	0
SR 19, Washington Road, Conner Road to Cochran Road	Local	0	0	0	0
Highway reconstruction	Total	2,500	0	350	2,850
Allegheny	State	4,600	0	450	5,050
Mt Lebanon (Twp), Pittsburgh (City), Dormont (Boro)	Federal	0	0	0	0
SR 0019, Banksville Road - McFarldn Road to Parkway	Local	0	0	0	0
Highway reconstruction and resurface	Total	4,600	0	450	5,050
Allegheny	State	2,998	0	350	3,348
Upper St Clair (Twp)	Federal	0	0	0	0
SR 19, Boyce Road, from Washington Pike to SR19	Local	0	0	0	0
Pavement reconstruction / rehabilitation	Total	2,998	0	350	3,348
Allegheny	State	2,450	0	550	3,000
Findlay (Twp), North Fayette (Twp)	Federal	0	0	0	0
SR 22 from the county line to North Fayette Township	Local	0	0	0	0
Pavement reconstruction, concrete pavement rehabilitation	Total	2,450	0	550	3,000
Bridge preservation					
Allegheny	State	3,300	0	350	3,650
Sharpsburg (Boro), Ohara (Twp), Aspinwall (Boro), Pittsburgh (City)	Federal	0	0	0	0
SR 28, Allegheny Valley Expressway, from SR 8050 to	Local	0	0	0	0
Bridge over Powers Run Road	Total	3,300	0	350	3,650
Highway reconstruction					
Allegheny	State	3,180	0	430	3,610
Ohara (Twp), Aspinwall (Boro), Pittsburgh (City)	Federal	0	0	0	0
SR 28 (Allegheny Valley Expressway) from SR 8050 to Powers Run Road	Local	0	0	0	0
Pavement reconstruction, and resurfacing	Total	3,180	0	430	3,610



Department of Transportation 2011-12 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	3,100	0	500	3,600
Forest Hills, Wilksburg, Chalfant & North Braddock (Boros)	Federal	0	0	0	0
SR 30 (Ardmore Boulevard) from the Parkway to Rockwood Road	Local	0	0	0	0
Pavement reconstruction	Total	3,100	0	500	3,600
Allegheny	State	3,085	0	380	3,465
Monroeville (Boro)	Federal	0	0	0	0
SR 48 (Mossie Boulevard) from North Versailles to	Local	0	0	0	0
Cambridge Square Drive	Total	3,085	0	380	3,465
Pavement reconstruction					
Allegheny	State	3,000	0	450	3,450
South Fayette (Twp)	Federal	12,000	0	0	12,000
SR 50 from Washington county line - Millers Run Road	Local	0	0	0	0
Highway reconstruction	Total	15,000	0	450	15,450
Allegheny	State	4,818	0	300	5,118
Bridgeville (Boro), Collier (Twp), Scott (Twp),	Federal	0	0	0	0
Carnegie (Boro), Heidelberg (Boro)	Local	0	0	0	0
SR 50, Washington Pike, from Anderson Equipment to Boden Ave,	Total	4,818	0	300	5,118
Pavement reconstruction, mill and overlay					
Allegheny	State	3,175	0	375	3,550
Pittsburgh (City)	Federal	0	0	0	0
SR 51 (Saw Mill Run Boulevard) from Warrington Avenue	Local	0	0	0	0
To Crane Avenue	Total	3,175	0	375	3,550
Pavement reconstruction					
Allegheny	State	2,420	0	380	2,800
Elizabeth, West Elizabeth, Jefferson & Pleasant Hills (Boros)	Federal	0	0	0	0
SR 51 from Elizabeth Bridge to Coal Valley	Local	0	0	0	0
Pavement reconstruction	Total	2,420	0	380	2,800

Capital Budget

Department of Transportation 2011-12 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	2,200	0	400	2,600
Coraopolis (Boro), Moon (Twp)	Federal	0	0	0	0
SR 51 (Fourth Avenue/State Street) from Ferree to Thorn Run	Local	0	0	0	0
Pavement reconstruction	Total	2,200	0	400	2,600
Allegheny	State	1,500	0	270	1,770
Robinson (Twp)	Federal	0	0	0	0
SR 60, Steubenville Pike, from Parkway West to I-79	Local	0	0	0	0
Pavement reconstruction / rehabilitation	Total	1,500	0	270	1,770
Allegheny	State	3,200	0	380	3,580
Robinson (Twp)	Federal	0	0	0	0
SR 60 (Steubenville Pike) from Lorish Road to SR 22	Local	0	0	0	0
Pavement reconstruction	Total	3,200	0	380	3,580
Allegheny	State	3,120	0	300	3,420
Robinson (Twp), Kennedy (Twp)	Federal	0	0	0	0
SR 60 (Steubenville Pike) from Cornell Street to Windhaven Road	Local	0	0	0	0
Pavement reconstruction	Total	3,120	0	300	3,420
Allegheny	State	3,000	0	370	3,370
Sewickley (Boro), Edgeworth (Boro), Leetsdale (Boro)	Federal	0	0	0	0
Located on SR 65, Ohio River Blvd, from Walnut St to Rapp Street	Local	0	0	0	0
Highway reconstruction	Total	3,000	0	370	3,370
Allegheny	State	3,150	0	380	3,530
Sewickley (Boro), Edgeworth (Boro), Leetsdale (Boro)	Federal	0	0	0	0
SR 65 (Ohio River Boulevard) from Walnut Street to Rapp Street	Local	0	0	0	0
Pavement reconstruction	Total	3,150	0	380	3,530
Allegheny	State	2,300	0	335	2,635
Pittsburgh (City)	Federal	0	0	0	0
SR 65 (Ohio River Boulevard) from Fort Duquesne to West End	Local	0	0	0	0
Pavement reconstruction	Total	2,300	0	335	2,635



Capital Budget

Department of Transportation 2011-12 Projects

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FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	3,500	0	300	3,800
Greentree (Boro), Pittsburgh (City)	Federal	0	0	0	0
SR 121 (Mansfield/Poplar Street) from Greentree Road to Poplar Street	Local	0	0	0	0
Pavement reconstruction	Total	3,500	0	300	3,800
Allegheny	State	3,163	0	250	3,413
Churchill (Boro)	Federal	0	0	0	0
Sir 130 from Old William Penn Highway to Fenwick	Local	0	0	0	0
Pavement reconstruction	Total	3,163	0	250	3,413
Allegheny	State	3,270	0	270	3,540
Monroeville (Boro), Trafford (Boro)	Federal	0	0	0	0
SR 130 from Mosside to county line	Local	0	0	0	0
Pavement reconstruction	Total	3,270	0	270	3,540
Allegheny	State	3,000	0	210	3,210
North Versailles (Twp), McKeesport (City), East McKeesport (Boro)	Federal	0	0	0	0
SR 148, from Pennsylvania Avenue to SR 30/Lincoln Highway	Local	0	0	0	0
Highway reconstruction, bridge deck replacement, Bridge preservation and signal/signs	Total	3,000	0	210	3,210
Allegheny	State	2,100	0	150	2,250
McKeesport (City)	Federal	0	0	0	0
SR 148 Lyle Blvd, Walnut St to Fifth Ave	Local	0	0	0	0
Highway reconstruction	Total	2,100	0	150	2,250
Allegheny	State	2,292	0	210	2,502
McKeesport (City)	Federal	0	0	0	0
SR 148 (Lysle Boulevard) from Fifth Avenue to SR 2094	Local	0	0	0	0
Pavement reconstruction	Total	2,292	0	210	2,502



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	2,400	1,200	1,500	5,100
Monroeville (Boro), Plum (Boro)	Federal	9,600	4,800	0	14,400
SR 286, from connector road with SR 22 to north of Old Frankstown Road/Sagamore Road	Local	0	0	0	0
Widening, center turn lane and singles	Total	12,000	6,000	1,500	19,500
Allegheny	State	2,000	0	200	2,200
Harrison (Twp), Tarentum (Boro)	Federal	0	0	0	0
SR 1034 and continuing onto SR 366 (Bull Creek Road to Tarentum Bridge)	Local	0	0	0	0
Highway reconstruction, concrete patch and overlay	Total	2,000	0	200	2,200
Allegheny	State	2,750	0	330	3,080
Tarentum (Boro)	Federal	0	0	0	0
SR 366, Tarentum Bridge	Local	0	0	0	0
Highway reconstruction	Total	2,750	0	330	3,080
Allegheny	State	3,145	0	355	3,500
Penn Hills (Twp)	Federal	0	0	0	0
PA 380 (Frankstown Road) from Shennendoah to Leechburg	Local	0	0	0	0
Pavement reconstruction	Total	3,145	0	355	3,500
Allegheny	State	3,075	0	350	3,425
Pittsburgh (City)	Federal	0	0	0	0
PA 380 (Baum Boulevard) from Craig Street to Roup Avenue	Local	0	0	0	0
Pavement reconstruction	Total	3,075	0	350	3,425
Allegheny	State	2,985	0	395	3,380
Pittsburgh (City), Penn Hills (Twp)	Federal	0	0	0	0
PA 380 (Bennett Street/Frankstown Road) from Frankstown Avenue to Wilksburg Avenue	Local	0	0	0	0
Pavement reconstruction	Total	2,985	0	395	3,380



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	3,085	0	380	3,465
Penn Hills (Twp)	Federal	0	0	0	0
SR 791 (Rodi Road) from Ramp to Frankstown Road	Local	0	0	0	0
Pavement reconstruction	Total	3,085	0	380	3,465
Allegheny	State	2,270	0	360	2,630
Jefferson (Boro), West Elizabeth (Boro), Clairton (City)	Federal	0	0	0	0
SR 837, State Street, from Robins St - Clair Ave and	Local	0	0	0	0
Boundary Ave - Mendelssohn Street	Total	2,270	0	360	2,630
Highway reconstruction					
Allegheny	State	3,200	0	390	3,590
West Elizabeth (Boro), Jefferson (Boro), Clairton (City)	Federal	0	0	0	0
SR 837 (River Road/Dravosburg Road/State Street) from	Local	0	0	0	0
Robinson Street to St. Clair Street	Total	3,200	0	390	3,590
Pavement reconstruction					
Allegheny	State	3,100	0	330	3,430
Pittsburgh (City)	Federal	0	0	0	0
SR 885 (Second Avenue) from Renova to Greenfield	Local	0	0	0	0
Pavement reconstruction	Total	3,100	0	330	3,430
Allegheny	State	3,135	0	330	3,465
Pittsburgh (City)	Federal	0	0	0	0
SR 885 (Lebanon Road/Boulevard of the Allies) from	Local	0	0	0	0
Bates Street to Craft Avenue	Total	3,135	0	330	3,465
Pavement reconstruction					
Allegheny	State	3,150	0	330	3,480
Jefferson (Boro), West Mifflin (Boro)	Federal	0	0	0	0
SR 885 (Clairton Road) from Ravensburg Boulevard to New England Road	Local	0	0	0	0
Pavement reconstruction	Total	3,150	0	330	3,480



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	3,160	0	360	3,520
West Mifflin (Boro)	Federal	0	0	0	0
SR 885 (Clairton Road) from College Drive to Lebanon Church	Local	0	0	0	0
Pavement reconstruction	Total	3,160	0	360	3,520
Allegheny	State	3,180	0	380	3,560
Richland (Twp), West Deer (Twp), Indiana (Twp)	Federal	0	0	0	0
SR 910 (Gibsonia Road) from Hardt Road to Turnpike Bridge	Local	0	0	0	0
Pavement reconstruction	Total	3,180	0	380	3,560
Allegheny	State	1,800	0	200	2,000
Etna (Boro), Sharpsburg (Boro), O'Hara (Twp)	Federal	0	0	0	0
SR 1001 (Main Street) from Bridge Street to Highland Park Bridge	Local	0	0	0	0
Pavement reconstruction	Total	1,800	0	200	2,000
Allegheny	State	1,000	0	100	1,100
Brackenridge (Boro), Harrison (Twp)	Federal	0	0	0	0
SR 1001 (Freeport Road) from Brackenridge to the county line	Local	0	0	0	0
Pavement reconstruction	Total	1,000	0	100	1,100
Allegheny	State	2,100	0	200	2,300
O'Hara (Twp), Pittsburgh (City), Aspinwall (Boro), Sharpsburg (Boro)	Federal	0	0	0	0
SR 1005 (Highland Park Bridge) and Sharpsburg Ramps	Local	0	0	0	0
Pavement reconstruction	Total	2,100	0	200	2,300
Allegheny	State	3,000	0	300	3,300
O'Hara (Twp), Pittsburgh (City), Aspinwall (Boro), Sharpsburg (Boro)	Federal	0	0	0	0
SR 885 (Clairton Road) from College Drive to Lebanon Church Road	Local	0	0	0	0
Pavement reconstruction	Total	3,000	0	300	3,300
Allegheny	State	3,750	0	175	3,925
Harmar (Twp)	Federal	0	0	0	0
SR 1006 (Locust Hill Road) from SR 910 to Guys Run Road	Local	0	0	0	0
Pavement reconstruction	Total	3,750	0	175	3,925



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	2,450	0	215	2,665
Indiana (Twp)	Federal	0	0	0	0
SR 1016 (Lefever Road) from Rich Hill to Russelton Road	Local	0	0	0	0
Pavement reconstruction	Total	2,450	0	215	2,665
Allegheny	State	3,350	0	250	3,600
Harrison (Twp)	Federal	0	0	0	0
SR 1034/SR 366 to end of concrete pavement	Local	0	0	0	0
Reconstruction at Freeport Road/Taretum Bridge intersection	Total	3,350	0	250	3,600
Highway reconstruction, patch overlay concrete pavement					
Allegheny	State	3,800	0	215	4,015
Fawn (Twp)	Federal	0	0	0	0
SR 1034 (Bull Creek Road) from Howes Run Road to Red Belt Road	Local	0	0	0	0
Pavement reconstruction	Total	3,800	0	215	4,015
Allegheny	State	3,100	0	210	3,310
Indiana (Twp)	Federal	0	0	0	0
SR 1036 (Indiana Road) from SR 910 to Guys Run	Local	0	0	0	0
Pavement reconstruction	Total	3,100	0	210	3,310
Allegheny	State	1,200	0	400	1,600
Elizabeth (Boro)	Federal	0	0	0	0
SR 2015 (Third Avenue) from Bayard to Market	Local	0	0	0	0
Pavement reconstruction	Total	1,200	0	400	1,600
Allegheny	State	4,600	0	400	5,000
White Oak (Boro)	Federal	0	0	0	0
SR 22 (Stewartsville Hollow Road) from Lincoln Way to the county line	Local	0	0	0	0
Pavement reconstruction	Total	4,600	0	400	5,000



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	4,750	0	800	5,550
Jefferson (Boro)	Federal	0	0	0	0
SR 2208 (Boulevard of the Allies) from Commonwealth	Local	0	0	0	0
Place to Liberty Bridge and Commonwealth Place to Grant Street	Total	4,750	0	800	5,550
Pavement reconstruction					
Allegheny	State	3,120	0	500	3,620
White Oak (Boro), North Versailles (Twp)	Federal	0	0	0	0
SR 2037 (Pennsylvania Avenue/ Westinghouse Avenue/ McKeesport	Local	0	0	0	0
Boulevard) from Lincoln Way to Navy Marine Corp Way	Total	3,120	0	500	3,620
Pavement reconstruction					
Allegheny	State	4,900	0	600	5,500
Dravosburg (Boro), West Mifflin (Boro)	Federal	0	0	0	0
SR 2042 (Fifth Street/Goldstrom Avenue and Pennsylvania Avenue/	Local	0	0	0	0
Goldstrohm Avenue) from 5th to Taft Road	Total	4,900	0	600	5,500
Pavement reconstruction					
Allegheny	State	4,050	0	650	4,700
Baldwin (Boro), West Mifflin (Boro)	Federal	0	0	0	0
SR 2046 (Streets Run Road) from Spangler Street to Delwar Road	Local	0	0	0	0
Pavement reconstruction	Total	4,050	0	650	4,700
Allegheny	State	3,100	0	600	3,700
North Braddock, Braddock Hills, Forest Hills & Edgewood (Boros)	Federal	0	0	0	0
SR 2051 (Brinton Avenue/Brinton Road/Brighton Road) from	Local	0	0	0	0
Pallas to Maple Avenue	Total	3,100	0	600	3,700
Pavement reconstruction					
Allegheny	State	4,100	0	600	4,700
Penn Hills (Twp), Plum (Boro)	Federal	0	0	0	0
SR 2058 (Hulton Road/Leechburg Road) from Indiana Road to Coxcomb Hill	Local	0	0	0	0
Pavement reconstruction	Total	4,100	0	600	4,700



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	3,585	0	535	4,120
Penn Hills (Twp)	Federal	0	0	0	0
SR 2074 (Poketa Road) from Verona Road to Hulton Road	Local	0	0	0	0
Pavement reconstruction	Total	3,585	0	535	4,120
Allegheny	State	4,000	3,000	450	7,450
Plum (Boro)	Federal	0	0	0	0
SR 2090 (Webster Road) at SR 2057 (Logans Ferry Road) and SR 2090 (Webster Road) at SR 366 (Greensburg Road)	Local	0	0	0	0
Construction of two cul-de-sacs	Total	4,000	3,000	450	7,450
Allegheny	State	15,000	0	400	15,400
McKeesport (City)	Federal	0	0	0	0
SR 2094/Fifth Avenue, from Jerome St Bridge to SR 0148	Local	0	0	0	0
Highway reconstruction	Total	15,000	0	400	15,400
Allegheny	State	1,998	0	450	2,448
South Fayette (Twp), Upper St Clair (Twp)	Federal	0	0	0	0
SR 3005 from Washington county line to Chartiers Street	Local	0	0	0	0
Pavement reconstruction	Total	1,998	0	450	2,448
Allegheny	State	3,000	0	350	3,350
Bethel Park (Boro)	Federal	0	0	0	0
SR 3009, McMurray Road, from Washington county line to Clifton Road	Local	0	0	0	0
Road widening, drainage, guiderail, signal improvements, and Highway reconstruction	Total	3,000	0	350	3,350
Allegheny	State	2,663	0	660	3,323
South Park (Twp), Bethel Park (Boro)	Federal	0	0	0	0
SR 3011 from Brownsville Road to Library Road	Local	0	0	0	0
Pavement reconstruction and overlay	Total	2,663	0	660	3,323



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	3,725	0	450	4,175
Bethel Park (Boro)	Federal	0	0	0	0
SR 3022 (Churchill Road) from US 88 to Braun Road	Local	0	0	0	0
Pavement reconstruction	Total	3,725	0	450	4,175
Allegheny	State	3,120	0	350	3,470
Bridgeville (Boro), Collier (Twp)	Federal	0	0	0	0
SR 3031 (Prestley Road) from SR 50 to Hilltop Road	Local	0	0	0	0
Pavement reconstruction	Total	3,120	0	350	3,470
Allegheny	State	3,070	0	325	3,395
Bridgeville (Boro), Collier (Twp)	Federal	0	0	0	0
SR 3031 (Prestley Road) from Washington Pike to Forsythe Road	Local	0	0	0	0
Pavement reconstruction	Total	3,070	0	325	3,395
Allegheny	State	2,095	0	350	2,445
Scott (Twp), Mt Lebanon (Twp)	Federal	0	0	0	0
SR 3033 (Main Street/Scrubgrass Road) from	Local	0	0	0	0
Vanadium Road to Segar Road	Total	2,095	0	350	2,445
Pavement reconstruction					
Allegheny	State	2,439	0	500	2,939
Whitehall (Boro)	Federal	0	0	0	0
Sir 3035 Baptist to Provost	Local	0	0	0	0
Pavement reconstruction and overlay	Total	2,439	0	500	2,939
Allegheny	State	5,313	100	2,933	8,346
Pittsburgh (City)	Federal	21,252	400	2,240	23,892
SR 3069 from Liberty Bridge over the Monongahela River to SR 51	Local	0	0	0	0
Repair of structural concrete, conduit and hanger systems	Total	26,565	500	5,173	32,238
Inspection of signal supports					



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	3,110	0	400	3,510
Moon (Twp)	Federal	0	0	0	0
SR 3074 (Hassem Road/Ewings Mill Road) from Maple Street Extension to Montour Run	Local	0	0	0	0
Pavement reconstruction	Total	3,110	0	400	3,510
Allegheny	State	2,827	0	350	3,177
Robinson (Twp)	Federal	0	0	0	0
SR 3074 (Forest Grove Road) from Forest Grove to Silver Lane	Local	0	0	0	0
Pavement reconstruction	Total	2,827	0	350	3,177
Allegheny	State	3,070	0	370	3,440
Robinson (Twp), Moon (Twp)	Federal	0	0	0	0
SR 3077 (Beaver Grade Road) from Steubenville Pike to Clever Road	Local	0	0	0	0
Pavement reconstruction	Total	3,070	0	370	3,440
Allegheny	State	3,085	0	420	3,505
Moon (Twp)	Federal	0	0	0	0
SR 3077 (Broadhead Road) from University Boulevard to Flaugherty Run Road	Local	0	0	0	0
Pavement reconstruction	Total	3,085	0	420	3,505
Allegheny	State	2,430	0	450	2,880
Coraopolis (Boro)	Federal	0	0	0	0
SR 3079 (Maple Street Extension) from Park Drive to Fifth Avenue (SR 51)	Local	0	0	0	0
Pavement reconstruction	Total	2,430	0	450	2,880
Allegheny	State	3,040	0	350	3,390
Robinson (Twp)	Federal	0	0	0	0
SR 3083 (South Petrie Road) from Forest Grove Road to Cul-De-Sac	Local	0	0	0	0
Pavement reconstruction	Total	3,040	0	350	3,390



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	3,080	0	380	3,460
Findlay (Twp)	Federal	0	0	0	0
SR 3084 (Spring Run Road Extension) from the county line to Spring Run Road Extension	Local	0	0	0	0
Pavement reconstruction	Total	3,080	0	380	3,460
Allegheny	State	3,150	0	350	3,500
Findlay (Twp), Moon (Twp)	Federal	0	0	0	0
SR 3089 (Flaugherty Run Road) from Moon Clinton Road to Stoops Ferry	Local	0	0	0	0
Pavement reconstruction	Total	3,150	0	350	3,500
Allegheny	State	3,100	0	390	3,490
North Fayette (Twp)	Federal	0	0	0	0
SR 3103 (McKee Road) from Oakdale Road to Steubenville Pike	Local	0	0	0	0
Pavement reconstruction	Total	3,100	0	390	3,490
Allegheny	State	7,000	0	300	7,300
Pittsburgh (City), Ross (Twp), Mccandless (Twp)	Federal	0	0	0	0
4003, McKnight Road, from Nelson Run to Babcock Boulevard	Local	0	0	0	0
Pavement reconstruction, mill and overlay	Total	7,000	0	300	7,300
Allegheny	State	3,140	0	350	3,490
Millvale (Boro)	Federal	0	0	0	0
SR 4009 (Evergreen Road/North Avenue) from 40th Street Bridge to Schitzen Park Road	Local	0	0	0	0
Pavement reconstruction	Total	3,140	0	350	3,490
Allegheny	State	3,090	0	400	3,490
Ross (Twp)	Federal	0	0	0	0
SR 4011 (Babcock Boulevard) from Evergreen Road to Babcock Boulevard	Local	0	0	0	0
Pavement reconstruction	Total	3,090	0	400	3,490



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	3,050	0	380	3,430
Shaler (Twp)	Federal	0	0	0	0
SR 4013 (Soose Road) from Seavey to Wible Run Road	Local	0	0	0	0
Pavement reconstruction	Total	3,050	0	380	3,430
Allegheny	State	2,861	0	420	3,281
McCandless (Twp), Hampton (Twp)	Federal	0	0	0	0
SR 4046 (Sample Road) from Peebles Road to Mount Royal Boulevard	Local	0	0	0	0
Pavement reconstruction and overlay	Total	2,861	0	420	3,281
Allegheny	State	3,100	0	220	3,320
Edgeworth, Sewickley Heights and Bell Acres (Boros) and Leet (Twp)	Federal	0	0	0	0
SR 4032 (Little Sewickley Creek Road/Fern Hollow Road) from	Local	0	0	0	0
Beaver Street to Fern Hollow Road	Total	3,100	0	220	3,320
Pavement reconstruction					
Allegheny	State	3,100	0	380	3,480
Sewickley Heights (Boro), Sewickley Hills (Boro), Franklin Park (Boro)	Federal	0	0	0	0
SR 4034 (Audubon/Little Sewickley Creek Road) from Fern Hollow Road	Local	0	0	0	0
To Magee Road Extension	Total	3,100	0	380	3,480
Pavement reconstruction					
Allegheny	State	3,130	0	340	3,470
Sewickley Heights (Boro), Sewickley Hills (Boro), Franklin Park (Boro)	Federal	0	0	0	0
SR 4039 (Henry Road/Audubon Road) from Camp Meeting Road	Local	0	0	0	0
to Magee Road	Total	3,130	0	340	3,470
Pavement reconstruction					
Allegheny	State	3,095	0	390	3,485
Franklin Park (Boro)	Federal	0	0	0	0
SR 4049 (Nicholson Road) from Rochester Road to Bayne Wexford Road	Local	0	0	0	0
Pavement reconstruction	Total	3,095	0	390	3,485



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	3,080	0	380	3,460
Marshall (Twp), Pine (Twp)	Federal	0	0	0	0
SR 4054 (Freeport Road) from Perry to Franklin	Local	0	0	0	0
Pavement reconstruction	Total	3,080	0	380	3,460
Allegheny	State	3,032	0	385	3,417
Marshall (Twp)	Federal	0	0	0	0
SR 4055 (Pittsburgh - Rochester Road) from SR 4052 to Friel Road	Local	0	0	0	0
Pavement reconstruction	Total	3,032	0	385	3,417
Allegheny	State	3,180	0	390	3,570
Pine (Twp)	Federal	0	0	0	0
SR 4061 (Franklin Road) from Freeport to county line	Local	0	0	0	0
Pavement reconstruction, resurfacing	Total	3,180	0	390	3,570
Allegheny	State	3,037	0	390	3,427
Shaler (Twp)	Federal	0	0	0	0
SR 4062 (Glenshaw Avenue) from Mount Royal Boulevard to	Local	0	0	0	0
Butler Plank Road	Total	3,037	0	390	3,427
Pavement reconstruction					
Allegheny	State	3,120	0	355	3,475
McCandless (Twp)	Federal	0	0	0	0
SR 4064 (Peebles Road) from Giant Eagle mall entrance to Duncan Avenue	Local	0	0	0	0
Pavement reconstruction	Total	3,120	0	355	3,475
Allegheny	State	2,120	0	300	2,420
Hampton (Twp), Richland (Twp)	Federal	0	0	0	0
SR 4065 from Wildwood Road to Gibsonia Road	Local	0	0	0	0
Pavement reconstruction	Total	2,120	0	300	2,420



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	3,384	0	380	3,764
Hampton (Twp)	Federal	0	0	0	0
SR 4067 from Sample Road to Wildwood Road	Local	0	0	0	0
Pavement reconstruction and overlay	Total	3,384	0	380	3,764
Armstrong	State	1,201	0	50	1,251
Boggs (Twp), Wayne (Twp)	Federal	0	0	0	0
PA 28 SR 1027 (Goheenville Snyderville Road) to	Local	0	0	0	0
SR 1016 (Calhoun School Road)	Total	1,201	0	50	1,251
Safety improvement - roadway realignment					
Armstrong	State	1,000	400	40	1,440
Boggs (Twp)	Federal	4,000	0	160	4,160
PA 28 over the North Fork of Pine Creek	Local	0	0	0	0
Realignment	Total	5,000	400	200	5,600
Armstrong	State	1,150	0	0	1,150
Rayburn (Twp)	Federal	4,600	0	0	4,600
SR 28 from (Anderson Creek Road) to (McAuley Falls Road)	Local	0	0	0	0
Safety improvement - reconstruction, rehabilitation and resurfacing	Total	5,750	0	0	5,750
Armstrong	State	600	0	0	600
Parks (Twp), Kiskiminetas (Twp), North Apollo (Boro), Apollo (Boro)	Federal	2,400	0	0	2,400
SR 56	Local	0	0	0	0
Highway resurfacing	Total	3,000	0	0	3,000
Armstrong	State	1,700	0	0	1,700
Parks, Kiskiminetas, South Bend (Twps); North Apollo and Apollo (Boros)	Federal	6,800	0	0	6,800
PA 56	Local	0	0	0	0
Highway restoration	Total	8,500	0	0	8,500



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Armstrong	State	520	0	0	520
Manor (Twp)	Federal	2,080	0	0	2,080
SR 66 from 5th Avenue (PA 128) to SR 422	Local	0	0	0	0
Resurfacing	Total	2,600	0	0	2,600
Armstrong	State	600	0	0	600
Bradys Bend (Twp)	Federal	2,400	0	0	2,400
PA 68	Local	0	0	0	0
Highway restoration	Total	3,000	0	0	3,000
Armstrong	State	1,565	0	0	1,565
Rayburn, Valley, Cowanshannock (Twps) and Rural Valley (Boro)	Federal	6,260	0	0	6,260
SR 85	Local	0	0	0	0
Highway restoration	Total	7,825	0	0	7,825
Armstrong	State	1,200	0	0	1,200
Rayburn, Valley, Cowanshannock (Twps) and Rural Valley (Boro)	Federal	4,800	0	0	4,800
SR 85	Local	0	0	0	0
Highway restoration	Total	6,000	0	0	6,000
Armstrong	State	2,200	0	0	2,200
South Buffalo, North Buffalo, Cadogan, Manor (Twps)	Federal	8,800	0	0	8,800
Ford City and Freeport (Boros)	Local	0	0	0	0
PA 128	Total	11,000	0	0	11,000
Highway restoration					
Armstrong	State	300	0	0	300
Kiskiminetas (Twp)	Federal	1,200	0	0	1,200
SR 156	Local	0	0	0	0
Highway restoration	Total	1,500	0	0	1,500



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Armstrong	State	1,000	0	0	1,000
South Bend (Twp), Plumcreek (Twp), Atwood (Boro), Cowanshannock (Twp)	Federal	4,000	0	0	4,000
SR 210	Local	0	0	0	0
Highway restoration	Total	5,000	0	0	5,000
Armstrong	State	1,900	0	0	1,900
East Franklin (Twp), West Kittanning (Boro), Sugarcreek (Twp), Perry (Twp), Parker City (City) and Hovey (Twp)	Federal	7,600	0	0	7,600
SR 268	Local	0	0	0	0
Highway restoration	Total	9,500	0	0	9,500
Armstrong	State	500	0	0	500
Freeport (Boro)	Federal	0	0	0	0
PA 356	Local	0	0	0	0
Highway restoration	Total	500	0	0	500
Armstrong	State	580	0	0	580
Worthington (Boro), West Franklin (Twp), East Franklin (Twp)	Federal	2,320	0	0	2,320
US 422 from .21 miles west of SR 3011 (Bear Street) to .71 miles east of SR 3007 (Glade Run Road)	Local	0	0	0	0
Highway resurfacing, restoration and rehabilitation	Total	2,900	0	0	2,900
Armstrong	State	840	0	0	840
Kittanning (Twp)	Federal	3,360	0	0	3,360
US 422	Local	0	0	0	0
Safety improvement	Total	4,200	0	0	4,200
Armstrong	State	1,450	0	0	1,450
Manor (Twp), Kittanning (Twp)	Federal	5,800	0	0	5,800
US 422 from Ping Wing Hollow Road to Lasher Road	Local	0	0	0	0
Safety improvement	Total	7,250	0	0	7,250



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Armstrong	State	1,216	0	0	1,216
Elderton (Boro), Plumcreek (Twp)	Federal	4,865	0	0	4,865
Intersection of SR 422 and SR 210	Local	0	0	0	0
Resurfacing; realignment and turning lanes	Total	6,081	0	0	6,081
Armstrong	State	2,600	0	0	2,600
West Franklin (Twp), Worthington (Boro), East Franklin (Twp), North Buffalo, Manor, Kittanning, Plumcreek (Twps) and Elderton (Boro)	Federal	10,400	0	0	10,400
US 422	Local	0	0	0	0
Highway restoration	Total	13,000	0	0	13,000
Armstrong	State	900	0	0	900
Redbank (Twp)	Federal	0	0	0	0
SR 536	Local	0	0	0	0
Highway restoration	Total	900	0	0	900
Armstrong	State	1,400	0	0	1,400
Cowanshannock (Twp), Wayne (Twp), Dayton (Boro), Redbank (Twp), Mahoning (Twp), South Bethlehem (Boro)	Federal	5,600	0	0	5,600
SR 839	Local	0	0	0	0
Highway restoration	Total	7,000	0	0	7,000
Armstrong	State	600	0	0	600
Manor (Twp), Kittanning (Boro)	Federal	0	0	0	0
Intersection of SR 1040 (Water Street) and SR 1038 (Market Street)	Local	0	0	0	0
Safety improvement; signal replacement	Total	600	0	0	600
Armstrong	State	700	0	0	700
Manor (Twp)	Federal	2,800	0	0	2,800
SR 1422 (Indiana Road) from SR 66 to SR 422	Local	0	0	0	0
Resurfacing	Total	3,500	0	0	3,500



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Armstrong	State	600	0	0	600
Plumcreek (Twp), Cowanshannock (Twp)	Federal	2,400	0	0	2,400
SR 2003	Local	0	0	0	0
Highway restoration	Total	3,000	0	0	3,000
Armstrong	State	950	0	0	950
Kiskiminetas (Twp), South Bend (Twp)	Federal	0	0	0	0
SR 2056	Local	0	0	0	0
Highway restoration	Total	950	0	0	950
Armstrong	State	520	0	0	520
Parks (Twp), Bethel (Twp)	Federal	2,080	0	0	2,080
SR 2066	Local	0	0	0	0
Highway restoration	Total	2,600	0	0	2,600
Armstrong	State	500	0	0	500
South Buffalo (Twp), Cadogan (Twp)	Federal	2,000	0	0	2,000
SR 3128	Local	0	0	0	0
Highway restoration	Total	2,500	0	0	2,500
Armstrong	State	1,200	0	0	1,200
Sugarcreek (Twp), Bradys Bend (Twp)	Federal	0	0	0	0
SR 4009	Local	0	0	0	0
Highway restoration	Total	1,200	0	0	1,200
Armstrong	State	500	0	0	500
West Franklin, East Franklin (Twps), West Kittanning & Worthington (Boros)	Federal	2,000	0	0	2,000
SR 4010	Local	0	0	0	0
Highway restoration	Total	2,500	0	0	2,500
Armstrong	State	600	0	0	600
East Franklin (Twp), Applewold (Boro), Washington (Twp)	Federal	2,400	0	0	2,400
SR 4023	Local	0	0	0	0
Highway restoration	Total	3,000	0	0	3,000



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Beaver	State	1,250	0	250	1,500
Beaver Falls (City)	Federal	0	0	0	0
SR 18, Seventh Avenue/College Avenue, from 29th Street to SR 551	Local	0	0	0	0
Pavement reconstruction	Total	1,250	0	250	1,500
Beaver	State	3,750	0	350	4,100
Big Beaver (Boro)	Federal	0	0	0	0
SR 18, Big Beaver Boulevard, from SR 351 to Lawrence county line	Local	0	0	0	0
Highway reconstruction	Total	3,750	0	350	4,100
Beaver	State	3,180	0	380	3,560
Hanover (Twp), Raccoon (Twp)	Federal	0	0	0	0
SR 18 (Frankfort Road) from Traverse Creek Bridge to SR 151	Local	0	0	0	0
Pavement reconstruction	Total	3,180	0	380	3,560
Beaver	State	3,200	0	400	3,600
Raccoon (Twp)	Federal	0	0	0	0
SR 18 (Frankfort Road) from SR 151 Green Garden Road	Local	0	0	0	0
Pavement reconstruction	Total	3,200	0	400	3,600
Beaver	State	1,600	332	294	2,226
Greene (Twp)	Federal	6,400	1,328	1,175	8,903
TR 30 about 0.4 miles from the PA/WVA state line and proceeds on	Local	0	0	0	0
TR 30 to 1.0 mile west of SR 168 intersection	Total	8,000	1,660	1,469	11,129
Realignment and reconstruction to upgrade a portion of this roadway					
Beaver	State	1,500	0	330	1,830
Greene (Twp)	Federal	0	0	0	0
SR 30, Lincoln Highway, from SR 168 to SR 151	Local	0	0	0	0
Highway reconstruction	Total	1,500	0	330	1,830



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Beaver	State	3,000	0	350	3,350
Chippewa (Twp), South Beaver (Twp)	Federal	0	0	0	0
SR 51, Pennsylvania Avenue, from SR 251 to SR 168	Local	0	0	0	0
Pavement reconstruction / rehabilitation	Total	3,000	0	350	3,350
Beaver	State	1,260	0	350	1,610
Darlington (Twp), South Beaver (Twp)	Federal	5,040	0	0	5,040
SR 51, Pennsylvania Avenue, from SR 168 to Ohio state line	Local	0	0	0	0
Pavement reconstruction and overlay	Total	6,300	0	350	6,650
Beaver	State	3,180	0	380	3,560
South Beaver (Twp), Darlington (Twp)	Federal	0	0	0	0
SR 51 from SR 168 to Cannelton	Local	0	0	0	0
Pavement reconstruction	Total	3,180	0	380	3,560
Beaver	State	2,800	0	330	3,130
Chippewa (Twp)	Federal	0	0	0	0
SR 51 from Ohio state line to McKinley Road	Local	0	0	0	0
Pavement reconstruction	Total	2,800	0	330	3,130
Beaver	State	3,170	0	255	3,425
Ellwood City (Boro), Franklin (Twp)	Federal	0	0	0	0
SR 65, from SR 288 to Lawrence county line	Local	0	0	0	0
Pavement reconstruction	Total	3,170	0	255	3,425
Beaver	State	3,300	0	350	3,650
Franklin (Twp), Ellwood City (Boro)	Federal	0	0	0	0
SR 65, from SR 288 to Lawrence county line, SR 288	Local	0	0	0	0
Zelienople Road from SR 65 to Shady Rest Road	Total	3,300	0	350	3,650
Highway improvement					



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Beaver	State	3,000	0	350	3,350
Ambridge (Boro), Harmony (Twp), Baden (Boro), Economy (Boro), Conway (Boro), Freedom (Boro)	Federal	0	0	0	0
	Local	0	0	0	0
PA 65 - Allegheny county line to SR 51 Interchange	Total	3,000	0	350	3,350
Pavement reconstruction					
Beaver	State	5,000	100	180	5,280
Rochester (Twp), Rochester (Boro), Bridgewater (Boro)	Federal	0	0	0	0
SR 68 Virginia Avenue, from SR 1024 to SR 1039	Local	0	0	0	0
Pavement reconstruction/rehabilitation	Total	5,000	100	180	5,280
Beaver	State	3,000	0	250	3,250
Bridgewater (Boro), Rochester (Boro), Rochester (Twp)	Federal	0	0	0	0
SR 51, Constitution Boulevard from SR 65 to	Local	0	0	0	0
SR 18, (Giant Eagle Drive to Sunflower Road)	Total	3,000	0	250	3,250
Pavement reconstruction and patch overlay concrete sections					
Beaver	State	2,300	0	230	2,530
Vanport (Twp)	Federal	0	0	0	0
SR 68 from Division to RR Overpass	Local	0	0	0	0
Pavement reconstruction	Total	2,300	0	230	2,530
Beaver	State	1,800	0	330	2,130
Hopewell (Twp), Independence (Twp)	Federal	0	0	0	0
SR 151, Bocktown Road, from Thompson Hill Road to	Local	0	0	0	0
Route 60 Interchange	Total	1,800	0	330	2,130
Pavement reconstruction / rehabilitation					
Beaver	State	3,180	0	380	3,560
Raccoon (Twp), Hanover (Twp), Independence (Twp)	Federal	0	0	0	0
SR 151 (Bocktown Road) from SR 18 to Park Road	Local	0	0	0	0
Pavement reconstruction	Total	3,180	0	380	3,560



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Beaver	State	3,360	0	330	3,690
Independence (Twp), Hopewell (Twp)	Federal	0	0	0	0
SR 151 from Park Road to Stone Quarry Road	Local	0	0	0	0
Pavement reconstruction	Total	3,360	0	330	3,690
Beaver	State	4,000	0	530	4,530
Greene (Twp), Hookstown (Boro), Industry (Boro), Shippingport (Boro)	Federal	0	0	0	0
SR 168, from SR 30 to SR 68	Local	0	0	0	0
Pavement reconstruction / rehabilitation	Total	4,000	0	530	4,530
Beaver	State	3,245	0	380	3,625
Ohioville (Boro), South Beaver (Twp)	Federal	0	0	0	0
SR 168 from Lisbon to Blackhawk	Local	0	0	0	0
Pavement reconstruction /rehabilitation	Total	3,245	0	380	3,625
Beaver	State	3,170	0	360	3,530
Big Beaver (Boro), New Galilee (Boro)	Federal	0	0	0	0
SR 168 (Salem Church Road) from SR 51 to Madison	Local	0	0	0	0
Pavement reconstruction	Total	3,170	0	360	3,530
Beaver	State	3,140	0	360	3,500
Darlington (Twp), New Galilee (Boro)	Federal	0	0	0	0
SR 351 (Crescent Drive) from the county line to Centennial	Local	0	0	0	0
Pavement reconstruction	Total	3,140	0	360	3,500
Beaver	State	3,150	0	350	3,500
Darlington (Twp)	Federal	0	0	0	0
SR 551 (Hollow Road) from Darlington Road to Enon Valley Road	Local	0	0	0	0
Pavement reconstruction	Total	3,150	0	350	3,500
Beaver	State	3,175	0	300	3,475
White (Twp), Beaver Falls (City), Eastvale (Boro)	Federal	0	0	0	0
SR 588 (Stiffin Hill Road) from Clayton Road to 7th Street	Local	0	0	0	0
Pavement reconstruction	Total	3,175	0	300	3,475

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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Beaver	State	3,180	0	250	3,430
Economy (Boro)	Federal	0	0	0	0
SR 989 (Ridge Road Extension) from Droz to Legionville Hollow	Local	0	0	0	0
Pavement reconstruction	Total	3,180	0	250	3,430
Beaver	State	3,120	0	300	3,420
North Sewickley (Twp)	Federal	0	0	0	0
SR 1002 (Cherry Hill Road) from SR 351 to Brighton Road	Local	0	0	0	0
Pavement reconstruction	Total	3,120	0	300	3,420
Beaver	State	3,190	0	330	3,520
North Sewickley (Twp), Franklin (Twp)	Federal	0	0	0	0
SR 1005 (Chapel Road) from Mercer to Shady Rest Road	Local	0	0	0	0
Pavement reconstruction	Total	3,190	0	330	3,520
Beaver	State	3,150	0	330	3,480
Franklin (Twp)	Federal	0	0	0	0
SR 1011 from Zelenople Road to Camp Run Road	Local	0	0	0	0
Pavement reconstruction	Total	3,150	0	330	3,480
Beaver	State	3,130	0	360	3,490
New Sewickley (Twp)	Federal	0	0	0	0
SR 2006 (Lovi Road) from Freedom Crider to Wallace City	Local	0	0	0	0
Pavement reconstruction	Total	3,130	0	360	3,490
Beaver	State	3,150	0	350	3,500
Baden (Boro), Economy (Boro)	Federal	0	0	0	0
SR 2012 (Phillips Street) from State Street to Ridge Road Extension	Local	0	0	0	0
Pavement reconstruction	Total	3,150	0	350	3,500
Beaver	State	3,140	0	330	3,470
Aliquippa (City), Hopewell (Twp), Center (Twp)	Federal	0	0	0	0
SR 3005 (Chapel Road) to Center Grange	Local	0	0	0	0
Pavement reconstruction	Total	3,140	0	330	3,470



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Beaver	State	3,100	0	360	3,460
Center (Twp)	Federal	0	0	0	0
SR 3005 (Chapel Road) from Center Grange to Brodhead Pavement reconstruction	Local	0	0	0	0
	Total	3,100	0	360	3,460
Beaver	State	3,180	0	330	3,510
Hopewell (Twp)	Federal	0	0	0	0
SR 2011 (Gringo Clinton Road) from SR 151 to the county line Pavement reconstruction	Local	0	0	0	0
	Total	3,180	0	330	3,510
Beaver	State	3,150	0	360	3,510
Center (Twp)	Federal	0	0	0	0
SR 3012 (Center Grange Road) from SR 3007 to SR 3001 Pavement reconstruction	Local	0	0	0	0
	Total	3,150	0	360	3,510
Beaver	State	3,175	0	360	3,535
Center (Twp), Hopewell (Twp), Aliquippa (City)	Federal	0	0	0	0
SR 3014 (Golf Course Road) from dead end to Mill Street Pavement reconstruction	Local	0	0	0	0
	Total	3,175	0	360	3,535
Beaver	State	6,980	0	0	6,980
Aliquippa (City)	Federal	0	0	292	292
SR 3016 Kennedy Blvd, from SR 3007 (Brodhead Road) to SR 3001 (Monaca Road) Concrete Pavement reconstruction and overlay	Local	0	0	0	0
	Total	6,980	0	292	7,272
Beaver	State	3,000	0	400	3,400
Aliquippa (City)	Federal	0	0	0	0
SR 3016 (Mill Street/Kennedy Boulevard) from Brodhead Road to Sheffield Avenue/Monaca Road and SR 3007 (Brodhead Road) from Sheffield Road to Admiral Street Reconstruction	Local	0	0	0	0
	Total	3,000	0	400	3,400

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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Beaver	State	3,165	0	400	3,565
Bridgewater (Boro)	Federal	0	0	0	0
SR 4030 (Leopard Lane) from Sharon to SR 51	Local	0	0	0	0
Pavement reconstruction	Total	3,165	0	400	3,565
Bedford	State	300	0	0	300
Liberty (Twp)	Federal	1,200	0	0	1,200
PA 26 from PA 913 to the Huntingdon county line	Local	0	0	0	0
Resurfacing	Total	1,500	0	0	1,500
Bedford	State	400	0	0	400
Hopewell (Twp)	Federal	1,600	0	0	1,600
SR 1009 (Plank Road) to Yellow Creek Drive (T-557)	Local	0	0	0	0
Resurface	Total	2,000	0	0	2,000
Bedford	State	380	0	0	380
West Providence (Twp), Everett (Boro)	Federal	1,520	0	0	1,520
State St (T-611) to the Bud Shuster Byway	Local	0	0	0	0
Resurface	Total	1,900	0	0	1,900
Bedford	State	1,000	0	0	1,000
Napier (Twp)	Federal	0	0	0	0
US 30 from Allegheny Road (PA 31) to Point Rd	Local	0	0	0	0
Roadway reconstruction	Total	1,000	0	0	1,000
Bedford	State	300	0	0	300
East Providence (Twp)	Federal	1,200	0	0	1,200
US 30 from Village of Juniata Crossing to SR 2029 (East Mattie Road)	Local	0	0	0	0
Resurface	Total	1,500	0	0	1,500
Bedford	State	300	0	0	300
East Providence (Twp)	Federal	1,200	0	0	1,200
US 30 from SR 2029 (East Mattie Rd) to Turnpike Overpass	Local	0	0	0	0
Resurface	Total	1,500	0	0	1,500



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Bedford	State	250	20	0	270
East Saint Clair (Twp)	Federal	1,000	80	50	1,130
PA 56 at the intersection of Old Town Road (SR 4028)	Local	0	0	0	0
Intersection improvement	Total	1,250	100	50	1,400
Bedford	State	1,526	0	0	1,526
East Saint Clair (Twp)	Federal	0	0	0	0
SR 4015 to Red Oak Road (T-672)	Local	0	0	0	0
overlay and guiderail	Total	1,526	0	0	1,526
Bedford	State	1,706	0	0	1,706
Bedford (Twp)	Federal	0	0	0	0
SR 220 from Springs Road to Cumberland Road	Local	0	0	0	0
Resurfacing	Total	1,706	0	0	1,706
Bedford	State	300	0	0	300
Cumberland Valley (Twp)	Federal	1,200	0	0	1,200
US 220 from Hisel Lane to Baltimore Groove Road	Local	0	0	0	0
Resurface	Total	1,500	0	0	1,500
Bedford	State	300	0	0	300
Cumberland Valley (Twp)	Federal	1,200	0	0	1,200
US 220 from Narrow Lane (T-337) to Hisel Lane	Local	0	0	0	0
Resurface	Total	1,500	0	0	1,500
Bedford	State	300	0	0	300
East Saint Clair (Twp), King (Twp)	Federal	1,200	0	0	1,200
PA 896 from South Imler Valley Road (SR 4019) to the I-99 Interchange	Local	0	0	0	0
Resurface	Total	1,500	0	0	1,500
Bedford	State	2,250	0	125	2,375
Bedford (Twp)	Federal	0	0	0	0
Turnpike Interchange to just north of I-99 on ramp	Local	0	0	0	0
Concrete pavement, rehabilitation and overlay	Total	2,250	0	125	2,375



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Berks	State	780	99	345	1,224
Muhlenberg (Twp)	Federal	3,120	395	1,380	4,895
SR 61 and Tuckerton Road Intersection improvements	Local	0	0	0	0
	Total	3,900	494	1,725	6,119
Berks	State	1,213	0	243	1,455
Bethel (Twp)	Federal	10,913	0	2,183	13,096
I-78, Frystown (PA 645) to Rehrersburg (West of SR 419)	Local	0	0	0	0
Interstate preventative maintenance: mill and replace	Total	12,126	0	2,425	14,551
Berks	State	300	0	0	300
Bethel (Twp), Upper Tulpehocken (Twp), Tilden (Twp), Greenwich (Twp)	Federal	0	0	0	0
Operator in Traffic Operations Center (TOC) in District 5-0 for Berks County	Local	0	0	0	0
For management coverage of closed circuit television (CCTV) cameras, DMS message boards and HAR radio system	Total	300	0	0	300
Berks	State	1,000	0	23	1,023
West Reading (Boro), Cumru (Twp), Exeter (Twp), Reading (City)	Federal	4,000	0	0	4,000
SR 422, Penn Avenue to I-176	Local	0	0	0	0
Highway resurface, betterment	Total	5,000	0	23	5,023
Berks	State	300	287	345	932
Exeter (Twp)	Federal	1,200	1,152	1,380	3,732
Shelbourne Road Intersection with Oley Turnpike and the Boyertown Pike	Local	0	0	0	0
Intersection improvements	Total	1,500	1,439	1,725	4,664
Berks	State	400	0	15	415
Fleetwood (Boro), Richmond (Twp)	Federal	1,600	0	0	1,600
SR 662 Jackson Street to Race Street	Local	0	0	0	0
Roadway restoration	Total	2,000	0	15	2,015



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Berks	State	300	0	18	318
Hamburg (Boro), Douglass (Twp)	Federal	1,200	0	0	1,200
SR 4035, I-380 to Rt 611	Local	0	0	0	0
Highway resurface	Total	1,500	0	18	1,518
Berks	State	600	0	0	600
Various municipalities	Federal	2,400	0	0	2,400
Betterment LI-Urban Route	Local	0	0	0	0
Urban routes restoration	Total	3,000	0	0	3,000
Berks	State	500	0	0	500
Various municipalities	Federal	2,000	0	0	2,000
Various roads	Local	0	0	0	0
Non national highway system routes restoration	Total	2,500	0	0	2,500
Berks	State	1,300	0	0	1,300
Various municipalities	Federal	5,200	0	0	5,200
Various roads	Local	0	0	0	0
National highway system routes restoration	Total	6,500	0	0	6,500
Berks	State	300	0	0	300
Washington (Twp), Bechtelsville (Boro), Amity (Twp), Earl (Twp), Douglass (Twp), Jefferson (Twp), Spring (Twp), Upper Tulpehocken (Twp), Centre (Twp), Centerport (Boro), Penn (Twp), Shoemakersville (Boro), Greenwich (Twp), Hereford (Twp), Bern (Twp), Onte (Twp)	Federal	1,200	0	10	1,210
Guide rail replacement	Local	0	0	0	0
	Total	1,500	0	10	1,510
Berks	State	300	0	30	330
Various	Federal	1,200	0	120	1,320
Various locations on Interstate and expressways	Local	0	0	0	0
Guidesign replacement and upgrade	Total	1,500	0	150	1,650

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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Blair	State	1,000	0	0	1,000
Frankstown (Twp)	Federal	0	0	0	0
US 22 from Turkey Valley Road (SR 1011) to Campbell Road (T-430)	Local	0	0	0	0
Resurface	Total	1,000	0	0	1,000
Blair	State	400	0	0	400
Catharine (Twp)	Federal	1,600	0	0	1,600
US 22 from Short Mountain to Huntingdon county line	Local	0	0	0	0
Mill and overlay	Total	2,000	0	0	2,000
Blair	State	300	0	0	300
Allegheny (Twp)	Federal	1,200	0	0	1,200
US 22 from Brower Lee Drive (T-454) to SR 3012	Local	0	0	0	0
Resurface	Total	1,500	0	0	1,500
Blair	State	200	0	0	200
Blair (Twp), Freedom (Twp)	Federal	800	0	0	800
PA 36 from Bedford county line to Old PA 36 Road (T-374)	Local	0	0	0	0
Mill and overlay	Total	1,000	0	0	1,000
Blair	State	730	0	0	730
Allegheny (Twp), Altoona (City), Logan (Twp)	Federal	2,920	0	0	2,920
PA 764 from Sugar Run Road (SR 4002) to Pleasant Valley Boulevard (SR 1001)	Local	0	0	0	0
Resurface	Total	3,650	0	0	3,650
Blair	State	400	0	0	400
Bellwood (Boro), Antis (Twp)	Federal	1,600	0	0	1,600
PA 865 from North 2nd Street to Cambria county line	Local	0	0	0	0
Resurface	Total	2,000	0	0	2,000
Blair	State	378	0	0	378
Allegheny (Twp), Logan (Twp)	Federal	1,512	0	0	1,512
Plank Road (SR 1001) from Sellers Drive (T-584) to Goods Lane (SR 4004)	Local	0	0	0	0
Resurface	Total	1,890	0	0	1,890



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Blair	State	800	0	0	800
Frankstown (Twp), Logan (Twp)	Federal	3,200	0	0	3,200
Frankstown Road (SR 1009) from Scotch Valley Road (T-424) to Park Ave (SR 1021)	Local	0	0	0	0
Mill and overlay and intersection upgrade	Total	4,000	0	0	4,000
Blair	State	456	0	0	456
Greenfield (Twp)	Federal	1,824	0	0	1,824
SR 2024 (Sproul Mountain Road) from SR 3013 (William Penn Road) to 0.1 miles east of I-99 northbound off ramp	Local	0	0	0	0
Resurface	Total	2,280	0	0	2,280
Blair	State	300	0	0	300
Juniata (Twp), Allegheny (Twp)	Federal	1,200	0	0	1,200
SR 3012 (Old US 22) from Mule Shoe Tunnel to PA 764	Local	0	0	0	0
Resurface	Total	1,500	0	0	1,500
Blair	State	300	0	0	300
Altoona (City), Logan (Twp)	Federal	1,200	0	0	1,200
SR 4010 (17th St) from 5th Ave to SR 1001 (Pleasant Valley Boulevard)	Local	0	0	0	0
Resurface	Total	1,500	0	0	1,500
Bradford	State	383	40	92	515
Albany (Twp)	Federal	2,617	160	48	2,825
SR 220 from Bradford county line to Laddsborg Road	Local	0	0	0	0
Resurface	Total	3,000	200	140	3,340
Bradford	State	2,400	0	0	2,400
Rome (Twp)	Federal	0	0	0	0
SR 467 Segment 20/1500, between Joyce and Rowes Road, Soil slide repair	Local	0	0	0	0
	Total	2,400	0	0	2,400



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Butler	State	480	0	0	480
Butler (City), Butler (Twp)	Federal	1,920	0	0	1,920
SR 8 from the 422 Interchange to SR 356 (Wayne Street)	Local	0	0	0	0
Resurfacing; ADA curb ramps and crosswalks	Total	2,400	0	0	2,400
Butler	State	732	0	0	732
Center (Twp), Clay (Twp), Brady (Twp), Slippery Rock (Twp), Mercer (Twp), Harrisville (Boro)	Federal	2,928	0	0	2,928
SR 8 from SR 308 to SR 58	Local	0	0	0	0
Resurfacing	Total	3,660	0	0	3,660
Butler	State	3,802	0	0	3,802
Middlesex (Twp), Penn (Twp), Butler (Twp), Butler (City), Center (Twp), Clay (Twp), Brady (Twp), Slippery Rock (Twp), Mercer (Twp), Harrisville (Boro)	Federal	15,208	0	0	15,208
Highway restoration along SR 8	Local	0	0	0	0
	Total	19,010	0	0	19,010
Butler	State	350	80	90	520
Cranberry (Twp)	Federal	1,400	320	360	2,080
Intersection of US 19, SR 3020 (Freedom Road), and PA 228	Local	0	0	0	0
Intersection improvements	Total	1,750	400	450	2,600
Butler	State	348	0	0	348
Jackson (Twp), Lancaster (Twp), Muddy Creek (Twp), Portersville (Boro)	Federal	1,392	0	0	1,392
SR 19 from SR 3025 (Little Creek Road) to SR 488	Local	0	0	0	0
Resurfacing	Total	1,740	0	0	1,740
Butler	State	2,200	0	0	2,200
Cranberry (Twp), Jackson (Twp), Zelienople (Boro), Lancaster (Twp), Muddy Creek (Twp), Portersville (Boro)	Federal	8,800	0	0	8,800
SR 19	Local	0	0	0	0
Highway restoration	Total	11,000	0	0	11,000



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Butler	State	305	0	0	305
Buffalo (Twp)	Federal	1,220	0	0	1,220
SR 28	Local	0	0	0	0
Highway restoration	Total	1,525	0	0	1,525
Butler	State	1,000	0	0	1,000
Summit (Twp), Oakland (Twp), Center (Twp), Concord (Twp), Washington (Twp), Venango (Twp), Eau Claire (Boro), Cherry Valley (Boro), Allegheny (Twp)	Federal	4,000	0	0	4,000
	Local	0	0	0	0
SR 38 from SR 68 north to SR 1002 Resurfacing	Total	5,000	0	0	5,000
Butler	State	2,600	0	0	2,600
Summit (Twp), Oakland (Twp), Center (Twp), Concord (Twp), Washington (Twp), Venango (Twp), Eau Claire (Boro), Cherry Valley (Boro), Allegheny (Twp)	Federal	10,400	0	0	10,400
SR 38	Local	0	0	0	0
Highway restoration	Total	13,000	0	0	13,000
Butler	State	396	0	0	396
Mercer (Twp), Marion (Twp), Venango (Twp), Eau Claire (Boro)	Federal	1,582	0	0	1,582
SR 58 from SR 8 to SR 38 Resurfacing	Local	0	0	0	0
	Total	1,978	0	0	1,978
Butler	State	2,000	0	0	2,000
Muddy Creek (Twp), Worth (Twp)	Federal	18,000	0	0	18,000
I-79 from SR 488 north to the Lawrence county line Preventative maintenance	Local	0	0	0	0
	Total	20,000	0	0	20,000



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Butler	State	2,500	0	0	2,500
Jackson (Twp), Lancaster (Twp), Muddy Creek (Twp)	Federal	22,500	0	0	22,500
I-79 from the Jackson township line north to SR 488	Local	0	0	0	0
Preventative maintenance	Total	25,000	0	0	25,000
Butler	State	2,500	0	0	2,500
Cranberry (Twp), Jackson (Twp), Lancaster (Twp)	Federal	22,500	0	0	22,500
i-79 from the Allegheny county line north to the Lancaster township line	Local	0	0	0	0
Preventative maintenance	Total	25,000	0	0	25,000
Butler	State	790	0	0	790
Worth (Twp), Slippery Rock (Twp), Slippery Rock (Boro)	Federal	3,160	0	0	3,160
SR 108	Local	0	0	0	0
Highway restoration	Total	3,950	0	0	3,950
Butler	State	800	0	0	800
Clay (Twp), West Sunbury (Boro), Concord (Twp), Washington (Twp)	Federal	3,200	0	0	3,200
SR 138	Local	0	0	0	0
Highway restoration	Total	4,000	0	0	4,000
Butler	State	800	0	0	800
Brady (Twp), Slippery Rock (Twp), Slippery Rock (Boro), Mercer (Twp)	Federal	3,200	0	0	3,200
SR 173	Local	0	0	0	0
Highway restoration	Total	4,000	0	0	4,000
Butler	State	3,156	0	0	3,156
Clinton (Twp)	Federal	0	0	0	0
Existing intersection of SR 228 and SR 2005 (Saxonburg Boulevard)	Local	0	0	0	0
Intersection improvement	Total	3,156	0	0	3,156
Butler	State	1,150	0	0	1,150
Adams (Twp)	Federal	4,600	0	0	4,600
Intersection of SR 228 (Mars Crider Road) and SR 3019 (Pittsburgh Street)	Local	0	0	0	0
Safety improvement	Total	5,750	0	0	5,750



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Butler	State	1,532	0	0	1,532
Adams (Twp)	Federal	6,127	0	0	6,127
Intersection of SR 228 (Mars Crider Road) and SR 3007 (Three Degree Road)	Local	0	0	0	0
Resurfacing, safety improvement, turning lanes and roadway realignment	Total	7,659	0	0	7,659
Butler	State	1,190	0	0	1,190
Middlesex (Twp)	Federal	4,760	0	0	4,760
SR 228 from Hays Mill Road to T-383	Local	0	0	0	0
Roadway realignment to improve horizontal geometry	Total	5,950	0	0	5,950
Butler	State	1,943	0	0	1,943
Cranberry (Twp), Seven Fields (Boro), Adams (Twp), Middlesex (Twp), Clinton (Twp), Buffalo (Twp)	Federal	7,772	0	0	7,772
SR 228	Local	0	0	0	0
Highway restoration	Total	9,715	0	0	9,715
Butler	State	1,000	0	0	1,000
Donegal (Twp), Fairview (Twp), Karns City (Boro), Petrolia (Boro), Parker (Twp), Bruin (Boro), Allegheny (Twp)	Federal	4,000	0	0	4,000
SR 268	Local	0	0	0	0
Highway restoration	Total	5,000	0	0	5,000
Butler	State	1,800	0	0	1,800
Center (Twp), Clay (Twp), Cherry (Twp), Marion (Twp), Venango (Twp)	Federal	7,200	0	0	7,200
SR 308	Local	0	0	0	0
Highway restoration	Total	9,000	0	0	9,000
Butler	State	710	0	0	710
Buffalo (Twp), Winfield (Twp), Jefferson (Twp)	Federal	2,840	0	0	2,840
SR 356	Local	0	0	0	0
Resurfacing and drainage work	Total	3,550	0	0	3,550



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Butler	State	1,910	0	0	1,910
Buffalo (Twp), Winfield (Twp), Jefferson (Twp), Summit (Twp), Butler (Twp), Butler (City)	Federal	7,640	0	0	7,640
	Local	0	0	0	0
SR 356	Total	9,550	0	0	9,550
Highway restoration					
Butler	State	7,000	0	7	7,007
Muddy Creek (Twp), Franklin (Twp), Prospect (Boro)	Federal	0	0	0	0
US 422 eastbound and westbound from just west of the I-79 Interchange to just east of the PA 528 Interchange	Local	0	0	0	0
Cold-Laid Latex Modified Emulsion (Micro-Surfacing) overlay	Total	7,000	0	7	7,007
Butler	State	2,800	0	0	2,800
Muddy Creek (Twp), Franklin (Twp), Prospect (Boro), Connoquenessing (Twp), Butler (Twp), Summit (Twp), Clearfield (Twp)	Federal	11,200	0	0	11,200
SR 422	Local	0	0	0	0
Highway restoration	Total	14,000	0	0	14,000
Butler	State	350	0	0	350
Muddy Creek (Twp), Portersville (Boro), Prospect (Boro), Franklin (Twp)	Federal	1,400	0	0	1,400
SR 488 from the Lawrence county line to SR 422	Local	0	0	0	0
Resurfacing	Total	1,750	0	0	1,750
Butler	State	1,000	0	0	1,000
Franklin (Twp), Prospect (Boro), Brady (Twp)	Federal	0	0	0	0
SR 528 from SR 422 to SR 8	Local	0	0	0	0
Resurfacing	Total	1,000	0	0	1,000
Butler	State	1,000	0	0	1,000
Clinton (Twp), Jefferson (Twp), Saxonburg (Boro)	Federal	0	0	0	0
SR 2007 from SR 1013 in Allegheny County to SR 228 and from SR 2012 to SR 2005	Local	0	0	0	0
Resurfacing	Total	1,000	0	0	1,000



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Butler	State	1,000	0	0	1,000
Penn (Twp), Jefferson (Twp)	Federal	0	0	0	0
SR 2012 (Dinnerbell Road) from SR 8 to SR 2007 (Main Street)	Local	0	0	0	0
Resurfacing	Total	1,000	0	0	1,000
Butler	State	300	0	0	300
Valencia (Boro), Adams (Twp)	Federal	1,200	0	0	1,200
SR 3007	Local	0	0	0	0
Highway restoration	Total	1,500	0	0	1,500
Butler	State	640	0	0	640
Adams (Twp), Mars (Boro), Callery (Boro), Forward (Twp), Evans City (Boro)	Federal	2,560	0	0	2,560
SR 3015	Local	0	0	0	0
Highway restoration	Total	3,200	0	0	3,200
Butler	State	800	0	0	800
Adams (Twp)	Federal	0	0	0	0
SR 3017	Local	0	0	0	0
Highway restoration	Total	800	0	0	800
Butler	State	475	0	0	475
Cranberry (Twp)	Federal	0	0	0	0
SR 3018	Local	0	0	0	0
Highway restoration	Total	475	0	0	475
Butler	State	950	0	0	950
Cranberry (Twp)	Federal	0	0	0	0
SR 3020	Local	0	0	0	0
Highway restoration	Total	950	0	0	950
Butler	State	600	0	0	600
Cranberry (Twp), Jackson (Twp), Evans City (Boro)	Federal	2,400	0	0	2,400
SR 3021	Local	0	0	0	0
Highway restoration	Total	3,000	0	0	3,000



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Butler	State	900	0	0	900
Cranberry (Twp)	Federal	0	0	0	0
SR 3022	Local	0	0	0	0
Highway restoration	Total	900	0	0	900
Butler	State	750	0	0	750
Summit (Twp)	Federal	0	0	0	0
T-810 (Bonniebrook Road)	Local	0	0	0	0
Highway restoration	Total	750	0	0	750
Cambria	State	600	0	0	600
Johnstown (City)	Federal	2,400	0	0	2,400
PA 56 from Gregg Ave to the Kernville viaduct	Local	0	0	0	0
Resurface	Total	3,000	0	0	3,000
Cambria	State	300	0	0	300
Richland (Twp), Adams (Twp)	Federal	1,200	0	0	1,200
PA 160 from Somerset county line to PA 756	Local	0	0	0	0
Resurface	Total	1,500	0	0	1,500
Cambria	State	300	0	0	300
Portage (Boro)	Federal	1,200	0	0	1,200
PA 164 from Dulancey Drive (SR 2012) to North Railroad Ave	Local	0	0	0	0
Resurface	Total	1,500	0	0	1,500
Cambria	State	400	0	0	400
Munster (Twp), Portage (Twp)	Federal	1,600	0	0	1,600
PA 164 from US 22 to PA 53	Local	0	0	0	0
Resurface	Total	2,000	0	0	2,000



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Cambria	State	300	0	250	550
Northern Cambria (Boro)	Federal	1,200	0	0	1,200
10th Street to PA 271 and from Philadelphia Ave (SR 4016) to Susquehanna township line	Local	0	0	0	0
Resurfacing	Total	1,500	0	250	1,750
Cambria	State	6,500	0	0	6,500
Richland (Twp)	Federal	0	0	0	0
US 219 from Somerset county line to Galleria interchange	Local	0	0	0	0
Mill and overlay	Total	6,500	0	0	6,500
Cambria	State	400	0	0	400
Upper Yoder (Twp), Westmont (Boro)	Federal	1,600	0	0	1,600
PA 271 from Somerset county line to Goucher Street (SR 3007)	Local	0	0	0	0
Resurface	Total	2,000	0	0	2,000
Cambria	State	300	0	0	300
Southmont (Boro), Westmont (Boro), Johnstown (City)	Federal	1,200	0	0	1,200
PA 271 from Goucher St (SR 3007) to Everhart Street	Local	0	0	0	0
Resurface	Total	1,500	0	0	1,500
Cambria	State	600	0	0	600
Cambria (Twp), Blacklick (Twp)	Federal	2,400	0	0	2,400
PA 422 from the Indiana county line to Hudson Street (T-717)	Local	0	0	0	0
Resurface	Total	3,000	0	0	3,000
Cambria	State	630	0	0	630
Barr (Twp), West Carroll (Twp), East Carroll (Twp)	Federal	2,520	0	0	2,520
PA 553 from Indiana county line to US 219	Local	0	0	0	0
Resurface	Total	3,150	0	0	3,150



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Cambria	State	400	0	0	400
Johnstown (City), Geistown (Boro), Richland (Twp)	Federal	1,600	0	0	1,600
PA403, SR's 3025 & 3044 in Johnstown, PA 756 in Richland, and SR 3037 in East Taylor Township	Local	0	0	0	0
Milling and resurfacing ADA ramps and drainage as necessary	Total	2,000	0	0	2,000
Cambria	State	630	0	0	630
Westmont (Boro), Lower Yoder (Twp), Johnstown (City)	Federal	2,520	0	0	2,520
St. Clair Road (SR 3005) from PA 271 to PA 56	Local	0	0	0	0
Resurface	Total	3,150	0	0	3,150
Cambria	State	350	0	0	350
Stonycreek (Twp), Richland (Twp)	Federal	1,400	0	0	1,400
Eisenhower Boulevard (SR 3006) from PA 403 to PA 56	Local	0	0	0	0
Resurface	Total	1,750	0	0	1,750
Cambria	State	300	0	0	300
Johnstown (City)	Federal	1,200	0	0	1,200
Bedford Street (SR 3016) from PA 56 to Horner Street	Local	0	0	0	0
Resurface	Total	1,500	0	0	1,500
Cambria	State	240	0	0	240
Richland (Twp), Geistown (Boro)	Federal	960	0	0	960
SR 3016 from Demuth Street to PA 56	Local	0	0	0	0
Resurface	Total	1,200	0	0	1,200
Cambria	State	300	0	0	300
Conemaugh (Twp), Richland (Twp)	Federal	1,200	0	0	1,200
SR 3031 from Galleria Drive to Frankstown Rd (SR 3024)	Local	0	0	0	0
Resurface	Total	1,500	0	0	1,500



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Cambria	State	400	0	0	400
Richland (Twp)	Federal	1,600	0	0	1,600
SR 3033 (Soloman Run Road) from Walters Avenue (T-339) to Ragers Hill Road (SR 3024)	Local	0	0	0	0
Resurface	Total	2,000	0	0	2,000
Cambria	State	460	0	0	460
Nanty Glo (Boro), Blacklick (Twp), Cambria (Twp)	Federal	1,840	0	0	1,840
Beulah Rd (SR 3034) from Cardiff Road (SR 3049) to US 219 Overpass	Local	0	0	0	0
Resurface	Total	2,300	0	0	2,300
Cambria	State	400	0	0	400
East Taylor (Twp), Johnstown (City)	Federal	1,600	0	0	1,600
SR 3037 (William Penn Avenue) from Walnut Street to PA 271	Local	0	0	0	0
Resurface	Total	2,000	0	0	2,000
Cambria	State	460	0	0	460
West Taylor (Twp), Jackson (Twp)	Federal	1,840	0	0	1,840
SR 3041 from PA 403 to US 22	Local	0	0	0	0
Resurface	Total	2,300	0	0	2,300
Cambria	State	300	0	0	300
Barr (Twp), Cambria (Twp)	Federal	1,200	0	0	1,200
SR 4002 from Priesser Road (T-490) to Colver Road (SR 4005)	Local	0	0	0	0
Resurface	Total	1,500	0	0	1,500
Cameron	State	500	0	0	500
Shippen (Twp), Eulalia (Twp), Homer (Twp), Keating (Twp), Austin (Boro), West Branch (Twp), Grove (Twp), Driftwood (Boro), Gibson (Twp), Portage (Twp)	Federal	0	0	0	0
Various locations Cameron and Potter counties	Local	0	0	0	0
Guiderail Improvements	Total	500	0	0	500



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Cameron	State	1,677	0	0	1,677
Gibson (Twp), Grove (Twp), Ulysses (Twp), Ulysses (Boro), Bingham (Twp), Harrison (Twp)	Federal	0	0	0	0
Various Routes Cameron County SR 0120 and SR 0872 Potter County SR 0049 Resurfacing	Local	0	0	0	0
	Total	1,677	0	0	1,677
Cameron	State	5,527	0	0	5,527
Shippen (Twp), Portage (Twp), Gibson (Twp), Emporium (Boro), Jay (Twp), Saint Marys (City), Ridgway (Boro), Ridgway (Twp), Fox (Twp), Benzette (Twp), Millstone (Twp), Johnsonburg (Boro)	Federal	0	0	0	0
Cameron County SR 155, SR 2006, SR 1001 Elk County SR 255, SR 948, Sr 2003, SR2004, SR3002, SR 219, SR1001, SR 1003 Mill, fill, scratch & resurface	Local	0	0	0	0
	Total	5,527	0	0	5,527
Cameron	State	4,781	0	0	4,781
Driftwood (Boro), Gibson (Twp), Horton (Twp), Fox (Twp), Benzette (Twp), Saint Marys (City), Ridgway (Twp), Ridgway (Boro), Highland (Twp), Jones (Twp)	Federal	0	0	0	0
SR 555, SR 2006, SR 2003, SR2004, SR SR2012, SR 2219, & SR4009 Mill, fill, scratch & resurface	Local	0	0	0	0
	Total	4,781	0	0	4,781
Cameron	State	400	0	200	600
Grove (Twp)	Federal	1,600	0	0	1,600
SR 0872 near George B. Stevenson Reservoir Resurfacing	Local	0	0	0	0
	Total	2,000	0	200	2,200
Carbon	State	1,200	76	106	1,382
Mahoning (Twp), Lehigh (Boro)	Federal	4,800	302	424	5,526
SR 443 from western limits of Lehigh to SR 209 at McCall's Bridge Highway restoration, drainage, guiderail, shoulders, overlay and ADA ramps	Local	0	0	0	0
	Total	6,000	378	530	6,908



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Carbon	State	800	0	0	800
various	Federal	3,200	0	0	3,200
Non National highway system routes	Local	0	0	0	0
Highway restoration	Total	4,000	0	0	4,000
Carbon	State	750	0	0	750
various	Federal	3,000	0	0	3,000
Non National highway system routes	Local	0	0	0	0
Highway restoration	Total	3,750	0	0	3,750
Carbon	State	357	0	0	357
Nesquehoning (Boro)	Federal	1,225	0	0	1,225
Various sites	Local	0	0	0	0
Small site painting contract pavement markings	Total	1,582	0	0	1,582
Centre	State	1,600	52	0	1,652
Marion (Twp)	Federal	6,400	208	250	6,858
SR 0026, Jacksonville Road	Local	0	0	0	0
Roadway restoration resurfacing	Total	8,000	260	250	8,510
Centre	State	400	40	36	476
Ferguson (Twp)	Federal	1,600	360	328	2,288
SR 26 Pine Grove Mountain Road	Local	0	0	0	0
Installation of truck escape ramp	Total	2,000	400	364	2,764
Centre	State	500	0	0	500
Marion (Twp), Rush (Twp), Walker (Twp)	Federal	0	0	0	0
Various locations Centre county	Local	0	0	0	0
Guiderail Improvements	Total	500	0	0	500



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Centre	State	863	0	0	863
Marion (Twp), Howard (Twp), Howard (Boro)	Federal	0	0	0	0
Various routes	Local	0	0	0	0
Resurfacing	Total	863	0	0	863
Centre	State	2,747	0	0	2,747
Haines (Twp), Penn (Twp), College (Twp), Benner (Twp), Miles (Twp)	Federal	0	0	0	0
Various routes	Local	0	0	0	0
Resurfacing	Total	2,747	0	0	2,747
Centre	State	200	0	100	300
Gregg (Twp)	Federal	800	0	400	1,200
SR 0045, Kline Road intersection	Local	0	0	0	0
Safety improvements	Total	1,000	0	500	1,500
Centre	State	300	0	0	300
Boggs (Twp)	Federal	2,700	0	0	2,700
I-80 B43, Segments 1520 to 1590	Local	0	0	0	0
Microsurface	Total	3,000	0	0	3,000
Centre	State	350	0	0	350
Rush (Twp), Snow Shoe (Twp), Snow Shoe (Boro), Boggs (Twp),	Federal	0	0	0	0
Spring (Twp), Marion (Twp), Worth (Twp), College (Twp),	Local	0	0	0	0
Harris (Twp), Taylor (Twp), Huston (Twp), Patton (Twp), Benner (Twp)	Total	350	0	0	350
SR 0322 and I-80 and I-99					
Mile marker signing installation					
Centre	State	2,500	0	0	2,500
Patton (Twp), College (Twp)	Federal	22,500	0	0	22,500
SR 0099 B03 Segments 0694 To 0740	Local	0	0	0	0
Overlay	Total	25,000	0	0	25,000



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Centre	State	2,500	0	0	2,500
College (Twp), Benner (Twp), Spring (Twp)	Federal	22,500	0	0	22,500
SR 0099, Segments 0740 to 0820	Local	0	0	0	0
Concrete pavement rehabilitation and guiderail	Total	25,000	0	0	25,000
Centre	State	1,400	0	0	1,400
Huston (Twp), Worth (Twp), Patton (Twp)	Federal	12,600	0	0	12,600
SR 0099 B02, Segments 0680 to 0650	Local	0	0	0	0
Concrete pavement rehabilitation and guiderail	Total	14,000	0	0	14,000
Centre	State	1,000	0	0	1,000
Patton (Twp)	Federal	9,000	0	0	9,000
SR 0099 B04, Segments 0694 to 0680	Local	0	0	0	0
Concrete pavement rehabilitation and overlay	Total	10,000	0	0	10,000
Centre	State	500	0	0	500
College (Twp)	Federal	0	0	0	0
I-99	Local	0	0	0	0
Embankment removal and guiderail updates	Total	500	0	0	500
Centre	State	660	0	0	660
Patton (Twp)	Federal	2,640	0	0	2,640
SR 0099 B12	Local	0	0	0	0
Concrete pavement rehabilitation and overlay	Total	3,300	0	0	3,300
Centre	State	550	0	0	550
Worth (Twp)	Federal	4,950	0	0	4,950
SR 0099 C11	Local	0	0	0	0
Concrete pavement rehabilitation and overlay	Total	5,500	0	0	5,500
Centre	State	1,230	0	0	1,230
Taylor (Twp), Worth (Twp)	Federal	11,070	0	0	11,070
SR 0099 B10	Local	0	0	0	0
Concrete pavement rehabilitation and overlay	Total	12,300	0	0	12,300



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Centre	State	400	0	0	400
Boggs (Twp), Milesburg (Boro)	Federal	3,600	0	0	3,600
SR 0144/0150, Milesburg Interchange	Local	0	0	0	0
Roadway resurfacing	Total	4,000	0	0	4,000
Centre	State	2,555	0	0	2,555
Benner (Twp), College (Twp), Spring (Twp), Bellefonte (Boro),	Federal	0	0	0	0
Rush (Twp), Philipsburg (Boro)	Local	0	0	0	0
Various routes	Total	2,555	0	0	2,555
Resurfacing					
Centre	State	200	0	100	300
Potter (Twp)	Federal	800	0	400	1,200
SR 0144, Segments 0010/2395 to 0020/0957 near Potters Mills	Local	0	0	0	0
Safety improvements	Total	1,000	0	500	1,500
Centre	State	200	0	100	300
Snow Shoe (Twp), Snow Shoe (Boro)	Federal	800	0	400	1,200
SR 0144, Nectarine Road Segments 0620/1854 to 0620/2425	Local	0	0	0	0
Safety improvements	Total	1,000	0	500	1,500
Centre	State	3,750	0	0	3,750
College (Twp), Harris (Twp), Liberty (Twp), Benner (Twp), Rush (Twp),	Federal	0	0	0	0
Millheim (Boro), Penn (Twp), Boggs (Twp), Milesburg (Boro),	Local	0	0	0	0
Howard (Twp), Curtin (Twp)	Total	3,750	0	0	3,750
Various routes					
Resurfacing					
Centre	State	12,175	0	0	12,175
Miles (Twp)	Federal	0	0	0	0
Various routes	Local	0	0	0	0
Mill, fill, scratch, resurface, and concrete rehabilitation	Total	12,175	0	0	12,175



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Centre	State	9,740	0	0	9,740
Potter (Twp), College (Twp), Walker (Twp), Boggs (Twp), Unionville (Boro), Union (Twp), Rush (Twp), Haines (Twp), Millheim (Boro), Penn (Twp), Huston (Twp), Gregg (Twp), Miles (Twp)	Federal	0	0	0	0
	Local	0	0	0	0
	Total	9,740	0	0	9,740
SR 192 and 2012 Mill, fill, scratch and resurface					
Centre	State	400	0	200	600
Miles (Twp)	Federal	1,600	0	0	1,600
SR 0192, Spring Bank to Wolfs Store Resurfacing	Local	0	0	0	0
	Total	2,000	0	200	2,200
Centre	State	200	0	100	300
Potter (Twp)	Federal	800	0	400	1,200
SR 0322 Intersection with SR 0144 Potters Mills Safety improvements	Local	0	0	0	0
	Total	1,000	0	500	1,500
Centre	State	200	0	100	300
Rush (Twp)	Federal	800	0	400	1,200
SR 0322 near satellite building Safety improvements	Local	0	0	0	0
	Total	1,000	0	500	1,500
Centre	State	200	0	100	300
Harris (Twp)	Federal	800	0	400	1,200
SR 0322 near Sharer Road Safety improvements	Local	0	0	0	0
	Total	1,000	0	500	1,500
Centre	State	200	0	100	300
Miles (Twp)	Federal	800	0	400	1,200
SR 0477 Safety improvements	Local	0	0	0	0
	Total	1,000	0	500	1,500



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Centre	State	520	0	0	520
College (Twp), Patton (Twp), Benner (Twp), Rush (Twp), Worth (Twp), Port Matilda (Boro)	Federal	0	0	0	0
Various routes	Local	0	0	0	0
Resurfacing	Total	520	0	0	520
Centre	State	5,695	0	435	6,130
Patton (Twp), Ferguson (Twp), State College (Boro), College (Twp), Harris (Twp)	Federal	0	0	0	0
SR 3014, North and South Atherton Street	Local	0	0	0	0
Study phase - resurface and drainage	Total	5,695	0	435	6,130
Centre	State	5,000	0	0	5,000
Huston (Twp), Union (Twp), Unionville (Boro)	Federal	0	0	0	0
SR 3040 Segments 280/0000 to 370/2238 Julian to Unionville	Local	0	0	0	0
Betterment, drainage, shoulders and resurface	Total	5,000	0	0	5,000
Chester	State	4,300	0	680	4,980
West Goshen (Twp)	Federal	0	0	0	0
PA100 Spur: Countryside Lane - Phoenixville Pike	Local	0	0	0	0
Noise walls	Total	4,300	0	680	4,980
Clarion	State	1,130	0	0	1,130
New Bethlehem (Boro), Redbank (Twp), Hawthorne (Boro)	Federal	4,520	0	0	4,520
SR 28	Local	0	0	0	0
Highway restoration	Total	5,650	0	0	5,650
Clarion	State	330	0	0	330
Farmington (Twp), Washington (Twp)	Federal	1,320	0	0	1,320
SR 36 from SR 66 to SR 208	Local	0	0	0	0
Resurfacing	Total	1,650	0	0	1,650



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Clarion	State	950	0	0	950
Foxburg (Boro), Richland (Twp), Saint Petersburg (Boro), Licking (Twp), Sligo (Boro)	Federal	3,800	0	0	3,800
SR 58	Local	0	0	0	0
Highway restoration	Total	4,750	0	0	4,750
Clarion	State	530	0	0	530
Farmington (Twp)	Federal	2,120	0	0	2,120
Intersection of SR 4033 (Tylersburg Road) and SR 66	Local	0	0	0	0
Safety improvement	Total	2,650	0	0	2,650
Clarion	State	3,480	0	0	3,480
New Bethlehem (Boro), Porter (Twp), Redbank (Twp), Limestone (Twp), Clarion (Twp), Paint (Twp), Knox (Twp), Farmington (Twp)	Federal	13,920	0	0	13,920
SR 66 Corridor	Local	0	0	0	0
Highway restoration	Total	17,400	0	0	17,400
Clarion	State	400	0	59	459
Clarion (Twp), Clarion (Boro)	Federal	1,600	662	530	2,792
PA 68 from Trout Run to Elss Street	Local	0	0	0	0
Safety Improvement: widening and flattening the horizontal curve	Total	2,000	662	589	3,250
Clarion	State	2,470	0	0	2,470
East Brady (Boro), Brady (Twp), Madison (Twp), Rimersburg (Boro), Toby (Twp), Piney (Twp), Sligo (Boro), Monroe (Twp), Clarion (Twp), Clarion (Boro)	Federal	9,880	0	0	9,880
SR 68	Local	0	0	0	0
Highway restoration	Total	12,350	0	0	12,350
Clarion	State	2,200	0	0	2,200
Clarion (Twp), Monroe (Twp), Limestone (Twp)	Federal	19,800	0	0	19,800
I-80 from the 68 Interchange to the Clarion township, Union township line	Local	0	0	0	0
Preventative maintenance	Total	22,000	0	0	22,000



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Clarion	State	1,800	0	0	1,800
Beaver (Twp), Paint (Twp), Monroe (Twp), Clarion (Twp)	Federal	16,200	0	0	16,200
I-80 from SR 338 to the PA 68 Interchange	Local	0	0	0	0
Preventative maintenance	Total	18,000	0	0	18,000
Clarion	State	2,000	0	0	2,000
Allegheny (Twp), Richland (Twp), Richland (Twp), Beaver (Twp)	Federal	18,000	0	0	18,000
I-80 from SR 338 to the Allegheny county line	Local	0	0	0	0
Preventative maintenance	Total	20,000	0	0	20,000
Clarion	State	444	0	0	444
Beaver (Twp), Knox (Boro)	Federal	1,776	0	0	1,776
SR 208 from SR 322 to SR 157	Local	0	0	0	0
Resurfacing	Total	2,220	0	0	2,220
Clarion	State	340	0	0	340
Clarion (Twp), Strattanville (Boro)	Federal	1,360	0	0	1,360
US 322 from the intersection with Old Route 322 to I-80	Local	0	0	0	0
Highway resurfacing	Total	1,700	0	0	1,700
Clarion	State	2,330	0	0	2,330
Ashland (Twp), Elk (Twp), Shipperville (Boro), Paint (Twp), Clarion (Twp), Clarion (Boro), Strattanville (Boro)	Federal	9,320	0	0	9,320
SR 322	Local	0	0	0	0
Highway restoration	Total	11,650	0	0	11,650
Clarion	State	305	0	0	305
Beaver (Twp), Knox (Boro)	Federal	1,220	0	0	1,220
SR 338 from SR 3007 (Canoe Ripple Road) to Knox borough	Local	0	0	0	0
Resurfacing	Total	1,525	0	0	1,525



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Clarion	State	500	0	0	500
Perry (Twp), Licking (Twp), Callensburg (Boro)	Federal	2,000	0	0	2,000
SR 368	Local	0	0	0	0
Highway restoration	Total	2,500	0	0	2,500
Clarion	State	1,000	0	0	1,000
Toby (Twp), Rimersburg (Boro), Madison (Twp), Porter (Twp), New Bethlehem (Boro)	Federal	4,000	0	0	4,000
SR 861	Local	0	0	0	0
Highway restoration	Total	5,000	0	0	5,000
Clarion	State	900	0	0	900
Clarion (Boro), Highland (Twp), Farmington (Twp)	Federal	3,600	0	0	3,600
SR 1005	Local	0	0	0	0
Highway restoration	Total	4,500	0	0	4,500
Clarion	State	900	0	0	900
Clarion (Twp), Clarion (Boro)	Federal	0	0	0	0
SR 1007	Local	0	0	0	0
Highway restoration	Total	900	0	0	900
Clarion	State	300	0	0	300
Farmington (Twp)	Federal	1,200	0	0	1,200
SR 1015	Local	0	0	0	0
Highway restoration	Total	1,500	0	0	1,500
Clarion	State	600	0	0	600
Redbank (Twp), Limestone (Twp)	Federal	2,400	0	0	2,400
SR 2011	Local	0	0	0	0
Highway restoration	Total	3,000	0	0	3,000



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Clearfield	State	400	17	215	632
Sandy (Twp)	Federal	1,600	158	135	1,893
SR 4017	Local	0	0	0	0
Intersection improvements	Total	2,000	175	350	2,525
Clearfield	State	6,776	0	0	6,776
Westover (Boro), Chest (Twp), Beccaria (Twp), Coalport (Boro), Irvona (Boro), Burnside (Twp), Greenwood (Twp), Penn (Twp), Brady (Twp), Gibson (Twp), Mount Jewett (Boro), Smethport (Boro), Keating (Twp), Foster (Twp), Bradford (City) Various routes resurfacing	Federal	0	0	0	0
	Local	0	0	0	0
	Total	6,776	0	0	6,776
Clearfield	State	2,552	0	0	2,552
Ceres (Twp), Bell (Twp), Newburg (Boro), Chest (Twp), Mahaffey (Boro) SR 36, SR 44 Mill, fill, scratch and resurface	Federal	0	0	0	0
	Local	0	0	0	0
	Total	2,552	0	0	2,552
Clearfield	State	750	0	0	750
Glen Hope (Boro), Beccaria (Twp), Bradford (Twp), Clearfield (Boro), Boggs (Twp), Decatur (Twp), Bigler (Twp), Lawrence (Twp), Wallaceton (Boro) Various routes guiderail improvements	Federal	0	0	0	0
	Local	0	0	0	0
	Total	750	0	0	750
Clearfield	State	200	0	100	300
Morris (Twp) SR 0053, Lil Troy Drive to Hawk Run Intersection Safety improvement	Federal	800	0	400	1,200
	Local	0	0	0	0
	Total	1,000	0	500	1,500
Clearfield	State	500	0	0	500
Lawrence (Twp), Bradford (Twp), Graham (Twp), Cooper (Twp), Rush (Twp) I-80 Segments 1190,1191 to 1380,1381 Microsurface	Federal	4,500	0	0	4,500
	Local	0	0	0	0
	Total	5,000	0	0	5,000



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Clearfield	State	1,218	54	294	1,566
Huston (Twp), Pine (Twp)	Federal	4,872	216	374	5,463
SR 0219, Johnson's Nursery to Penfield	Local	0	0	0	0
Highway betterment	Total	6,091	270	668	7,029
Clearfield	State	3,805	0	0	3,805
Covington (Twp), Cooper (Twp), Goshen (Twp), Clearfield (Boro), Lumber City (Boro), Lawrence (Twp), Highland (Twp), Huston (Twp), Emporium (Boro), Greenwood (Twp), Penn (Twp), Shippen (Twp), Curwensville (Boro), Pike (Twp), Ulysses (Twp), Ulysses (Boro), Various routes	Federal	0	0	0	0
Mill, fill, scratch and resurface	Local	0	0	0	0
	Total	3,805	0	0	3,805
Clearfield	State	200	0	100	300
Huston (Twp)	Federal	800	0	400	1,200
SR 0153 intersection with Laurel Run Road	Local	0	0	0	0
Safety improvement	Total	1,000	0	500	1,500
Clearfield	State	1,363	165	1,113	2,641
Sandy (Twp)	Federal	2,764	660	3,053	6,476
SR 0255, Segments 0050/2500 to 0080/0000	Local	0	0	0	0
Highway restoration and improvements	Total	4,127	824	4,166	9,117
Clearfield	State	400	0	200	600
Sandy (Twp), Huston (Twp)	Federal	1,600	0	0	1,600
SR 0255 Sabula towards Penfield	Local	0	0	0	0
Resurfacing	Total	2,000	0	200	2,200
Clearfield	State	3,459	0	0	3,459
Burnside (Twp), Lawrence (Twp), Goshen (Twp), Gibson (Twp), Driftwood (Boro), Keating (Twp), Liberty (Twp), Pike (Twp), Galeton (Boro), Stewardson (Twp), Genesee (Twp), Fox (Twp)	Federal	0	0	0	0
Various routes resurfacing	Local	0	0	0	0
	Total	3,459	0	0	3,459



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Clearfield	State	202	65	50	317
Sandy (Twp)	Federal	1,818	260	350	2,428
SR 322 and SR 119 Intersection	Local	0	0	0	0
Intersection improvements	Total	2,020	325	400	2,745
Clearfield	State	1,180	0	150	1,330
Pine (Twp), Lawrence (Twp), Clearfield (Boro)	Federal	5,320	0	0	5,320
SR 322, Rockton Mountain	Local	0	0	0	0
Highway betterment project	Total	6,500	0	150	6,650
Clearfield	State	200	0	100	300
Decatur (Twp)	Federal	800	0	400	1,200
SR 0322 near Scott Pools Segments 0770/0000 to 0770/1254	Local	0	0	0	0
Safety improvement	Total	1,000	0	500	1,500
Clearfield	State	5,826	0	0	5,826
Decatur (Twp), Lawrence (Twp), Bradford (Twp), Pike (Twp),	Federal	0	0	0	0
Osceola Mills (Boro), Ferguson (Twp), Burnside (Twp),	Local	0	0	0	0
Curwensville (Boro), Beccaria (Twp), Coalport (Boro), Brady (Twp),	Total	5,826	0	0	5,826
Sandy (Twp), Dubois (City), Lumber City (Boro), Bigler (Twp)					
Various routes					
Mill, fill, scratch and resurface					
Clearfield	State	400	0	200	600
Goshen (Twp)	Federal	1,600	0	0	1,600
SR 0879 Lick Run Bridge to Shawville	Local	0	0	0	0
Resurfacing	Total	2,000	0	200	2,200
Clearfield	State	1,918	0	0	1,918
Lawrence (Twp), Graham (Twp), Covington (Twp), Girard (Twp),	Federal	0	0	0	0
Karhaus (Twp), Gulich (Twp), Boggs (Twp), Bigler (Twp)	Local	0	0	0	0
SR 1009, SR 1011, SR 1013, SR 2001, SR 2007, SR 2009	Total	1,918	0	0	1,918
Mill, fill, scratch and resurface					



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Clearfield	State	4,000	0	0	4,000
Bradford (Twp), Graham (Twp), Morris (Twp)	Federal	0	0	0	0
SR 2030	Local	0	0	0	0
Betterment project	Total	4,000	0	0	4,000
Clearfield	State	5,832	0	0	5,832
Brady (Twp), Boggs (Twp), Lawrence (Twp), Beccaria (Twp), Bradford (Twp), Pike (Twp), Bloom (Twp), Sandy (Twp), Dubois (City), Union (Twp), Clearfield (Boro), Covington (Twp)	Federal	0	0	0	0
Various routes	Local	0	0	0	0
Mill, fill, scratch and resurface	Total	5,832	0	0	5,832
Clearfield	State	4,284	0	0	4,284
Sandy (Twp), Brady (Twp), Union (Twp)	Federal	0	0	0	0
SR 4014 from SR 4017 to US 322	Local	0	0	0	0
Highway restoration	Total	4,284	0	0	4,284
Clinton	State	870	0	0	870
Greene (Twp), Crawford (Twp), Porter (Twp), Lamar (Twp)	Federal	0	0	0	0
SR 64 & SR 880 Scratch, Resurfacing, mill and fill	Local	0	0	0	0
	Total	870	0	0	870
Clinton	State	3,500	0	0	3,500
Porter (Twp), Logan (Twp), Lamar (Twp), Greene (Twp)	Federal	31,500	0	0	31,500
I- 80 Milepost 1706 to 1841 Roadway	Local	0	0	0	0
Restoration, milling and resurfacing	Total	35,000	0	0	35,000
Clinton	State	1,540	0	0	1,540
Chapman (Twp), Lock Haven (City), Woodward (Twp), Colebrook (Twp), Pine Creek (Twp), Avis (Boro), Porter (Twp), Castanea (Twp), Wayne (Twp)	Federal	0	0	0	0
Various routes	Local	0	0	0	0
Mill, fill, scratch and resurface	Total	1,540	0	0	1,540



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Clinton	State	400	0	200	600
Lock Haven (City), Castanea (Twp)	Federal	1,600	0	0	1,600
SR 0120 Segments 1000/1222 to 1080/1337	Local	0	0	0	0
Resurfacing	Total	2,000	0	200	2,200
Clinton	State	200	0	200	400
Lock Haven (City), Castanea (Twp)	Federal	800	0	0	800
SR 0120 Segments 1061/0000 to 1081/1346	Local	0	0	0	0
Resurfacing	Total	1,000	0	200	1,200
Clinton	State	200	0	100	300
Beech Creek (Boro), Beech Creek (Twp)	Federal	800	0	400	1,200
SR 150, Segments 0010/0488 to 0020/0900	Local	0	0	0	0
Safety improvement	Total	1,000	0	500	1,500
Clinton	State	2,400	0	0	2,400
Bald Eagle (Twp), Castanea (Twp), Wayne (Twp), Pine Creek (Twp)	Federal	9,600	0	50	9,650
SR 0220, Lock Haven Bypass, Northbound and Southbound	Local	0	0	0	0
Highway restoration	Total	12,000	0	50	12,050
Cumberland	State	720	20	200	940
East Pennsboro (Twp), Wormleysburg (Boro), Camp Hill (Boro)	Federal	2,880	0	0	2,880
Camp Hill Bypass from Harvey Taylor to 21st Street	Local	0	0	0	0
US 11/15 from 21st to PA 581	Total	3,600	20	200	3,820
Resurface, mill and nova chip					
Cumberland	State	600	50	40	690
Upper Allen (Twp), Lower Allen (Twp)	Federal	2,400	0	160	2,560
US 15 from New Zimmerman Interchange to PA Turnpike	Local	0	0	0	0
Resurfacing	Total	3,000	50	200	3,250



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Cumberland	State	2,116	180	210	2,506
Lower Allen (Twp), New Cumberland (Boro), Lemoyne (Boro)	Federal	19,047	1,620	1,890	22,557
I-83, PA-581, & SR 2028 interchange	Local	0	0	0	0
Highway reconstruction & bridge replacement	Total	21,163	1,800	2,100	25,063
Dauphin	State	2,029	100	110	2,239
East Hanover (Twp), West Hanover (Twp)	Federal	8,114	0	0	8,114
US-22 from east of PA-39 to Lebanon county line	Local	0	0	0	0
Install median barrier and left turn lanes, resurface, shoulders, guiderail, signing and guiderail	Total	10,143	100	110	10,353
Dauphin	State	2,400	10	200	2,610
Reed (Twp), Middle Paxton (Twp)	Federal	0	0	0	0
US22/322 from Clarks Ferry Bridge to Front Street	Local	0	0	0	0
Concrete patching and grinding	Total	2,400	10	200	2,610
Dauphin	State	1,400	0	550	1,950
Upper Paxton (Twp)	Federal	0	0	0	0
PA 147 North River Road	Local	0	0	0	0
Install rock fence	Total	1,400	0	550	1,950
Dauphin	State	6,266	110	1,000	7,376
Lower Swatara (Twp), Swatara (Twp)	Federal	25,064	240	4,000	29,304
I-283, PA 283, PA Turnpike Interchange	Local	0	0	0	0
Interchange modifications	Total	31,330	350	5,000	36,680
Elk	State	800	0	0	800
Ridgway (Twp), Saint Marys (City)	Federal	3,200	0	0	3,200
SR 0120	Local	0	0	0	0
Resurfacing	Total	4,000	0	0	4,000



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Elk	State	2,192	0	0	2,192
Oswayo (Twp), Sharon (Twp), Saint Marys (City), Cooper (Twp), Johnsonburg (Boro), Jay (Twp)	Federal	0	0	0	0
SR 1011, 120, 255, 555, 4014	Local	0	0	0	0
Mill, fill, scratch and resurface	Total	2,192	0	0	2,192
Elk	State	200	0	100	300
Ridgway (Twp)	Federal	800	0	400	1,200
SR 0120, Segments 0060/1221 to 0070/0336	Local	0	0	0	0
Safety improvements	Total	1,000	0	500	1,500
Elk	State	400	0	200	600
Ridgway (Twp), Saint Marys (City)	Federal	1,600	0	0	1,600
SR 0120 from Mohan Run Bridge to City of Saint Mary's	Local	0	0	0	0
Resurfacing	Total	2,000	0	200	2,200
Elk	State	300	0	0	300
Fox (Twp), Jones (Twp), Horton (Twp), Ridgway (Boro), Ridgway (Twp), Sergeant (Twp), Lafayette (Twp)	Federal	1,200	0	0	1,200
Various Locations Elk and McKean counties	Local	0	0	0	0
Guiderail improvements	Total	1,500	0	0	1,500
Elk	State	200	0	100	300
Ridgway (Twp)	Federal	800	0	400	1,200
SR 0219 Segments 0260/1987 to 0270/1396	Local	0	0	0	0
Safety improvements	Total	1,000	0	500	1,500
Elk	State	1,750	0	0	1,750
Liberty (Twp), Port Allegany (Boro), Ridgway (Boro), Saint Marys (City)	Federal	0	0	0	0
Various routes Elk and McKean counties	Local	0	0	0	0
Resurfacing	Total	1,750	0	0	1,750



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Elk	State	1,185	0	0	1,185
Liberty (Twp), Spring Creek (Twp), Lawrence (Twp), Port Allegany (Boro)	Federal	0	0	0	0
	Local	0	0	0	0
SR 1005, Sir 949, SR 6 Elk, McKean and Clearfield counties	Total	1,185	0	0	1,185
Mill, fill, scratch and resurface					
Fayette	State	3,400	0	0	3,400
Franklin (Twp)	Federal	0	0	0	0
PA 51	Local	0	0	0	0
Pavement preservation	Total	3,400	0	0	3,400
Franklin	State	2,153	5	20	2,178
Chambersburg (Boro)	Federal	0	0	0	0
US-11 from South of Industrial Drive to Hudson Avenue	Local	0	0	0	0
Preventative maintenance	Total	2,153	5	20	2,178
Franklin	State	1,229	5	20	1,254
Greene (Twp), Letterkenny (Twp)	Federal	0	0	0	0
PA 997 from Green Village Road to PA 533	Local	0	0	0	0
Preventative maintenance	Total	1,229	5	20	1,254
Fulton	State	6,500	0	0	6,500
Bethel (Twp)	Federal	0	0	0	0
SR 3019 to Flickerville Road (PA 643)	Local	0	0	0	0
Resurfacing	Total	6,500	0	0	6,500
Fulton	State	300	0	0	300
Bethel (Twp), Belfast (Twp)	Federal	1,200	0	0	1,200
US 522 from PA 643 to PA 655	Local	0	0	0	0
Resurface	Total	1,500	0	0	1,500



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Fulton	State	300	0	0	300
Belfast (Twp)	Federal	1,200	0	0	1,200
PA 655 from Village of Needmore to US 522	Local	0	0	0	0
Resurface	Total	1,500	0	0	1,500
Fulton	State	300	0	0	300
Belfast (Twp), Licking Creek (Twp)	Federal	1,200	0	0	1,200
PA 655 from US 522 to Timber Ridge Road (SR 2005)	Local	0	0	0	0
Resurface	Total	1,500	0	0	1,500
Fulton	State	300	0	0	300
Brush Creek (Twp)	Federal	1,200	0	0	1,200
PA 915 from SR 3023 to US 30	Local	0	0	0	0
Resurface	Total	1,500	0	0	1,500
Fulton	State	300	0	0	300
Licking Creek (Twp), Dublin (Twp)	Federal	1,200	0	0	1,200
Patterson Run Rd (SR 1007) from US 30 to US 522	Local	0	0	0	0
Resurface	Total	1,500	0	0	1,500
Fulton	State	300	0	0	300
Brush Creek (Twp)	Federal	1,200	0	0	1,200
SR 3017 from I-70 Townhill Interchange	Local	0	0	0	0
Resurface	Total	1,500	0	0	1,500
Greene	State	1,000	0	250	1,250
Washington (Twp)	Federal	9,000	0	0	9,000
I-79 sections 0174/1200 to 0210/1000 and 0715/2000 to 0211/0000	Local	0	0	0	0
Resurfacing of I-79 and bridge rehabilitation	Total	10,000	0	250	10,250



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Huntingdon	State	1,500	0	60	1,560
Morris (Twp), Porter (Twp)	Federal	0	0	0	0
us 22 from Blair county line to Shaffersville road (SR 4016) and River Road (T-618) to Old Route 22 Rd (T-613)	Local	0	0	0	0
Resurfacing	Total	1,500	0	60	1,560
Huntingdon	State	540	0	0	540
Hopewell (Twp), Lincoln (Twp), Marklesburg (Boro)	Federal	2,160	0	0	2,160
PA 26 from the Bedford county line to Aitch Rd (SR 3010)	Local	0	0	0	0
Resurface	Total	2,700	0	0	2,700
Huntingdon	State	300	0	0	300
Miller (Twp), Jackson (Twp)	Federal	1,200	0	0	1,200
PA 26 from East Branch Road (SR 1019) to Alan Seegar Road (SR 1023)	Local	0	0	0	0
Resurface	Total	1,500	0	0	1,500
Huntingdon	State	460	0	0	460
Tell (Twp)	Federal	1,840	0	0	1,840
A35 from Richvale Road (SR 2008) to the Juniata county line	Local	0	0	0	0
Resurface	Total	2,300	0	0	2,300
Huntingdon	State	400	0	0	400
Shirley (Twp), Shirleysburg (Boro)	Federal	1,600	0	0	1,600
US 522 from Books lane to Mount Union borough line	Local	0	0	0	0
Resurface	Total	2,000	0	0	2,000
Huntingdon	State	300	0	0	300
Brady (Twp)	Federal	1,200	0	0	1,200
PA 655 from Wall Street (T-501) to Front Mountain Road (SR 1007)	Local	0	0	0	0
Resurface	Total	1,500	0	0	1,500



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Huntingdon	State	310	0	0	310
Todd (Twp)	Federal	1,240	0	0	1,240
PA 994 from Grange Hill Road (T-363) to Cooks Road (SR 3019)	Local	0	0	0	0
Resurface	Total	1,550	0	0	1,550
Huntingdon	State	310	0	0	310
Todd (Twp), Clay (Twp)	Federal	1,240	0	0	1,240
PA 994 from Cooks Road (SR 3019) to PA 655	Local	0	0	0	0
Resurface	Total	1,550	0	0	1,550
Indiana	State	2,099	0	50	2,149
Burrell (Twp), Blairsville (Boro)	Federal	0	0	0	0
SR 22 from Westmoreland county line to east of T-888 (Strangford Road)	Local	0	0	0	0
Resurfacing, restoration and rehabilitation	Total	2,099	0	50	2,149
Indiana	State	310	0	0	310
Burrell (Twp)	Federal	1,240	0	0	1,240
Intersections of SR 22 and T-990 and T-445	Local	0	0	0	0
Safety improvements and, turn lanes	Total	1,550	0	0	1,550
Indiana	State	1,820	0	0	1,820
Burrell (Twp), Blairsville (Boro), West Wheatfield, East Wheatfield (Twp)	Federal	7,280	0	0	7,280
SR 22	Local	0	0	0	0
Highway restoration	Total	9,100	0	0	9,100
Indiana	State	1,150	0	28	1,178
East Wheatfield (Twp), Armagh (Boro)	Federal	4,600	0	252	4,852
Along PA 56 near United High School	Local	0	0	0	0
Safety improvements and realignment	Total	5,750	0	280	6,030
Indiana	State	840	0	0	840
Brush Valley (Twp)	Federal	3,360	0	0	3,360
SR 56 from Roundtop Road to Buena Vista Bridge	Local	0	0	0	0
Resurfacing, restoration and rehabilitation	Total	4,200	0	0	4,200



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Indiana	State	1,680	0	0	1,680
Armstrong (Twp), Shelocta (Boro), Homer City (Boro), Center (Twp), Brush Valley (Twp), East Wheatfield (Twp), Armagh (Boro)	Federal	6,720	0	0	6,720
SR 56	Local	0	0	0	0
Highway restoration	Total	8,400	0	0	8,400
Indiana	State	900	0	0	900
South Mahoning (Twp), Plumville (Boro), Washington (Twp), Rayne (Twp)	Federal	3,600	0	0	3,600
SR 85	Local	0	0	0	0
Highway restoration	Total	4,500	0	0	4,500
Indiana	State	2,440	0	280	2,720
Rayne (Twp)	Federal	9,760	0	1,120	10,880
US 119 South of intersection with SR 4008	Local	0	0	0	0
Lane relocation	Total	12,200	0	1,400	13,600
Indiana	State	3,500	0	4	3,504
Rayne (Twp), White (Twp)	Federal	0	0	0	0
US 119 from SR 1010 (Sleepy Hollow Road) north to PA 85	Local	0	0	0	0
Highway restoration, drainage, leveling, resurfacing and guiderail upgrade	Total	3,500	0	4	3,504
Indiana	State	500	0	0	500
Center (Twp), Homer City (Boro)	Federal	0	0	0	0
US 119 from East Church Street to T-841 (Greenville Road)	Local	0	0	0	0
Widening	Total	500	0	0	500
Indiana	State	2,050	0	0	2,050
Rayne (Twp)	Federal	8,200	0	0	8,200
SR 119 from 1400 feet south of T-487 to 1000 feet north of T-491	Local	0	0	0	0
Safety improvements and roadway realignment	Total	10,250	0	0	10,250



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Indiana	State	3,080	0	0	3,080
Burrell (Twp), Center (Twp), Homer City (Boro), White (Twp), Rayne (Twp), East Mahoning (Twp), North Mahoning (Twp)	Federal	12,320	0	0	12,320
SR 119	Local	0	0	0	0
Highway restoration	Total	15,400	0	0	15,400
Indiana	State	452	0	0	452
South Mahoning (Twp), East Mahoning (Twp), North Mahoning (Twp) SR 210 from SR 85 intersection east of Plumville to SR 954	Federal	1,808	0	0	1,808
Resurfacing	Local	0	0	0	0
	Total	2,260	0	0	2,260
Indiana	State	452	0	0	452
Burrell (Twp), Blairsville (Boro), Black Lick (Twp) SR 217 from Westmoreland county line to SR 286	Federal	1,808	0	0	1,808
Resurfacing	Local	0	0	0	0
	Total	2,260	0	0	2,260
Indiana	State	700	0	0	700
West Wheatfield (Twp), Brush Valley (Twp), Cherryhill (Twp) SR 259 from the Westmoreland county line to SR 422	Federal	2,800	0	0	2,800
Resurfacing	Local	0	0	0	0
	Total	3,500	0	0	3,500
Indiana	State	500	0	0	500
Indiana (Boro) Thirteenth Street to Philadelphia/Ninth Street intersection, and Third Street and Philadelphia to Eleventh and Philadelphia Streets intersection	Federal	2,000	0	0	2,000
Safety Improvements and signal interconnect	Local	0	0	0	0
	Total	2,500	0	0	2,500
Indiana	State	1,000	0	0	1,000
Montgomery (Twp), Banks (Twp), Glen Campbell (Boro) SR 286 from SR 1032 (Arcadia Road) north to the Clearfield county line	Federal	0	0	0	0
Resurfacing	Local	0	0	0	0
	Total	1,000	0	0	1,000



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Indiana	State	4,820	0	0	4,820
Saltsburg (Boro), Conemaugh (Twp), Young (Twp), Black Lick (Twp), Center (Twp), White (Twp), Indiana (Boro), Rayne (Twp), Cherryhill (Twp), Clymer (Boro), Green (Twp), Grant (Twp), Montgomery (Twp), Banks (Twp), Glen Campbell (Boro)	Federal	19,280	0	0	19,280
SR 286	Local	0	0	0	0
Highway restoration	Total	24,100	0	0	24,100
Indiana	State	1,750	0	0	1,750
East Wheatfield (Twp)	Federal	0	0	0	0
PA 403 from the Indiana/Cambria county line north to US 22	Local	0	0	0	0
Highway restoration	Total	1,750	0	0	1,750
Indiana	State	440	0	17	457
Pine (Twp)	Federal	1,760	0	149	1,909
Intersection of PA 403 and PA 553	Local	0	0	0	0
Safety improvement, including reconfiguring the existing "Y" intersection to a "T" intersection	Total	2,200	0	165	2,365
Indiana	State	460	0	0	460
Cherryhill (Twp), Clymer (Boro), Green (Twp), Rayne (Twp), East Mahoning (Twp), Marion Center (Boro)	Federal	1,840	0	0	1,840
SR 403 from SR 286 to SR 119	Local	0	0	0	0
Resurfacing	Total	2,300	0	0	2,300
Indiana	State	1,200	0	0	1,200
East Wheatfield (Twp), Buffington (Twp), Pine (Twp), Cherryhill (Twp), Clymer (Boro)	Federal	4,800	0	0	4,800
SR 403	Local	0	0	0	0
Highway restoration	Total	6,000	0	0	6,000



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Indiana	State	3,800	0	10	3,810
White (Twp)	Federal	0	0	0	0
US 422 eastbound & westbound from the SR 4005 overpass to SR 286	Local	0	0	0	0
Concrete restoration to include slab stabilization, full depth slab patching, dowel bar retrofits, crack and joint sealing	Total	3,800	0	10	3,810
Indiana	State	400	0	23	423
Cherryhill (Twp)	Federal	1,600	0	203	1,803
Intersection of US 422 and PA 259	Local	0	0	0	0
Safety improvement	Total	2,000	0	225	2,225
Indiana	State	1,380	0	0	1,380
Armstrong (Twp), Shelocta (Boro), Center (Twp), White (Twp), Cherryhill (Twp), Pine (Twp)	Federal	5,520	0	0	5,520
SR 422	Local	0	0	0	0
Highway restoration	Total	6,900	0	0	6,900
Indiana	State	940	0	0	940
Pine (Twp)	Federal	0	0	0	0
SR 553 from SR 403 to the Cambria county line	Local	0	0	0	0
Resurfacing	Total	940	0	0	940
Indiana	State	950	0	0	950
East Wheatfield (Twp)	Federal	0	0	0	0
SR 711	Local	0	0	0	0
Highway restoration	Total	950	0	0	950
Indiana	State	400	0	0	400
South Mahoning (Twp), Plumville (Boro), West Mahoning (Twp), Smicksburg (Boro)	Federal	1,600	0	0	1,600
SR 954 from SR 85 in Plumville north to Smicksburg	Local	0	0	0	0
Resurfacing	Total	2,000	0	0	2,000



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Indiana	State	628	0	0	628
East Wheatfield (Twp)	Federal	2,512	0	0	2,512
SR 2008 (Power Plant Road)	Local	0	0	0	0
Safety improvement	Total	3,140	0	0	3,140
Indiana	State	350	0	0	350
West Wheatfield (Twp), East Wheatfield (Twp)	Federal	1,400	0	0	1,400
SR 2008 (Power Plant Road)	Local	0	0	0	0
Highway restoration	Total	1,750	0	0	1,750
Indiana	State	1,200	0	0	1,200
Young (Twp), Armstrong (Twp), Center (Twp), Homer City (Boro)	Federal	4,800	0	0	4,800
SR 3056	Local	0	0	0	0
Highway restoration	Total	6,000	0	0	6,000
Indiana	State	1,000	0	0	1,000
White (Twp), Indiana (Boro)	Federal	0	0	0	0
SR 4005 (North 4th Street/Old Hwy 119 North) from SR 286 to SR 110	Local	0	0	0	0
Resurfacing	Total	1,000	0	0	1,000
Jefferson	State	620	0	0	620
Clover (Twp), Summerville (Boro)	Federal	2,480	0	0	2,480
SR 28 from the Clarion county line to SR 3007 (Carrier Street)	Local	0	0	0	0
Safety improvement	Total	3,100	0	0	3,100
Jefferson	State	2,520	0	0	2,520
Clover (Twp), Summerville (Boro), Rose (Twp), Brookville (Boro), Pine Creek (Twp), Warsaw (Twp), Snyder (Twp), Brockway (Boro)	Federal	10,080	0	0	10,080
SR 28	Local	0	0	0	0
Highway restoration	Total	12,600	0	0	12,600



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Jefferson	State	3,580	0	0	3,580
Gaskill (Twp), Bell (Twp), Punxsutawney (Boro), Young (Twp), Perry (Twp), Oliver (Twp), Rose (Twp), Brookville (Boro), Eldred (Twp), Barnett (Twp)	Federal	14,320	0	0	14,320
	Local	0	0	0	0
	Total	17,900	0	0	17,900
SR 36 Highway restoration					
Jefferson	State	2,500	0	0	2,500
Washington (Twp)	Federal	22,500	0	0	22,500
I-80	Local	0	0	0	0
Preventative maintenance	Total	25,000	0	0	25,000
Jefferson	State	6,500	0	0	6,500
Union (Twp), Rose (Twp), Brookville (Boro), Pine Creek (Twp)	Federal	58,500	0	0	58,500
I-80 from the Jefferson county line east to PA 28	Local	0	0	0	0
Highway reconstruction	Total	65,000	0	0	65,000
Jefferson	State	6,500	0	0	6,500
Pine Creek (Twp), Washington (Twp)	Federal	58,500	0	0	58,500
I-80 from SR 4005 to SR 1830	Local	0	0	0	0
Highway reconstruction	Total	65,000	0	0	65,000
Jefferson	State	350	0	0	350
Punxsutawney (Boro)	Federal	0	0	0	0
Intersection of SR 310 (Elk Run Avenue) with SR 119 (Ridge Avenue)	Local	0	0	0	0
Traffic signal installation	Total	350	0	0	350
Jefferson	State	1,800	0	0	1,800
Young (Twp), Punxsutawney (Boro), Bell (Twp), Henderson (Twp), Big Run (Boro), Sykesville (Boro), Winslow (Twp)	Federal	7,200	0	0	7,200
SR 119	Local	0	0	0	0
Highway restoration	Total	9,000	0	0	9,000



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Jefferson	State	320	0	0	320
Brockway (Boro), Snyder (Twp)	Federal	1,280	0	0	1,280
US 219 from PA 28 to the Elk county line	Local	0	0	0	0
Highway restoration	Total	1,600	0	0	1,600
Jefferson	State	910	0	0	910
Washington (Twp), Snyder (Twp), Brockway (Boro)	Federal	3,640	0	0	3,640
SR 219	Local	0	0	0	0
Highway restoration	Total	4,550	0	0	4,550
Jefferson	State	420	0	0	420
Punxsutawney (Boro), Young (Twp), Mccalmont (Twp), Winslow (Twp), Reynoldsville (Boro)	Federal	1,680	0	0	1,680
SR 310 from Punxsutawney Borough to Reynoldsville Borough	Local	0	0	0	0
Resurfacing	Total	2,100	0	0	2,100
Jefferson	State	2,430	0	0	2,430
Corsica (Boro), Union (Twp), Rose (Twp), Brookville (Boro), Pine Creek (Twp), Winslow (Twp), Reynoldsville (Boro)	Federal	9,720	0	0	9,720
SR 322	Local	0	0	0	0
Highway restoration	Total	12,150	0	0	12,150
Jefferson	State	1,000	0	0	1,000
Young (Twp), Punxsutawney (Boro)	Federal	0	0	0	0
SR 436	Local	0	0	0	0
Highway restoration	Total	1,000	0	0	1,000
Jefferson	State	1,000	0	0	1,000
Ringgold (Twp), Oliver (Twp), Perry (Twp), Young (Twp)	Federal	4,000	0	0	4,000
SR 536	Local	0	0	0	0
Highway restoration	Total	5,000	0	0	5,000



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Jefferson	State	395	0	0	395
Union (Twp), Corsica (Boro), Eldred (Twp)	Federal	1,580	0	0	1,580
SR 949 from SR 322 to SR 36	Local	0	0	0	0
Resurfacing	Total	1,975	0	0	1,975
Jefferson	State	600	0	0	600
Clover (Twp), Union (Twp), Corsica (Boro)	Federal	0	0	0	0
SR 949 from SR 28 to SR 322	Local	0	0	0	0
Resurfacing	Total	600	0	0	600
Jefferson	State	600	0	0	600
Eldred (Twp), Heath (Twp), Polk (Twp)	Federal	2,400	0	0	2,400
SR 949 from SR 36 to the Elk county line	Local	0	0	0	0
Resurfacing	Total	3,000	0	0	3,000
Jefferson	State	320	0	0	320
Pine Creek (Twp), Washington (Twp), Warsaw (Twp)	Federal	1,280	0	0	1,280
SR 1830 from SR 8008 to SR 830	Local	0	0	0	0
Resurfacing	Total	1,600	0	0	1,600
Jefferson	State	400	0	0	400
Mccalmont (Twp), Knox (Twp)	Federal	1,600	0	0	1,600
SR 2023 from SR 310 to SR 2025	Local	0	0	0	0
Resurfacing	Total	2,000	0	0	2,000
Jefferson	State	900	0	0	900
Knox (Twp), Pine Creek (Twp)	Federal	0	0	0	0
SR 2025 from SR 2023 to SR 322	Local	0	0	0	0
Resurfacing	Total	900	0	0	900
Jefferson	State	1,000	0	0	1,000
Rose (Twp), Beaver (Twp), Clover (Twp), Summerville (Boro)	Federal	0	0	0	0
SR 3007 from SR 3005 to SR 28	Local	0	0	0	0
Resurfacing	Total	1,000	0	0	1,000



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Juniata	State	1,000	0	0	1,000
Walker (Twp)	Federal	4,000	0	50	4,050
US 22, Segments 231 to 341	Local	0	0	0	0
Restoration, concrete pavement rehabilitation, preventative maintenance and resurfacing	Total	5,000	0	50	5,050
Juniata	State	325	0	0	325
Wayne (Twp), Oliver (Twp), Mcvetytown (Boro), Granville (Twp), Derry (Twp), Lewistown (Boro), Fermanagh (Twp), Walker (Twp), Delaware (Twp), Thompsontown (Boro), Porter (Twp), Logan (Twp), Lamar (Twp), Greene (Twp), Armagh (Twp), Brown (Twp) Along SR 22 and SR 322 Clinton, Juniata and Mifflin Counties Mile marker signing and installation	Federal	0	0	0	0
	Local	0	0	0	0
	Total	325	0	0	325
Juniata	State	2,400	0	0	2,400
Walker (Twp), Delaware (Twp), Thompsontown (Boro)	Federal	9,600	0	0	9,600
SR 22	Local	0	0	0	0
Highway restoration	Total	12,000	0	0	12,000
Juniata	State	3,101	0	0	3,101
Tuscarora (Twp), Turbett (Twp), Port Royal (Boro), Fermanagh (Twp), Mifflintown (Boro), Granville (Twp), Juniata Terrace (Boro), Lewistown (Boro), Union (Twp)	Federal	0	0	0	0
Various Routes Juniata and Mifflin Counties Mill, fill, scratch and resurface	Local	0	0	0	0
	Total	3,101	0	0	3,101
Juniata	State	200	0	100	300
Milford (Twp)	Federal	800	0	400	1,200
SR 4002, Segments 0090/0469 to 0100/0064	Local	0	0	0	0
Safety Improvement	Total	1,000	0	500	1,500



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Lackawanna	State	2,000	0	100	2,100
La Plume (Twp)	Federal	8,000	0	400	8,400
Various SR's	Local	0	0	0	0
Surface treatment	Total	10,000	0	500	10,500
Lackawanna	State	350	0	50	400
Moosic (Boro)	Federal	0	0	0	0
SR 0011 over Spring Brook	Local	0	0	0	0
Bridge preservation	Total	350	0	50	400
Lackawanna	State	600	0	0	600
Dunmore (Boro)	Federal	2,400	1,025	956	4,381
SR 0347 O'Neill Highway from University Drive to Greenridge Street	Local	0	0	0	0
Signalized intersection improvements - 9 signals	Total	3,000	1,025	956	4,981
Lackawanna	State	350	0	50	400
La Plume (Twp)	Federal	0	0	0	0
SR 0438 over the South Branch of the Tunkhannock Creek	Local	0	0	0	0
Bridge preservation	Total	350	0	50	400
Lackawanna	State	325	0	60	385
Scranton (City)	Federal	1,300	0	240	1,540
Main Street/ Main Avenue Corridor	Local	0	0	0	0
Signals update and improvement	Total	1,625	0	300	1,925
Lackawanna	State	325	0	0	325
Dunmore (Boro)	Federal	1,300	0	0	1,300
Design, engineering, ROW earmark project acquisition & construction of streetscaping enhancements, paving, lighting, safety improvements, parking and roadway redesign	Local	0	0	0	0
	Total	1,625	0	0	1,625



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Lancaster	State	0	35	1,200	1,235
East Lampeter (Twp), Manheim (Twp), Upper Leacock (Twp), Earl (Twp), West Earl (Twp), New Holland (Boro)	Federal	3,000	0	0	3,000
PA 23 Corridor	Local	0	0	0	0
Intersection improvements	Total	3,000	35	1,200	4,235
Lancaster	State	400	0	100	500
Fulton (Twp), Little Britain (Twp), East Drumore (Twp)	Federal	1,600	0	0	1,600
Robert Fulton Highway SR 222	Local	0	0	0	0
Resurface	Total	2,000	0	100	2,100
Lancaster	State	4,500	0	0	4,500
East Hempfield (Twp), Manheim (Twp)	Federal	0	0	0	0
PA-741 (McGovernville Rd) from PA-283 to US-30	Local	0	0	0	0
Resurface and rehabilitation of four bridges	Total	4,500	0	0	4,500
Lancaster	State	2,000	0	0	2,000
Caernarvon (Twp), Bart (Twp), Sadsbury (Twp), Manor (Twp), West Hempfield (Twp), Rapho (Twp), Penn (Twp), Fulton (Twp), Little Britain (Twp), Elizabeth (Twp), Warwick (Twp), Lititz (Boro), Conestoga (Twp), Pequea (Twp), Paradise (Twp)	Federal	0	0	0	0
SR 1019 ; SR 1024; SR 2002; SR 2018; SR 2035; SR 3022; SR 3036; SR 4008; SR 4022 M-213	Local	0	0	0	0
Resurfacing	Total	2,000	0	0	2,000
Lawrence	State	4,600	0	300	4,900
New Beaver (Boro), Wampum (Boro), North Beaver (Twp), Taylor (Twp), New Castle (City)	Federal	0	0	0	0
SR 18 (Mahoning Avenue/Liberty Street) from Beaver county line to SR 108	Local	0	0	0	0
Pavement reconstruction and overlay	Total	4,600	0	300	4,900



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Lawrence	State	3,100	0	250	3,350
Wayne (Twp), Slippery Rock (Twp), Shenango (Twp)	Federal	0	0	0	0
Located on SR 65, Ellwood Road, from Fridays Hill Road to SR 422	Local	0	0	0	0
Ramps, highway reconstruction, mill and resurface	Total	3,100	0	250	3,350
Lawrence	State	4,250	0	450	4,700
Wayne (Twp), Slippery Rock (Twp), Shenango (Twp)	Federal	0	0	0	0
SR 65 (Ellwood Road) from Friday Hill Road to Garner Stop Road	Local	0	0	0	0
Pavement reconstruction	Total	4,250	0	450	4,700
Lawrence	State	3,900	0	250	4,150
Hickory (Twp), Scott (Twp)	Federal	0	0	0	0
SR 108 New Castle City Limit to Brown Home Road	Local	0	0	0	0
Highway reconstruction to add shoulders	Total	3,900	0	250	4,150
Lawrence	State	3,260	0	200	3,460
New Castle (City)	Federal	0	0	0	0
SR 108 (Croton Road) from SR 18 to Crownhome	Local	0	0	0	0
Pavement reconstruction	Total	3,260	0	200	3,460
Lawrence	State	3,120	0	200	3,320
Wilmington (Twp), New Wilmington (Boro)	Federal	0	0	0	0
SR 158 (New Castle Road) from Johnson to SR 208	Local	0	0	0	0
Pavement reconstruction	Total	3,120	0	200	3,320
Lawrence	State	3,340	0	300	3,640
Hickory (Twp), New Castle (City), Wilmington (Twp), Washington (Twp)	Federal	0	0	0	0
SR 168 from SR 108 to SR 208	Local	0	0	0	0
Resurfacing and pavement reconstruction	Total	3,340	0	300	3,640
Lawrence	State	3,271	0	200	3,471
North Beaver (Twp), New Beaver (Boro)	Federal	0	0	0	0
SR 168 from Mallory Road to SR 18	Local	0	0	0	0
Pavement reconstruction	Total	3,271	0	200	3,471



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Lawrence	State	4,200	0	250	4,450
Pulaski (Twp), Wilmington (Twp), New Wilmington (Boro)	Federal	0	0	0	0
SR 208 (Pulaski Road) from I-376 to New Wilmington Borough	Local	0	0	0	0
Pavement reconstruction	Total	4,200	0	250	4,450
Lawrence	State	3,000	0	50	3,050
224/Ohio Lin-Carbon Micco	Federal	0	0	50	50
Mahoning (Twp)	Local	0	0	0	0
SR 224 (Youngstown Poland Road), from Ohio State Line to Carbon Micco Road (T332)	Total	3,000	0	100	3,100
Pavement reconstruction and overlay					
Lawrence	State	4,500	0	250	4,750
Union (Twp), New Castle (City)	Federal	0	0	0	0
Located on SR 224, State Street, from SR 422 to SR 18	Local	0	0	0	0
Pavement reconstruction concrete pavement patching	Total	4,500	0	250	4,750
Lawrence	State	3,540	0	250	3,790
New Castle (City)	Federal	0	0	0	0
SR 224 (State Street) from McClelland Street to Sampson Street	Local	0	0	0	0
Pavement reconstruction	Total	3,540	0	250	3,790
Lawrence	State	3,569	0	350	3,919
Mahoning (Twp)	Federal	0	0	0	0
SR 224 from Carbon Micco to the Norfolk Southern RR bridge	Local	0	0	0	0
Pavement reconstruction	Total	3,569	0	350	3,919
Lawrence	State	3,180	0	250	3,430
Little Beaver (Twp)	Federal	0	0	0	0
SR 351 from the state line to SR 551	Local	0	0	0	0
Pavement reconstruction	Total	3,180	0	250	3,430



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Lawrence	State	9,000	0	330	9,330
Union (Twp), Shenango (Twp)	Federal	0	0	0	0
SR 422, Business 422 to SR 60	Local	0	0	0	0
Concrete reconstruction, patch overlay, guiderail, pavement mMarking updates and drainage improvements	Total	9,000	0	330	9,330
Lawrence	State	3,160	0	250	3,410
Perry (Twp)	Federal	0	0	0	0
SR 488 (Portersville Road) from SR 2009 (North Tower Road) to the Butler county line	Local	0	0	0	0
Highway reconstruction resurfacing	Total	3,160	0	250	3,410
Lawrence	State	3,120	0	250	3,370
Neshannock (Twp), Hickory (Twp)	Federal	0	0	0	0
SR 1002 from Pulaski to SR 168	Local	0	0	0	0
Pavement reconstruction	Total	3,120	0	250	3,370
Lawrence	State	3,135	0	200	3,335
Shenango (Twp), New Castle (City)	Federal	0	0	0	0
SR 1007 from SR 65 to SR 2004	Local	0	0	0	0
Pavement reconstruction	Total	3,135	0	200	3,335
Lebanon	State	360	0	75	435
Lebanon Wetland Bank	Federal	0	0	0	0
Snitz Creek Park along West Oak Street	Local	0	0	0	0
Development of a 4 acre wetland bank	Total	360	0	75	435
Lehigh	State	700	500	300	1,500
Lowhill (Twp), Heidelberg (Twp)	Federal	2,800	2,000	1,200	6,000
SR 100 Clausville Road to Route 309	Local	0	0	0	0
Highway restoration and resurface	Total	3,500	2,500	1,500	7,500



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Lehigh	State	2,928	60	80	3,068
Whitehall (Twp), Allentown (City)	Federal	11,712	240	320	12,272
US 22 and SR 145 intersection	Local	0	0	0	0
Interchange and ramp Improvements	Total	14,640	300	400	15,340
Lehigh	State	1,000	0	35	1,035
Upper Saucon (Twp)	Federal	4,000	0	0	4,000
SR 309 from Saucon Valley Road to Station Avenue	Local	0	0	0	0
Highway restoration and resurface	Total	5,000	0	35	5,035
Lehigh	State	400	5	15	420
Various municipalities	Federal	0	0	0	0
Various routes	Local	0	0	0	0
Safety improvements	Total	400	5	15	420
Lehigh	State	300	0	0	300
Alburtis (Boro), Upper Saucon (Twp), Lower Milford (Twp),	Federal	1,200	0	10	1,210
Lower Macungie (Twp), Upper Macungie (Twp), Weisenberg (Twp),	Local	0	0	0	0
South Whitehall (Twp), Lowhill (Twp), North Whitehall (Twp),	Total	1,500	0	10	1,510
Washington (Twp)					
Various locations					
Post and cable guiderail improvements					
Lehigh	State	780	0	40	820
various	Federal	3,120	0	160	3,280
Various locations on US 22, PA 309, PA 33 and I-78	Local	0	0	0	0
Guidesign replacement and upgrade	Total	3,900	0	200	4,100
Luzerne	State	2,000	0	100	2,100
Fed Aid Paving 2	Federal	8,000	0	400	8,400
Salem (Twp)	Local	0	0	0	0
Various municipalities and various state routes	Total	10,000	0	500	10,500
Surface treatment					



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Luzerne	State	1,000	0	25	1,025
Hanover (Twp), Sugar Notch (Boro), Plymouth (Twp), Jackson (Twp)	Federal	0	0	0	0
Lehman (Twp), Lake (Twp), Hazle (Twp), Hazleton (City), Butler (Twp), Dorrance (Twp), Wright (Twp), Fairview (Twp), Ashley (Boro), Plains (Twp), Wilkes Barre (City), Kingston (Boro) Various state routes in Luzerne county Bridge preservation and bridge dam replacement	Local	0	0	0	0
	Total	1,000	0	25	1,025
Luzerne	State	325	11	40	377
Lehman (Twp)	Federal	1,300	100	364	1,764
SR 0118 and Idetown Road Intersection improvements	Local	0	0	0	0
	Total	1,625	111	405	2,141
Luzerne	State	325	0	0	325
Ross (Twp), Lake (Twp), Lehman (Twp)	Federal	1,300	0	600	1,900
SR 0118 Intersections Horizontal and vertical intersection improvements	Local	0	0	0	0
	Total	1,625	0	600	2,225
Luzerne	State	325	0	0	325
Hazle (Twp)	Federal	2,925	0	0	2,925
Corridor along Hazleton Airport Beltway Corridor safety improvement	Local	0	0	0	0
	Total	3,250	0	0	3,250
Lycoming	State	360	0	10	370
Armstrong (Twp)	Federal	3,245	0	90	3,335
SR 15 northbound from picnic rest area to lookout, Safety improvements (barrier and turn lanes)	Local	0	0	0	0
	Total	3,605	0	100	3,705
Lycoming	State	478	0	10	488
Armstrong (Twp)	Federal	4,300	0	90	4,390
SR 15 southbound from picnic rest area to lookout, Safety improvements (barrier & turn lanes)	Local	0	0	0	0
	Total	4,778	0	100	4,878



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
McKean	State	7,100	0	0	7,100
Norwich (Twp), Keating (Twp), Smethport (Boro), Eldred (Twp), Pike (Twp), Ulysses (Twp), Abbott (Twp), West Branch (Twp), Galeton (Boro)	Federal	0	0	0	0
	Local	0	0	0	0
SRs 46, 6, 446, 1003, 1008, 1009, 2001, 2002, and 3003 Mill, fill, scratch and resurface	Total	7,100	0	0	7,100
McKean	State	2,859	0	0	2,859
Mount Jewett (Boro), Hamlin (Twp), Liberty (Twp), Port Allegany (Boro), Bradford (Twp), Eldred (Twp), Lafayette (Twp), Sergeant (Twp)	Federal	0	0	0	0
SR's 6,346, 1011, 219, 3005, 4002, and 4007 Mill, fill, scratch and resurface	Local	0	0	0	0
	Total	2,859	0	0	2,859
McKean	State	2,467	0	0	2,467
Hamlin (Twp), Ceres (Twp), Foster (Twp), Shippen (Twp), Gibson (Twp), Lumber (Twp), Portage (Twp)	Federal	0	0	0	0
SR 6, SR 44, SR 46, SR120 Mill, fill, scratch and resurface	Local	0	0	0	0
	Total	2,467	0	0	2,467
McKean	State	2,450	0	0	2,450
Smethport (Boro), Keating (Twp) SR 46 Segments 0320/0000 to 0390/0000 Smethport to Farmers Valley Betterment	Federal	0	0	0	0
	Local	0	0	0	0
	Total	2,450	0	0	2,450
McKean	State	8,651	0	0	8,651
Lafayette (Twp), Shippen (Twp), Kane (Boro), Wetmore (Twp), Hamilton (Twp), Corydon (Twp), Eulalia (Twp), Sweden (Twp), Ulysses (Twp), Oswayo (Twp), Sharon (Twp)	Federal	0	0	0	0
SR 46, SR 6, SR 59, SR 321, and SR 4023 Mill, fill, scratch and resurface	Local	0	0	0	0
	Total	8,651	0	0	8,651
McKean	State	200	0	100	300
Lafayette (Twp) SR 0059, Riderville Road Segments 0370/1469 to 0380/0590 Safety improvements	Federal	800	0	400	1,200
	Local	0	0	0	0
	Total	1,000	0	500	1,500



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
McKean	State	400	0	200	600
Liberty (Twp), Port Allegany (Boro)	Federal	1,600	0	0	1,600
SR 0155 Port Allegheny south to Potter county line	Local	0	0	0	0
Resurfacing	Total	2,000	0	200	2,200
McKean	State	1,411	0	0	1,411
Sergeant (Twp), Corydon (Twp), Lafayette (Twp), Bradford (Twp),	Federal	0	0	0	0
Ceres (Twp), Otto (Twp), Wetmore (Twp)	Local	0	0	0	0
Various routes	Total	1,411	0	0	1,411
Mill, fill, scratch and resurface					
McKean	State	200	0	100	300
Eldred (Twp)	Federal	800	0	400	1,200
SR 446, Segments 0260/1231 to 0270/1381	Local	0	0	0	0
Safety improvement	Total	1,000	0	500	1,500
McKean	State	200	0	100	300
Bradford (Twp)	Federal	800	0	400	1,200
SR 4004, Washington Street to Campus Drive	Local	0	0	0	0
Safety improvement	Total	1,000	0	500	1,500
McKean	State	400	0	0	400
Norwich (Twp)	Federal	0	0	0	0
Township Road 470, BMS# 42-7212-0470-0010	Local	100	0	0	100
Bridge replacement	Total	500	0	0	500
Mifflin	State	1,000	0	0	1,000
Wayne (Twp), Oliver (Twp), Mcveytown (Boro)	Federal	4,000	0	75	4,075
SR 0022 Segments 0150/2341 to 0260/0490	Local	0	0	0	0
Highway betterment project	Total	5,000	0	75	5,075
Mifflin	State	200	0	100	300
Lewistown (Boro)	Federal	800	0	400	1,200
SR 522, Segment 0080/1057 to 0080/1107	Local	0	0	0	0
Safety improvement	Total	1,000	0	500	1,500



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Mifflin	State	200	0	100	300
Union (Twp)	Federal	800	0	400	1,200
SR 655, Segments 0210/1587 to 0220/1026	Local	0	0	0	0
Safety Improvement	Total	1,000	0	500	1,500
Mifflin	State	200	0	100	300
Derry (Twp)	Federal	800	0	400	1,200
SR 2004, Segments 0060/2432 to 0070/1075	Local	0	0	0	0
Safety improvement	Total	1,000	0	500	1,500
Mifflin	State	200	0	100	300
Granville (Twp)	Federal	800	0	400	1,200
SR 3004, Segment 0050/0367 to 0050/1584	Local	0	0	0	0
Safety improvement	Total	1,000	0	500	1,500
Monroe	State	225	100	38	363
Chestnuthill (Twp)	Federal	900	400	150	1,450
SR 209/Rt 715	Local	0	0	0	0
Intersection improvements	Total	1,125	500	188	1,813
Monroe	State	150	90	80	320
Chestnuthill (Twp)	Federal	600	360	320	1,280
SR 209 - to Route 115	Local	0	0	0	0
Road widening and intersection improvements	Total	750	450	400	1,600
Monroe	State	1,000	0	25	1,025
Tobyhanna (Twp), Coolbaugh (Twp), Mount Pocono (Boro)	Federal	4,000	0	0	4,000
SR 940 from I-380 to SR 611	Local	0	0	0	0
Highway restoration	Total	5,000	0	25	5,025
Monroe	State	300	0	0	300
Tobyhanna (Twp), Smithfield (Twp), Kidder (Twp), Pine Grove (Twp), Frailey (Twp), Butler (Twp), West Mahanoy (Twp), Ryan (Twp), Hazle (Twp)	Federal	0	0	0	0
	Local	0	0	0	0
Operator in traffic operations center in district 5-0 for NEPA region for management coverage of CCTV cameras and DMS cameras installed in the NEPA region	Total	300	0	0	300



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Montgomery	State	780	470	120	1,370
Towamencin (Twp), Upper Merion (Twp)	Federal	3,120	1,880	480	5,480
Various	Local	0	0	0	0
Development and implementation of a regional ITS system	Total	3,900	2,350	600	6,850
Northampton	State	2,000	0	38	2,038
Palmer (Twp), Lower Nazareth (Twp), Plainfield (Twp), Stockertown (Boro), Bushkill (Twp), Wind Gap (Boro)	Federal	8,000	0	150	8,150
SR 33 from Monroe county line to Route 512 and Belfast exit to route 248	Local	0	0	0	0
Highway resurfacing	Total	10,000	0	188	10,188
Northampton	State	240	100	95	435
Bath (Boro)	Federal	960	400	380	1,740
Main Street between Bridge and Chestnut Streets Realignment	Local	0	0	0	0
	Total	1,200	500	475	2,175
Northampton	State	600	0	18	618
Palmer (Twp), Lower Nazareth (Twp), Wilson (Boro)	Federal	2,400	0	0	2,400
SR 248 from SR 33 to one mile south of SR 22	Local	0	0	0	0
Roadway restoration	Total	3,000	0	18	3,018
Northampton	State	130	80	90	300
Lower Nazareth (Twp)	Federal	520	320	360	1,200
SR 3020 (Segment 120)	Local	0	0	0	0
Intersection signalization	Total	650	400	450	1,500
Northumberland	State	700	40	40	780
West Chillisquaque (Twp)	Federal	0	0	0	0
SR 147 from Segments 0772/1315 to 0773/1294	Local	0	0	0	0
Drainage right of way	Total	700	40	40	780
Philadelphia	State	4,300	0	0	4,300
Philadelphia (City)	Federal	38,700	0	0	38,700
I-95 Shackamaxon-Columbia	Local	0	0	0	0
Pavement restoration	Total	43,000	0	0	43,000



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Potter	State	869	0	80	949
Sweden (Twp), Ulysses (Twp)	Federal	3,477	0	0	3,477
SR 6	Local	0	0	0	0
Lane resurfacing	Total	4,346	0	80	4,426
Potter	State	3,043	0	0	3,043
Pike (Twp), Genesee (Twp), Ulysses (Twp), Portage (Twp), Wharton (Twp), Hector (Twp), Ulysses (Boro), Bingham (Twp), Harrison (Twp)	Federal	0	0	0	0
	Local	0	0	0	0
SRs 49, 449, 872, 1001, 1003, and 1005 Mill, fill, scratch and resurface	Total	3,043	0	0	3,043
Potter	State	10,000	0	0	10,000
Austin (Boro), Keating (Twp), Homer (Twp), Eulalia (Twp)	Federal	0	0	0	0
SR 872 Segments 0300/0000 - to 0530/0000 Austin to Inez Betterment	Local	0	0	0	0
	Total	10,000	0	0	10,000
Potter	State	400	0	200	600
Wharton (Twp)	Federal	1,600	0	0	1,600
SR 0872 from county line north to Wharton township Resurfacing	Local	0	0	0	0
	Total	2,000	0	200	2,200
Schuylkill	State	1,200	54	200	1,454
West Brunswick (Twp), Port Clinton (Boro)	Federal	4,800	216	1,400	6,416
SR 61 from the Berks/Schuylkill county line to the beginning of the Deer Lake South project near SR 895 Highway restoration and Port Clinton bridge repairs	Local	0	0	0	0
	Total	6,000	270	1,600	7,870
Schuylkill	State	1,200	250	20	1,470
North Manheim (Twp), Schuylkill Haven (Boro)	Federal	4,800	100	80	4,980
SR 61 from PSU in Schuylkill Haven to northern limit of Deer Lake project Roadway restoration	Local	0	0	0	0
	Total	6,000	350	100	6,450
Schuylkill	State	800	0	40	840
West Brunswick (Twp), North Manheim (Twp), Orwigsburg (Boro), Schuylkill Haven (Boro)	Federal	3,200	0	0	3,200
SR 61, from SR 2014 to PSU, Roadway restoration	Local	0	0	0	0
	Total	4,000	0	40	4,040



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Somerset	State	662	100	170	932
Somerset (Twp), Somerset (Boro)	Federal	2,648	400	680	3,728
PA 31 from Coxes Creek Road (SR 4005) to Humerson Drive (T-402)	Local	0	0	0	0
Construct center turn lane and define access points	Total	3,310	500	850	4,660
Somerset	State	420	0	0	420
Somerset (Boro), Somerset (Twp), Locals Valley (Twp), Stonycreek (Twp)	Federal	1,680	0	0	1,680
On PA 31 from Plank Road (SR 3041) to Localton Road (SR 1003)	Local	0	0	0	0
Resurface	Total	2,100	0	0	2,100
Somerset	State	800	0	0	800
Paint (Twp), Windber (Boro)	Federal	3,200	0	0	3,200
Hillsboro Road (SR 1029) to Cambria county line	Local	0	0	0	0
Mill, overlay and curb ramps	Total	4,000	0	0	4,000
Somerset	State	380	0	0	380
Locals Valley (Twp), Somerset (Twp)	Federal	1,520	0	0	1,520
US 219 from bridge Localton Road (SR 1003) to Craig Road (T-732)	Local	0	0	0	0
Resurface	Total	1,900	0	0	1,900
Somerset	State	300	0	0	300
Conemaugh (Twp)	Federal	1,200	0	0	1,200
PA 271 from Westmoreland county line to the Cambria county line	Local	0	0	0	0
Resurfacing	Total	1,500	0	0	1,500
Somerset	State	2,400	0	0	2,400
Upper Turkeyfoot (Twp), Middlecreek (Twp), Milford (Twp), New Centerville (Boro)	Federal	0	0	0	0
SR 281 from Handwork Road to Vought Road	Local	0	0	0	0
Resurfacing	Total	2,400	0	0	2,400
Somerset	State	320	0	0	320
Milford (Twp), Somerset (Twp)	Federal	1,280	0	0	1,280
PA 281 from Ling Road (T-426) to Valley Drive (T-549)	Local	0	0	0	0
Resurface	Total	1,600	0	0	1,600
Somerset	State	480	0	108	588
Milford (Twp), New Centerville (Boro), Rockwood (Boro)	Federal	1,920	450	0	2,370
PA281 to SR 3015	Local	0	0	0	0
Resurfacing	Total	2,400	450	108	2,958



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Somerset	State	300	0	0	300
Jenner (Twp), Conemaugh (Twp)	Federal	1,200	0	0	1,200
PA 985 from Roaring Run Road (SR 4027) to Saylor School Road (SR 4031)	Local	0	0	0	0
Resurface	Total	1,500	0	0	1,500
Somerset	State	520	0	0	520
Conemaugh (Twp)	Federal	2,080	0	0	2,080
PA 985 from Saylor School Road (SR 4031) to the Cambria county line	Local	0	0	0	0
Resurface	Total	2,600	0	0	2,600
Somerset	State	650	0	0	650
Garrett (Boro), Summit (Twp), Locals Valley (Twp), Somerset (Twp)	Federal	2,600	0	0	2,600
SR 2031 from PA 653 north to US 219	Local	0	0	0	0
Resurfacing	Total	3,250	0	0	3,250
Susquehanna	State	320	10	32	362
Franklin (Twp)	Federal	1,280	40	128	1,448
SR 0029	Local	0	0	0	0
Roadway slide repair, guiderail and drainage	Total	1,600	50	160	1,810
Susquehanna	State	336	28	69	433
Lanesboro (Boro)	Federal	1,344	112	277	1,733
PA 171/SR 1009	Local	0	0	0	0
Concrete curb, sidewalk barrier and intersection improvement	Total	1,680	140	346	2,166
Susquehanna	State	3,120	25	60	3,205
Jessup (Twp), Rush (Twp)	Federal	12,480	100	240	12,820
SR 706 from the Village of Rush to the Village of Fairdale	Local	0	0	0	0
Improve roadway geometry, resurfacing, shoulders, drainage, guiderail, pavement markings and signing	Total	15,600	125	300	16,025
Susquehanna	State	1,575	0	316	1,891
Hallstead (Boro), Great Bend (Twp)	Federal	0	0	0	0
SR 1033 over Dubois Creek	Local	0	0	0	0
Bridge replacement	Total	1,575	0	316	1,891
Susquehanna	State	300	0	25	325
County Wide	Federal	0	0	0	0
Various	Local	0	0	0	0
Dam seal replacements	Total	300	0	25	325



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Washington	State	1,500	0	0	1,500
South Strabane (Twp), North Strabane (Twp)	Federal	0	0	0	0
PA 19	Local	0	0	0	0
Pavement preservation	Total	1,500	0	0	1,500
Washington	State	8,000	600	610	9,210
South Strabane (Twp)	Federal	72,000	5,400	5,490	82,890
I-70 six lane from I-79 north junction to I-79 south junction	Local	0	0	0	0
Rehabilitation and restoration	Total	80,000	6,000	6,100	92,100
Westmoreland	State	6,000	0	0	6,000
Allegheny (Twp), Vandergrift (Boro)	Federal	0	0	0	0
SR 56	Local	0	0	0	0
Pavement preservation	Total	6,000	0	0	6,000
Westmoreland	State	1,075	0	0	1,075
Hempfield (Twp), Youngwood (Boro)	Federal	0	0	0	0
PA 119	Local	0	0	0	0
Pavement preservation	Total	1,075	0	0	1,075
Westmoreland	State	2,000	300	370	2,670
Unity (Twp)	Federal	8,000	1,200	1,480	10,680
SR 2027 to TR 30 and T- 888 to T-950 (Arnold Palmer Drive)	Local	0	0	0	0
Restoration	Total	10,000	1,500	1,850	13,350
Wyoming	State	3,000	100	200	3,300
Clinton (Twp), Factoryville (Boro)	Federal	12,000	400	800	13,200
SR 6	Local	0	0	0	0
Highway restoration	Total	15,000	500	1,000	16,500
Wyoming	State	421	0	275	696
Washington (Twp)	Federal	0	0	0	0
SR 3007 over Reading, Blue Mountain & Northern RR	Local	0	0	0	0
Bridge rehabilitation preservation	Total	421	0	275	696
York	State	1,000	50	200	1,250
Springettsbury (Twp), Hallam (Twp)	Federal	4,000	0	0	4,000
US-30 from PA-24 to Hallam Boro line	Local	0	0	0	0
Resurface	Total	5,000	50	200	5,250



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HIGHWAY PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
York	State	200	50	200	450
Manchester (Twp), York (City), West Manchester (Twp)	Federal	800	0	0	800
SR30 from SR30 over Willis Run to SR 181	Local	0	0	0	0
Highway restoration	Total	1,000	50	200	1,250
York	State	1,000	0	100	1,100
Shrewsbury (Twp), Hopewell (Twp), Springfield (Twp), York (Twp), Spring Garden (Twp), Springettsbury (Twp), Manchester (Twp), North York (Boro), East Manchester (Twp), Conewago (Twp), Newberry (Twp), Fairview (Twp)	Federal	4,000	0	0	4,000
I-83 and US 30	Local	0	0	0	0
Install ITS equipment	Total	5,000	0	100	5,100
York	State	400	0	100	500
York Haven (Boro), Newberry (Twp)	Federal	1,600	0	0	1,600
SR382 from I-83 to SR1015	Local	0	0	0	0
Resurfacing	Total	2,000	0	100	2,100
York	State	327	337	52	716
Spring Garden (Twp), York (City)	Federal	1,310	1,349	209	2,868
SR 3054 and SR 3036	Local	0	0	0	0
Intersection improvements, add dual left turn lanes on George Street	Total	1,637	1,686	261	3,584
TOTAL STATE FUNDS.....	State	1,037,858	10,102	74,748	1,122,707
TOTAL FEDERAL FUNDS.....	Federal	1,479,391	29,812	48,964	1,558,167
TOTAL LOCAL FUNDS.....	Local	100	0	0	100
PROGRAM TOTAL.....	Total	2,517,348	39,915	123,711	2,680,974



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Adams	State	153	0	200	353
US 30; SR 0030 over US 15; SR 0015	Federal	615	0	0	615
Straban (Twp)	Local	0	0	0	0
Preservation	Total	768	0	200	968
Adams	State	97	0	88	185
PA 116; SR 0116 over south branch of Conewago Creek	Federal	387	0	0	387
Union (Twp)	Local	0	0	0	0
Preservation	Total	484	0	88	572
Adams	State	24	0	22	46
SR 1017 over Beaverdam Creek	Federal	97	0	0	97
Straban (Twp)	Local	0	0	0	0
Preservation	Total	121	0	22	143
Adams	State	24	0	22	46
SR 2006 over Shovelsburg Run	Federal	97	0	0	97
Mount Pleasant (Twp)	Local	0	0	0	0
Preservation	Total	121	0	22	143
Adams	State	29	0	26	55
SR 2009 over Plum Creek	Federal	114	0	0	114
Conewago (Twp)	Local	0	0	0	0
Preservation	Total	143	0	26	169
Adams	State	24	0	22	46
SR 3003 over Rock Creek	Federal	97	0	0	97
Straban (Twp)	Local	0	0	0	0
Preservation	Total	121	0	22	143
Adams	State	24	0	22	46
SR 3017 over Willoughby Run	Federal	97	0	0	97
Cumberland (Twp)	Local	0	0	0	0
Preservation	Total	121	0	22	143



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Adams	State	305	75	120	500
SR 2009 over tributary to Conewago Creek	Federal	1,222	0	480	1,702
Conewago (Twp)	Local	0	0	0	0
Replacement	Total	1,527	75	600	2,202
Allegheny	State	1,050	0	56	1,106
Saw Mill Run Boulevard over Saw Mill Run	Federal	0	0	0	0
Pittsburgh (City)	Local	0	0	0	0
Preservation	Total	1,050	0	56	1,106
Allegheny	State	420	0	112	532
SR 19 SH over SR 65 northbound and southbound ramp H and ramp C	Federal	1,680	0	0	1,680
Pittsburgh (City)	Local	0	0	0	0
Preservation	Total	2,100	0	112	2,212
Allegheny	State	2,130	0	568	2,698
West End Bridge over Ohio River, CSX RR	Federal	8,520	0	0	8,520
Pittsburgh (City)	Local	0	0	0	0
Preservation	Total	10,650	0	568	11,218
Allegheny	State	210	0	56	266
SR 19 over SR 837	Federal	840	0	0	840
Pittsburgh (City)	Local	0	0	0	0
Preservation	Total	1,050	0	56	1,106
Allegheny	State	13,000	0	700	13,700
Ohio River Boulevard over Beaver Avenue turnaround	Federal	0	0	0	0
Pittsburgh (City)	Local	0	0	0	0
Rehabilitation	Total	13,000	0	700	13,700
Allegheny	State	1,000	0	400	1,400
SR 0022 SH over Potato Garden Road	Federal	0	0	0	0
North Fayette (Twp)	Local	0	0	0	0
Replacement	Total	1,000	0	400	1,400



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	1,500	200	400	2,100
Boston Hollow Road over branch Wylie Run	Federal	0	0	0	0
Lincoln (Boro)	Local	0	0	0	0
Replacement	Total	1,500	200	400	2,100
Allegheny	State	15,000	0	500	15,500
Elizabeth Bridge, SR51 over SR837, SR2001, CSX RR and NS RR; Monongahela River	Federal	0	0	0	0
Elizabeth (Boro)	Local	0	0	0	0
Preservation	Total	15,000	0	500	15,500
Allegheny	State	5,000	0	500	5,500
SR 0051 SH over Fallen Timber Run	Federal	0	0	0	0
Elizabeth (Twp)	Local	0	0	0	0
Replacement	Total	5,000	0	500	5,500
Allegheny	State	1,911	0	63	1,974
Hookstown Grade Road over SR 0060 SH	Federal	0	0	0	0
Findlay (Twp)	Local	0	0	0	0
Repair	Total	1,911	0	63	1,974
Allegheny	State	3,549	0	117	3,666
Spring Run Road over LR 1023-TR 60	Federal	0	0	0	0
Findlay (Twp)	Local	0	0	0	0
Repair	Total	3,549	0	117	3,666
Allegheny	State	1,183	0	39	1,222
Moon Clinton Road over SR 0060 SH	Federal	0	0	0	0
Findlay (Twp)	Local	0	0	0	0
Repair	Total	1,183	0	39	1,222
Allegheny	State	1,183	0	39	1,222
Ramp FR-E road over SR 0060 SH	Federal	0	0	0	0
Findlay (Twp)	Local	0	0	0	0
Repair	Total	1,183	0	39	1,222



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	1,183	0	39	1,222
Ramp FR-A road over SR 0060 SH	Federal	0	0	0	0
Findlay (Twp)	Local	0	0	0	0
Repair	Total	1,183	0	39	1,222
Allegheny	State	275	0	70	345
Raymond P. Shafer Highway over Chartiers Creek	Federal	2,476	0	0	2,476
Collier (Twp)	Local	0	0	0	0
Repair	Total	2,751	0	70	2,821
Allegheny	State	314	0	80	394
Raymond P. Shafer Highway over Chartiers Creek	Federal	2,830	0	0	2,830
Collier (Twp)	Local	0	0	0	0
Repair	Total	3,144	0	80	3,224
Allegheny	State	236	0	60	296
Raymond P. Shafer Highway inbound over Thomas Run Road, Flood Channel	Federal	2,122	0	0	2,122
Collier (Twp)	Local	0	0	0	0
Repair	Total	2,358	0	60	2,418
Allegheny	State	236	0	60	296
Raymond P. Shafer Highway outbound over Thomas Run Road, Flood Channel	Federal	2,122	0	0	2,122
Collier (Twp)	Local	0	0	0	0
Repair	Total	2,358	0	60	2,418
Allegheny	State	196	0	50	246
Raymond P. Shafer Highway over SR 3048-Noblestown Road	Federal	1,769	0	0	1,769
Collier (Twp)	Local	0	0	0	0
Repair	Total	1,965	0	50	2,015
Allegheny	State	236	0	60	296
Raymond P Shafer Highway over CSX Railway	Federal	2,122	0	0	2,122
Collier (Twp)	Local	0	0	0	0
Repair	Total	2,358	0	60	2,418



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	196	0	50	246
Raymond P. Shafer Highway over LR 02246-Noblestown Road	Federal	1,769	0	0	1,769
Collier (Twp)	Local	0	0	0	0
Repair	Total	1,965	0	50	2,015
Allegheny	State	157	0	40	197
Raymond P Shafer Highway over PITT-IND RR, Robinson Run	Federal	1,415	0	0	1,415
Collier (Twp)	Local	0	0	0	0
Repair	Total	1,572	0	40	1,612
Allegheny	State	275	0	70	345
Raymond P Shafer Highway over 1016 ramp B	Federal	2,476	0	0	2,476
Robinson (Twp)	Local	0	0	0	0
Repair	Total	2,751	0	70	2,821
Allegheny	State	314	0	80	394
Raymond P. Shafer Highway over LR 1016 ramp B	Federal	2,830	0	0	2,830
Robinson (Twp)	Local	0	0	0	0
Repair	Total	3,144	0	80	3,224
Allegheny	State	118	0	30	148
Raymond P. Shafer Highway over SR 0022	Federal	1,061	0	0	1,061
Robinson (Twp)	Local	0	0	0	0
Repair	Total	1,179	0	30	1,209
Allegheny	State	118	0	30	148
Raymond P. Shafer Highway over Campbells Run Road	Federal	1,061	0	0	1,061
Robinson (Twp)	Local	0	0	0	0
Repair	Total	1,179	0	30	1,209
Allegheny	State	118	0	30	148
Raymond P. Shafer Highway over SR 0376	Federal	1,061	0	0	1,061
Robinson (Twp)	Local	0	0	0	0
Repair	Total	1,179	0	30	1,209



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	118	0	30	148
Raymond P. Shafer Highway over Campbells Run Road	Federal	1,061	0	0	1,061
Robinson (Twp)	Local	0	0	0	0
Repair	Total	1,179	0	30	1,209
Allegheny	State	314	0	80	394
Presley Road over I-79 northbound and southbound	Federal	2,830	0	0	2,830
Collier (Twp)	Local	0	0	0	0
Repair	Total	3,144	0	80	3,224
Allegheny	State	157	0	40	197
Hilltop Road over I-79 northbound and southbound	Federal	1,415	0	0	1,415
Collier (Twp)	Local	0	0	0	0
Repair	Total	1,572	0	40	1,612
Allegheny	State	196	0	50	246
Ewing Road over LR 1016 I-79 northbound and southbound	Federal	1,769	0	0	1,769
Collier (Twp)	Local	0	0	0	0
Repair	Total	1,965	0	50	2,015
Allegheny	State	157	0	40	197
LR 1016 ramp AB over LR 1016 northbound and southbound, exit ramp	Federal	1,415	0	0	1,415
Collier (Twp)	Local	0	0	0	0
Repair	Total	1,572	0	40	1,612
Allegheny	State	79	0	20	99
Ramp D over Ohio Central RR, Robinson Run	Federal	707	0	0	707
Collier (Twp)	Local	0	0	0	0
Repair	Total	786	0	20	806
Allegheny	State	79	0	20	99
Ramp F Road over Baldwin Road {6014-02}	Federal	707	0	0	707
Robinson (Twp)	Local	0	0	0	0
Repair	Total	786	0	20	806



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	39	0	10	49
Steen Road over Raymond P. Shafer Highway	Federal	354	0	0	354
Collier (Twp)	Local	0	0	0	0
Repair	Total	393	0	10	403
Allegheny	State	3,025	600	1,400	5,025
Raymond P. Shafer Highway over CSX RR, NS RR, Ohio River	Federal	27,225	0	0	27,225
Neville (Twp)	Local	0	0	0	0
Preservation	Total	30,250	600	1,400	32,250
Allegheny	State	2,400	0	168	2,568
Lysle Boulevard over Crooked Run	Federal	0	0	0	0
White Oak (Boro)	Local	0	0	0	0
Rehabilitation	Total	2,400	0	168	2,568
Allegheny	State	300	0	21	321
Lysle Boulevard outbound over Crooked Run	Federal	0	0	0	0
North Versailles (Twp)	Local	0	0	0	0
Preservation	Total	300	0	21	321
Allegheny	State	300	0	21	321
Lysle Boulevard inbound over Crooked Run	Federal	0	0	0	0
North Versailles (Twp)	Local	0	0	0	0
Preservation	Total	300	0	21	321
Allegheny	State	8,000	0	500	8,500
SR 0279 Northbound over SR 0279SB	Federal	0	0	0	0
Pittsburgh (City)	Local	0	0	0	0
Preservation	Total	8,000	0	500	8,500
Allegheny	State	3,000	0	600	3,600
SR 0279 southbound over various city streets	Federal	0	0	0	0
Pittsburgh (City)	Local	0	0	0	0
Preservation	Total	3,000	0	600	3,600



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	26	3	15	44
Fort Pitt Bridge over Monongahela River, NS RR LR 736 EXT	Federal	234	0	0	234
Pittsburgh (City)	Local	0	0	0	0
Repair	Total	260	3	15	278
Allegheny	State	26	3	15	44
Ramp C 279 Northbound over ramps Q,A,B (Q,F,G)	Federal	234	0	0	234
Pittsburgh (City)	Local	0	0	0	0
Repair	Total	260	3	15	278
Allegheny	State	26	3	15	44
SR 0279 SH over walkway to Point State Park	Federal	234	0	0	234
Pittsburgh (City)	Local	0	0	0	0
Repair	Total	260	3	15	278
Allegheny	State	26	3	15	44
Fort Pitt Bridge over Monongahela River, NS RR LR 736	Federal	234	0	0	234
Pittsburgh (City)	Local	0	0	0	0
Repair	Total	260	3	15	278
Allegheny	State	26	3	15	44
Ramp D Road over Point State Park Monongahela River	Federal	234	0	0	234
Pittsburgh (City)	Local	0	0	0	0
Repair	Total	260	3	15	278
Allegheny	State	268	31	155	454
Ramp B from FROM Carson over LR 736 EXT.	Federal	2,414	0	0	2,414
Pittsburgh (City)	Local	0	0	0	0
Repair	Total	2,682	31	155	2,868
Allegheny	State	441	51	255	747
Ramp-A road over PandLE RR	Federal	3,972	0	0	3,972
Pittsburgh (City)	Local	0	0	0	0
Repair	Total	4,413	51	255	4,719



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	26	3	15	44
Ramp N road over LR1039 ramps AandB (FandG), Monongahela River	Federal	234	0	0	234
Pittsburgh (City)	Local	0	0	0	0
Repair	Total	260	3	15	278
Allegheny	State	800	700	1,400	2,900
SR 376 SH over Commercial Street and Nine MI	Federal	7,200	0	0	7,200
Pittsburgh (City)	Local	0	0	0	0
Rehabilitation	Total	8,000	700	1,400	10,100
Allegheny	State	1,200	150	450	1,800
Freeport Road over Norfolk Southern RR	Federal	0	0	0	0
O'hara (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,200	150	450	1,800
Allegheny	State	1,000	0	600	1,600
Guys Run Road over Guys Run	Federal	0	0	0	0
Harmar (Twp)	Local	0	0	0	0
Replacement	Total	1,000	0	600	1,600
Allegheny	State	1,200	250	300	1,750
Saxonburg Boulevard over Little Pine Creek	Federal	0	0	0	0
Ohara (Twp)	Local	0	0	0	0
Preservation	Total	1,200	250	300	1,750
Allegheny	State	3,300	0	300	3,600
Alpha Drive over SR 0028 SH	Federal	0	0	0	0
Ohara (Twp)	Local	0	0	0	0
Preservation	Total	3,300	0	300	3,600
Allegheny	State	1,000	120	350	1,470
Days Run Road over Days Run	Federal	0	0	0	0
East Deer (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,000	120	350	1,470



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	1,000	0	600	1,600
Pleasantville Road over Little Bull Creek	Federal	0	0	0	0
Harrison (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,000	0	600	1,600
Allegheny	State	1,900	110	660	2,670
Bakerstown Road over BandLE RR	Federal	0	0	0	0
West Deer (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,900	110	660	2,670
Allegheny	State	1,100	120	300	1,520
Bakerstown Road over Lardintown Run	Federal	0	0	0	0
Fawn (Twp)	Local	0	0	0	0
Replacement	Total	1,100	120	300	1,520
Allegheny	State	1,000	0	600	1,600
Lincoln Way over branch Long Run	Federal	0	0	0	0
White Oak (Boro)	Local	0	0	0	0
Replacement	Total	1,000	0	600	1,600
Allegheny	State	1,780	110	440	2,330
Hulton Road over Plum Creek	Federal	0	0	0	0
Penn Hills (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,780	110	440	2,330
Allegheny	State	1,200	0	600	1,800
Verona Road over Sandy Creek	Federal	0	0	0	0
Penn Hills (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,200	0	600	1,800
Allegheny	State	5,000	125	875	6,000
Logans Ferry Road over Pucketa Creek	Federal	0	0	0	0
Plum (Boro)	Local	0	0	0	0
Rehabilitation	Total	5,000	125	875	6,000



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	1,000	0	600	1,600
Leechburg Road over Plum Creek	Federal	0	0	0	0
Plum (Boro)	Local	0	0	0	0
Replacement	Total	1,000	0	600	1,600
Allegheny	State	800	250	445	1,495
Noblestown Road over branch Robinson Run	Federal	0	0	0	0
North Fayette (Twp)	Local	0	0	0	0
Replacement	Total	800	250	445	1,495
Allegheny	State	5,200	0	130	5,330
Boulevard-of-Allies over 02270,PAT, 2nd Avenue, Ross ST	Federal	0	0	0	0
Pittsburgh (City)	Local	0	0	0	0
Preservation	Total	5,200	0	130	5,330
Allegheny	State	30,800	0	770	31,570
Liberty Bridge over Monongahela River, I-376, Sir 0837,2nd Avenue, ARL	Federal	0	0	0	0
Pittsburgh (City)	Local	0	0	0	0
Preservation	Total	30,800	0	770	31,570
Allegheny	State	2,000	0	50	2,050
Boulevard-of-Allies ramp over 1st Avenue, 2nd Avenue, local road	Federal	0	0	0	0
Pittsburgh (City)	Local	0	0	0	0
Preservation	Total	2,000	0	50	2,050
Allegheny	State	2,000	0	50	2,050
Liberty Bridge ramp over 1st Avenue, 2nd Avenue, local road	Federal	0	0	0	0
Pittsburgh (City)	Local	0	0	0	0
Preservation	Total	2,000	0	50	2,050
Allegheny	State	1,000	0	500	1,500
McLaren Road over branch of Montour Run	Federal	0	0	0	0
Findlay (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,000	0	500	1,500



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	1,000	0	600	1,600
Washington Road over highway over Potato Garden	Federal	0	0	0	0
Findlay (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,000	0	600	1,600
Allegheny	State	1,200	0	500	1,700
North Branch Road over North Branch Robinson Run	Federal	0	0	0	0
North Fayette (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,200	0	500	1,700
Allegheny	State	5,000	200	500	5,700
Shaler Street over TR 19 and 51	Federal	0	0	0	0
Pittsburgh (City)	Local	0	0	0	0
Replacement	Total	5,000	200	500	5,700
Allegheny	State	1,000	0	300	1,300
McKnight Road over Babcock Boulevard, Girty's Run	Federal	0	0	0	0
Ross (Twp)	Local	0	0	0	0
Replacement	Total	1,000	0	300	1,300
Allegheny	State	1,000	0	200	1,200
Evergreen Road over Girty's Run	Federal	0	0	0	0
Millvale (Boro)	Local	0	0	0	0
Replacement	Total	1,000	0	200	1,200
Allegheny	State	1,000	0	1,100	2,100
Big Sewickley Creek Road over Big Sewickley Creek	Federal	0	0	0	0
Braddock Hills (Boro)	Local	0	0	0	0
Replacement	Total	1,000	0	1,100	2,100
Allegheny	State	8,000	0	600	8,600
Wexford Run Road over Raymond P. Shafer Highway	Federal	0	0	0	0
Marshall (Twp)	Local	0	0	0	0
Preservation	Total	8,000	0	600	8,600



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	960	0	400	1,360
Blazier Drive over Pine Creek	Federal	0	0	0	0
McCandless (Twp)	Local	240	0	100	340
Replacement	Total	1,200	0	500	1,700
Allegheny	State	320	0	240	560
McKinney Road over Pine Creek, north branch	Federal	0	0	0	0
McCandless (Twp)	Local	80	0	60	140
Replacement	Total	400	0	300	700
Allegheny	State	240	0	160	400
Old Freeport Road over Little Squaw Run	Federal	0	0	0	0
Ohara (Twp)	Local	60	0	40	100
Rehabilitation	Total	300	0	200	500
Allegheny	State	128	0	216	344
Thompson Run Road over Pine Creek south branch	Federal	0	0	0	0
Ross (Twp)	Local	32	0	54	86
Rehabilitation	Total	160	0	270	430
Allegheny	State	960	16	400	1,376
Station Street over Robinson Run south branch	Federal	0	0	0	0
South Fayette (Twp)	Local	240	4	100	344
Replacement	Total	1,200	20	500	1,720
Allegheny	State	750	3	112	865
Sixth Street Bridge over 10th Street bypass, Allegheny River	Federal	4,000	0	0	4,000
Pittsburgh (City)	Local	250	1	28	279
Rehabilitation	Total	5,000	4	140	5,144
Allegheny	State	1,500	6	224	1,730
Seventh Street Bridge over 10th Street bypass, Allegheny River	Federal	8,000	0	0	8,000
Pittsburgh (City)	Local	500	2	56	558
Rehabilitation	Total	10,000	8	280	10,288



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny	State	1,500	6	224	1,730
Ninth Street Bridge over Allegheny River, 10th Street bypass	Federal	8,000	0	0	8,000
Pittsburgh (City)	Local	500	2	56	558
Rehabilitation	Total	10,000	8	280	10,288
Allegheny	State	525	0	75	600
Tenth Street Bridge over I-376 AND CSX RR	Federal	2,800	0	400	3,200
Pittsburgh (City)	Local	175	0	25	200
Rehabilitation	Total	3,500	0	500	4,000
Allegheny	State	1,200	7	330	1,537
Boulevard-of-the-Allies over CSX RR and bike trail	Federal	6,400	40	1,760	8,200
Pittsburgh (City)	Local	400	3	110	513
Rehabilitation	Total	8,000	50	2,200	10,250
Allegheny	State	1,000	0	350	1,350
Backbone Road over Little Sewickley Creek	Federal	0	0	0	0
Sewickley Heights (Boro)	Local	0	0	0	0
Rehabilitation	Total	1,000	0	350	1,350
Allegheny	State	288	16	240	544
Booker Street over Pucketa Creek	Federal	0	0	0	0
Plum (Boro)	Local	72	4	60	136
Replacement	Total	360	20	300	680
Armstrong	State	1,025	50	270	1,345
SR0066 over spur run	Federal	0	0	0	0
Bethel (Twp)	Local	0	0	0	0
Replacement	Total	1,025	50	270	1,345
Armstrong	State	0	2	45	47
SR1038 over Allegheny River	Federal	5,600	8	20	5,628
Kittanning (Boro)	Local	0	0	0	0
Preservation	Total	5,600	10	65	5,675



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Armstrong	State	206	0	0	206
SR2008 over Mill Run	Federal	823	0	0	823
Kittanning (Twp)	Local	0	0	0	0
Replacement	Total	1,029	0	0	1,029
Armstrong	State	115	0	0	115
SR2027 over Fagley Run	Federal	461	0	0	461
south Bend (Twp)	Local	0	0	0	0
Replacement	Total	576	0	0	576
Armstrong	State	2,000	22	30	2,052
SR2063 over Brady Run	Federal	0	88	120	208
Gilpin (Twp)	Local	0	0	0	0
Rehabilitation	Total	2,000	110	150	2,260
Armstrong	State	500	0	10	510
2011 Armstrong County Bridge Preservation Program	Federal	0	0	0	0
	Local	0	0	0	0
Preservation	Total	500	0	10	510
Armstrong	State	500	0	14	514
2012 Armstrong County Bridge Preservation Program	Federal	0	0	0	0
	Local	0	0	0	0
Preservation	Total	500	0	14	514
Beaver	State	288	0	43	331
Beaver Valley Expressway inbound over SR 0151	Federal	0	0	0	0
Hopewell (Twp)	Local	0	0	0	0
Repair	Total	288	0	43	331
Beaver	State	288	0	43	331
Beaver Valley Expressway outbound over SR 0151	Federal	0	0	0	0
Hopewell (Twp)	Local	0	0	0	0
Repair	Total	288	0	43	331



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Beaver	State	6,480	0	972	7,452
Gringo Clinton Road over Beaver Valley Expressway	Federal	0	0	0	0
Hopewell (Twp)	Local	0	0	0	0
Repair	Total	6,480	0	972	7,452
Beaver	State	7,344	0	1,102	8,446
Gringo Independence Road over Beaver Valley Expressway	Federal	0	0	0	0
Hopewell (Twp)	Local	0	0	0	0
Repair	Total	7,344	0	1,102	8,446
Beaver	State	3,100	0	500	3,600
Beaver Valley Expressway over Ohio River, NS RR, Haul Road	Federal	27,900	0	0	27,900
Vanport (Twp)	Local	0	0	0	0
Preservation	Total	31,000	0	500	31,500
Beaver	State	3,000	0	0	3,000
Stiffen Hill Road over Walnut Bottom Run	Federal	0	0	0	0
Beaver Falls (City)	Local	0	0	0	0
Replacement	Total	3,000	0	0	3,000
Beaver	State	1,200	200	250	1,650
Tomlinson Run Road over branch South Fork Tomlinson	Federal	0	0	0	0
Hanover (Twp)	Local	0	0	0	0
Replacement	Total	1,200	200	250	1,650
Beaver	State	1,500	200	600	2,300
Georgetown Road over Mill Creek	Federal	0	0	0	0
Greene (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,500	200	600	2,300
Beaver	State	1,000	0	200	1,200
Georgetown Road over Mill Creek	Federal	0	0	0	0
Greene (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,000	0	200	1,200



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Beaver	State	1,000	0	200	1,200
Westwood Road over Upper Dry Run	Federal	0	0	0	0
Ohioville (Boro)	Local	0	0	0	0
Replacement	Total	1,000	0	200	1,200
Beaver	State	1,500	250	300	2,050
Smith Ferry Road over Upper Dry Run	Federal	0	0	0	0
Ohioville (Boro)	Local	0	0	0	0
Rehabilitation	Total	1,500	250	300	2,050
Bedford	State	960	30	180	1,170
PA 26 inbound over tributary Yellow Creek	Federal	0	0	0	0
Hopewell (Twp)	Local	0	0	0	0
Replacement	Total	960	30	180	1,170
Bedford	State	960	30	180	1,170
PA 26 outbound over tributary Yellow Creek	Federal	0	0	0	0
Hopewell (Twp)	Local	0	0	0	0
Replacement	Total	960	30	180	1,170
Bedford	State	960	30	180	1,170
PA 26 over tributary Yellow Creek	Federal	0	0	0	0
Hopewell (Twp)	Local	0	0	0	0
Replacement	Total	960	30	180	1,170
Bedford	State	1,120	35	210	1,365
PA 36 over tributary Yellow Creek	Federal	0	0	0	0
Hopewell (Twp)	Local	0	0	0	0
Replacement	Total	1,120	35	210	1,365
Bedford	State	200	0	0	200
PA 36 over Yellow Creek	Federal	800	0	0	800
south Woodbury (Twp)	Local	0	0	0	0
Replacement	Total	1,000	0	0	1,000



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Bedford	State	900	0	0	900
PA 915 over Raystown branch Juniata River	Federal	3,600	0	0	3,600
Hopewell (Boro)	Local	0	0	0	0
Rehabilitation	Total	4,500	0	0	4,500
Bedford	State	100	0	0	100
SR 1018 over Oppenheimer Run	Federal	400	0	0	400
East St Clair (Twp)	Local	0	0	0	0
Replacement	Total	500	0	0	500
Bedford	State	200	0	0	200
SR 1026 over tributary to Beaver Creek	Federal	800	0	0	800
South Woodbury (Twp)	Local	0	0	0	0
Replacement	Total	1,000	0	0	1,000
Bedford	State	500	35	0	535
SR 3017 over tributary Buffalo Run	Federal	0	0	0	0
Harrison (Twp)	Local	0	0	0	0
Replacement	Total	500	35	0	535
Bedford	State	140	0	0	140
SR 4034 over I-99 / US 220	Federal	560	0	0	560
King (Twp)	Local	0	0	0	0
Replacement	Total	700	0	0	700
Berks	State	800	0	0	800
SR 501(LR 423) over I-78 (LR 141/US22)	Federal	3,200	0	0	3,200
Bethel (Twp)	Local	0	0	0	0
Replacement	Total	4,000	0	0	4,000
Berks	State	1,000	0	0	1,000
Various over Swope Creek	Federal	0	0	0	0
Various	Local	0	0	0	0
Preservation	Total	1,000	0	0	1,000



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Department of Transportation 2011-12 Projects

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FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Blair	State	150	0	0	150
PA 865 over Norfolk Southern RR, Main Street	Federal	600	0	0	600
Bellwood (Boro)	Local	0	0	0	0
Replacement	Total	750	0	0	750
Blair	State	300	25	70	395
SR 1013 over Sinking Run	Federal	1,200	0	0	1,200
Tyrone (Twp)	Local	0	0	0	0
Replacement	Total	1,500	25	70	1,595
Blair	State	200	25	75	300
SR 3010 over Poplar Run	Federal	800	0	0	800
Juniata (Twp)	Local	0	0	0	0
Replacement	Total	1,000	25	75	1,100
Blair	State	2,600	0	0	2,600
SR 4002 over Sugar Run	Federal	0	0	0	0
Allegheny (Twp)	Local	0	0	0	0
Replacement	Total	2,600	0	0	2,600
Blair	State	400	0	0	400
SR 4013 Northbound lane over Norfolk Southern RR and 8th Avenue	Federal	1,600	0	0	1,600
Altoona (City)	Local	0	0	0	0
Replacement	Total	2,000	0	0	2,000
Bradford	State	160	0	10	170
SR 6 over Sugar Creek	Federal	640	0	200	840
North Towanda (Twp)	Local	0	0	0	0
Rehabilitation	Total	800	0	210	1,010
Bradford	State	75	0	25	100
SR 3008 over Towanda Creek	Federal	725	0	0	725
Franklin (Twp)	Local	0	0	0	0
Rehabilitation	Total	800	0	25	825



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Bradford	State	200	0	0	200
SR 3035 over Sugar Creek	Federal	0	0	125	125
West Burlington (Twp)	Local	0	0	0	0
Rehabilitation	Total	200	0	125	325
Bradford	State	60	0	10	70
SR 4017 over Leonards Creek	Federal	0	0	0	0
Springfield (Twp)	Local	0	0	0	0
Rehabilitation	Total	60	0	10	70
Bradford	State	60	0	10	70
SR 4019 (Elmira Street) over Sugar Creek	Federal	0	0	0	0
Sylvania (Boro)	Local	0	0	0	0
Rehabilitation	Total	60	0	10	70
Bucks	State	0	0	399	399
Bristol Pike over Adams Hollow Creek	Federal	5,320	475	475	6,270
Bristol (Boro)	Local	0	0	0	0
Replacement	Total	5,320	475	874	6,669
Butler	State	360	0	255	615
LR78,SR0068 over Munts Run	Federal	1,440	0	0	1,440
Zelienople (Boro)	Local	0	0	0	0
Replacement	Total	1,800	0	255	2,055
Butler	State	536	0	325	861
SR2008 over Long Run	Federal	2,142	0	0	2,142
Winfield (Twp)	Local	0	0	0	0
Rehabilitation	Total	2,678	0	325	3,003
Butler	State	500	0	14	514
2011 Butler County Bridge Preservation Program	Federal	0	0	0	0
	Local	0	0	0	0
Bridge preservation	Total	500	0	14	514



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Butler	State	500	0	14	514
2012 Butler County Bridge Preservation Program	Federal	0	0	0	0
	Local	0	0	0	0
Bridge Preservation	Total	500	0	14	514
Cambria	State	400	122	200	722
PA 53 over Clearfield Creek	Federal	1,600	0	275	1,875
Gallitzin (Twp)	Local	0	0	0	0
Replacement	Total	2,000	122	475	2,597
Cambria	State	160	130	0	290
PA 53 over Bruebaker Run	Federal	640	0	0	640
Dean (Twp)	Local	0	0	0	0
Replacement	Total	800	130	0	930
Cambria	State	200	0	0	200
PA 56 over SR3033, T334(Walters Avenue)	Federal	800	0	0	800
Richland (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,000	0	0	1,000
Cambria	State	600	0	0	600
PA 56 over 403,271,3016,3055,8016	Federal	2,400	0	0	2,400
Johnstown (City)	Local	0	0	0	0
Replacement	Total	3,000	0	0	3,000
Cambria	State	400	0	0	400
PA 164 over US 22	Federal	1,600	0	0	1,600
Munster (Twp)	Local	0	0	0	0
Replacement	Total	2,000	0	0	2,000
Cambria	State	500	0	0	500
US 219 over PA 756 (Elton Road)	Federal	2,000	0	0	2,000
Richland (Twp)	Local	0	0	0	0
Replacement	Total	2,500	0	0	2,500



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Cambria	State	500	0	0	500
US 219 Northbound lane over US 422 and SR 1036	Federal	2,000	0	0	2,000
Cambria (Twp)	Local	0	0	0	0
Replacement	Total	2,500	0	0	2,500
Cambria	State	500	0	0	500
US 219 southbound lane over US 422	Federal	2,000	0	0	2,000
Cambria (Twp)	Local	0	0	0	0
Replacement	Total	2,500	0	0	2,500
Cambria	State	500	0	0	500
US 219 northbound lane over SR 4005	Federal	2,000	0	0	2,000
Cambria (Twp)	Local	0	0	0	0
Replacement	Total	2,500	0	0	2,500
Cambria	State	500	0	0	500
US 219 southbound lane over SR 4005	Federal	2,000	0	0	2,000
Cambria (Twp)	Local	0	0	0	0
Replacement	Total	2,500	0	0	2,500
Cambria	State	250	0	0	250
PA 271 over west branch Susquehanna River	Federal	1,000	0	0	1,000
Northern Cambria (Boro)	Local	0	0	0	0
Replacement	Total	1,250	0	0	1,250
Cambria	State	400	0	0	400
PA 271 Maple Ave over Little Conemaugh River; Norfolk Southern RR	Federal	1,600	0	0	1,600
Johnstown (City)	Local	0	0	0	0
Replacement	Total	2,000	0	0	2,000
Cambria	State	300	0	0	300
SR 2009 over Norfolk Southern RR	Federal	1,200	0	0	1,200
Summerhill (Boro)	Local	0	0	0	0
Replacement	Total	1,500	0	0	1,500



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Cambria	State	400	0	0	400
SR 2014 over US 22	Federal	1,600	0	0	1,600
Cambria (Twp)	Local	0	0	0	0
Replacement	Total	2,000	0	0	2,000
Cambria	State	300	0	0	300
SR 2015 over Norfolk Southern RR, boro street, north fork Little Conemaugh Rive	Federal	1,200	0	0	1,200
Lilly (Boro)	Local	0	0	0	0
Replacement	Total	1,500	0	0	1,500
Cambria	State	400	0	0	400
SR 2019 over US 22	Federal	1,600	0	0	1,600
Cresson (Twp)	Local	0	0	0	0
Replacement	Total	2,000	0	0	2,000
Cambria	State	400	0	0	400
T436 Cooney Road over US 22	Federal	1,600	0	0	1,600
Munster (Twp)	Local	0	0	0	0
Replacement	Total	2,000	0	0	2,000
Cambria	State	300	0	0	300
SR 3031 over US 0219	Federal	1,200	0	0	1,200
Richland (Twp)	Local	0	0	0	0
Replacement	Total	1,500	0	0	1,500
Cambria	State	400	0	0	400
SR 3037 over Norfolk Southern RR	Federal	1,600	0	0	1,600
Johnstown (City)	Local	0	0	0	0
Replacement	Total	2,000	0	0	2,000
Cambria	State	300	0	0	300
SR 3045 over south branch Blacklick Creek	Federal	1,200	0	0	1,200
Vintondale (Boro)	Local	0	0	0	0
Replacement	Total	1,500	0	0	1,500



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Cambria	State	200	0	0	200
SR 4005 over south branch Blacklick Creek	Federal	800	0	0	800
Cambria (Twp)	Local	0	0	0	0
Replacement	Total	1,000	0	0	1,000
Cameron	State	1,425	28	0	1,453
SR 120-PA 120 over branch Driftwood Creek	Federal	0	0	0	0
Emporium (Boro)	Local	0	0	0	0
Rehabilitation	Total	1,425	28	0	1,453
Cameron	State	1,425	28	0	1,453
SR 120-PA 120 over Portage Creek	Federal	0	0	0	0
Emporium (Boro)	Local	0	0	0	0
Rehabilitation	Total	1,425	28	0	1,453
Carbon	State	1,000	0	0	1,000
Various over Mahoning Creek	Federal	0	0	0	0
Various	Local	0	0	0	0
Preservation	Total	1,000	0	0	1,000
Centre	State	530	0	0	530
SR 26-PA 26 over tributary Slab Cabin Run	Federal	0	0	0	0
College (Twp)	Local	0	0	0	0
Preservation	Total	530	0	0	530
Centre	State	647	0	0	647
SR 144-PA 144 over south fork Beech Creek	Federal	0	0	0	0
Snow Shoe (Twp)	Local	0	0	0	0
Preservation	Total	647	0	0	647
Centre	State	500	0	0	500
SR 80-I 80 over SR 1010	Federal	0	0	0	0
Marion (Twp)	Local	0	0	0	0
Rehabilitation	Total	500	0	0	500



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Centre	State	560	0	0	560
SR 80-I 80 over SR 1010	Federal	0	0	0	0
Marion (Twp)	Local	0	0	0	0
Rehabilitation	Total	560	0	0	560
Centre	State	500	0	0	500
SR 80-I 80 over township road 476	Federal	0	0	0	0
Marion (Twp)	Local	0	0	0	0
Rehabilitation	Total	500	0	0	500
Centre	State	440	0	0	440
SR 80-I 80 over township road 476	Federal	0	0	0	0
Marion (Twp)	Local	0	0	0	0
Rehabilitation	Total	440	0	0	440
Centre	State	714	0	0	714
SR 80-I 80 over SR 26-PA 26	Federal	0	0	0	0
Marion (Twp)	Local	0	0	0	0
Preservation	Total	714	0	0	714
Centre	State	805	0	0	805
SR 80-I 80 over SR 26-PA 26	Federal	0	0	0	0
Marion (Twp)	Local	0	0	0	0
Preservation	Total	805	0	0	805
Centre	State	110	150	50	310
SR 144-PA 144 inbound over Yocum Run	Federal	440	0	200	640
Spring (Twp)	Local	0	0	0	0
Replacement	Total	550	150	250	950
Centre	State	320	0	0	320
SR 144-PA 144 outbound over Yocum Run	Federal	0	0	0	0
Spring (Twp)	Local	0	0	0	0
Preservation	Total	320	0	0	320



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Centre	State	320	0	0	320
SR 1002 over branch Little Marsh Creek	Federal	0	0	0	0
Boggs (Twp)	Local	0	0	0	0
Preservation	Total	320	0	0	320
Centre	State	320	0	0	320
SR 2007 over branch Spruce Creek	Federal	0	0	0	0
Gregg (Twp)	Local	0	0	0	0
Preservation	Total	320	0	0	320
Centre	State	320	0	0	320
TSR 958 over Moshannon Creek	Federal	0	0	0	0
Rush (Twp)	Local	0	0	0	0
Preservation	Total	320	0	0	320
Centre	State	205	45	50	300
SR 1005 over tributary Nittany Creek	Federal	0	0	0	0
Walker (Twp)	Local	0	0	0	0
Replacement	Total	205	45	50	300
Centre	State	500	0	0	500
SR 2007 over branch Spruce Creek	Federal	0	0	0	0
Gregg (Twp)	Local	0	0	0	0
	Total	500	0	0	500
Centre	State	400	0	0	400
SR 3011 over Spring Creek	Federal	0	0	0	0
College (Twp)	Local	0	0	0	0
Preservation	Total	400	0	0	400
Clarion	State	295	0	0	295
SR0068 over abandoned CONRAIL RR	Federal	0	0	0	0
Monroe (Twp)	Local	0	0	0	0
Preservation	Total	295	0	0	295



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Clarion	State	150	0	20	170
SR0080 eastbound and westbound over tributary to Canoe Creek	Federal	1,350	0	180	1,530
Beaver (Twp)	Local	0	0	0	0
Replacement	Total	1,500	0	200	1,700
Clarion	State	150	0	20	170
SR0080 eastbound and westbound over Boyd Run	Federal	1,350	0	180	1,530
Beaver (Twp)	Local	0	0	0	0
Replacement	Total	1,500	0	200	1,700
Clarion	State	1,600	0	0	1,600
SR0368 over Allegheny River/CONRAIL	Federal	6,400	0	0	6,400
Perry (Twp)	Local	0	0	0	0
Preservation	Total	8,000	0	0	8,000
Clarion	State	146	0	0	146
SR2003 over Reids Run	Federal	582	0	0	582
Monroe (Twp)	Local	0	0	0	0
Replacement	Total	728	0	0	728
Clarion	State	500	0	10	510
2011 Clarion County Bridge Preservation Program	Federal	0	0	0	0
	Local	0	0	0	0
Bridge Preservation	Total	500	0	10	510
Clarion	State	500	0	10	510
2012 Clarion County Bridge Preservation Program	Federal	0	0	0	0
	Local	0	0	0	0
Bridge Preservation	Total	500	0	10	510
Clearfield	State	180	0	300	480
SR 53-PA 53 over Beaver Run	Federal	720	0	0	720
Houtzdale (Boro)	Local	0	0	0	0
Replacement	Total	900	0	300	1,200



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Clearfield	State	49	0	28	77
SR 80-I 80 over Abes Run	Federal	441	0	0	441
Bradford (Twp)	Local	0	0	0	0
Preservation	Total	490	0	28	518
Clearfield	State	49	0	28	77
SR 80-I 80, ramps over Sulphur Run	Federal	441	0	0	441
Bradford (Twp)	Local	0	0	0	0
Preservation	Total	490	0	28	518
Clearfield	State	49	0	28	77
SR 80-I 80 over Valley Fork Run	Federal	441	0	0	441
Bradford (Twp)	Local	0	0	0	0
Preservation	Total	490	0	28	518
Clearfield	State	49	0	28	77
SR 80-I 80 over Moravian Run	Federal	441	0	0	441
Graham (Twp)	Local	0	0	0	0
Preservation	Total	490	0	28	518
Clearfield	State	49	0	28	77
SR 80-I 80 eastbound over Alder Run	Federal	441	0	0	441
Graham (Twp)	Local	0	0	0	0
Preservation	Total	490	0	28	518
Clearfield	State	49	0	28	77
SR 80-I 80 westbound over Alder Run	Federal	441	0	0	441
Graham (Twp)	Local	0	0	0	0
Preservation	Total	490	0	28	518
Clearfield	State	49	0	28	77
SR 80-I 80 over Brown Run	Federal	441	0	0	441
Cooper (Twp)	Local	0	0	0	0
Preservation	Total	490	0	28	518



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Clearfield	State	825	7	100	932
SR 80-I 80 over SR 970-PA 970	Federal	7,425	68	900	8,393
Bradford (Twp)	Local	0	0	0	0
Replacement	Total	8,250	75	1,000	9,325
Clearfield	State	825	7	100	932
SR 80-I 80 over SR 970-PA 970	Federal	7,425	68	900	8,393
Bradford (Twp)	Local	0	0	0	0
Replacement	Total	8,250	75	1,000	9,325
Clearfield	State	363	0	0	363
SR 219-US 219 over Curry Run	Federal	0	0	0	0
Greenwood (Twp)	Local	0	0	0	0
Preservation	Total	363	0	0	363
Clearfield	State	363	0	0	363
SR 3009 over east branch Mahoning Creek	Federal	0	0	0	0
Brady (Twp)	Local	0	0	0	0
Preservation	Total	363	0	0	363
Clearfield	State	275	0	0	275
SR 219-US 219 over Laurel Run	Federal	0	0	0	0
Bell (Twp)	Local	0	0	0	0
Preservation	Total	275	0	0	275
Clearfield	State	240	200	100	540
SR 255-PA 255 over Bennett branch	Federal	960	0	400	1,360
Huston (Twp)	Local	0	0	0	0
Replacement	Total	1,200	200	500	1,900
Clearfield	State	500	100	350	950
SR 255-PA 255 over Mine Cave IN	Federal	0	0	0	0
Huston (Twp)	Local	0	0	0	0
Replacement	Total	500	100	350	950



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Clearfield	State	200	60	650	910
SR 322-US 322 over Laurel Run	Federal	800	240	0	1,040
Decatur (Twp)	Local	0	0	0	0
Replacement	Total	1,000	300	650	1,950
Clearfield	State	5,200	0	10	5,210
SR 879-PA 879 over R. J. Corman/West Branch Susquehanna River	Federal	20,800	0	0	20,800
Lawrence (Twp)	Local	0	0	0	0
Replacement	Total	26,000	0	10	26,010
Clearfield	State	150	30	100	280
SR 1009 over Sulphur Creek	Federal	600	120	400	1,120
Morris (Twp)	Local	0	0	0	0
Rehabilitation	Total	750	150	500	1,400
Clearfield	State	300	0	100	400
SR 2041 over Baileys Run	Federal	0	0	0	0
Lawrence (Twp)	Local	0	0	0	0
Rehabilitation	Total	300	0	100	400
Clearfield	State	500	0	0	500
SR 3009 over Beaver Run	Federal	0	0	0	0
Brady (Twp)	Local	0	0	0	0
Replacement	Total	500	0	0	500
Clearfield	State	100	0	0	100
SR 4010 over Little Anderson Creek	Federal	400	0	0	400
Brady (Twp)	Local	0	0	0	0
Replacement	Total	500	0	0	500
Clinton	State	375	0	150	525
SR 477-PA 477 over Spruce Run	Federal	0	0	0	0
Lamar (Twp)	Local	0	0	0	0
Replacement	Total	375	0	150	525



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Clinton	State	196	60	150	406
ON TSR 349 over Ohnmeiss Run	Federal	0	0	0	0
Greene (Twp)	Local	0	0	0	0
Replacement	Total	196	60	150	406
Clinton	State	300	0	100	400
SR 2002 over tributary Big Fishing Creek	Federal	0	0	0	0
Greene (Twp)	Local	0	0	0	0
	Total	300	0	100	400
Clinton	State	280	0	0	280
SR 2012 over McElhattan Creek	Federal	0	0	0	0
Wayne (Twp)	Local	0	0	0	0
Preservation	Total	280	0	0	280
Clinton	State	280	0	0	280
ON TSR 579 over Young Womans Creek	Federal	0	0	0	0
Chapman (Twp)	Local	0	0	0	0
Preservation	Total	280	0	0	280
Columbia	State	93	0	5	98
SR 4036 over Hemlock Creek	Federal	0	0	0	0
Hemlock (Twp)	Local	0	0	0	0
Preservation	Total	93	0	5	98
Cumberland	State	500	0	0	500
T-664; Tower Road over I-81 SB; SR 0081	Federal	0	0	0	0
East Pennsboro (Twp)	Local	0	0	0	0
Rehabilitation	Total	500	0	0	500
Cumberland	State	1,210	0	900	2,110
SR 4029; T-505 over Conodoguinet Creek	Federal	4,842	0	0	4,842
North Middleton (Twp)	Local	0	0	0	0
Rehabilitation	Total	6,052	0	900	6,952



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Dauphin	State	126	0	170	296
PA 147; SR 0147 over Gurdy Run	Federal	502	0	680	1,182
Halifax (Twp)	Local	0	0	0	0
Replacement	Total	628	0	850	1,478
Dauphin	State	658	0	250	908
US 322; SR 0322 over Spring Creek	Federal	0	0	0	0
Derry (Twp)	Local	0	0	0	0
Rehabilitation	Total	658	0	250	908
Dauphin	State	500	0	0	500
PA 441; SR 0441 over SR 8020, ramp A	Federal	0	0	0	0
Lower Swatara (Twp)	Local	0	0	0	0
Rehabilitation	Total	500	0	0	500
Dauphin	State	218	0	132	350
PA 743; SR 0743 over Spring Creek	Federal	872	0	529	1,401
Derry (Twp)	Local	0	0	0	0
Replacement	Total	1,090	0	661	1,751
Dauphin	State	625	0	250	875
SR 1014 over tributary to Wiconisco Creek	Federal	0	0	0	0
Lykens (Twp)	Local	0	0	0	0
Rehabilitation	Total	625	0	250	875
Dauphin	State	730	0	200	930
SR 2003 over T496, Swatara Creek, Railroad	Federal	2,921	0	0	2,921
Lower Swatara (Twp)	Local	0	0	0	0
Preservation	Total	3,651	0	200	3,851
Dauphin	State	0	0	400	400
SR 3021; TWP road over I-81; ramp AF,C,G; Paxton CK	Federal	4,222	0	0	4,222
Susquehanna (Twp)	Local	0	0	0	0
Preservation	Total	4,222	0	400	4,622



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Elk	State	200	200	100	500
SR 219-US 219 over Powers Run	Federal	800	0	400	1,200
Johnsonburg (Boro)	Local	0	0	0	0
Replacement	Total	1,000	200	500	1,700
Elk	State	375	0	0	375
SR 219-US 219 over Powers Run	Federal	0	0	0	0
Johnsonburg (Boro)	Local	0	0	0	0
Preservation	Total	375	0	0	375
Elk	State	375	0	0	375
SR 948-PA 948 over Little Mill Creek	Federal	0	0	0	0
Ridgway (Twp)	Local	0	0	0	0
Preservation	Total	375	0	0	375
Elk	State	375	0	0	375
SR 1003 over Elk Creek	Federal	0	0	0	0
Saint Mary's (City)	Local	0	0	0	0
Preservation	Total	375	0	0	375
Elk	State	350	35	150	535
SR 2007 over Laurel Run	Federal	0	0	0	0
Fox (Twp)	Local	0	0	0	0
Replacement	Total	350	35	150	535
Erie	State	300	50	100	450
SR 5, West Lake Road over TR Lake Erie	Federal	0	0	0	0
Springfield (Twp)	Local	0	0	0	0
Replacement	Total	300	50	100	450
Fayette	State	660	0	0	660
SR 0040 over SR 8005	Federal	0	0	0	0
South Union (Twp)	Local	0	0	0	0
Preservation	Total	660	0	0	660



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Fayette	State	680	0	0	680
SR 0040 over SR 8005	Federal	0	0	0	0
South Union (Twp)	Local	0	0	0	0
Preservation	Total	680	0	0	680
Fayette	State	680	0	0	680
SR 2031 over SR 0040	Federal	0	0	0	0
South Union (Twp)	Local	0	0	0	0
Preservation	Total	680	0	0	680
Fayette	State	1,121	0	0	1,121
SR 0381 over Bear Run	Federal	0	0	0	0
Stewart (Twp)	Local	0	0	0	0
Replacement	Total	1,121	0	0	1,121
Fayette	State	1,362	0	0	1,362
SR 0982 over Latta Run	Federal	0	0	0	0
Bullskin (Twp)	Local	0	0	0	0
Replacement	Total	1,362	0	0	1,362
Fayette	State	1,442	0	0	1,442
SR 2011 over Beaver Creek	Federal	0	0	0	0
Wharton (Twp)	Local	0	0	0	0
Replacement	Total	1,442	0	0	1,442
Fayette	State	1,362	0	0	1,362
SR 2015 over Meadow Run	Federal	0	0	0	0
Wharton (Twp)	Local	0	0	0	0
Replacement	Total	1,362	0	0	1,362
Fayette	State	561	0	0	561
SR 3013 over Middle Run	Federal	0	0	0	0
German (Twp)	Local	0	0	0	0
Replacement	Total	561	0	0	561



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Fayette	State	1,121	0	0	1,121
SR 4022 over Rush Run	Federal	0	0	0	0
Luzerne (Twp)	Local	0	0	0	0
Replacement	Total	1,121	0	0	1,121
Fayette	State	1,041	0	0	1,041
SR 4032 over Bolden Run	Federal	0	0	0	0
Franklin (Twp)	Local	0	0	0	0
Replacement	Total	1,041	0	0	1,041
Fayette	State	213	25	42	280
SR 1028 over Gist Run	Federal	852	100	168	1,120
Dunbar (Twp)	Local	0	0	0	0
Replacement	Total	1,065	125	210	1,400
Fayette	State	415	75	80	570
SR 4001 over Rush Run	Federal	0	0	0	0
Luzerne (Twp)	Local	0	0	0	0
Replacement	Total	415	75	80	570
Fayette	State	475	75	90	640
SR 4022 over Meadow Run	Federal	0	0	0	0
Luzerne (Twp)	Local	0	0	0	0
Replacement	Total	475	75	90	640
Fayette	State	227	15	296	538
SR 4028 over Rows Run	Federal	908	60	184	1,152
Redstone (Twp)	Local	0	0	0	0
Replacement	Total	1,135	75	480	1,690
Fayette	State	196	15	290	501
SR 4044 over Downers Run	Federal	784	60	160	1,004
Washington (Twp)	Local	0	0	0	0
Replacement	Total	980	75	450	1,505



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		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Forest	State	110	25	200	335
SR 3004, Nebraska over Tionesta Dam Creek	Federal	440	0	0	440
Green (Twp)	Local	0	0	0	0
Replacement	Total	550	25	200	775
Franklin	State	398	35	90	523
PA 75; SR 0075 over Licking Creek	Federal	1,592	0	360	1,952
Montgomery (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,990	35	450	2,475
Franklin	State	500	35	90	625
PA 995; SR 0995 over west branch Conococheaque Creek	Federal	2,000	0	360	2,360
Montgomery (Twp)	Local	0	0	0	0
Preservation	Total	2,500	35	450	2,985
Franklin	State	317	35	90	442
PA 997; SR 0997 over Conodoguinet Creek	Federal	1,267	0	360	1,627
Lurgan (Twp)	Local	0	0	0	0
Replacement	Total	1,584	35	450	2,069
Franklin	State	635	0	80	715
PA 997; SR 0997 over Conodoguinet Creek	Federal	2,542	0	320	2,862
Letterkenny (Twp)	Local	0	0	0	0
Replacement	Total	3,177	0	400	3,577
Franklin	State	754	35	400	1,189
PA 997; SR 0997 over Keasey Run	Federal	0	0	0	0
Letterkenny (Twp)	Local	0	0	0	0
Replacement	Total	754	35	400	1,189
Franklin	State	282	0	70	352
PA 997; SR 0997 over Muddy Run	Federal	1,129	0	280	1,409
Letterkenny (Twp)	Local	0	0	0	0
Replacement	Total	1,411	0	350	1,761



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		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Franklin	State	489	22	95	606
SR 1003 over Conococheague Creek	Federal	0	0	0	0
Greene (Twp)	Local	0	0	0	0
Preservation	Total	489	22	95	606
Franklin	State	805	35	125	965
SR 3002 over Conococheague Creek	Federal	0	0	0	0
Antrim (Twp)	Local	0	0	0	0
Preservation	Total	805	35	125	965
Franklin	State	500	0	0	500
T-351 (Hykes Road) over I-81; SR 0081	Federal	0	0	0	0
Antrim (Twp)	Local	0	0	0	0
Replacement	Total	500	0	0	500
Franklin	State	374	35	125	534
SR 4016 over Conodoguinet Creek	Federal	0	0	0	0
Lurgan (Twp)	Local	0	0	0	0
Preservation	Total	374	35	125	534
Greene	State	44	0	0	44
SR 0079 over SR 2026	Federal	0	0	0	0
Whiteley (Twp)	Local	0	0	0	0
Preservation	Total	44	0	0	44
Greene	State	9	0	0	9
SR 0079 over SR 2026	Federal	0	0	0	0
Franklin (Twp)	Local	0	0	0	0
Preservation	Total	9	0	0	9
Greene	State	26	0	0	26
SR 2012 over Dunkard Creek	Federal	0	0	0	0
Dunkard (Twp)	Local	0	0	0	0
Preservation	Total	26	0	0	26



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Greene	State	17	0	0	17
SR 0218 over Roberts Run	Federal	0	0	0	0
Wayne (Twp)	Local	0	0	0	0
Preservation	Total	17	0	0	17
Greene	State	13	0	0	13
SR 0218 over Roberts Run	Federal	0	0	0	0
Wayne (Twp)	Local	0	0	0	0
Preservation	Total	13	0	0	13
Greene	State	1,437	0	0	1,437
SR 1008 over Pumpkin Run	Federal	0	0	0	0
Jefferson (Twp)	Local	0	0	0	0
Replacement	Total	1,437	0	0	1,437
Greene	State	1,669	0	0	1,669
SR 2026 over Bradens Run	Federal	0	0	0	0
Franklin (Twp)	Local	0	0	0	0
Replacement	Total	1,669	0	0	1,669
Greene	State	1,530	0	0	1,530
SR 3013 over Bells Run	Federal	0	0	0	0
Wayne (Twp)	Local	0	0	0	0
Replacement	Total	1,530	0	0	1,530
Greene	State	205	25	40	270
SR 2019 over Little Whiteley Creek	Federal	820	100	160	1,080
Cumberland (Twp)	Local	0	0	0	0
Replacement	Total	1,025	125	200	1,350
Huntingdon	State	400	20	80	500
US 22 over PA 0026	Federal	1,600	80	320	2,000
Smithfield (Twp)	Local	0	0	0	0
Replacement	Total	2,000	100	400	2,500



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Huntingdon	State	300	0	0	300
PA 45 over Little Juniata River	Federal	1,200	0	0	1,200
Spruce Creek (Twp)	Local	0	0	0	0
Replacement	Total	1,500	0	0	1,500
Huntingdon	State	300	0	0	300
PA 305 over Little Juniata River	Federal	1,200	0	0	1,200
Porter (Twp)	Local	0	0	0	0
Replacement	Total	1,500	0	0	1,500
Huntingdon	State	300	0	0	300
PA 747 over Juniata River	Federal	1,200	0	0	1,200
Mount Union (Boro)	Local	0	0	0	0
Replacement	Total	1,500	0	0	1,500
Huntingdon	State	300	0	0	300
SR 3047 over Juniata River	Federal	1,200	0	0	1,200
Huntingdon (Boro)	Local	0	0	0	0
Replacement	Total	1,500	0	0	1,500
Indiana	State	700	0	0	700
South Brush Valley Bridge realign	Federal	2,800	0	0	2,800
Brush Valley (Twp)	Local	0	0	0	0
Realignment	Total	3,500	0	0	3,500
Indiana	State	700	0	0	700
SR0056 over Conemaugh River	Federal	2,800	0	0	2,800
East Wheatfield (Twp)	Local	0	0	0	0
Preservation	Total	3,500	0	0	3,500
Indiana	State	700	0	225	925
SR0119 northbound over SR 0422 eastbound and westbound	Federal	2,800	0	0	2,800
White (Twp)	Local	0	0	0	0
Rehabilitation	Total	3,500	0	225	3,725



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		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Indiana	State	700	0	225	925
SR0119 southbound over SR 0422 eastbound and westbound	Federal	2,800	0	0	2,800
White (Twp)	Local	0	0	0	0
Rehabilitation	Total	3,500	0	225	3,725
Indiana	State	570	0	0	570
SR0119 northbound and southbound over Yellow Creek	Federal	2,280	0	0	2,280
Center (Twp)	Local	0	0	0	0
Preservation	Total	2,850	0	0	2,850
Indiana	State	202	0	0	202
SR0119 northbound and southbound over private RR (removed)	Federal	807	0	0	807
Center (Twp)	Local	0	0	0	0
Removal	Total	1,009	0	0	1,009
Indiana	State	1,500	22	30	1,552
SR0217 over Stewarts Run	Federal	0	88	120	208
Black Lick (Twp)	Local	0	0	0	0
Preservation	Total	1,500	110	150	1,760
Indiana	State	1,200	0	320	1,520
SR0403 over tributary to Conemaugh River	Federal	0	0	0	0
East Wheatfield (Twp)	Local	0	0	0	0
Replacement	Total	1,200	0	320	1,520
Indiana	State	350	0	0	350
SR3031 over tributary to Reeds Run	Federal	0	0	0	0
Young (Twp)	Local	0	0	0	0
Replacement	Total	350	0	0	350
Indiana	State	110	0	0	110
SR4006 over Leisure Run	Federal	442	0	0	442
South Mahoning (Twp)	Local	0	0	0	0
Replacement	Total	552	0	0	552



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		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Indiana	State	152	0	0	152
SR4010 over tributary to Crooked Creek	Federal	607	0	0	607
Rayne (Twp)	Local	0	0	0	0
Replacement	Total	759	0	0	759
Indiana	State	500	0	10	510
2011 Indiana County Bridge Preservation Program	Federal	0	0	0	0
	Local	0	0	0	0
Bridge Preservation	Total	500	0	10	510
Indiana	State	500	0	10	510
2012 Indiana County Bridge Preservation Program	Federal	0	0	0	0
	Local	0	0	0	0
Bridge preservation	Total	500	0	10	510
Jefferson	State	127	0	40	167
SR0080 eastbound over tributary to Five Mile Run	Federal	510	0	360	870
Pine Creek (Twp)	Local	0	0	0	0
Replacement	Total	637	0	400	1,037
Jefferson	State	876	10	66	952
SR 0310 inbound over Elk Run	Federal	0	0	14	14
Young (Twp)	Local	0	0	0	0
Replacement	Total	876	10	80	966
Jefferson	State	876	10	66	952
SR 0310 outbound over Little Elk Run	Federal	0	0	14	14
Young (Twp)	Local	0	0	0	0
Replacement	Total	876	10	80	966
Jefferson	State	900	0	0	900
SR0436 over Mahon Creek/Water Street/BandP RR	Federal	3,600	0	0	3,600
Punxsutawney (Boro)	Local	0	0	0	0
Preservation	Total	4,500	0	0	4,500



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		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Jefferson	State	380	0	0	380
SR1002 over Fehley Run	Federal	0	0	0	0
Winslow (Twp)	Local	0	0	0	0
Replacement	Total	380	0	0	380
Jefferson	State	310	0	0	310
SR3003 over Thompson Run	Federal	0	0	0	0
Clover (Twp)	Local	0	0	0	0
Replacement	Total	310	0	0	310
Jefferson	State	515	0	14	529
2011 Jefferson County Bridge Preservation Program	Federal	0	0	0	0
	Local	0	0	0	0
Bridge Preservation	Total	515	0	14	529
Juniata	State	246	0	0	246
SR 850-PA 850 over Tuscarora Creek	Federal	0	0	0	0
Tuscarora (Twp)	Local	0	0	0	0
Preservation	Total	246	0	0	246
Juniata	State	402	0	0	402
SR 1002 over Lost Creek	Federal	0	0	0	0
Fermanagh (Twp)	Local	0	0	0	0
Preservation	Total	402	0	0	402
Juniata	State	402	0	0	402
On TSR 534 over Horning Run	Federal	0	0	0	0
Fermanagh (Twp)	Local	0	0	0	0
Preservation	Total	402	0	0	402
Juniata	State	200	0	0	200
SR 2006 over Delaware Creek	Federal	0	0	0	0
Delaware (Twp)	Local	0	0	0	0
Preservation	Total	200	0	0	200



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		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Juniata	State	280	0	0	280
SR 35-PA 35 over tributary Lost Creek	Federal	0	0	0	0
Fayette (Twp)	Local	0	0	0	0
Preservation	Total	280	0	0	280
Juniata	State	220	65	146	431
SR 2017 over Stony Run	Federal	0	0	0	0
Monroe (Twp)	Local	0	0	0	0
Replacement	Total	220	65	146	431
Juniata	State	300	0	100	400
SR 2017 over tributary Cocolamus Creek	Federal	0	0	0	0
Monroe (Twp)	Local	0	0	0	0
	Total	300	0	100	400
Juniata	State	207	65	150	422
SR 3023 over Lick Run	Federal	0	0	0	0
Lack (Twp)	Local	0	0	0	0
Replacement	Total	207	65	150	422
Lackawanna	State	1,500	0	25	1,525
Lackawanna County Bridge Dam Replacement	Federal	0	0	0	0
Various townships, cities and boroughs	Local	0	0	0	0
Bridge Preservation, Dam Replacement	Total	1,500	0	25	1,525
Lackawanna	State	350	0	50	400
SR 0011 TR 11 over Spring Brook	Federal	0	0	0	0
Moosic (Boro)	Local	0	0	0	0
Preservation	Total	350	0	50	400
Lackawanna	State	350	0	50	400
TR 438 LaPlume Road over south branch Tunkhannock	Federal	0	0	0	0
La Plume (Twp)	Local	0	0	0	0
Preservation	Total	350	0	50	400



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		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Lancaster	State	151	0	200	351
PA 23; SR 0023 over Donegal Creek	Federal	604	0	0	604
East Donegal (Twp)	Local	0	0	0	0
Preservation	Total	755	0	200	955
Lancaster	State	313	0	114	427
US 222; SR 0222 over Beaver Creek	Federal	1,253	0	456	1,709
Strasburg (Twp)	Local	0	0	0	0
Replacement	Total	1,566	0	570	2,136
Lancaster	State	473	0	134	607
PA 241; SR 0241 over Conoy Creek	Federal	1,892	0	538	2,430
West Donegal (Twp)	Local	0	0	0	0
Replacement	Total	2,365	0	672	3,037
Lancaster	State	2,240	0	200	2,440
PA 272; SR 0272 over US 322; SR 0322	Federal	0	0	0	0
Ephrata (Boro)	Local	0	0	0	0
Rehabilitation	Total	2,240	0	200	2,440
Lancaster	State	200	0	0	200
PA 324; SR 0324 over Pequea Creek	Federal	800	0	0	800
Martic (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,000	0	0	1,000
Lancaster	State	862	0	160	1,022
PA 741; SR 0741 over AMTRAC/NSRC	Federal	3,450	0	640	4,090
Manheim (Twp)	Local	0	0	0	0
Rehabilitation	Total	4,312	0	800	5,112
Lancaster	State	246	0	147	393
PA 741; SR 0741 over Little Conestoga Creek	Federal	983	0	590	1,573
East Hempfield (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,229	0	737	1,966



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		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Lancaster	State	307	0	100	407
PA 897; SR 0897 over US 222; SR 0222	Federal	0	0	0	0
Brecknock (Twp)	Local	0	0	0	0
Preservation	Total	307	0	100	407
Lancaster	State	357	0	150	507
897 Weaverland over Conestoga River	Federal	0	0	0	0
East Earl (Twp)	Local	0	0	0	0
Preservation	Total	357	0	150	507
Lancaster	State	558	0	200	758
SR 1005 over AMTRAK	Federal	0	0	0	0
East Lampeter (Twp)	Local	0	0	0	0
Preservation	Total	558	0	200	758
Lancaster	State	795	25	225	1,045
SR 1018 over Cocalico Creek	Federal	3,181	0	0	3,181
Ephrata (Twp)	Local	0	0	0	0
Rehabilitation	Total	3,976	25	225	4,226
Lancaster	State	550	0	150	700
SR 1045 over Cocalico Creek	Federal	2,201	0	600	2,801
Denver (Boro)	Local	0	0	0	0
Replacement	Total	2,751	0	750	3,501
Lancaster	State	275	0	150	425
SR 1047 over Cocalico Creek	Federal	1,100	0	600	1,700
West Cocalico (Twp)	Local	0	0	0	0
Replacement	Total	1,375	0	750	2,125
Lancaster	State	260	0	0	260
SR 1051 over Little Cocalico Creek	Federal	1,040	0	0	1,040
East Cocalico (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,300	0	0	1,300



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Lancaster	State	300	0	200	500
SR 1086; T-965 over US 222; SR 0222	Federal	0	0	0	0
Brecknock (Twp)	Local	0	0	0	0
Preservation	Total	300	0	200	500
Lawrence	State	1,589	600	375	2,564
Woodside Avenue over Squaw Run	Federal	0	0	0	0
Wayne (Twp)	Local	0	0	0	0
Replacement	Total	1,589	600	375	2,564
Lawrence	State	1,500	100	600	2,200
Ellwood Road over BandO RR{abandoned}	Federal	0	0	0	0
Shenango (Twp)	Local	0	0	0	0
Replacement	Total	1,500	100	600	2,200
Lawrence	State	1,000	0	250	1,250
Mount Jackson Road over Hickory Run	Federal	0	0	0	0
North Beaver (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,000	0	250	1,250
Lawrence	State	800	150	300	1,250
Pulaski Road over Deer Creek	Federal	0	0	0	0
Pulaski (Twp)	Local	0	0	0	0
Replacement	Total	800	150	300	1,250
Lawrence	State	1,000	0	200	1,200
Youngstown Poland Road over branch of Mahoning River	Federal	0	0	0	0
Mahoning (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,000	0	200	1,200
Lawrence	State	1,000	0	400	1,400
Wampum Ave over Wampum Creek	Federal	0	0	0	0
Wampum (Boro)	Local	0	0	0	0
Replacement	Total	1,000	0	400	1,400



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		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Lawrence	State	3,000	0	500	3,500
Beaver Valley EX over township road 605	Federal	0	0	0	0
Pulaski (Twp)	Local	0	0	0	0
Preservation	Total	3,000	0	500	3,500
Lawrence	State	1,710	0	48	1,758
Benjamin Franklin Highway inbound over SR 2001, branch of Big Run	Federal	0	0	15	15
Shenango (Twp)	Local	0	0	0	0
Preservation	Total	1,710	0	63	1,773
Lawrence	State	1,710	0	48	1,758
Benjamin Franklin Highway outbound over SR 2001, branch of Big Run	Federal	0	0	15	15
Shenango (Twp)	Local	0	0	0	0
Preservation	Total	1,710	0	63	1,773
Lawrence	State	540	0	15	555
Benjamin Franklin Highway over branch of Big Run	Federal	0	0	5	5
Shenango (Twp)	Local	0	0	0	0
Repair	Total	540	0	20	560
Lawrence	State	180	0	5	185
Benjamin Franklin Highway over branch of Big Run	Federal	0	0	2	2
Shenango (Twp)	Local	0	0	0	0
Repair	Total	180	0	7	187
Lawrence	State	4,860	0	135	4,995
Benjamin Franklin over business route 422	Federal	0	0	43	43
Shenango (Twp)	Local	0	0	0	0
Rehabilitation	Total	4,860	0	178	5,038
Lawrence	State	3,000	0	600	3,600
Portersville Road over Slippery Rock Creek	Federal	0	0	0	0
Perry (Twp)	Local	0	0	0	0
Replacement	Total	3,000	0	600	3,600



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BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Lawrence	State	1,500	250	500	2,250
Neshannock Falls Road over Hottenbaugh Run	Federal	0	0	0	0
Scott (Twp)	Local	0	0	0	0
Replacement	Total	1,500	250	500	2,250
Lawrence	State	1,000	0	500	1,500
Neshannock Falls Road. over branch Neshannock Creek	Federal	0	0	0	0
Wilmington (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,000	0	500	1,500
Lawrence	State	1,800	20	265	2,085
Van Gorder Mill Road over branch Slippery Rock Creek	Federal	0	0	0	0
Perry (Twp)	Local	0	0	0	0
Replacement	Total	1,800	20	265	2,085
Lawrence	State	3,000	0	550	3,550
Gardner Center Road over branch of Big Run	Federal	0	0	0	0
Shenango (Twp)	Local	0	0	0	0
Replacement	Total	3,000	0	550	3,550
Lawrence	State	1,400	200	500	2,100
Union Valley Road over McKee Run	Federal	0	0	0	0
Shenango (Twp)	Local	0	0	0	0
Replacement	Total	1,400	200	500	2,100
Lawrence	State	1,200	200	500	1,900
Hemmerle Road over tributary to Beaver River	Federal	0	0	0	0
Wayne (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,200	200	500	1,900
Lawrence	State	1,200	0	400	1,600
Pleasant Road over Camp Run	Federal	0	0	0	0
Perry (Twp)	Local	0	0	0	0
Replacement	Total	1,200	0	400	1,600



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Lawrence	State	4,176	100	900	5,176
Heinz Camp Road over Slippery Rock Creek	Federal	0	0	0	0
Wayne (Twp)	Local	0	0	0	0
Replacement	Total	4,176	100	900	5,176
Lawrence	State	1,400	350	550	2,300
East Poland over branch Hickory Run	Federal	0	0	0	0
Bessemer (Boro)	Local	0	0	0	0
Replacement	Total	1,400	350	550	2,300
Lawrence	State	1,000	0	350	1,350
Wallace Road over branch of Honey Creek	Federal	0	0	0	0
North Beaver (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,000	0	350	1,350
Lawrence	State	2,000	0	550	2,550
Petersburg over branch of Honey Creek	Federal	0	0	0	0
North Beaver (Twp)	Local	0	0	0	0
Replacement	Total	2,000	0	550	2,550
Lawrence	State	1,000	0	200	1,200
Wallace Road over branch of Honey Creek	Federal	0	0	0	0
North Beaver (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,000	0	200	1,200
Lawrence	State	150	49	105	304
Graceland Road over Neshannock, west branch	Federal	800	264	560	1,624
Neshannock (Twp)	Local	50	17	35	102
Rehabilitation	Total	1,000	330	700	2,030
Lawrence	State	113	82	117	312
Coffee Run Road over Coffee Run	Federal	600	440	624	1,664
Pulaski (Twp)	Local	38	28	39	104
Rehabilitation	Total	750	550	780	2,080



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Lebanon	State	227	35	78	340
US 22; SR 0022 over Elizabeth Run	Federal	907	0	314	1,221
Bethel (Twp)	Local	0	0	0	0
Replacement	Total	1,134	35	392	1,561
Lebanon	State	820	35	400	1,255
PA 117; SR 0117 over tributary Conewago Creek	Federal	0	0	0	0
South Londonderry (Twp)	Local	0	0	0	0
Replacement	Total	820	35	400	1,255
Lebanon	State	569	35	275	879
PA 343; SR 0343 over Little Swatara Creek	Federal	2,276	0	0	2,276
Bethel (Twp)	Local	0	0	0	0
Preservation	Total	2,845	35	275	3,155
Lebanon	State	728	35	275	1,038
PA 419; SR 0419 over Norfolk Southern RR	Federal	0	0	0	0
Mill Creek (Twp)	Local	0	0	0	0
Preservation	Total	728	35	275	1,038
Lebanon	State	1,008	35	349	1,392
US 422; SR 0422 over Quitapahilla Creek	Federal	0	0	0	0
Lebanon (City)	Local	0	0	0	0
Replacement	Total	1,008	35	349	1,392
Lebanon	State	160	35	45	240
SR 1011 over Deep Run	Federal	640	0	180	820
Bethel (Twp)	Local	0	0	0	0
Replacement	Total	800	35	225	1,060
Lebanon	State	700	35	200	935
SR 1020 over Beech Run	Federal	0	0	0	0
Bethel (Twp)	Local	0	0	0	0
Replacement	Total	700	35	200	935



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Lebanon	State	729	35	275	1,039
SR 2002 over abandoned RR - RJCN	Federal	0	0	0	0
South Lebanon (Twp)	Local	0	0	0	0
Preservation	Total	729	35	275	1,039
Lebanon	State	601	35	275	911
SR 4011 over Swatara Creek	Federal	0	0	0	0
East Hanover (Twp)	Local	0	0	0	0
Preservation	Total	601	35	275	911
Lehigh	State	1,000	0	0	1,000
Various over SR 78(LR 443)	Federal	0	0	0	0
Various	Local	0	0	0	0
Preservation	Total	1,000	0	0	1,000
McKean	State	160	200	650	1,010
SR 6-US 6 over Lillibridge Creek	Federal	640	0	0	640
Port Allegany (Boro)	Local	0	0	0	0
Replacement	Total	800	200	650	1,650
McKean	State	800	0	350	1,150
SR 6-US 6 over tributary Allegheny River	Federal	0	0	0	0
Liberty (Twp)	Local	0	0	0	0
Replacement	Total	800	0	350	1,150
McKean	State	120	250	410	780
SR 59-PA 59 over Blacksmith Run	Federal	480	0	240	720
Keating (Twp)	Local	0	0	0	0
Replacement	Total	600	250	650	1,500
McKean	State	80	200	550	830
SR 146-PA 146 over Potato Creek	Federal	320	0	0	320
Norwich (Twp)	Local	0	0	0	0
Replacement	Total	400	200	550	1,150



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		Base Project Cost	Land Cost	Design Cost	Total Project Cost
McKean	State	180	200	390	770
SR 155-PA 155 over Portage Creek	Federal	720	0	160	880
Liberty (Twp)	Local	0	0	0	0
Replacement	Total	900	200	550	1,650
McKean	State	275	0	0	275
SR 2002 over west branch Potato Creek	Federal	0	0	0	0
Norwich (Twp)	Local	0	0	0	0
Preservation	Total	275	0	0	275
McKean	State	180	0	300	480
SR 346-PA 346 over Tram Hollow Run	Federal	720	0	0	720
Otto (Twp)	Local	0	0	0	0
Replacement	Total	900	0	300	1,200
McKean	State	100	0	350	450
SR 770-PA 770 over Sheppard Run	Federal	400	0	0	400
Bradford (Twp)	Local	0	0	0	0
Replacement	Total	500	0	350	850
McKean	State	400	0	0	400
T-470 Gardeau Road over Sinnemahoning Portage Creek	Federal	0	0	0	0
Norwich (Twp)	Local	100	0	0	100
Replacement	Total	500	0	0	500
Mifflin	State	2,300	0	0	2,300
SR 322-US 322 over Kishacoquillas Creek CONRAIL	Federal	9,200	0	0	9,200
Brown (Twp)	Local	0	0	0	0
Replacement	Total	11,500	0	0	11,500
Mifflin	State	246	0	0	246
SR 1002 over Dry Creek	Federal	0	0	0	0
Armagh (Twp)	Local	0	0	0	0
Preservation	Total	246	0	0	246



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Mifflin	State	246	0	0	246
SR 1002 over Honey Creek	Federal	0	0	0	0
Armagh (Twp)	Local	0	0	0	0
Preservation	Total	246	0	0	246
Mifflin	State	246	0	0	246
SR 2008 over Wolf Run	Federal	0	0	0	0
Decatur (Twp)	Local	0	0	0	0
Preservation	Total	246	0	0	246
Mifflin	State	246	0	0	246
SR 4013 over Strodes Run	Federal	0	0	0	0
Granville (Twp)	Local	0	0	0	0
Preservation	Total	246	0	0	246
Mifflin	State	211	65	130	406
SR 1002 over tributary Honey Creek	Federal	0	0	0	0
Armagh (Twp)	Local	0	0	0	0
Replacement	Total	211	65	130	406
Mifflin	State	0	120	0	120
SR 2001 over Jacks Creek	Federal	1,828	0	697	2,525
Derry (Twp)	Local	0	0	0	0
Replacement	Total	1,828	120	697	2,645
Mifflin	State	280	0	0	280
SR 103-PA 103 over Kishacoquillas Creek	Federal	0	0	0	0
Lewistown (Boro)	Local	0	0	0	0
Preservation	Total	280	0	0	280
Mifflin	State	280	0	0	280
SR 3006 - SR 3006 over SR 8005	Federal	0	0	0	0
Lewistown (Boro)	Local	0	0	0	0
Preservation	Total	280	0	0	280



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Mifflin	State	280	0	0	280
SR 103-PA 103 over SR 8005	Federal	0	0	0	0
Lewistown (Boro)	Local	0	0	0	0
Preservation	Total	280	0	0	280
Mifflin	State	280	0	0	280
SR 103-PA 103 over Kishacoquillas Creek	Federal	0	0	0	0
Lewistown (Boro)	Local	0	0	0	0
Preservation	Total	280	0	0	280
Montour	State	60	0	20	80
SR 1003 over west branch Chillisquaque Creek	Federal	0	0	0	0
Anthony (Twp)	Local	0	0	0	0
Rehabilitation	Total	60	0	20	80
Northumberland	State	93	0	5	98
SR 1005 over Delaware Run	Federal	0	0	0	0
Delaware (Twp)	Local	0	0	0	0
Preservation	Total	93	0	5	98
Northumberland	State	93	0	5	98
SR 3010 over Schwaben Creek	Federal	0	0	0	0
Washington (Twp)	Local	0	0	0	0
Preservation	Total	93	0	5	98
Northumberland	State	175	0	175	350
SR 3019 over Tributary to Mahantango Creek	Federal	0	0	0	0
Jordan (Twp)	Local	0	0	0	0
Preservation	Total	175	0	175	350
Perry	State	228	0	140	368
US 11and15; SR 0011 over Valley Street	Federal	912	0	558	1,470
Marysville (Boro)	Local	0	0	0	0
Replacement	Total	1,140	0	698	1,838



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		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Perry	State	1,120	60	100	1,280
PA 74; SR 0074 over branch Panther Creek	Federal	0	0	0	0
Saville (Twp)	Local	0	0	0	0
Replacement	Total	1,120	60	100	1,280
Philadelphia	State	1,560	0	0	1,560
Interstate 95 over Magee Avenue	Federal	14,040	0	0	14,040
Philadelphia (City)	Local	0	0	0	0
Replacement	Total	15,600	0	0	15,600
Philadelphia	State	1,755	0	0	1,755
Interstate 95 over Unruh Avenue	Federal	15,795	0	0	15,795
Philadelphia (City)	Local	0	0	0	0
Replacement	Total	17,550	0	0	17,550
Philadelphia	State	1,365	0	0	1,365
Interstate 95 over Longshore Avenue	Federal	12,285	0	0	12,285
Philadelphia (City)	Local	0	0	0	0
Replacement	Total	13,650	0	0	13,650
Philadelphia	State	4,485	0	0	4,485
Interstate 95; ramp over New State Road/Railroad	Federal	40,365	0	0	40,365
Philadelphia (City)	Local	0	0	0	0
Replacement	Total	44,850	0	0	44,850
Philadelphia	State	5,655	0	0	5,655
Interstate 95 over ramp C	Federal	50,895	0	0	50,895
Philadelphia (City)	Local	0	0	0	0
Replacement	Total	56,550	0	0	56,550
Philadelphia	State	1,950	0	0	1,950
Interstate 95 over ramp B (Cottman Avenue)	Federal	17,550	0	0	17,550
Philadelphia (City)	Local	0	0	0	0
Replacement	Total	19,500	0	0	19,500



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		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Philadelphia	State	2,535	0	0	2,535
Interstate 95 over Bleigh Avenue and Railroad	Federal	22,815	0	0	22,815
Philadelphia (City)	Local	0	0	0	0
Replacement	Total	25,350	0	0	25,350
Pike	State	214	0	54	268
SR 0084 I-84 WB over Wallenpaupack Creek	Federal	1,932	0	0	1,932
Greene (Twp)	Local	0	0	0	0
Rehabilitation	Total	2,146	0	54	2,200
Pike	State	59	0	15	74
SR 0084 I-84 WB over township road 357	Federal	537	0	0	537
Greene (Twp)	Local	0	0	0	0
Preservation	Total	596	0	15	611
Pike	State	71	0	18	89
SR 0084 I-84 WB over SR 0507 TR 507	Federal	644	0	0	644
Greene (Twp)	Local	0	0	0	0
Preservation	Total	715	0	18	733
Pike	State	96	0	24	120
SR 0084 I-84 WB over Raymondskill Creek	Federal	858	0	0	858
Dingman (Twp)	Local	0	0	0	0
Rehabilitation	Total	954	0	24	978
Pike	State	59	0	15	74
SR 0084 I-84 WB over SR 2011	Federal	537	0	0	537
Dingman (Twp)	Local	0	0	0	0
Preservation	Total	596	0	15	611
Potter	State	180	0	9	189
SR 2002 over west branch Pine Creek	Federal	0	0	0	0
West Branch (Twp)	Local	0	0	0	0
Repair	Total	180	0	9	189



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		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Potter	State	375	0	0	375
ON TSR 530 over Bradley Run	Federal	0	0	0	0
Clara (Twp)	Local	0	0	0	0
Preservation	Total	375	0	0	375
Potter	State	363	0	0	363
SR 44-PA 44 over Clara Creek	Federal	0	0	0	0
Clara (Twp)	Local	0	0	0	0
Preservation	Total	363	0	0	363
Potter	State	275	0	0	275
SR 144-PA 144 over Pine Creek	Federal	0	0	0	0
Galeton (Boro)	Local	0	0	0	0
Preservation	Total	275	0	0	275
Potter	State	275	0	0	275
SR 4021 over Honeoye Creek	Federal	0	0	0	0
Sharon (Twp)	Local	0	0	0	0
Preservation	Total	275	0	0	275
Snyder	State	600	0	0	600
SR 522 over south branch of Middle Creek	Federal	0	0	0	0
Mcclure (Boro)	Local	0	0	0	0
Preservation	Total	600	0	0	600
Snyder	State	140	20	50	210
Meisrville Road over tributary to Susquehanna River	Federal	0	0	0	0
Chapman (Twp)	Local	0	0	0	0
Replacement	Total	140	20	50	210
Snyder	State	146	0	0	146
West Perry Twp. Road T314 over west branch Mahantango Creek	Federal	0	0	0	0
West Perry (Twp)	Local	37	0	0	37
Rehabilitation	Total	183	0	0	183



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		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Snyder	State	146	0	0	146
West Perry Township. Road T349 over west branch Mahantango Creek	Federal	0	0	0	0
West Perry (Twp)	Local	37	0	0	37
Rehabilitation	Total	183	0	0	183
Somerset	State	1,200	0	30	1,230
US 219 over Stony Creek River and CSX RR	Federal	4,800	0	120	4,920
Conemaugh (Twp)	Local	0	0	0	0
Replacement	Total	6,000	0	150	6,150
Somerset	State	600	0	0	600
US 219 northbound lane over SR 2047	Federal	2,400	0	0	2,400
Summit (Twp)	Local	0	0	0	0
Replacement	Total	3,000	0	0	3,000
Somerset	State	600	0	0	600
US 219 southbound lane over SR 2047	Federal	2,400	0	0	2,400
Summit (Twp)	Local	0	0	0	0
Replacement	Total	3,000	0	0	3,000
Somerset	State	600	0	0	600
US 219 northbound lane over Casselman River and CSX RR	Federal	2,400	0	0	2,400
Summit (Twp)	Local	0	0	0	0
Replacement	Total	3,000	0	0	3,000
Somerset	State	600	0	0	600
US 219 southbound lane over Casselman River and CSX RR	Federal	2,400	0	0	2,400
Summit (Twp)	Local	0	0	0	0
Replacement	Total	3,000	0	0	3,000
Somerset	State	600	0	0	600
US 219 northbound lane over SR 2004 and Elklick Creek	Federal	2,400	0	0	2,400
Summit (Twp)	Local	0	0	0	0
Replacement	Total	3,000	0	0	3,000



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		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Somerset	State	600	0	0	600
US 219 southbound lane over SR 2004 and Elklick Creek	Federal	2,400	0	0	2,400
Summit (Twp)	Local	0	0	0	0
Replacement	Total	3,000	0	0	3,000
Somerset	State	600	0	0	600
US 219 northbound lane over Casselman River and access road	Federal	2,400	0	0	2,400
Summit (Twp)	Local	0	0	0	0
Replacement	Total	3,000	0	0	3,000
Somerset	State	600	0	0	600
US 219 southbound lane over access road and Casselman River	Federal	2,400	0	0	2,400
Summit (Twp)	Local	0	0	0	0
Replacement	Total	3,000	0	0	3,000
Somerset	State	600	0	0	600
US 219 northbound lane over Blue Lick Creek and access road	Federal	2,400	0	0	2,400
Summit (Twp)	Local	0	0	0	0
Replacement	Total	3,000	0	0	3,000
Somerset	State	600	0	0	600
US 219 southbound lane over access road and Blue Lick Creek	Federal	2,400	0	0	2,400
Summit (Twp)	Local	0	0	0	0
Replacement	Total	3,000	0	0	3,000
Somerset	State	600	0	0	600
US 219 northbound lane over SR 2047 and CSX RR	Federal	2,400	0	0	2,400
Summit (Twp)	Local	0	0	0	0
Replacement	Total	3,000	0	0	3,000
Somerset	State	600	0	0	600
US 219 southbound lane over SR 2047 and CSX RR	Federal	2,400	0	0	2,400
Summit (Twp)	Local	0	0	0	0
Replacement	Total	3,000	0	0	3,000



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Somerset	State	400	0	0	400
PA 403 over CSX RR, Stony Creek River	Federal	1,600	0	0	1,600
Quemahoning (Twp)	Local	0	0	0	0
Replacement	Total	2,000	0	0	2,000
Somerset	State	300	0	0	300
PA 601 over Stony Creek River	Federal	1,200	0	0	1,200
Conemaugh (Twp)	Local	0	0	0	0
Replacement	Total	1,500	0	0	1,500
Somerset	State	400	0	0	400
SR 1007 over Grove Run	Federal	0	0	0	0
Stonycreek (Twp)	Local	0	0	0	0
Replacement	Total	400	0	0	400
Somerset	State	200	0	0	200
SR 1011 over Wells Creek	Federal	800	0	0	800
Somerset (Twp)	Local	0	0	0	0
Replacement	Total	1,000	0	0	1,000
Somerset	State	300	0	0	300
SR 2019 over Wills Creek	Federal	1,200	0	0	1,200
Fairhope (Twp)	Local	0	0	0	0
Replacement	Total	1,500	0	0	1,500
Somerset	State	300	0	0	300
T825 Shaw Mines Road over Casselman River	Federal	1,200	0	0	1,200
Summit (Twp)	Local	0	0	0	0
Replacement	Total	1,500	0	0	1,500
Somerset	State	300	0	0	300
SR 3011 over Casselman River	Federal	1,200	0	0	1,200
Black (Twp)	Local	0	0	0	0
Replacement	Total	1,500	0	0	1,500



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Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Susquehanna	State	1,575	0	316	1,891
SR 1033 over Dubois Creek	Federal	0	0	0	0
Hallstead (Boro)	Local	0	0	0	0
Replacement	Total	1,575	0	316	1,891
Tioga	State	60	0	10	70
SR 4008 over tributary North Fork	Federal	0	0	0	0
Brookfield (Twp)	Local	0	0	0	0
Rehabilitation	Total	60	0	10	70
Tioga	State	60	0	10	70
SR 4024 over Elkhorn Creek	Federal	0	0	0	0
Farmington (Twp)	Local	0	0	0	0
Rehabilitation	Total	60	0	10	70
Tioga	State	400	0	35	435
SR 4039 over Crooked Creek	Federal	0	0	0	0
Middlebury (Twp)	Local	0	0	0	0
Rehabilitation	Total	400	0	35	435
Union	State	93	0	5	98
TR 304 over Sweitzers Run	Federal	0	0	0	0
Limestone (Twp)	Local	0	0	0	0
Preservation	Total	93	0	5	98
Washington	State	480	36	37	553
SR 0070 over SR 1009	Federal	4,320	324	329	4,973
South Strabane (Twp)	Local	0	0	0	0
Rehabilitation	Total	4,800	360	366	5,526
Washington	State	3,760	282	287	4,329
SR 0070 over SR 0019	Federal	33,840	2,538	2,580	38,958
South Strabane (Twp)	Local	0	0	0	0
Replacement	Total	37,600	2,820	2,867	43,287



Capital Budget

Department of Transportation 2011-12 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Washington	State	3,760	282	287	4,329
SR 0070 over SR 0019	Federal	33,840	2,538	2,580	38,958
South Strabane (Twp)	Local	0	0	0	0
Replacement	Total	37,600	2,820	2,867	43,287
Washington	State	22	0	0	22
SR 0018 over Chartiers Creek	Federal	0	0	0	0
Canton (Twp)	Local	0	0	0	0
Preservation	Total	22	0	0	22
Washington	State	26	0	0	26
SR 0019 over Little Chartiers Creek	Federal	0	0	0	0
North Strabane (Twp)	Local	0	0	0	0
Preservation	Total	26	0	0	26
Washington	State	9	0	0	9
SR 0070 over SR 4051 and Allegheny Valley R/R	Federal	0	0	0	0
Canton (Twp)	Local	0	0	0	0
Preservation	Total	9	0	0	9
Washington	State	26	0	0	26
SR 0070 over SR 4051 and Allegheny Valley R/R	Federal	0	0	0	0
Canton (Twp)	Local	0	0	0	0
Preservation	Total	26	0	0	26
Washington	State	17	0	0	17
SR 0070 over SR 8016	Federal	0	0	0	0
South Strabane (Twp)	Local	0	0	0	0
Preservation	Total	17	0	0	17
Washington	State	17	0	0	17
SR 0079 over SR 2020 and Ten Mile Creek	Federal	0	0	0	0
Amwell (Twp)	Local	0	0	0	0
Preservation	Total	17	0	0	17



Capital Budget

Department of Transportation 2011-12 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Washington	State	9	0	0	9
SR 0079 over SR 2020 and Ten Mile Creek	Federal	0	0	0	0
Amwell (Twp)	Local	0	0	0	0
Preservation	Total	9	0	0	9
Washington	State	13	0	0	13
SR 0079 over Chartiers Creek	Federal	0	0	0	0
North Strabane (Twp)	Local	0	0	0	0
Preservation	Total	13	0	0	13
Washington	State	17	0	0	17
SR 1037 over Chartiers Creek	Federal	0	0	0	0
Canonsburg (Boro)	Local	0	0	0	0
Preservation	Total	17	0	0	17
Washington	State	9	0	0	9
SR 0079 over Chartiers Creek	Federal	0	0	0	0
North Strabane (Twp)	Local	0	0	0	0
Preservation	Total	9	0	0	9
Washington	State	26	0	0	26
SR 0136 over SR 0070	Federal	0	0	0	0
South Strabane (Twp)	Local	0	0	0	0
Preservation	Total	26	0	0	26
Washington	State	9	0	0	9
SR 0079 over SR 1009, Pitt and Ohio R/R	Federal	0	0	0	0
North Strabane (Twp)	Local	0	0	0	0
Preservation	Total	9	0	0	9
Washington	State	9	0	0	9
I-79 northbound over SR 1010, bike trail	Federal	0	0	0	0
Cecil (Twp)	Local	0	0	0	0
Preservation	Total	9	0	0	9



Capital Budget

Department of Transportation 2011-12 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Washington	State	9	0	0	9
I-79 southbound over SR 1010, bike trail	Federal	0	0	0	0
Cecil (Twp)	Local	0	0	0	0
Preservation	Total	9	0	0	9
Washington	State	9	0	0	9
SR 0079 inbound over SR 0019	Federal	0	0	0	0
Amwell (Twp)	Local	0	0	0	0
Preservation	Total	9	0	0	9
Washington	State	9	0	0	9
SR 0079 outbound over SR 0019	Federal	0	0	0	0
Amwell (Twp)	Local	0	0	0	0
Preservation	Total	9	0	0	9
Washington	State	26	0	0	26
SR0079 over SR 1041	Federal	0	0	0	0
South Strabane (Twp)	Local	0	0	0	0
Preservation	Total	26	0	0	26
Washington	State	9	0	0	9
SR 0079 over SR 1041	Federal	0	0	0	0
South Strabane (Twp)	Local	0	0	0	0
Preservation	Total	9	0	0	9
Washington	State	9	0	0	9
SR 0079 over SR 1009, Pitt and Ohio R/R	Federal	0	0	0	0
North Strabane (Twp)	Local	0	0	0	0
Preservation	Total	9	0	0	9
Washington	State	17	0	0	17
SR 1002 over Little Chartiers Creek	Federal	0	0	0	0
North Strabane (Twp)	Local	0	0	0	0
Preservation	Total	17	0	0	17



Capital Budget

Department of Transportation 2011-12 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Washington	State	13	0	0	13
SR 0079 over SR 0019	Federal	0	0	0	0
Amwell (Twp)	Local	0	0	0	0
Preservation	Total	13	0	0	13
Washington	State	17	0	0	17
SR 0079 over SR 0019	Federal	0	0	0	0
Amwell (Twp)	Local	0	0	0	0
Preservation	Total	17	0	0	17
Washington	State	500	0	0	500
SR 1039 over SR 0079	Federal	0	0	0	0
North Strabane (Twp)	Local	0	0	0	0
Preservation	Total	500	0	0	500
Washington	State	1,152	0	0	1,152
SR 2034 over branch of Pike Run	Federal	0	0	0	0
West Pike Run (Twp)	Local	0	0	0	0
Replacement	Total	1,152	0	0	1,152
Washington	State	1,152	0	0	1,152
SR 2053 over branch of Daniels Run	Federal	0	0	0	0
West Bethlehem (Twp)	Local	0	0	0	0
Replacement	Total	1,152	0	0	1,152
Washington	State	1,248	0	0	1,248
SR 2053 over branch of Daniels Run	Federal	0	0	0	0
North Bethlehem (Twp)	Local	0	0	0	0
Replacement	Total	1,248	0	0	1,248
Washington	State	1,248	0	0	1,248
SR 4027 over North Fork Cross Creek	Federal	0	0	0	0
Cross Creek (Twp)	Local	0	0	0	0
Replacement	Total	1,248	0	0	1,248



Capital Budget

Department of Transportation 2011-12 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Washington	State	124	0	0	124
SR 2079 over SR 0040	Federal	0	0	0	0
California (Boro)	Local	0	0	0	0
Preservation	Total	124	0	0	124
Washington	State	500	75	100	675
SR 4029 over branch North Fork Cross Creek	Federal	0	0	0	0
Cross Creek (Twp)	Local	0	0	0	0
Replacement	Total	500	75	100	675
Wayne	State	131	0	33	164
SR 0084 I-84 WB over SR 0196 TR 196	Federal	1,180	0	0	1,180
Sterling (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,311	0	33	1,344
Wayne	State	131	0	33	164
SR 0084 I-84 eastbound over SR 0191 TR 191	Federal	1,180	0	0	1,180
Sterling (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,311	0	33	1,344
Wayne	State	131	0	33	164
SR 0084 I-84 WB over SR 0191 TR 191	Federal	1,180	0	0	1,180
Sterling (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,311	0	33	1,344
Wayne	State	143	0	36	179
SR 0084 I-84 eastbound over Butternut Creek	Federal	1,288	0	0	1,288
Sterling (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,431	0	36	1,467
Wayne	State	143	0	36	179
SR 0084 I-84 westbound over Butternut Creek	Federal	1,288	0	0	1,288
Sterling (Twp)	Local	0	0	0	0
Rehabilitation	Total	1,431	0	36	1,467



Capital Budget

Department of Transportation 2011-12 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Westmoreland	State	1,914	0	0	1,914
SR 0051 over SR 0070	Federal	0	0	0	0
Rostraver (Twp)	Local	0	0	0	0
Preservation	Total	1,914	0	0	1,914
Westmoreland	State	594	0	0	594
Township road 318 over SR 0070	Federal	0	0	0	0
South Huntingdon (Twp)	Local	0	0	0	0
Preservation	Total	594	0	0	594
Westmoreland	State	792	0	0	792
SR 3011 over Wheeling and Lake Erie R/R	Federal	0	0	0	0
Rostraver (Twp)	Local	0	0	0	0
Preservation	Total	792	0	0	792
Westmoreland	State	0	0	80	80
SR 0056 over Kiski, NS R/R , SR 2054	Federal	550	0	0	550
East Vandergrift (Boro)	Local	0	0	0	0
Preservation	Total	550	0	80	630
Westmoreland	State	0	0	100	100
SR 0156 over Kiskiminetas River	Federal	2,588	0	0	2,588
Avonmore (Boro)	Local	0	0	0	0
Preservation	Total	2,588	0	100	2,688
Westmoreland	State	1,020	100	200	1,320
SR 0981 over Unity Run	Federal	0	0	0	0
Latrobe (Boro)	Local	0	0	0	0
Replacement	Total	1,020	100	200	1,320
Westmoreland	State	745	75	400	1,220
SR 2012 over Brinker Run	Federal	0	0	0	0
Mount Pleasant (Twp)	Local	0	0	0	0
Replacement	Total	745	75	400	1,220



Capital Budget

Department of Transportation 2011-12 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Westmoreland	State	488	36	158	682
SR 2021 over Sewickley Creek	Federal	1,952	144	632	2,728
Mount Pleasant (Twp)	Local	0	0	0	0
Replacement	Total	2,440	180	790	3,410
Westmoreland	State	83	0	0	83
SR 0030 over Loyalhanna Creek and private road	Federal	0	0	0	0
Ligonier (Twp)	Local	0	0	0	0
Preservation	Total	83	0	0	83
Westmoreland	State	145	0	0	145
SR 0711 over Mill Creek	Federal	0	0	0	0
Ligonier (Twp)	Local	0	0	0	0
Preservation	Total	145	0	0	145
Westmoreland	State	62	0	0	62
SR 3012 over Sewickley Creek	Federal	0	0	0	0
South Huntingdon (Twp)	Local	0	0	0	0
Preservation	Total	62	0	0	62
Westmoreland	State	48	0	0	48
SR 3013 over SR 3009	Federal	0	0	0	0
Rostraver (Twp)	Local	0	0	0	0
Preservation	Total	48	0	0	48
Westmoreland	State	179	0	0	179
SR 3095 over SR 0119	Federal	0	0	0	0
Hempfield (Twp)	Local	0	0	0	0
Preservation	Total	179	0	0	179
Westmoreland	State	41	0	0	41
SR 3103 over Southwest PA RR	Federal	0	0	0	0
Hempfield (Twp)	Local	0	0	0	0
Preservation	Total	41	0	0	41



Capital Budget

Department of Transportation 2011-12 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Westmoreland	State	0	0	140	140
SR 4093 over Kiskimnetas and Norfolk Southern RR	Federal	2,300	0	0	2,300
West Leechburg (Boro)	Local	0	0	0	0
Preservation	Total	2,300	0	140	2,440
Westmoreland	State	4,600	0	0	4,600
Baldrige Bridge over Loyalhanna Creek	Federal	0	0	453	453
Latrobe (Boro)	Local	0	0	113	113
Replacement	Total	4,600	0	566	5,166
York	State	936	0	80	1,016
PA 74; SR 0074 over Little Conewago Creek	Federal	3,745	0	320	4,065
Dover (Twp)	Local	0	0	0	0
Replacement	Total	4,681	0	400	5,081
York	State	1,200	0	60	1,260
PA 114; SR 0114 over tributary of Yellow Breeches	Federal	0	0	240	240
Fairview (Twp)	Local	0	0	0	0
Replacement	Total	1,200	0	300	1,500
York	State	828	0	84	912
PA 194; SR 0194 over Mud Run	Federal	3,313	0	336	3,649
Washington (Twp)	Local	0	0	0	0
Replacement	Total	4,141	0	420	4,561
York	State	567	0	80	647
PA 216; SR 0216 over Codorus Creek	Federal	2,268	0	320	2,588
Codorus (Twp)	Local	0	0	0	0
Replacement	Total	2,835	0	400	3,235
York	State	240	0	75	315
SR 2012 over tributary of Beaver Creek	Federal	960	0	300	1,260
Lower Windsor (Twp)	Local	0	0	0	0
Replacement	Total	1,200	0	375	1,575



Capital Budget

Department of Transportation 2011-12 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
York	State	900	0	100	1,000
SR 2021 over Kreutz Creek	Federal	3,600	0	400	4,000
Hellam (Twp)	Local	0	0	0	0
Replacement	Total	4,500	0	500	5,000
York	State	583	0	93	676
SR 2046 over Muddy Creek	Federal	2,332	0	371	2,703
Lower Chanceford (Twp)	Local	0	0	0	0
Replacement	Total	2,915	0	463	3,378
York	State	418	0	75	493
SR 4016 over Bennett Run	Federal	1,670	0	300	1,970
Newberry (Twp)	Local	0	0	0	0
Replacement	Total	2,088	0	375	2,463
York	State	228	100	73	401
Mill Creek Road over Little Conewago Creek	Federal	1,214	0	387	1,601
Conewago (Twp)	Local	76	0	24	100
Replacement	Total	1,518	100	484	2,102
York	State	225	0	78	303
Hull Drive over Bermudian Creek	Federal	1,200	0	417	1,617
Washington (Twp)	Local	75	0	26	101
Replacement	Total	1,500	0	521	2,021
York	State	308	0	60	368
Lake Road over Big Conewago Creek	Federal	1,640	0	320	1,960
Washington (Twp)	Local	103	0	20	123
Replacement	Total	2,051	0	400	2,451



Capital Budget

Department of Transportation 2011-12 Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

BRIDGE PROJECTS

Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost	
York	State	300	0	60	360	
Milford Green Road over north branch Bermudian Creek	Federal	1,600	0	320	1,920	
Washington (Twp)	Local	100	0	20	120	
Replacement	Total	2,000	0	400	2,400	
TOTAL STATE FUNDS.....		State	421,370	10,571	61,688	493,630
TOTAL FEDERAL FUNDS.....		Federal	680,524	7,842	29,367	717,733
TOTAL LOCAL FUNDS.....		Local	3,163	59	967	4,188
PROGRAM TOTAL.....		Total	1,105,057	18,472	92,021	1,215,551



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)

	2012-13	2013-14	2014-15	2015-16
Agriculture.....	\$ 90,825	\$ 0	\$ 0	\$ 0
Conservation and Natural Resources.....	92,300	116,000	114,000	100,800
Corrections.....	0	0	0	0
Education.....	133,950	135,000	136,200	139,000
Emergency Management Agency.....	0	0	0	0
Environmental Protection.....	26,542	100,714	45,686	19,320
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.....	31,500	47,820	42,000	0
Military and Veterans Affairs.....	0	0	0	0
Public Welfare.....	29,090	26,820	21,880	24,270
State Police.....	0	0	0	0
Transportation.....	475,000	475,000	475,000	475,000
TOTAL.....	\$ 883,207	\$ 903,854	\$ 836,766	\$ 760,390



Forecast of Future Projects

This section contains estimated authorizations (State funds only) for future Capital Budgets from 2012-13 through 2015-16. 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)

	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
FROM CAPITAL FACILITIES BOND FUNDS				
Agriculture				
PUBLIC IMPROVEMENT PROJECTS: Provides for improvements at the Farm Show Complex and the laboratory.	\$ 90,825	\$ 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.	52,300	75,000	72,000	57,800
Corrections				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of administrative, industrial, educational and housing facilities and utilities at the state-owned correctional institutions. Also may include original furniture and equipment authorizations.	0	0	0	0
Education				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction, expansion, renovation and conversion of classroom and auxiliary buildings, utilities and recreational facilities for the State System of Higher Education, State-Owned Schools and for the State-Related Universities. Also may include original furniture and equipment authorizations.	133,950	135,000	136,200	139,000
Emergency Management Agency				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovations at the State Fire Academy, Emergency Operations Centers 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.	26,542	100,714	45,686	19,320
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, lakes, reservoirs and other works deemed necessary to control floods. Also, will control, preserve and regulate the flow of rivers and streams.	0	0	0	0
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)

FROM CAPITAL FACILITIES BOND FUNDS (continued)	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Historical and Museum Commission	\$ 31,500	\$ 47,820	\$ 42,000	\$ 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 original furniture and equipment authorizations.				
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	29,090	26,820	21,880	24,270
PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of patient buildings, support facilities and utilities at the state institutions for the mentally ill and intellectually disabled, 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 buildings, driver examination facilities, welcome centers and state-owned airport facilities. Also may include original furniture and equipment authorizations.				
Transportation	175,000	175,000	175,000	175,000
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.....	\$ 364,207	\$ 385,354	\$ 317,766	\$ 240,390
Total — Flood Control Program.....	0	0	0	0
Total — Transportation Assistance Program.....	175,000	175,000	175,000	175,000
SUBTOTAL— CAPITAL FACILITIES BOND FUNDS.....	\$ 539,207	\$ 560,354	\$ 492,766	\$ 415,390



Capital Budget

Forecast of Future Projects

(Dollar Amounts in Thousands)

	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 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 are critical for visitor safety and environmental protection or essential 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 environments.				
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 assets and renovation of existing facilities for the development of fisheries and 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 lands.				
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 of highways and bridges on the commonwealth road system and major 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.....	\$ 883,207	\$ 903,854	\$ 836,766	\$ 760,390



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	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Executive Offices.....	\$ 5,520	\$ 11,631	\$ 4,797	\$ 0	\$ 0
Agriculture.....	15,277	10,210	9,785	13,887	22,706
Conservation and Natural Resources.....	73,358	88,768	72,672	59,833	73,045
Community and Economic Development.....	287,750	422,542	466,017	357,242	159,386
Corrections.....	432,574	568,483	141,448	48,864	6,371
Education.....	147,113	142,270	74,103	57,047	83,511
Emergency Management Agency.....	222	0	0	0	0
Environmental Protection.....	49,495	23,813	6,451	14,779	27,211
Fish and Boat Commission.....	750	750	750	750	750
General Services.....	162,831	95,892	25,014	125,033	1,664
Historical and Museum Commission.....	20,217	17,230	10,338	14,203	23,148
Military and Veterans Affairs.....	26,797	12,385	10,144	9,853	9,804
Public Welfare.....	10,504	9,084	8,630	11,799	18,128
State Police.....	4,155	2,685	589	96	0
Transportation.....	617,719	572,281	563,995	563,733	556,183
TOTAL - ALL STATE FUNDS.....	\$ 1,854,282	\$ 1,978,023	\$ 1,394,732	\$ 1,277,118	\$ 981,906

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)

	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
CAPITAL FACILITIES BOND FUNDS					
Executive Offices					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Furniture and Equipment.....	5,520	11,631	4,797	0	0
Projects in 2011-12 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2012-16)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - EXECUTIVE OFFICES.....	<u>\$ 5,520</u>	<u>\$ 11,631</u>	<u>\$ 4,797</u>	<u>\$ 0</u>	<u>\$ 0</u>
Agriculture					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 15,277	\$ 9,302	\$ 1,611	\$ 263	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Projects in 2011-12 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2012-16)					
Buildings and Structures.....	0	908	8,174	13,624	22,706
Furniture and Equipment.....	0	0	0	0	0
TOTAL - AGRICULTURE.....	<u>\$ 15,277</u>	<u>\$ 10,210</u>	<u>\$ 9,785</u>	<u>\$ 13,887</u>	<u>\$ 22,706</u>
Conservation and Natural Resources					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 46,301	\$ 53,296	\$ 30,792	\$ 9,618	\$ 0
Furniture and Equipment.....	747	1,942	156	0	0
Projects in 2011-12 Budget					
Buildings and Structures.....	365	3,285	5,475	5,475	5,475
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2012-16)					
Buildings and Structures.....	0	523	5,457	15,315	31,383
Furniture and Equipment.....	0	0	0	0	0
TOTAL - CONSERVATION AND NATURAL RESOURCES.....	<u>\$ 47,413</u>	<u>\$ 59,046</u>	<u>\$ 41,880</u>	<u>\$ 30,408</u>	<u>\$ 36,858</u>
Community and Economic Development					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 18,000	\$ 4,400	\$ 3,300	\$ 1,100	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Projects in 2011-12 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2012-16)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Subtotal.....	<u>\$ 18,000</u>	<u>\$ 4,400</u>	<u>\$ 3,300</u>	<u>\$ 1,100</u>	<u>\$ 0</u>



Capital Budget

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	<u>2011-12</u> Estimated	<u>2012-13</u> Estimated	<u>2013-14</u> Estimated	<u>2014-15</u> Estimated	<u>2015-16</u> Estimated
Redevelopment Assistance Projects					
Projects Currently Authorized					
Acquisition and Construction.....	\$ 269,750	\$ 418,142	\$ 462,717	\$ 356,142	\$ 159,386
TOTAL - COMMUNITY AND ECONOMIC DEVELOPMENT.....	\$ 287,750	\$ 422,542	\$ 466,017	\$ 357,242	\$ 159,386
Corrections					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 432,149	\$ 564,632	\$ 135,067	\$ 42,493	\$ 0
Furniture and Equipment.....	0	29	10	0	0
Projects in 2011-12 Budget					
Buildings and Structures.....	425	3,822	6,371	6,371	6,371
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2012-16)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - CORRECTIONS.....	\$ 432,574	\$ 568,483	\$ 141,448	\$ 48,864	\$ 6,371
Education					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 144,372	\$ 84,850	\$ 29,216	\$ 7,317	\$ 0
Furniture and Equipment.....	1,553	46,067	15,356	0	0
Projects in 2011-12 Budget					
Buildings and Structures.....	1,075	9,675	16,125	16,125	16,125
Furniture and Equipment.....	113	338	0	0	0
Future Projects (2012-16)					
Buildings and Structures.....	0	1,340	13,406	33,605	67,386
Furniture and Equipment.....	0	0	0	0	0
TOTAL - EDUCATION.....	\$ 147,113	\$ 142,270	\$ 74,103	\$ 57,047	\$ 83,511
Emergency Management Agency					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 222	\$ 0	\$ 0	\$ 0	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Projects in 2011-12 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2012-16)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - EMERGENCY MANAGEMENT AND HOMELAND SECURITY.....	\$ 222	\$ 0	\$ 0	\$ 0	\$ 0
Environmental Protection					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 6,157	\$ 2,216	\$ 0	\$ 0	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Projects in 2011-12 Budget					
Buildings and Structures.....	78	698	1,163	1,163	1,163
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2012-16)					
Buildings and Structures.....	0	265	3,396	13,502	26,048
Furniture and Equipment.....	0	0	0	0	0
Subtotal	\$ 6,235	\$ 3,179	\$ 4,559	\$ 14,665	\$ 27,211



Capital Budget

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	<u>2011-12 Estimated</u>	<u>2012-13 Estimated</u>	<u>2013-14 Estimated</u>	<u>2014-15 Estimated</u>	<u>2015-16 Estimated</u>
Flood Control Projects					
Projects Currently Authorized					
Structures and Improvements.....	\$ 41,660	\$ 14,034	\$ 292	\$ 114	\$ 0
Projects in 2011-12 Budget					
Structures and Improvements.....	1,600	6,600	1,600	0	0
Future Projects (2012-16)					
Structures and Improvements.....	0	0	0	0	0
Subtotal	<u>\$ 43,260</u>	<u>\$ 20,634</u>	<u>\$ 1,892</u>	<u>\$ 114</u>	<u>\$ 0</u>
TOTAL - ENVIRONMENTAL PROTECTION.....	<u>\$ 49,495</u>	<u>\$ 23,813</u>	<u>\$ 6,451</u>	<u>\$ 14,779</u>	<u>\$ 27,211</u>
General Services					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 162,513	\$ 89,918	\$ 21,691	\$ 123,369	\$ 0
Furniture and Equipment.....	207	4,976	1,659	0	0
Projects in 2011-12 Budget					
Buildings and Structures.....	111	998	1,664	1,664	1,664
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2012-16)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - GENERAL SERVICES.....	<u>\$ 162,831</u>	<u>\$ 95,892</u>	<u>\$ 25,014</u>	<u>\$ 125,033</u>	<u>\$ 1,664</u>
Historical and Museum Commission					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 19,235	\$ 12,143	\$ 2,662	\$ 434	\$ 0
Furniture and Equipment.....	46	129	43	0	0
Projects in 2011-12 Budget					
Buildings and Structures.....	288	2,592	4,320	4,320	4,320
Furniture and Equipment.....	648	2,051	0	0	0
Future Projects (2012-16)					
Buildings and Structures.....	0	315	3,313	9,449	18,828
Furniture and Equipment.....	0	0	0	0	0
TOTAL - HISTORICAL AND MUSEUM	<u>\$ 20,217</u>	<u>\$ 17,230</u>	<u>\$ 10,338</u>	<u>\$ 14,203</u>	<u>\$ 23,148</u>
Military and Veterans Affairs					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 25,393	\$ 4,134	\$ 300	\$ 49	\$ 0
Furniture and Equipment.....	0	119	40	0	0
Projects in 2011-12 Budget					
Buildings and Structures.....	654	5,882	9,804	9,804	9,804
Furniture and Equipment.....	750	2,250	0	0	0
Future Projects (2012-16)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - MILITARY AND VETERANS AFFAIRS.....	<u>\$ 26,797</u>	<u>\$ 12,385</u>	<u>\$ 10,144</u>	<u>\$ 9,853</u>	<u>\$ 9,804</u>



Capital Budget

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Public Welfare					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 10,196	\$ 6,004	\$ 1,118	\$ 182	\$ 0
Furniture and Equipment.....	0	17	6	0	0
Projects in 2011-12 Budget					
Buildings and Structures.....	308	2,772	4,620	4,620	4,620
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2012-16)					
Buildings and Structures.....	0	291	2,886	6,997	13,508
Furniture and Equipment.....	0	0	0	0	0
TOTAL - PUBLIC WELFARE.....	\$ 10,504	\$ 9,084	\$ 8,630	\$ 11,799	\$ 18,128
State Police					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 4,155	\$ 2,685	\$ 589	\$ 96	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Projects in 2011-12 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2012-16)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - STATE POLICE	\$ 4,155	\$ 2,685	\$ 589	\$ 96	\$ 0
Transportation					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 8,837	\$ 5,032	\$ 1,103	\$ 180	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Projects in 2011-12 Budget					
Buildings and Structures.....	497	4,469	7,448	7,448	7,448
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2012-16)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Subtotal.....	\$ 9,334	\$ 9,501	\$ 8,551	\$ 7,628	\$ 7,448
Transportation Assistance Projects					
Projects Currently Authorized					
Mass Transit, Rail and Air.....	\$ 212,000	\$ 128,500	\$ 105,750	\$ 64,500	\$ 84,750
Projects in 2011-12 Budget					
Mass Transit, Rail and Air.....	0	29,000	43,000	58,000	29,000
Future Projects (2012-16)					
Mass Transit, Rail and Air.....	0	17,500	26,250	52,500	61,250
Subtotal.....	\$ 212,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000
TOTAL - TRANSPORTATION.....	\$ 221,334	\$ 184,501	\$ 183,551	\$ 182,628	\$ 182,448



Capital Budget

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	2011-12 Estimated	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
TOTAL - CAPITAL FACILITIES BOND FUNDS					
Public Improvement Projects					
Buildings and Structures.....	\$ 896,608	\$ 876,447	\$ 321,071	\$ 334,583	\$ 236,849
Furniture and Equipment.....	9,584	69,549	22,067	0	0
Redevelopment Assistance Projects					
Acquisition and Construction.....	269,750	418,142	462,717	356,142	159,386
Flood Control Projects					
Structures and Improvements.....	43,260	20,634	1,892	114	0
Transportation Assistance Projects.....					
Mass Transit, Rail and Air.....	212,000	175,000	175,000	175,000	175,000
TOTAL.....	\$ 1,431,202	\$ 1,559,772	\$ 982,747	\$ 865,839	\$ 571,235
CURRENT REVENUES					
FISH AND BOAT FUND					
Fish and Boat Commission					
Public Improvement Projects					
Projects Currently Authorized.....	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Projects in 2011-12 Budget.....	0	0	0	0	0
Future Projects (2012-16).....	0	0	0	0	0
TOTAL - FISH AND BOAT COMMISSION.....	\$ 750	$ 750	$ 750	$ 750	$ 750
KEYSTONE RECREATION, PARK AND CONSERVATION FUND					
Conservation and Natural Resources					
Keystone Recreation, Park and Conservation Projects - Acquisition, Improvements and Restoration.....					
Projects Currently Authorized.....	\$ 18,040	\$ 12,673	\$ 8,187	\$ 0	\$ 0
Projects in 2011-12 Budget.....	0	2,788	4,182	5,576	6,273
Future Projects (2012-16).....	0	2,500	6,250	11,250	16,875
Subtotal.....	\$ 18,040	\$ 17,961	\$ 18,619	\$ 16,826	\$ 23,148
ENVIRONMENTAL STEWARDSHIP FUND					
Conservation and Natural Resources					
Environmental Stewardship Projects - Acquisition, Rehabilitation and Development					
Projects Currently Authorized.....	\$ 7,905	\$ 9,261	\$ 4,673	\$ 1,349	\$ 1,790
Projects in 2011-12 Budget.....	0	0	0	0	0
Future Projects (2012-16).....	0	2,500	7,500	11,250	11,250
Subtotal.....	\$ 7,905	\$ 11,761	\$ 12,173	\$ 12,599	\$ 13,040
TOTAL - CONSERVATION AND NATURAL RESOURCES.....	\$ 25,945	\$ 29,722	\$ 30,792	\$ 29,425	\$ 36,187
MOTOR LICENSE FUND					
Transportation					
Highway and Bridge Projects					
Projects Currently Authorized.....	\$ 396,385	\$ 379,785	\$ 372,435	\$ 361,047	\$ 341,586
Projects in 2011-12 Budget.....	0	0	0	0	0
Future Projects (2012-16).....	0	7,995	8,009	20,058	32,149
TOTAL - TRANSPORTATION.....	\$ 396,385	\$ 387,780	\$ 380,444	\$ 381,105	\$ 373,735



Capital Budget

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	<u>2011-12</u> <u>Estimated</u>	<u>2012-13</u> <u>Estimated</u>	<u>2013-14</u> <u>Estimated</u>	<u>2014-15</u> <u>Estimated</u>	<u>2015-16</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.....	18,040	17,961	18,619	16,826	23,148
Acquisition, Rehabilitation and Development Projects					
Environmental Stewardship Fund.....	7,905	11,761	12,173	12,599	13,040
Highway and Bridge Projects					
Motor License Fund	396,385	387,780	380,444	381,105	373,735
TOTAL - CURRENT REVENUES.....	<u>\$ 423,080</u>	<u>\$ 418,252</u>	<u>\$ 411,986</u>	<u>\$ 411,280</u>	<u>\$ 410,672</u>
TOTAL - ALL STATE FUNDS.....	<u><u>\$ 1,854,282</u></u>	<u><u>\$ 1,978,023</u></u>	<u><u>\$ 1,394,732</u></u>	<u><u>\$ 1,277,118</u></u>	<u><u>\$ 981,906</u></u>

Totals may not add due to rounding.





Commonwealth of Pennsylvania

Governor's Executive Budget

PUBLIC DEBT

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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.

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DEBT AUTHORIZED, ISSUED AND OUTSTANDING

The following statement reflects the debt of the commonwealth as of December 31, 2010. 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	Original Debt Issued	Debt Outstanding*
Debt Subject to Constitutional Limit			
Capital Budget.....	\$ 106,213,515	\$ 19,771,955	\$ 6,498,783
Capital Budget Refunding Bonds Outstanding.....	.....	.....	2,799,282
Less: Capital Debt Fund Balance.....	.....	.....	-5,261
Subtotal.....	<u>\$ 106,213,515</u>	<u>\$ 19,771,955</u>	<u>\$ 9,292,804</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	155
Economic Revitalization.....	190,000	176,000	950
Land and Water Development.....	500,000	499,700	475
Vietnam Veterans' Compensation.....	65,000	62,000	0
Volunteer Companies Loan.....	100,000	50,000	11,655
Water Facilities - 1981 Referendum.....	300,000	288,500	3,475
PENNVEST- 1988 & 1992 Referenda.....	650,000	498,000	90,175
PENNVEST- 2008 Referendum.....	400,000	194,400	194,400
Agricultural Conservation Easement.....	100,000	100,000	1,260
Local Criminal Justice.....	200,000	197,000	3,905
Nursing Home Loans.....	100,000	69,000	0
Keystone Recreation, Park and Conservation.....	50,000	50,000	0
Water Supply and Wastewater Infrastructure.....	250,000	211,275	162,325
Growing Greener.....	625,000	504,000	422,620
Persian Gulf Conflict Veterans' Compensation.....	20,000	7,000	5,810
Refunding Bonds Outstanding.....	.....	.....	298,948
Less: Non-capital Sinking Fund Balances.....	.....	.....	-1,798
Subtotal.....	<u>\$ 3,852,708</u>	<u>\$ 3,103,675</u>	<u>\$ 1,194,355</u>
TOTAL.....	<u>\$ 110,066,223</u>	<u>\$ 22,875,630</u>	<u>\$ 10,487,159</u>

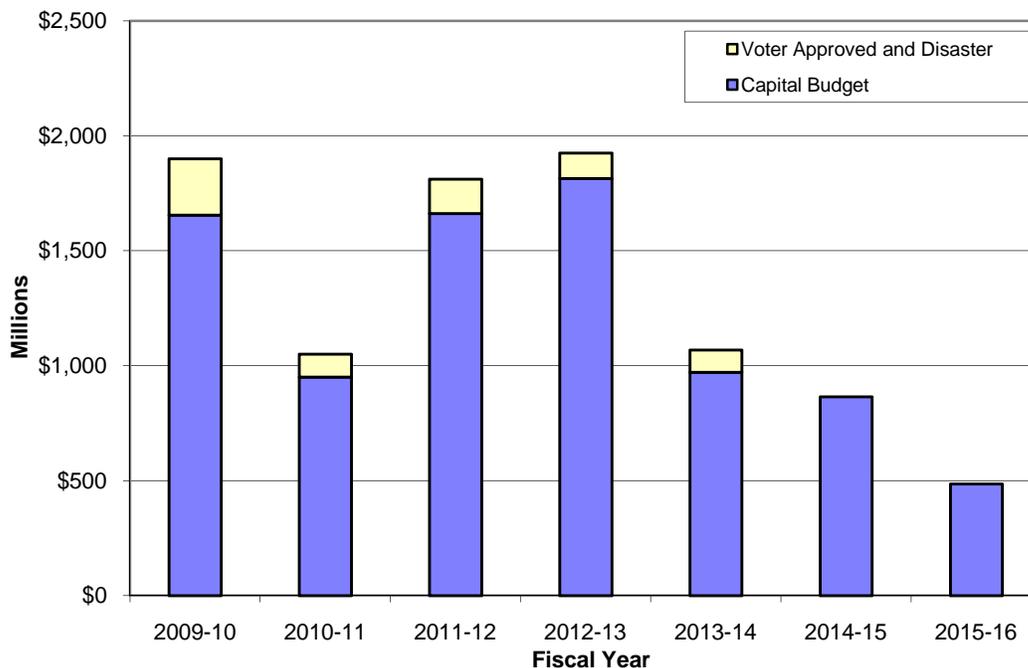
* Total of debt issued plus accreted interest on capital appreciation bonds less debt redeemed or refunded.



GENERAL OBLIGATION BOND ISSUES 2009-10 Through 2015-16

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



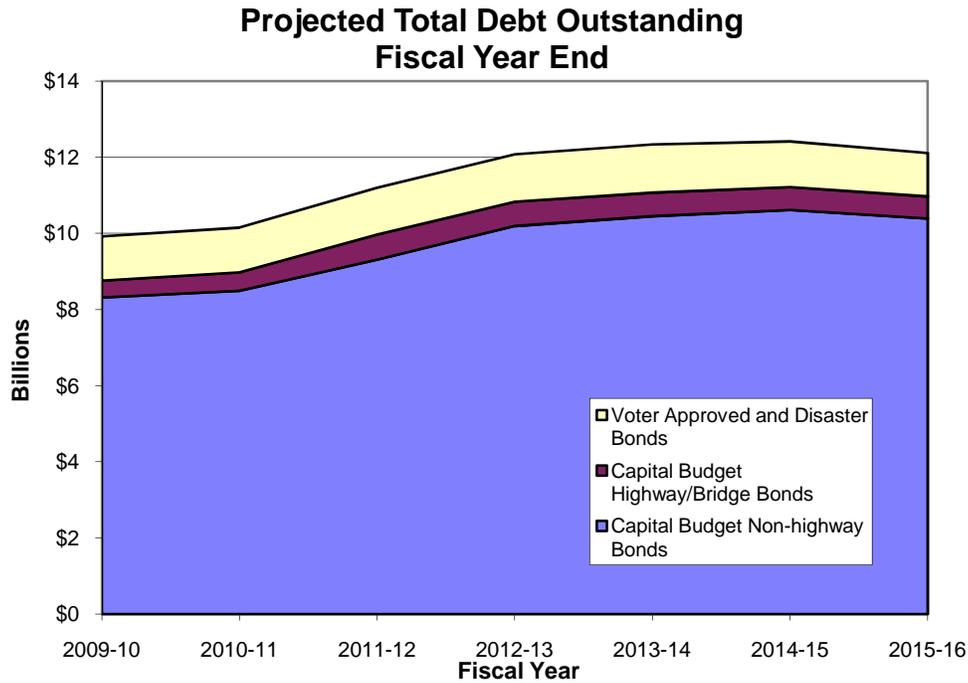
(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimated	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
General Obligation Bond Issues							
Capital Budget							
Buildings and Structures.....	\$ 920,000	\$ 440,975	\$ 935,000	\$ 1,150,000	\$ 325,000	\$ 330,000	\$ 235,000
Flood Control.....	5,000	0	35,000	20,000	0	0	0
Furnishings and Equipment.....	15,000	15,000	10,000	50,000	7,000	0	0
Redevelopment Assistance.....	325,000	210,750	270,000	420,000	465,000	360,000	76,000
Transportation Assistance.....	190,000	84,100	212,000	175,000	175,000	175,000	175,000
Bridge Projects.....	200,000	200,000	200,000	0	0	0	0
Subtotal.....	<u>\$ 1,655,000</u>	<u>\$ 950,825</u>	<u>\$ 1,662,000</u>	<u>\$ 1,815,000</u>	<u>\$ 972,000</u>	<u>\$ 865,000</u>	<u>\$ 486,000</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 & 2008 Ref.....	145,000	49,400	70,000	70,000	65,600	0	0
Water and Wastewater Referendum.....	0	20,275	38,725	0	0	0	0
Growing Greener Referendum.....	100,000	29,500	40,300	40,300	30,400	0	0
Persian Gulf Conflict Veterans' Comp.....	0	0	0	0	0	0	0
Subtotal.....	<u>\$ 245,000</u>	<u>\$ 99,175</u>	<u>\$ 149,025</u>	<u>\$ 110,300</u>	<u>\$ 96,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL.....	<u><u>\$ 1,900,000</u></u>	<u><u>\$ 1,050,000</u></u>	<u><u>\$ 1,811,025</u></u>	<u><u>\$ 1,925,300</u></u>	<u><u>\$ 1,068,000</u></u>	<u><u>\$ 865,000</u></u>	<u><u>\$ 486,000</u></u>



GENERAL OBLIGATION DEBT OUTSTANDING 2009-10 Through 2015-16

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)].

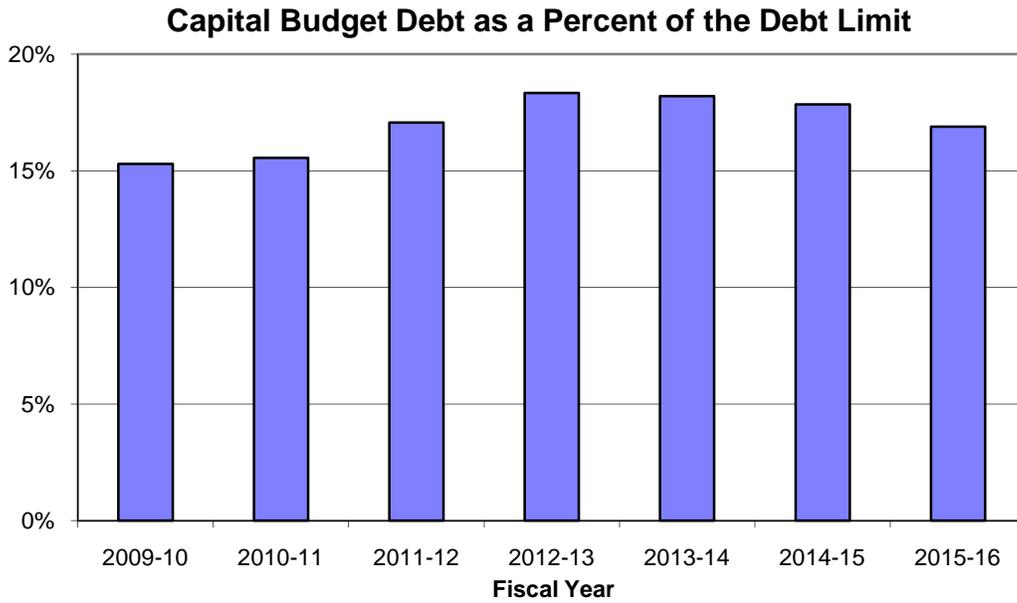


(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Estimated	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
Fiscal Year End Debt Outstanding							
Capital Budget Non-highway Bonds.....	\$ 8,319,306	\$ 8,490,792	\$ 9,309,952	\$ 10,194,870	\$ 10,453,626	\$ 10,617,253	\$ 10,391,590
Capital Budget Highway/Bridge Bonds	441,405	487,348	662,502	637,809	617,153	599,115	581,052
Voter Approved and Disaster Bonds....	1,163,863	1,174,954	1,231,995	1,247,815	1,266,945	1,200,428	1,139,731
TOTAL.....	\$ 9,924,575	\$ 10,153,094	\$ 11,204,449	\$ 12,080,494	\$ 12,337,724	\$ 12,416,796	\$ 12,112,373

CONSTITUTIONAL DEBT LIMIT 2009-10 Through 2015-16

The state 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)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	Actual	Estimated	Budget	Estimated	Estimated	Estimated	Estimated

Debt Limit Projection

Capital Budget Debt Subject to Constitutional Debt Limit:

Outstanding Debt							
Beginning of Fiscal Year.....	\$ 7,650,495	\$ 8,729,581	\$ 8,978,140	\$ 9,972,454	\$ 10,832,679	\$ 11,070,779	\$ 11,216,368
Debt to be Issued.....	1,655,000	950,825	1,662,000	1,815,000	972,000	865,000	486,000
Debt to be Retired*.....	-575,914	-702,266	-667,686	-954,775	-733,900	-719,411	-729,726
Outstanding Debt							
End of Fiscal Year**.....	<u>\$ 8,729,581</u>	<u>\$ 8,978,140</u>	<u>\$ 9,972,454</u>	<u>\$ 10,832,679</u>	<u>\$ 11,070,779</u>	<u>\$ 11,216,368</u>	<u>\$ 10,972,642</u>
Debt Limit (from below).....	57,058,717	57,721,520	58,410,285	59,066,148	60,831,708	62,848,775	64,943,846
Capital Budget Debt as a percent of Debt Limit.....	15.3%	15.6%	17.1%	18.3%	18.2%	17.8%	16.9%

Calculation of Debt Limit:

Average Tax Revenues							
Previous Five Years.....	\$ 32,604,981	\$ 32,983,726	\$ 33,377,306	\$ 33,752,085	\$ 34,760,976	\$ 35,913,586	\$ 37,110,769
Debt Limit (1.75 times revenues).....	<u>57,058,717</u>	<u>57,721,520</u>	<u>58,410,285</u>	<u>59,066,148</u>	<u>60,831,708</u>	<u>62,848,775</u>	<u>64,943,846</u>

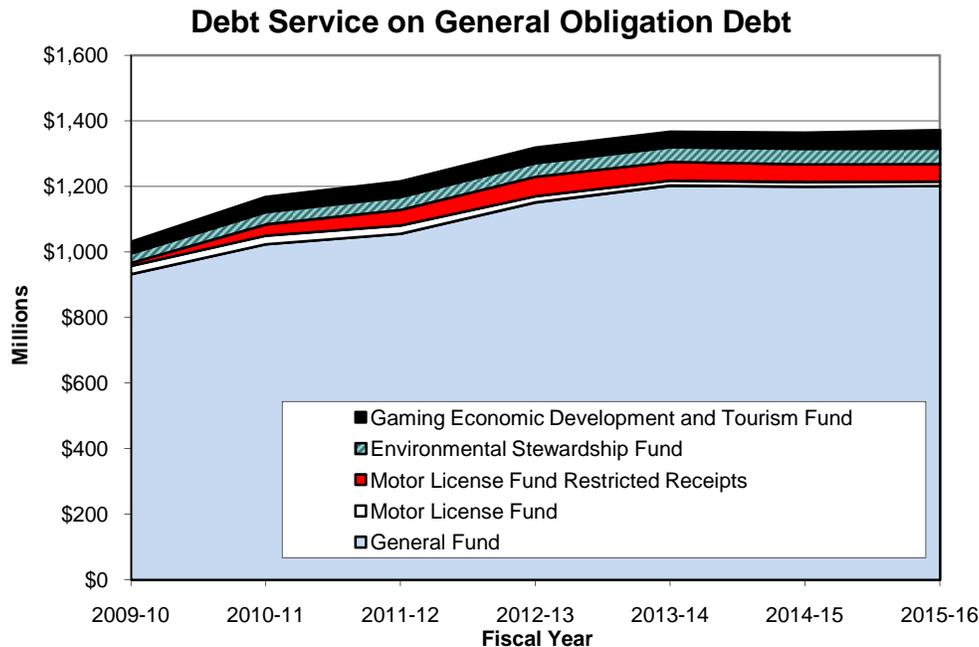
* Net of interest accreting on capital appreciation bonds during fiscal year.

** 2009-10 amount is net of sinking fund balances.



DEBT SERVICE ON GENERAL OBLIGATION DEBT 2009-10 Through 2015-16

This table shows the estimated debt service payable by the commonwealth on currently outstanding general obligation bonds and on projected general obligation bond issues.



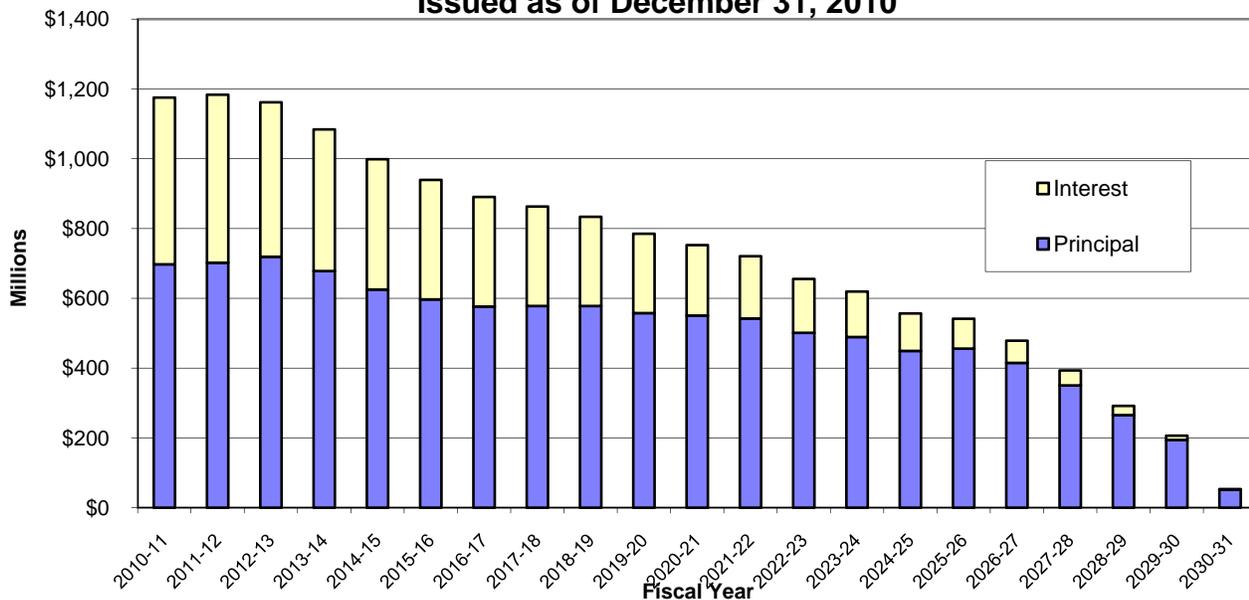
	(Dollar Amounts in Thousands)						
	2009-10 Actual	2010-11 Estimated	2011-12 Budget	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated
General Fund							
Capital Budget Non-Highway.....	\$ 829,024	\$ 918,906	\$ 946,208	\$ 1,041,225	\$ 1,112,820	\$ 1,121,393	\$ 1,132,305
Voter Approved and Disaster.....	103,716	105,152	109,924	110,598	90,445	78,191	69,144
Subtotal.....	<u>\$ 932,740</u>	<u>\$ 1,024,058</u>	<u>\$ 1,056,132</u>	<u>\$ 1,151,823</u>	<u>\$ 1,203,265</u>	<u>\$ 1,199,584</u>	<u>\$ 1,201,449</u>
Environmental Stewardship Fund							
Growing Greener II.....	\$ 28,770	\$ 37,170	\$ 39,211	\$ 42,108	\$ 45,071	\$ 47,051	\$ 47,002
Gaming Economic Development and Tourism Fund							
Pennsylvania Convention Center.....	\$ 36,402	\$ 46,987	\$ 47,413	\$ 47,413	\$ 47,413	\$ 49,729	\$ 56,675
Motor License Fund							
Capital Budget -- Highways.....	\$ 11,634	\$ 11,379	\$ 10,510	\$ 4,322	\$ 749	\$ 0	\$ 0
Capital Budget.....	13,652	14,883	14,800	14,800	14,142	14,142	14,060
Subtotal.....	<u>\$ 25,286</u>	<u>\$ 26,262</u>	<u>\$ 25,310</u>	<u>\$ 19,122</u>	<u>\$ 14,891</u>	<u>\$ 14,142</u>	<u>\$ 14,060</u>
Motor License Fund Restricted Rec.							
Aviation -- Capital Budget.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Highway Bridge Improvement -- Cap. Bdgt....	8,779	34,389	47,685	58,762	57,135	54,364	53,553
Subtotal.....	<u>\$ 8,779</u>	<u>\$ 34,389</u>	<u>\$ 47,685</u>	<u>\$ 58,762</u>	<u>\$ 57,135</u>	<u>\$ 54,364</u>	<u>\$ 53,553</u>
TOTAL.....	<u><u>\$ 1,031,977</u></u>	<u><u>\$ 1,168,866</u></u>	<u><u>\$ 1,215,751</u></u>	<u><u>\$ 1,319,228</u></u>	<u><u>\$ 1,367,775</u></u>	<u><u>\$ 1,364,870</u></u>	<u><u>\$ 1,372,739</u></u>



ANNUAL DEBT SERVICE ON OUTSTANDING GENERAL OBLIGATION BONDS Bonds Issued as of December 31, 2010

Fiscal year principal and interest payments on general obligation bonds issued as of the end of calendar year 2010 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, 2010



General Obligation Bond Annual Debt Service

(Dollar Amounts in Thousands)

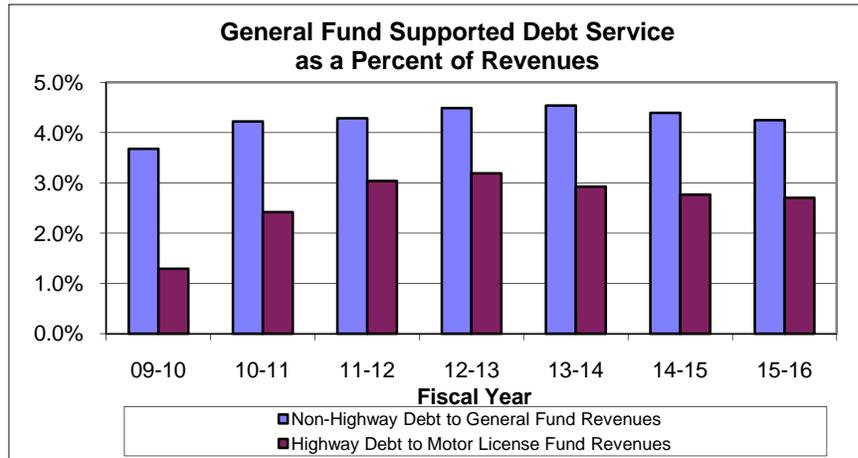
Fiscal Year	Capital Budget (Non-highway)			Capital Budget (Highway)			Voter Approved and Disaster			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
2010-11	\$ 637,487	\$ 416,726	\$ 1,054,213	24,058	21,709	45,767	\$ 35,965	\$ 39,316	\$ 75,281	\$ 1,175,261
2011-12	642,958	410,403	1,053,361	22,617	27,936	50,553	36,570	43,028	79,598	1,183,512
2012-13	664,519	375,188	1,039,707	15,941	26,545	42,486	38,735	40,841	79,576	1,161,769
2013-14	631,435	341,170	972,605	11,515	25,775	37,290	35,155	38,994	74,149	1,084,044
2014-15	580,095	310,809	890,904	8,490	25,283	33,773	36,640	37,260	73,900	998,577
2015-16	550,495	282,154	832,649	8,090	24,877	32,967	38,330	35,478	73,808	939,424
2016-17	527,670	256,092	783,762	8,500	24,472	32,972	40,255	33,575	73,830	890,564
2017-18	533,175	229,409	762,584	8,940	24,047	32,987	35,905	31,577	67,482	863,053
2018-19	544,155	202,047	746,202	9,385	23,600	32,985	24,445	30,008	54,453	833,640
2019-20	509,560	175,493	685,053	25,080	22,964	48,044	23,065	28,931	51,996	785,093
2020-21	482,690	152,453	635,143	26,230	21,811	48,041	41,750	27,581	69,331	752,515
2021-22	450,400	132,323	582,723	36,595	20,576	57,171	55,175	25,654	80,829	720,723
2022-23	398,015	112,705	510,720	38,330	18,840	57,170	64,780	22,901	87,681	655,571
2023-24	380,870	93,625	474,495	40,195	16,991	57,186	68,020	19,750	87,770	619,451
2024-25	335,900	75,814	411,714	42,220	15,026	57,246	71,245	16,470	87,715	556,675
2025-26	336,585	59,826	396,411	44,415	12,905	57,320	74,875	12,948	87,823	541,554
2026-27	299,205	43,711	342,916	46,745	10,619	57,364	69,055	9,232	78,287	478,567
2027-28	249,410	28,748	278,158	49,225	8,082	57,307	51,865	6,024	57,889	393,354
2028-29	179,965	17,206	197,171	51,890	5,409	57,299	33,595	3,753	37,348	291,818
2029-30	125,270	7,766	133,036	38,700	2,590	41,290	30,205	1,940	32,145	206,471
2030-31	28,360	830	29,190	14,245	417	14,662	9,320	268	9,588	53,440



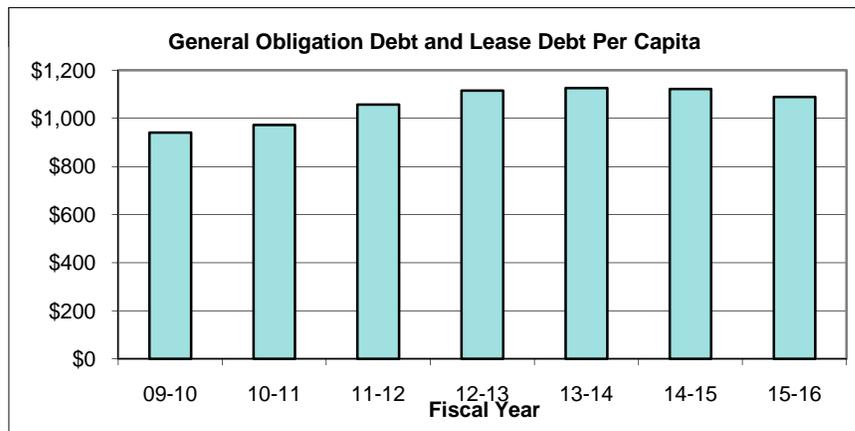
TRENDS IN DEBT SERVICE AND DEBT RATIOS 2009-10 Through 2015-16

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.

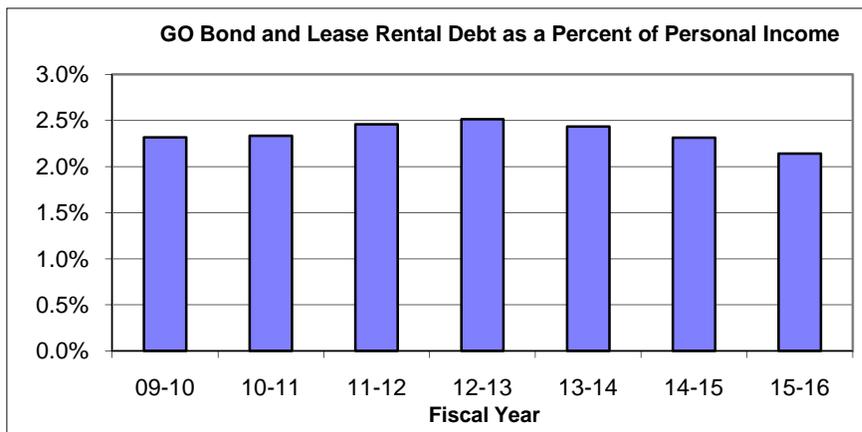
General Fund debt service as a percent of revenues remains below Standard & Poors criteria of 5% for issuers considered to have a "low debt burden."



Per capita debt levels remain relatively low, although the lack of population growth in the commonwealth affects per capita levels.



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
12/31/10
(in millions)**

<p>Commonwealth Financing Authority Created to promote health, safety, employment, business opportunities, economic activity and the general welfare of the commonwealth. Debt service on the bonds is paid from revenues of the authority.</p>	\$ 1,456.6
<p>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.</p>	426.8
<p>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.</p>	1,384.3
<p>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.</p>	1,693.9
<p>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.</p>	17.1
<p>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.</p>	7,905.3
<p>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.</p>	6,250.6
<p>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.</p>	4,654.9
<p>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.</p>	340.1
<p>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.</p>	14.0
<p>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.</p>	7,304.8
<p>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.</p>	34.4
<p>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.</p>	2,727.6
<p>TOTAL.....</p>	<p><u>\$ 34,210.4</u></p>





Commonwealth of Pennsylvania

Governor's Executive Budget

*OTHER
SPECIAL FUNDS*

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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.

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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.

For the funds included in this section, all financial data shown herein is on a calculated cash basis. Receipts include only those items actually received and credited to the funds by the Department of Revenue. Several funds carrying long-term investments show an investment adjustment to reflect the current market value of those investments as of June 30. Disbursements are recorded at the time payment requisitions and invoices are posted to the Commonwealth's accounting system and do not include commitments or encumbrances.

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 cash beginning and ending balances reported through this format may differ from the actual cash balance in Treasury and/or the cash general ledger account in the commonwealth's accounting system due to timing differences, but the calculated cash balances reported provide an accurate reflection of the true cash position of the fund.

The vast majority of the 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 as follows:

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 20,356	\$ 16,758	\$ 12,693
Receipts:			
Federal Receipts.....	\$ 0	\$ 7,202	\$ 2,000
Interest.....	205	2,257	150
Total Receipts	205	9,459	2,150
Total Funds Available	\$ 20,561	\$ 26,217	\$ 14,843
Disbursements:			
Environmental Protection.....	\$ 3,803	\$ 13,524	\$ 4,020
Total Disbursements	-3,803	-13,524	-4,020
Cash Balance, Ending	\$ 16,758	\$ 12,693	\$ 10,823

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 889	\$ 2,203	\$ 662
Receipts:			
Federal Unemployment Trust Fund.....	\$ 245,221	\$ 269,775	\$ 233,500
Federal — Other Funds.....	9,989	50	50
Interest.....	6	9	10
Other.....	2,701	450	450
Total Receipts	257,917	270,284	234,010
Total Funds Available	\$ 258,806	\$ 272,487	\$ 234,672
Disbursements:			
Labor and Industry.....	\$ 256,603	\$ 271,825	\$ 234,000
Total Disbursements	-256,603	-271,825	-234,000
Cash Balance, Ending	\$ 2,203	\$ 662	\$ 672

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 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 (Pennsylvania State University) for the benefit of Agriculture and Mechanical Arts.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 626	\$ 621	\$ 694
Receipts:			
Interest.....	\$ 5	\$ 82	\$ 1
Total Receipts	5	82	1
Total Funds Available	\$ 631	\$ 703	\$ 695
Disbursements:			
Treasury.....	\$ 10	\$ 9	\$ 9
Total Disbursements	-10	-9	-9
Cash Balance, Ending	\$ 621	\$ 694	\$ 686

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. Beginning in 2005-06 the program receives a set percentage (14.8%) of the Environmental Stewardship Fund for the continued purchase of agricultural easements.

Act 46 of 2006 provided up to \$200,000 can be used to offset local conservation organizations for incidental costs related to easement purchases. Up to ten percent of these funds also may be used by the Department of Agriculture for administrative expenses incurred under this act.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 7,952	\$ 4,851	\$ 2,832
Receipts:			
Transfer of Cigarette Tax.....	\$ 20,485	\$ 20,485	\$ 20,485
Transfer from the Environmental Stewardship Fund.....	5,194	4,645	4,052
Interest.....	373	600	400
Other.....	0	350	350
Total Receipts.....	<u>26,052</u>	<u>26,080</u>	<u>25,287</u>
Total Funds Available	\$ 34,004	\$ 30,931	\$ 28,119
Disbursements:			
Agriculture.....	\$ 29,153	\$ 28,099	\$ 28,000
Total Disbursements.....	<u>-29,153</u>	<u>-28,099</u>	<u>-28,000</u>
Cash Balance, Ending	\$ 4,851	\$ 2,832	\$ 119

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 676	\$ 672	\$ 670
Accrued Interest on Bonds Sold.....	0	0	0
Total Receipts	<u>676</u>	<u>672</u>	<u>670</u>
Total Funds Available	<u>\$ 676</u>	<u>\$ 672</u>	<u>\$ 670</u>
Disbursements:			
Treasury.....	\$ 676	\$ 672	\$ 670
Total Disbursements	<u>-676</u>	<u>-672</u>	<u>-670</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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 488	\$ 486	\$ 226
Receipts:			
Operator Payments.....	\$ 8	\$ 0	\$ 0
Interest	4	63	1
Total Receipts	<u>12</u>	<u>63</u>	<u>1</u>
Total Funds Available	<u>\$ 500</u>	<u>\$ 549</u>	<u>\$ 227</u>
Disbursements:			
Environmental Protection	\$ 14	\$ 323	\$ 150
Total Disbursements	<u>-14</u>	<u>-323</u>	<u>-150</u>
Cash Balance, Ending	<u>\$ 486</u>	<u>\$ 226</u>	<u>\$ 77</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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 2,097	\$ 1,671	\$ 989
Receipts:			
Assessments.....	\$ 6,567	\$ 6,463	\$ 6,463
Returned prior year grants.....	0	800	800
Interest	-53	5	0
Total Receipts	<u>6,514</u>	<u>7,268</u>	<u>7,263</u>
Total Funds Available	\$ 8,611	\$ 8,939	\$ 8,252
Disbursements:			
Automobile Theft Prevention Authority.....	\$ 6,940	\$ 7,950	\$ 8,197
Total Disbursements	<u>-6,940</u>	<u>-7,950</u>	<u>-8,197</u>
Cash Balance, Ending	\$ 1,671	\$ 989	\$ 55

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 39,447	\$ 31,291	\$ 14,794
Receipts:			
Transfer from General Fund.....	\$ 20,000	\$ 16,861	\$ 14,646
Transfer from Commonwealth Financing			
Authority - Energy.....	13,000	20,000	13,000
Federal Funds.....	344	2,000	2,000
Interest on Loans.....	168	2,000	2,000
Loan Repayments.....	817	1,700	750
Interest.....	261	3,711	80
Other.....	58	100	100
Total Receipts	<u>34,648</u>	<u>46,372</u>	<u>32,576</u>
Total Funds Available	\$ 74,095	\$ 77,663	\$ 47,370
Disbursements:			
Community and Economic Development			
Administration.....	\$ 474	\$ 696	\$ 625
Loans.....	3,062	4,498	1,500
Grants.....	39,268	57,675	38,000
Total Disbursements	<u>-42,804</u>	<u>-62,869</u>	<u>-40,125</u>
Cash Balance, Ending	\$ 31,291	\$ 14,794	\$ 7,245

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 6,962	\$ 6,876	\$ 6,084
Receipts:			
Employer Contributions	\$ 908	\$ 594	\$ 613
Interest.....	15	18	18
Total Receipts	<u>923</u>	<u>612</u>	<u>631</u>
Total Funds Available	\$ 7,885	\$ 7,488	\$ 6,715
Disbursements:			
State Employees' Retirement System.....	\$ 1,009	\$ 1,404	\$ 1,480
Total Disbursements.....	<u>-1,009</u>	<u>-1,404</u>	<u>-1,480</u>
Cash Balance, Ending	\$ 6,876	\$ 6,084	\$ 5,235

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 2,406	\$ 3,872	\$ 3,089
Receipts:			
Transfer from PUC.....	\$ 1,698	\$ 1,009	\$ 0
Interest.....	9	10	9
Other.....	3	0	0
Total Receipts	<u>1,710</u>	<u>1,019</u>	<u>9</u>
Total Funds Available	\$ 4,116	\$ 4,891	\$ 3,098
Disbursements:			
Community and Economic Development.....	\$ 244	\$ 1,802	\$ 2,300
Total Disbursements	<u>-244</u>	<u>-1,802</u>	<u>-2,300</u>
Cash Balance, Ending	\$ 3,872	\$ 3,089	\$ 798

Budget Stabilization Reserve Fund

This fund was created on July 15, 2002 by Act 91 of 2002 to replace the Tax Stabilization Reserve Fund. The 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 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. If the fund's ending balance would equal or exceed six percent of actual General Fund revenues for the fiscal year in which the surplus occurs, the General Fund transfer would be reduced to ten percent. Act 53 of 2008 suspended the transfer of surplus funds for 2007-08. Act 50 of 2009 transferred \$755 million to the General Fund in 2009-10. Act 46 of 2010 transferred \$745,000 to the General Fund in 2010-11.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 754,730	\$ 740	\$ 60
Receipts:			
Transfer from General Fund.....	\$ 0	\$ 0	\$ 0
Interest	1,010	65	0
Total Receipts	1,010	65	0
Total Funds Available	\$ 755,740	\$ 805	\$ 60
Disbursements:			
Transfer to General Fund.....	\$ 755,000	\$ 745	\$ 0
Total Disbursements	-755,000	-745	0
Cash Balance, Ending	\$ 740	\$ 60	\$ 60

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 14,870	\$ 31,131	\$ 6,836
Receipts:			
Transfer from Other Funds.....	\$ 990,691	\$ 1,055,757	\$ 1,132,087
Rentals - State-Aided and State- Related Institutions.....	99	44	0
Interest Subsidy - Higher Education Construction Projects.....	0	0	0
Sale of Bonds- Bond Anticipation Notes Payment....	0	0	0
Refunding Bond Maturing Escrow Funds.....	1,197,746	371,510	629,308
Accrued Interest on Bonds Sold.....	0	0	0
Build America Bond Federal Subsidies.....	0	20,184	20,184
Interest on Securities.....	6	4	0
Total Receipts	2,188,542	1,447,499	1,781,579
Total Funds Available	\$ 2,203,412	\$ 1,478,630	\$ 1,788,415
Disbursements:			
Treasury.....	\$ 2,172,281	\$ 1,471,794	\$ 1,782,122
Total Disbursements	-2,172,281	-1,471,794	-1,782,122
Cash Balance, Ending	\$ 31,131	\$ 6,836	\$ 6,293

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 460,777	\$ 828,923	\$ 336,158
Receipts:			
Sale of Bonds.....	\$ 1,740,350	\$ 941,316	\$ 1,608,750
Intra Account Transfer.....	235,000	0	0
Interest on Securities.....	1,081	11,002	18,261
Other	176,542	14,621	20,000
Total Receipts	2,152,973	966,939	1,647,011
Total Funds Available	\$ 2,613,750	\$ 1,795,862	\$ 1,983,169
Disbursements:			
Community and Economic Development.....	\$ 294,592	\$ 361,997	\$ 271,100
Environmental Protection.....	2,267	357	43,435
Conservation & Natural Resources.....	8,298	0	0
General Services.....	829,828	729,564	961,987
Transportation.....	408,734	364,624	376,875
Treasury.....	236,628	0	0
Other.....	4,480	3,162	3,000
Total Disbursements	-1,784,827	-1,459,704	-1,656,397
Cash Balance, Ending	\$ 828,923	\$ 336,158	\$ 326,772

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 315	\$ 374	\$ 399
Receipts:			
Contribution & Sales.....	\$ 58	\$ 15	\$ 7
Interest.....	2	42	1
Total Receipts	60	57	8
Total Funds Available	\$ 375	\$ 431	\$ 407
Disbursements:			
Capitol Preservation Committee.....	\$ 1	\$ 32	\$ 63
Total Disbursements	-1	-32	-63
Cash Balance, Ending	\$ 374	\$ 399	\$ 344

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 Catastrophic Loss Benefits 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.

Act 13 of 2002 established the Medical Care Availability and Reduction of Error (Mcare) Fund and mandated that all surcharges levied and collected under the CAT fund be remitted to the Mcare Fund beginning in January 2004. Act 50 of 2009 redirected the surcharge to the General Fund for 2009-10 and 2010-11. This budget is proposing to continue the redirection of the moving violation surcharge to the General Fund for 2011-12.

This fund will continue to pay claimants from its balance and interest earnings until no further obligations exist. The most recent actuarial report estimates final expenditure in 2089.

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 100,503	\$ 94,115	\$ 98,174
Receipts:			
Interest	\$ 666	\$ 10,978	\$ 1,230
Miscellaneous Revenue	1	-400	0
Total Receipts	667	10,578	1,230
Total Funds Available	\$ 101,170	\$ 104,693	\$ 99,404
Disbursements:			
Insurance	\$ 7,055	\$ 6,519	\$ 6,585
Total Disbursements	-7,055	-6,519	-6,585
Cash Balance, Ending	\$ 94,115	\$ 98,174	\$ 92,819

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 Disbursement

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 974	\$ 1,140	\$ 1,049
Receipts:			
Marriage/Divorce Surcharge	\$ 1,095	\$ 1,150	\$ 1,150
Interest	7	118	3
Total Receipts	1,102	1,268	1,153
Total Funds Available	\$ 2,076	\$ 2,408	\$ 2,202
Disbursements:			
Public Welfare	\$ 936	\$ 1,359	\$ 1,300
Total Disbursements	-936	-1,359	-1,300
Cash Balance, Ending	\$ 1,140	\$ 1,049	\$ 902

Cigarette Fire Safety and Firefighter Protection Act Enforcement Fund

On July 4, 2008 the Governor signed Act 42. It provides for cigarette fire safety, for certification of compliance by manufacturers, for package markings, and for enforcement and penalties. Certification fees are collected by the Department of Revenue at a rate of \$1,000.00 per brand family and \$500.00 for each additional listing within a brand family. Penalties are charged for specified violations. The Attorney General's Office enforces the act.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 129	\$ 192	\$ 211
Receipts:			
Fees.....	\$ 63	\$ 19	\$ 129
Interest.....	0	0	1
Penalties.....	0	0	0
Total Receipts	63	19	130
Total Funds Available	\$ 192	\$ 211	\$ 341
Disbursements:			
Attorney General.....	\$ 0	\$ 0	\$ 0
Revenue.....	0	0	0
Total Disbursements	0	0	0
Cash Balance, Ending	\$ 192	\$ 211	\$ 341

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)		
	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 49,504	\$ 56,506	\$ 49,929
Receipts:			
Fines and Penalties.....	\$ 7,982	\$ 4,510	\$ 4,510
Fees.....	20,102	18,500	18,500
Interest.....	372	6,526	700
Other.....	2,002	144	144
Total Receipts	30,458	29,680	23,854
Total Funds Available	\$ 79,962	\$ 86,186	\$ 73,783
Disbursements:			
Environmental Protection	\$ 23,456	\$ 36,257	\$ 36,214
Total Disbursements	-23,456	-36,257	-36,214
Cash Balance, Ending	\$ 56,506	\$ 49,929	\$ 37,569

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. A sufficient balance in the fund must be maintained to provide adequate protection for the solvency of the fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 72,143	\$ 75,115	\$ 85,163
Receipts:			
Premiums Collected.....	\$ 5,474	\$ 6,750	\$ 5,000
Interest.....	523	9,275	1,000
Other.....	0	1	1
Total Receipts	5,997	16,026	6,001
Total Funds Available	\$ 78,140	\$ 91,141	\$ 91,164
Disbursements:			
Environmental Protection	\$ 3,025	\$ 5,978	\$ 5,851
Total Disbursements	-3,025	-5,978	-5,851
Cash Balance, Ending	\$ 75,115	\$ 85,163	\$ 85,313

Coal Lands Improvement Fund

This fund was created by Act 117 of 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 2,515	\$ 2,521	\$ 2,473
Receipts:			
Interest	\$ 18	\$ 253	\$ 6
Total Receipts	18	253	6
Total Funds Available	\$ 2,533	\$ 2,774	\$ 2,479
Disbursements:			
Environmental Protection	\$ 12	\$ 301	\$ 300
Total Disbursements	-12	-301	-300
Cash Balance, Ending	\$ 2,521	\$ 2,473	\$ 2,179

Community College Capital Fund

This fund was established by Act 46 of 2005. Fund revenue consists of an appropriation from 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 960	\$ 1,808	\$ 1,243
Receipts:			
Transfer from General Fund.....	\$ 46,369	\$ 46,369	\$ 46,369
Interest.....	33	67	50
Total Receipts.....	46,402	46,436	46,419
Total Funds Available	\$ 47,362	\$ 48,244	\$ 47,662
Disbursements:			
Education.....	\$ 45,554	\$ 47,001	\$ 47,348
Total Disbursements.....	-45,554	-47,001	-47,348
Cash Balance, Ending	\$ 1,808	\$ 1,243	\$ 314

Compulsive and Problem Gambling Treatment Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, established the Compulsive and Problem Gambling Treatment Fund to support a compulsive and problem gambling program within the Department of Health. This program provides public education, awareness and training regarding both the problem of compulsive and problem gambling and its treatment and prevention. Act 1 of 2010 amended the funding for this program by increasing revenues provided based on the greater of \$2.0 million or .002 multiplied by the gross terminal revenue of all active and operating gaming entities. It also provides for an annual \$3 million transfer to the Compulsive and Problem Gambling Treatment Fund for drug and alcohol addiction treatment services within the Department of Health.

Statement of Cash Receipts and Disbursement

	(Dollar Amounts in Thousands)		
	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 4,499	\$ 5,052	\$ 5,076
Receipts:			
Transfer from the State Gaming Fund	\$ 2,471	\$ 5,756	\$ 4,800
Transfer from the State Gaming Fund - Drug and Alcohol.....	3,000	3,000	3,000
Interest	16	24	24
Other	0	0	0
Total Receipts	<u>5,487</u>	<u>8,780</u>	<u>7,824</u>
Total Funds Available	\$ 9,986	\$ 13,832	\$ 12,900
Disbursements:			
Health	\$ 4,934	\$ 8,756	\$ 7,800
Total Disbursements	<u>-4,934</u>	<u>-8,756</u>	<u>-7,800</u>
Cash Balance, Ending	<u>\$ 5,052</u>	<u>\$ 5,076</u>	<u>\$ 5,100</u>

Conrad Weiser Memorial Park Trust Fund

This fund was created to provide for control, management, supervision, restoration and improvement of the Conrad Weiser Memorial Park, Berks County. Source of revenue for the fund is 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)		
	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 90	\$ 91	\$ 103
Receipts:			
Interest	\$ 1	\$ 12	\$ 2
Total Receipts	<u>1</u>	<u>12</u>	<u>2</u>
Total Funds Available	\$ 91	\$ 103	\$ 105
Disbursements:			
Historical and Museum Commission	\$ 0	\$ 0	\$ 0
Total Disbursements	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance, Ending	<u>\$ 91</u>	<u>\$ 103</u>	<u>\$ 105</u>

Conservation District Fund

Act 110 of 2006 created the Conservation District Fund to assist local conservation districts in the conservation of soil, water and natural resources. Revenue may be provided from state appropriations, federal appropriations, interest earnings and other funds available to the State Conservation Commission.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 761	\$ 825	\$ 534
Receipts:			
Transfer from General Fund.....	\$ 4,710	\$ 4,109	\$ 3,953
Interest.....	6	47	3
Total Receipts	4,716	4,156	3,956
Total Funds Available	\$ 5,477	\$ 4,981	\$ 4,490
Disbursements:			
Environmental Protection.....	\$ 3,058	\$ 3,078	\$ 2,914
Agriculture.....	1,594	1,369	1,039
Total Disbursements	-4,652	-4,447	-3,953
Cash Balance, Ending	\$ 825	\$ 534	\$ 537

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 8,942	\$ 3,528	\$ 3,441
Receipts:			
Employe Contributions	\$ 125,615	\$ 127,436	\$ 129,284
Discount on Sale of Securities.....	-219	-217	-215
Interest	32,638 ^a	35,885 ^a	40,214 ^a
Total Receipts	158,034	163,104	169,283
Total Funds Available	\$ 166,976	\$ 166,632	\$ 172,724
Disbursements:			
Executive Offices.....	\$ 108,835	\$ 110,413	\$ 112,014
State Employees' Retirement System	54,613	52,778	56,887
Total Disbursements	-163,448	-163,191	-168,901
Cash Balance, Ending	\$ 3,528	\$ 3,441	\$ 3,823

^a 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 54,204	\$ 46,404	\$ 43,680
Receipts:			
Transfers from Deferred Compensation Fund.....	\$ 14,502	\$ 15,000	\$ 6,334
Interest	99	126	99
Total Receipts	<u>14,601</u>	<u>15,126</u>	<u>6,433</u>
Total Funds Available	\$ 68,805	\$ 61,530	\$ 50,113
Disbursements:			
State Employees' Retirement System	\$ 22,401	\$ 17,850	\$ 7,315
Total Disbursements	<u>-22,401</u>	<u>-17,850</u>	<u>-7,315</u>
Cash Balance, Ending	\$ 46,404	\$ 43,680	\$ 42,798

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Sale of Bonds.....	\$ 0	\$ 0	\$ 0
Transfer from General Fund.....	1,648	163	0
Accrued Interest on Bonds Sold.....	0	0	0
Interest on Securities.....	0	0	0
Total Receipts	<u>1,648</u>	<u>163</u>	<u>0</u>
Total Funds Available	\$ 1,648	\$ 163	\$ 0
Disbursements:			
Treasury.....	\$ 1,648	\$ 163	\$ 0
Total Disbursements	<u>-1,648</u>	<u>-163</u>	<u>0</u>
Cash Balance, Ending	\$ 0	\$ 0	\$ 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 4,502	\$ 6,210	\$ 5,883
Receipts:			
Assessments.....	\$ 1,942	\$ 1,250	\$ 1,250
Interest.....	30	422	17
Total Receipts	<u>1,972</u>	<u>1,672</u>	<u>1,267</u>
Total Funds Available	\$ 6,474	\$ 7,882	\$ 7,150
Disbursements:			
State Police.....	\$ 264	\$ 1,999	\$ 1,891
Total Disbursements	<u>-264</u>	<u>-1,999</u>	<u>-1,891</u>
Cash Balance, Ending	\$ 6,210	\$ 5,883	\$ 5,259

Education Technology Fund

Act 183 of 2004 established the Education Technology Fund to increase broadband access for school entities. Up to 3 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 will terminate on June 30, 2011, and any remaining funds will be returned on a pro rata basis to the local exchange telecommunications companies that contributed to the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 4,146	\$ 3,743	\$ 1,219
Receipts:			
Assessments.....	\$ 10,000	\$ 10,000	\$ 0
Interest.....	183	455	12
Total Receipts	<u>10,183</u>	<u>10,455</u>	<u>12</u>
Total Funds Available	\$ 14,329	\$ 14,198	\$ 1,231
Disbursements:			
Education			
Broadband Technology Services.....	\$ 10,370	\$ 12,700	\$ 0
Administration.....	216	279	0
Assessment Returns.....	0	0	1,231
Total Disbursements	<u>-10,586</u>	<u>-12,979</u>	<u>-1,231</u>
Cash Balance, Ending	\$ 3,743	\$ 1,219	\$ 0

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 and administered by the Department of Military and Veterans Affairs.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 7,785	\$ 5,809	\$ 52
Receipts:			
Transfer from General Fund.....	\$ 5,995	\$ 5,767	\$ 13,000
Interest.....	106	378	4
Total Receipts	<u>6,101</u>	<u>6,145</u>	<u>13,004</u>
Total Funds Available	<u>\$ 13,886</u>	<u>\$ 11,954</u>	<u>\$ 13,056</u>
Disbursements:			
Military and Veterans Affairs.....	\$ 8,075	\$ 11,902	\$ 13,000
Treasury.....	2	0	0
Total Disbursements	<u>-8,077</u>	<u>-11,902</u>	<u>-13,000</u>
Cash Balance, Ending	<u>\$ 5,809</u>	<u>\$ 52</u>	<u>\$ 56</u>

Emergency Energy Assistance Fund

Act 81 of 2005 created the Emergency Energy Assistance Fund. Act 1 of Special Session 1 of 2008 authorized the annual transfer of \$10 million by the Commonwealth Financing Authority to the Department of Public Welfare from 2008-09 through 2011-12. Funds are used for state-funded emergency energy assistance 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.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from Commonwealth Financing Authority - Energy.....	\$ 0	\$ 0	\$ 40,000
Total Receipts	<u>0</u>	<u>0</u>	<u>40,000</u>
Total Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 40,000</u>
Disbursements:			
Public Welfare	\$ 0	\$ 0	\$ 40,000
Total Disbursements	<u>0</u>	<u>0</u>	<u>-40,000</u>
Cash Balance, Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Emergency Medical Services Operating Fund

The fund was created by the Emergency Medical Services Act, Act 45 of 1985 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. 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 23,746	\$ 22,326	\$ 15,545
Receipts:			
Fines	\$ 14,461	\$ 14,461	\$ 14,461
Interest	254	3,049	372
Total Receipts	<u>14,715</u>	<u>17,510</u>	<u>14,833</u>
Total Funds Available	\$ 38,461	\$ 39,836	\$ 30,378
Disbursements:			
Health	\$ 16,135	\$ 19,291	\$ 16,225
Transfer to General Fund.....	0	5,000	0
Total Disbursements	<u>-16,135</u>	<u>-24,291</u>	<u>-16,225</u>
Cash Balance, Ending	\$ 22,326	\$ 15,545	\$ 14,153

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 3,639	\$ 2,998	\$ 2,546
Receipts:			
Vending Stand Equipment Rentals	\$ 156	\$ 160	\$ 165
Vending Machine Receipts	358	450	460
Interest	47	378	6
Total Receipts	561	988	631
Total Funds Available	\$ 4,200	\$ 3,986	\$ 3,177
Disbursements:			
Treasury.....	\$ 0	\$ 5	\$ 5
Labor and Industry.....	1,202	1,435	1,400
Total Disbursements	-1,202	-1,440	-1,405
Cash Balance, Ending	\$ 2,998	\$ 2,546	\$ 1,772

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Total Cash Balance, Beginning	\$ 6	\$ 6	\$ 7
Receipts:			
Interest.....	\$ 0	\$ 1	\$ 1
Other.....	0	0	0
Total Receipts	0	1	1
Total Funds Available	\$ 6	\$ 7	\$ 8
Disbursements:			
Environmental Protection.....	\$ 0	\$ 0	\$ 0
Public Welfare.....	0	0	8
Total Disbursements	0	0	-8
Cash Balance, Ending	\$ 6	\$ 7	\$ 0

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 (PEDA) including the sale of bonds. Activities of the fund includes 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.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 6,040	\$ 7,024	\$ 2,247
Receipts:			
PEDA Application Fees.....	\$ 1	\$ 5	\$ 5
Loan Repayments.....	166	100	100
Pennworks Interest Payments.....	41	60	49
Duquesne Settlement Payments.....	1,500	0	0
Interest	44	660	25
Total Receipts	1,752	825	179
Total Funds Available	\$ 7,792	\$ 7,849	\$ 2,426
Disbursements:			
Environmental Protection			
Administration.....	\$ 1	\$ 252	\$ 250
Loans/Grants.....	767	5,350	250
Total Disbursements	-768	-5,602	-500
Cash Balance, Ending	\$ 7,024	\$ 2,247	\$ 1,926

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 1,112	\$ 861	\$ 462
Receipts:			
Transfers from Other Funds.....	\$ 673	\$ 600	\$ 900
Interest.....	26	136	5
Total Receipts	699	736	905
Total Funds Available	\$ 1,811	\$ 1,597	\$ 1,367
Disbursements:			
Conservation and Natural Resources.....	\$ 175	\$ 151	\$ 300
Environmental Protection	775	984	775
Total Disbursements	-950	-1,135	-1,075
Cash Balance, Ending	\$ 861	\$ 462	\$ 292

Environmental Stewardship Fund

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, and thereafter, all revenue from these fees is deposited in this special fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 72,252	\$ 57,760	\$ 14,782
Receipts:			
Licenses and Fees.....	\$ 62,104	\$ 61,098	\$ 65,000
Miscellaneous.....	51	0	0
Interest.....	465	8,802	1,100
Total Receipts	<u>62,620</u>	<u>69,900</u>	<u>66,100</u>
Total Funds Available	\$ 134,872	\$ 127,660	\$ 80,882
Disbursements:			
Treasury			
Debt Service for Growing Greener.....	\$ 28,770	\$ 36,833	\$ 42,506
Agriculture			
Agricultural Conservation Easement Program.....	5,327	4,645	4,052
Conservation and Natural Resources			
Community Conservation Grants.....	7,060	18,832	5,798
Natural Diversity Conservation Grants.....	757	1,743	800
Environmental Protection			
Watershed Protection and Restoration.....	14,653	42,293	10,239
Abandoned Mine Reclamation and Remediation.....	444	84	0
Sewage and Drinking Water Grants.....	950	1,009	0
Infrastructure Investment Authority			
Stormwater, Water and Sewer Grants	19,151	7,439	6,488
Total Disbursements	<u>-77,112</u>	<u>-112,878</u>	<u>-69,883</u>
Cash Balance, Ending	\$ 57,760	\$ 14,782	\$ 10,999

Fire Insurance Tax Fund

The revenue for the Fire Insurance Tax Fund results from the 2 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 78,765	\$ 88,828	\$ 89,274
Receipts:			
Tax Payable to Municipalities.....	\$ 88,950	\$ 91,136	\$ 91,136
Other.....	0	0	0
Interest.....	0	0	0
Total Receipts	<u>88,950</u>	<u>91,136</u>	<u>91,136</u>
Total Funds Available	\$ 167,715	\$ 179,964	\$ 180,410
Disbursements:			
Auditor General.....	\$ 78,887	\$ 90,685	\$ 90,685
Treasury.....	0	5	5
Total Disbursements	<u>-78,887</u>	<u>-90,690</u>	<u>-90,690</u>
Cash Balance, Ending	\$ 88,828	\$ 89,274	\$ 89,720

Fire Prevention and Public Safety Fund

Act 42 of 2008 created the Fire Prevention and Public Safety Fund within the Office of the State Fire Commissioner. The Fund consists of all moneys recovered as penalties under this act. The penalties are remitted to the State Treasury for programs to support fire safety and prevention programs.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 5
Receipts:			
Penalty collections.....	\$ 0	\$ 5	\$ 5
Interest.....	0	0	0
Total Receipts	<u>0</u>	<u>5</u>	<u>5</u>
Total Funds Available	\$ 0	\$ 5	\$ 10
Disbursements:			
Emergency Management.....	\$ 0	\$ 0	\$ 0
Total Disbursements	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance, Ending	\$ 0	\$ 5	\$ 10

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 2,363	\$ 2,227	\$ 1,967
Receipts:			
Donations - State Income Tax Forms	\$ 32	\$ 32	\$ 32
Donations - Driver's License Applicants	287	287	287
Donations - Motor Vehicle Registrations	521	521	521
Interest	17	246	5
Total Receipts	857	1,086	845
Total Funds Available	\$ 3,220	\$ 3,313	\$ 2,812
Disbursements:			
Education	\$ 170	\$ 306	\$ 200
Health	823	1,040	875
Total Disbursements	-993	-1,346	-1,075
Cash Balance, Ending	\$ 2,227	\$ 1,967	\$ 1,737

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)		
	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 36,704	\$ 62,582	\$ 31,404
Receipts:			
Referendum Bonds.....	\$ 100,000	\$ 29,500	\$ 40,300
Premium/Discount on Sale of Bonds.....	7,012	-199	0
Interest.....	94	139	100
Total Receipts	107,106	29,440	40,400
Total Funds Available	\$ 143,810	\$ 92,022	\$ 71,804
Disbursements:			
Treasury	\$ 61	\$ 18	\$ 24
Agriculture			
Purchase of County Easements.....	4,650	600	264
Community and Economic Development			
Main Street Downtown Development.....	4,845	4,500	3,000
Industrial Sites Reuse.....	1,117	4,000	3,500
Conservation and Natural Resources			
Parks & Recreation Improvements.....	5,140	5,000	4,000
State Parks/Forest Projects.....	19,626	6,000	3,500
Open Space Conservation.....	7,423	8,500	1,000
Environmental Protection			
Authority Projects.....	7,354	8,000	8,000
Environmental Improvement Projects.....	15,872	12,000	10,000
Acid Mine Drainage Abatement.....	6,228	6,000	5,000
Fish and Boat Commission			
Capital Improvement Projects.....	7,705	4,000	4,000
Game Commission			
Capital Improvement Projects.....	1,207	2,000	1,500
Total Disbursements	-81,228	-60,618	-43,788
Cash Balance, Ending	\$ 62,582	\$ 31,404	\$ 28,016

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 28,770	\$ 37,170	\$ 39,211
Total Receipts	<u>28,770</u>	<u>37,170</u>	<u>39,211</u>
Total Funds Available	\$ 28,770	\$ 37,170	\$ 39,211
Disbursements:			
Treasury.....	\$ 28,770	\$ 37,170	\$ 39,211
Total Disbursements	<u>-28,770</u>	<u>-37,170</u>	<u>-39,211</u>
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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 7,037	\$ 6,937	\$ 4,569
Receipts:			
Toxic Chemical Release Form Fee	\$ 866	\$ 1,225	\$ 1,225
Chemical Inventory Fee	392	275	275
Interest	51	833	125
Other.....	0	120	120
Total Receipts	<u>1,309</u>	<u>2,453</u>	<u>1,745</u>
Total Funds Available	\$ 8,346	\$ 9,390	\$ 6,314
Disbursements:			
Emergency Management	\$ 1,255	\$ 4,546	\$ 2,300
Labor and Industry	154	275	170
Total Disbursements	<u>-1,409</u>	<u>-4,821</u>	<u>-2,470</u>
Cash Balance, Ending	\$ 6,937	\$ 4,569	\$ 3,844

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 provided for transfers to the fund from the Environmental Stewardship Fund in 2005-06 and 2006-07. Act 77 of 2007 provides for a one-time transfer in fiscal year 2007-08 of monies lapsed from certain appropriations within the Legislative Department. Beginning in fiscal year 2008-09, the act also includes an annual transfer to the fund of \$40 million of revenue received from the Capital Stock and Franchise Tax.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Total Cash Balance, Beginning	\$ 26,269	\$ 34,779	\$ 19,536
Receipts:			
Capital Stock and Franchise Tax.....	\$ 40,000	\$ 40,000	\$ 40,000
Hazardous Waste Fee.....	1,977	2,000	1,992
Cost Recovery.....	1,941	2,000	1,700
Interest.....	167	2,452	450
Other.....	11	0	0
Total Receipts	<u>44,096</u>	<u>46,452</u>	<u>44,142</u>
Total Funds Available	\$ 70,365	\$ 81,231	\$ 63,678
Disbursements:			
Environmental Protection.....	\$ 35,586	\$ 61,695	\$ 48,272
Total Disbursements	<u>-35,586</u>	<u>-61,695</u>	<u>-48,272</u>
Cash Balance, Ending	\$ 34,779	\$ 19,536	\$ 15,406

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. Funding is used primarily for the following purposes: (1) grants to students; (2) grants to nonsectarian private post-secondary educational institutions; (3) grants to institutions of higher learning for the purpose of helping the institution secure federal funds to provide direct financial aid to students; (4) funds to institutions for the Federal Work Study Program; (5) funds for the higher education of disadvantaged students; and (6) funds for the higher education of blind or deaf students. Revenues to this fund are derived from General Fund appropriations by the General Assembly, federal funds and interest earnings.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 56,446	\$ 42,011	\$ 36,569
Receipts:			
Transfer from General Fund	\$ 454,717	\$ 438,739	\$ 411,557
Investment Earnings	762	0	0
Federal Revenue.....	7,183	7,761	5,832
Other.....	-11,500	-6,636	985
Total Receipts	451,162	439,864	418,374
Total Funds Available	\$ 507,608	\$ 481,875	\$ 454,943
Disbursements:			
Treasury	\$ 50	\$ 50	\$ 25
Higher Education Assistance Agency.....	465,547	445,256	421,101
Total Disbursements	-465,597	-445,306	-421,126
Cash Balance, Ending	\$ 42,011	\$ 36,569	\$ 33,817

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. The 2010-11 Fiscal Code established a one-time transfer of \$800,000 to the General Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 897	\$ 848	\$ 159
Receipts:			
Licenses and Fees.....	\$ 306	\$ 325	\$ 325
Interest.....	9	105	2
Total Receipts	315	430	327
Total Funds Available	\$ 1,212	\$ 1,278	\$ 486
Disbursements:			
Treasury.....	\$ 0	\$ 0	\$ 0
Transportation.....	364	319	336
Transfer to General Fund.....	0	800	0
Total Disbursements	-364	-1,119	-336
Cash Balance, Ending	\$ 848	\$ 159	\$ 150

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 monies from the sale of publications by the Pennsylvania Historical and Museum Commission and all monies 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 3,144	\$ 2,689	\$ 2,816
Receipts:			
Admission Fees.....	\$ 1,176	\$ 1,100	\$ 1,100
Interest	21	382	7
Other.....	603	700	700
Total Receipts	<u>1,800</u>	<u>2,182</u>	<u>1,807</u>
Total Funds Available	\$ 4,944	\$ 4,871	\$ 4,623
Disbursements:			
Treasury.....	\$ 0	\$ 5	\$ 5
Historical and Museum Commission.....	2,255	2,050	1,900
Total Disbursements	<u>-2,255</u>	<u>-2,055</u>	<u>-1,905</u>
Cash Balance, Ending	\$ 2,689	\$ 2,816	\$ 2,718

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 88	\$ 106	\$ 88
Receipts:			
Federal Revenue.....	\$ 405	\$ 1,170	\$ 1,170
Interest.....	0	0	2
Total Receipts	<u>405</u>	<u>1,170</u>	<u>1,172</u>
Total Funds Available	\$ 493	\$ 1,276	\$ 1,260
Disbursements:			
Community and Economic Development Administration	\$ 387	\$ 1,188	\$ 1,170
Total Disbursements	<u>-387</u>	<u>-1,188</u>	<u>-1,170</u>
Cash Balance, Ending	\$ 106	\$ 88	\$ 90

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 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 42	\$ 43	\$ 42
Receipts:			
Interest.....	\$ 1	\$ 4	\$ 0
Total Receipts	1	4	0
Total Funds Available	\$ 43	\$ 47	\$ 42
Disbursements:			
Treasury.....	\$ 0	\$ 5	\$ 0
Community and Economic Development.....	0	0	0
Total Disbursements	0	-5	0
Cash Balance, Ending	\$ 43	\$ 42	\$ 42

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)		
	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 10,689	\$ 12,207	\$ 7,799
Receipts:			
Loan Principal and Interest.....	\$ 600	\$ 590	\$ 590
Transfer from Hazardous Sites Cleanup	2,000	2,000	2,000
Interest.....	82	1,335	186
Total Receipts	<u>2,682</u>	<u>3,925</u>	<u>2,776</u>
Total Funds Available	\$ 13,371	\$ 16,132	\$ 10,575
Disbursements:			
Community and Economic Development			
Administration.....	\$ 114	\$ 306	\$ 300
Loans.....	0	4,000	2,000
Grants.....	1,050	4,027	3,000
Total Disbursements	<u>-1,164</u>	<u>-8,333</u>	<u>-5,300</u>
Cash Balance, Ending	\$ 12,207	\$ 7,799	\$ 5,275

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)		
	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 4,777	\$ 4,520	\$ 1,504
Receipts:			
Assessments.....	\$ 11,717	\$ 11,640	\$ 11,930
Fines and Penalties Income.....	0	50	50
Returned prior year grants.....	0	500	400
Interest.....	9	11	0
Total Receipts	<u>11,726</u>	<u>12,201</u>	<u>12,380</u>
Total Funds Available	\$ 16,503	\$ 16,721	\$ 13,884
Disbursements:			
Insurance Fraud Prevention Authority.....	\$ 11,983	\$ 15,217	\$ 13,053
Total Disbursements	<u>-11,983</u>	<u>-15,217</u>	<u>-13,053</u>
Cash Balance, Ending	\$ 4,520	\$ 1,504	\$ 831

Insurance Liquidation Fund

The Insurance Department is responsible for administering the liquidation of insolvent domestic insurance carriers pursuant to orders of the Commonwealth Court under Article V of the Insurance Department Act. This fund is used to permit the Treasury Department to invest the assets of insolvent insurance carriers.

These assets are used 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 74,669	\$ 74,742	\$ 69,088
Receipts:			
Carrier Assets	\$ 0	\$ 29,000	\$ 0
Net Investment Adjustment	-206	0	0
Miscellaneous.....	46	0	0
Interest	513	8,346	1,059
Total Receipts	<u>353</u>	<u>37,346</u>	<u>1,059</u>
Total Funds Available	\$ 75,022	\$ 112,088	\$ 70,147
Disbursements:			
Insurance	\$ 280	\$ 43,000	\$ 250
Total Disbursements	<u>-280</u>	<u>-43,000</u>	<u>-250</u>
Cash Balance, Ending	\$ 74,742	\$ 69,088	\$ 69,897

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 1,806	\$ 2,497	\$ 872
Receipts:			
Special Administration Fund.....	\$ 3,500	\$ 6,000	\$ 3,600
Interest.....	-6	185	15
Total Receipts	<u>3,494</u>	<u>6,185</u>	<u>3,615</u>
Total Funds Available	\$ 5,300	\$ 8,682	\$ 4,487
Disbursements:			
Labor and Industry.....	\$ 2,803	\$ 7,810	\$ 3,600
Total Disbursements	<u>-2,803</u>	<u>-7,810</u>	<u>-3,600</u>
Cash Balance, Ending	\$ 2,497	\$ 872	\$ 887

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 916	\$ 659	\$ 204
Receipts:			
Sale of Refuse Bank Materials.....	\$ 0	\$ 0	\$ 0
Total Receipts	<u>0</u>	<u>0</u>	<u>0</u>
Total Funds Available	\$ 916	\$ 659	\$ 204
Disbursements:			
Treasury.....	\$ 0	\$ 5	\$ 5
Environmental Protection	257	450	0
Total Disbursements	<u>-257</u>	<u>-455</u>	<u>-5</u>
Cash Balance, Ending	\$ 659	\$ 204	\$ 199

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 56	\$ 1	\$ 1
Receipts:			
Transfer from General Fund.....	\$ 193	\$ 257	\$ 253
Interest on Securities.....	7	0	0
Total Receipts	<u>200</u>	<u>257</u>	<u>253</u>
Total Funds Available	\$ 256	\$ 258	\$ 254
Disbursements:			
Treasury.....	\$ 255	\$ 257	\$ 253
Total Disbursements	<u>-255</u>	<u>-257</u>	<u>-253</u>
Cash Balance, Ending	\$ 1	\$ 1	\$ 1

Liquid Fuels Tax Fund

The Liquid Fuels Tax Fund was created in 1931 by an act of the General Assembly to assist in funding the local roads system. One-half cent per gallon of gasoline and diesel fuel taxes is deposited into the fund for semi-annual distribution to county governments and to pay registration fees for vehicles operated by mass transportation systems. After payment of fees, remaining funds are allocated to the counties on a three-year average refund to total refund formula and must be used for highway purposes. Since the majority of counties have direct jurisdiction over a limited number of roads, a large portion of these funds are further allocated by the counties to their political subdivisions. 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 5,807	\$ 5,511	\$ 4,451
Receipts:			
Tax on Gasoline	\$ 24,998	\$ 25,246	\$ 25,372
Tax on Diesel Fuel	6,326	6,494	6,527
Total Receipts	<u>31,324</u>	<u>31,740</u>	<u>31,899</u>
Total Funds Available	\$ 37,131	\$ 37,251	\$ 36,350
Disbursements:			
Treasury.....	\$ 158	\$ 300	\$ 300
Transportation.....	31,462	32,500	31,500
Total Disbursements.....	<u>-31,620</u>	<u>-32,800</u>	<u>-31,800</u>
Cash Balance, Ending	\$ 5,511	\$ 4,451	\$ 4,550

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 2,427	\$ 2,397	\$ 2,297
Receipts:			
Liquor License Fees.....	\$ 0	\$ 0	\$ 0
Beer License Fees.....	0	0	0
License Fees.....	4,499	4,500 ^a	4,500
Other.....	-4	10	10
Total Receipts	<u>4,495</u>	<u>4,510</u>	<u>4,510</u>
Total Funds Available	\$ 6,922	\$ 6,907	\$ 6,807
Disbursements:			
Treasury.....	\$ 0	\$ 10	\$ 10
Liquor Control Board.....	4,525	4,600	4,600
Total Disbursements	<u>-4,525</u>	<u>-4,610</u>	<u>-4,610</u>
Cash Balance, Ending	\$ 2,397	\$ 2,297	\$ 2,197

^a Beginning FY 2010-11, all license fees were combined in a single revenue account.

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. In 2009-10, this fund was closed and the remaining balance was transferred to the Local Criminal Justice Sinking Fund. Residual interest postings that occur in 2010-11 will also be transferred to the Local Criminal Justice Sinking Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 1,835	\$ 0	\$ 0
Receipts:			
Interest.....	\$ 6	\$ 1	\$ 0
Total Receipts	6	1	0
Total Funds Available	\$ 1,841	\$ 1	\$ 0
Disbursements:			
Corrections.....	\$ 0	\$ 0	\$ 0
Local Criminal Justice Sinking Fund.....	1,841	1	0
Total Disbursements	-1,841	-1	0
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 0	\$ 1,841	\$ 1,318
Receipts:			
Transfer from Local Criminal Justice Fund.....	\$ 1,841	\$ 0	\$ 0
Transfer from Ben Franklin Tech Develop Fund.....	541	0	0
Interest	0	0	0
Total Receipts	2,382	0	0
Total Funds Available	\$ 2,382	\$ 1,841	\$ 1,318
Disbursements:			
Treasury.....	\$ 541	\$ 523	\$ 422
Total Disbursements	-541	-523	-422
Cash Balance, Ending	\$ 1,841	\$ 1,318	\$ 896

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 2 percent for periods not to exceed 10 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 2,561	\$ 3,015	\$ 1,872
Receipts:			
Loan Principle and Interest Payments.....	\$ 576	\$ 700	\$ 500
Interest	18	277	8
Total Receipts	594	977	508
Total Funds Available	\$ 3,155	\$ 3,992	\$ 2,380
Disbursements:			
Community and Economic Development			
Loans.....	\$ 140	\$ 1,120	\$ 1,000
Transfer to General Fund.....	0	1,000	0
Total Disbursements	-140	-2,120	-1,000
Cash Balance, Ending	\$ 3,015	\$ 1,872	\$ 1,380

2/12/2011

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 2,712	\$ 2,602	\$ 0
Receipts:			
Fines and Penalties.....	\$ 0	\$ 0	\$ 0
Licenses and Fees.....	0	0	0
Surcharges.....	0	0	0
Interest.....	21	336	0
Total Receipts	<u>21</u>	<u>336</u>	<u>0</u>
Total Funds Available	\$ 2,733	\$ 2,938	\$ 0
Disbursements:			
Environmental Protection	\$ 131	\$ 1,979	\$ 0
Transfer to General Fund	0	959	0
Total Disbursements	<u>-131</u>	<u>-2,938</u>	<u>0</u>
Cash Balance, Ending	\$ 2,602	\$ 0	\$ 0

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, Small Business First 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 63,716	\$ 66,582	\$ 22,640
Receipts:			
Principal Repayments and Loan Interest.....	\$ 30,051	\$ 25,000	\$ 22,000
Transfer from Small Business First.....	0	0	0
Loan Service Fees.....	176	350	200
Interest.....	428	6,899	1,000
Total Receipts	30,655	32,249	23,200
Total Funds Available	\$ 94,371	\$ 98,831	\$ 45,840
Disbursements:			
Community and Economic Development			
Administration.....	\$ 533	\$ 681	\$ 575
Loans.....	27,256	75,510	40,000
Total Disbursements	-27,789	-76,191	-40,575
Cash Balance, Ending	\$ 66,582	\$ 22,640	\$ 5,265

2/14/2011

Manufacturing Fund

This fund, created in 1915, is a self-sustaining enterprise that provides institutionalized offenders an opportunity for vocational rehabilitation. Receipts are derived from the sale of inmate manufactured goods to government agencies or government-aided organizations. Expenditures are made for the purchase of raw materials, machinery replacement, inmate wages and other costs related to the sale and manufacture of their products.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 20,646	\$ 21,719	\$ 8,362
Receipts:			
Sale of Products.....	\$ 64,014	\$ 65,500	\$ 68,000
Interest.....	80	3,468	229
Other.....	2	100	100
Total Receipts	64,096	69,068	68,329
Total Funds Available	\$ 84,742	\$ 90,787	\$ 76,691
Disbursements:			
Treasury.....	\$ 0	\$ 5	\$ 5
Corrections.....	63,023	80,705	76,305
Reimbursement to federal government.....	0	1,715	0
Total Disbursements	-63,023	-82,425	-76,310
Cash Balance, Ending	\$ 21,719	\$ 8,362	\$ 381

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. Act 50 of 2009 provided that \$100 million be transferred from the fund to the General Fund in 2009-10 and redirected the moving violation surcharge to the General Fund for 2009-10 and 2010-11. This budget is proposing to continue the redirection of the moving violation surcharge to the General Fund in 2011-12.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 216,408	\$ 141,849	\$ 197,859
Receipts:			
Assessments.....	\$ 212,746	\$ 212,300	\$ 176,600
Interest	3,299	10,209	2,650
Reinsurance Proceeds.....	0	0	0
Moving Violation Surcharge.....	0	0	0
Health Care Provider Experience Rated Adjustment.....	3	0	0
Other.....	654 ^a	120	100
Total Receipts	<u>216,702</u>	<u>222,629</u>	<u>179,350</u>
Total Funds Available	\$ 433,110	\$ 364,478	\$ 377,209
Disbursements:			
Treasury.....	\$ 2	\$ 20	\$ 20
Transfer to General Fund.....	100,000	0	0
Insurance.....	191,259	166,599	190,447
Total Disbursements	<u>-291,261</u>	<u>-166,619</u>	<u>-190,467</u>
Cash Balance, Ending	\$ 141,849	\$ 197,859	\$ 186,742

^a Includes transfer of abatement repayments to appropriate account.

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 2,940	\$ 3,172	\$ 3,102
Receipts:			
License and Fees	\$ 2,695	\$ 2,575	\$ 2,550
Fines and Penalties.....	4	10	10
Interest.....	19	331	7
Total Receipts	<u>2,718</u>	<u>2,916</u>	<u>2,567</u>
Total Funds Available	\$ 5,658	\$ 6,088	\$ 5,669
Disbursements:			
Milk Marketing Board.....	\$ 2,486	\$ 2,981	\$ 2,802
Treasury.....	0	5	5
Total Disbursements	<u>-2,486</u>	<u>-2,986</u>	<u>-2,807</u>
Cash Balance, Ending	\$ 3,172	\$ 3,102	\$ 2,862

Mine Safety Fund

Act 55 of 2008 created the Mine Safety Fund to recover expenses for responding to mine safety emergency be deposited by the State Treasurer into the fund. The monies will be used for mine safety activities and the administration of the Act.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 0	\$ 33	\$ 65
Receipts:			
Fines and Penalties.....	\$ 33	\$ 33	\$ 33
Total Receipts	<u>33</u>	<u>33</u>	<u>33</u>
Total Funds Available	\$ 33	\$ 66	\$ 98
Disbursements:			
Environmental Protection	\$ 0	\$ 1	\$ 1
Total Disbursements	<u>0</u>	<u>-1</u>	<u>-1</u>
Cash Balance, Ending	\$ 33	\$ 65	\$ 97

Minority Business Development Fund

This fund was created by Act 206 of 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)		
	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 2,910	\$ 3,493	\$ 1,663
Receipts:			
Interest.....	\$ 20	\$ 308	\$ 9
Loan Principal and Interest Repayments.....	1,037	1,578	1,025
Other.....	0	63	25
Total Receipts	<u>1,057</u>	<u>1,949</u>	<u>1,059</u>
Total Funds Available	\$ 3,967	\$ 5,442	\$ 2,722
Disbursements:			
Community and Economic Development.....	\$ 474	\$ 3,779	\$ 2,550
Total Disbursements	<u>-474</u>	<u>-3,779</u>	<u>-2,550</u>
Cash Balance, Ending	\$ 3,493	\$ 1,663	\$ 172

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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)		
	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 1,796	\$ 1,846	\$ 2,036
Receipts:			
Titling & Registration Fees.....	\$ 37	\$ 40	\$ 40
Interest	13	230	4
Total Receipts	<u>50</u>	<u>270</u>	<u>44</u>
Total Funds Available	\$ 1,846	\$ 2,116	\$ 2,080
Disbursements:			
Transportation.....	\$ 0	\$ 80	\$ 80
Total Disbursements	<u>0</u>	<u>-80</u>	<u>-80</u>
Cash Balance, Ending	\$ 1,846	\$ 2,036	\$ 2,000

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 include additional post-retirement adjustments according to the provisions of Act 64 of 2002.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 212,280	\$ 224,404	\$ 235,055
Receipts:			
Foreign Casualty Insurance Premium Tax	\$ 229,698	\$ 228,909	\$ 228,909
Foreign Fire Insurance Premium Tax.....	10,454	10,475	10,515
Interest	-1,782	-207	-950
Total Receipts	238,370	239,177	238,474
Total Funds Available	\$ 450,650	\$ 463,581	\$ 473,529
Disbursements:			
Auditor General.....	\$ 226,246 ^a	\$ 228,515 ^b	\$ 229,500 ^c
Treasury.....	0	11	10
Total Disbursements	-226,246	-228,526	-229,510
Cash Balance, Ending	\$ 224,404	\$ 235,055	\$ 244,019

^aIncludes post-retirement payment of \$2,849,992 as authorized by Act 147 of 1988 and \$8,126,285 per Act 64 of 2002.

^bIncludes post-retirement payment of \$2,648,560 as authorized by Act 147 of 1988 and \$7,805,473 per Act 64 of 2002.

^cIncludes post-retirement payment of \$2,650,000 as authorized by Act 147 of 1988 and \$7,825,000 per Act 64 of 2002.

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 5,819	\$ 5,141	\$ 2,569
Receipts:			
Transfers In.....	\$ 990	\$ 990	\$ 934
Loan Repayments.....	324	600	325
Interest	47	594	11
Total Receipts	<u>1,361</u>	<u>2,184</u>	<u>1,270</u>
Total Funds Available	\$ 7,180	\$ 7,325	\$ 3,839
Disbursements:			
Community and Economic Development			
Program Fees.....	\$ 1,482	\$ 3,155	\$ 2,200
Loans.....	0	1,000	500
Grants.....	557	601	750
Total Disbursements	<u>-2,039</u>	<u>-4,756</u>	<u>-3,450</u>
Cash Balance, Ending	\$ 5,141	\$ 2,569	\$ 389

02/14/11

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 14,723	\$ 12,987	\$ 11,911
Receipts:			
Licenses and Fees.....	\$ 260	\$ 234	\$ 250
Penalties.....	232	144	144
Interest.....	150	1,751	126
Collateral.....	106	0	0
Payment in Lieu of Bonds.....	88	0	0
Forfeiture of Bonds.....	1	0	0
Total Receipts	<u>837</u>	<u>2,129</u>	<u>520</u>
Total Funds Available	\$ 15,560	\$ 15,116	\$ 12,431
Disbursements:			
Environmental Protection	\$ 2,573	\$ 3,205	\$ 3,040
Total Disbursements	<u>-2,573</u>	<u>-3,205</u>	<u>-3,040</u>
Cash Balance, Ending	\$ 12,987	\$ 11,911	\$ 9,391

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 1,042	\$ 1,176	\$ 617
Receipts:			
Transfer from General Fund.....	\$ 2,850	\$ 2,741	\$ 2,741
Interest.....	-29	26	3
Fees.....	16	99	60
Fines	1	20	20
Total Receipts	2,838	2,886	2,824
Total Funds Available	\$ 3,880	\$ 4,062	\$ 3,441
Disbursements:			
Agriculture	\$ 903	\$ 851	\$ 776
Environmental Protection	1,801	2,594	2,073
Total Disbursements	-2,704	-3,445	-2,849
Cash Balance, Ending	\$ 1,176	\$ 617	\$ 592

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. The General Appropriations Act of 2009 and Act 46 of 2010 authorized a transfer of monies in the fund to the General Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 161,634	\$ 217,763	\$ 26,996
Receipts:			
Rents and Royalties.....	\$ 277,271 ^a	\$ 26,575 ^a	\$ 63,317 ^a
Interest.....	402	1,509	500
Other.....	5	0	0
Total Receipts	277,678	28,084	63,817
Total Funds Available	\$ 439,312	\$ 245,847	\$ 90,813
Disbursements:			
Conservation and Natural Resources.....	\$ 18,549	\$ 38,851	\$ 50,000
Transfer to the General Fund.....	203,000	180,000	0
State Parks.....	0	0	15,000
Total Disbursements	-221,549	-218,851	-65,000
Cash Balance, Ending	\$ 217,763	\$ 26,996	\$ 25,813

^a Marcellus Shale and other gas royalties/lease fees.

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.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 1,460	\$ 5,625	\$ 4,503
Receipts:			
Surcharges.....	\$ 9,762	\$ 5,800	\$ 5,800
Interest	-36	104	10
Total Receipts	9,726	5,904	5,810
Total Funds Available	\$ 11,186	\$ 11,529	\$ 10,313
Disbursements:			
Patient Safety Authority.....	\$ 5,561	\$ 7,026	\$ 6,500
Total Disbursements	-5,561	-7,026	-6,500
Cash Balance, Ending	\$ 5,625	\$ 4,503	\$ 3,813

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 4,036	\$ 5,474	\$ 1,291
Receipts:			
Interest.....	\$ 14	\$ 17	\$ 16
Other.....	1,424	1,200	1,650
Total Receipts	1,438	1,217	1,666
Total Funds Available	\$ 5,474	\$ 6,691	\$ 2,957
Disbursements:			
Transfer to General Fund.....	\$ 0	\$ 5,400	\$ 0
Conservation and Natural Resources.....	0	0	0
Total Disbursements	0	-5,400	0
Cash Balance, Ending	\$ 5,474	\$ 1,291	\$ 2,957

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 509	\$ 503	\$ 505
Interest on Securities.....	0	0	0
Total Receipts	<u>509</u>	<u>503</u>	<u>505</u>
Total Funds Available	\$ 509	\$ 503	\$ 505
Disbursements:			
Treasury.....	\$ 509	\$ 503	\$ 505
Total Disbursements	<u>-509</u>	<u>-503</u>	<u>-505</u>
Cash Balance, Ending	<u>0</u>	<u>0</u>	<u>0</u>

Pennsylvania Gaming Economic Development and Tourism Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, established the Pennsylvania Gaming Economic Development and Tourism Fund (GEDTF) to receive a daily assessment of 5 percent of each licensed gaming entity's gross terminal revenue. Proceeds of the fund are distributed through specific enacted capital budgets. Funds for economic development and tourism projects in Philadelphia and Allegheny counties were authorized in Act 53 of 2007. In addition, pursuant to Act 63 of 2008, GEDTF proceeds can be used to fund debt service for water and sewer projects, flood control projects, and high hazard unsafe dam projects located elsewhere in Pennsylvania as approved by the Commonwealth Financing Authority.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 78,266	\$ 83,015	\$ 80,852
Receipts:			
Gross Terminal Revenue Assessments.....	\$ 108,208	\$ 116,311	\$ 120,792
Build America Bonds Federal Interest Subsidy.....	4,506	9,497	10,096
Interest.....	304	253	231
Total Receipts	113,018	126,061	131,119
Total Funds Available	\$ 191,284	\$ 209,076	\$ 211,971
Disbursements:			
Community and Economic Development.....	\$ 92,572	\$ 97,500	\$ 101,200
General Services.....	2,822	164	5,567 ^a
Transfer to Commonwealth Financing Authority.....	12,875	30,560	33,797
Total Disbursements	-108,269	-128,224	-140,564
Cash Balance, Ending	\$ 83,015	\$ 80,852	\$ 71,407

^a Includes a \$5.050M remaining pledge installment owed by a casino operator that is due on April 1, 2011. This installment amount is illustrated due to cashflow timing and is not expected to be paid by this fund or any other commonwealth fund.

Pennsylvania Historical and Museum Commission Trust Fund

This fund, created by Act 113 of 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 160	\$ 161	\$ 182
Receipts:			
Interest	\$ 1	\$ 21	\$ 0
Total Receipts	<u>1</u>	<u>21</u>	<u>0</u>
Total Funds Available	\$ 161	\$ 182	\$ 182
Disbursements:			
Historical and Museum Commission.....	\$ 0	\$ 0	\$ 0
Total Disbursements	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance, Ending	\$ 161	\$ 182	\$ 182

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 and the General Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 62,674	\$ 48,008	\$ 34,272
Receipts:			
Loan Repayments.....	\$ 8,084	\$ 9,427	\$ 12,649
Transfer from General Fund.....	0	0	0
Transfer from Motor License Fund.....	0	0	0
Transfer from Airport Development Grants.....	0	0	0
Interest	1,066	6,852	0
Total Receipts	<u>9,150</u>	<u>16,279</u>	<u>12,649</u>
Total Funds Available	\$ 71,824	\$ 64,287	\$ 46,921
Disbursements:			
Transportation.....	\$ 23,816	\$ 30,015	\$ 30,000
Total Disbursements	<u>-23,816</u>	<u>-30,015</u>	<u>-30,000</u>
Cash Balance, Ending	\$ 48,008	\$ 34,272	\$ 16,921

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 employes covered under both into a state-related municipal system. The fund established under Act 15 provides for payment of retirement allowances to officers, employes, 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 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Total Cash Balance, Beginning	\$ 1,186,780	\$ 1,307,601	\$ 1,384,110
Receipts:			
Contributions.....	\$ 54,162	\$ 60,427	\$ 66,470
Interest.....	41,520	15,749	16,694
Net Investment Adjustment.....	97,567	73,159	76,349
Total Receipts	<u>193,249</u>	<u>149,335</u>	<u>159,513</u>
Total Funds Available	\$ 1,380,029	\$ 1,456,936	\$ 1,543,623
Disbursements:			
Treasury.....	\$ 77	\$ 5	\$ 5
Municipal Retirement Board.....	72,351	72,821	76,462
Total Disbursements	<u>-72,428</u>	<u>-72,826</u>	<u>-76,467</u>
Cash Balance, Ending	\$ 1,307,601	\$ 1,384,110	\$ 1,467,156

Pennsylvania Race Horse Development Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, established the Pennsylvania Race Horse Development Fund to support and advance the commonwealth's horse racing industry. Operating tracks receive a daily assessment as determined by the Department of Revenue. The daily assessment from each licensed gaming entity is based on a formula established in the Act, which is capped at 12 percent of an entity's gross terminal revenue for that day. Proceeds are distributed to licensees conducting live horse racing. Track owners deposit 80 percent of the proceeds into a purse account. Thoroughbred tracks commit the remaining proceeds to the Breeders' Fund and a Horseman's Organization Fund. Standardbred tracks commit proceeds to the Sire Stakes Fund, the Pennsylvania Standardbred Breeders Development Fund, and a Horsemen's Organizational Fund. Act 1 of 2010 provides for a transfer from the Pennsylvania Race Horse Development Fund to the General Fund for fiscal years 2009-10 through 2012-13.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 3,248	\$ 4,100	\$ 0
Receipts:			
Assessments.....	\$ 259,630	\$ 277,080	\$ 282,020
Interest.....	24	20	16
Total Receipts	259,654	277,100	282,036
Total Funds Available	\$ 262,902	\$ 281,200	\$ 282,036
Disbursements:			
Revenue.....	\$ 214,294	\$ 234,190	\$ 234,096
Transfer to the General Fund.....	44,508	47,010	47,940
Total Disbursements	-258,802	-281,200	-282,036
Cash Balance, Ending	\$ 4,100	\$ 0	\$ 0

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 368	\$ 332	\$ 292
Receipts:			
Public/Private Donations.....	\$ 16	\$ 25	\$ 20
Interest	4	42	1
Total Receipts	20	67	21
Total Funds Available	\$ 388	\$ 399	\$ 313
Disbursements:			
Military and Veterans Affairs.....	\$ 56	\$ 107	\$ 90
Total Disbursements	-56	-107	-90
Cash Balance, Ending	\$ 332	\$ 292	\$ 223

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 130	\$ 131	\$ 94
Receipts:			
Referendum Bonds.....	\$ 0	\$ 0	\$ 0
Interest.....	1	13	0
Total Receipts	<u>1</u>	<u>13</u>	<u>0</u>
Total Funds Available	<u>\$ 131</u>	<u>\$ 144</u>	<u>\$ 94</u>
Disbursements:			
Infrastructure Investment Authority:			
PENNVEST Fund	\$ 0	\$ 0	\$ 0
PENNVEST Non-Revolving Equity Fund.....	0	0	0
PENNVEST Revolving Fund.....	0	50	0
PENNVEST Drinking Water Revolving Fund.....	0	0	0
PENNVEST Water Pollution Control	0	0	0
Total Disbursements	<u>0</u>	<u>-50</u>	<u>0</u>
Cash Balance, Ending	<u>\$ 131</u>	<u>\$ 94</u>	<u>\$ 94</u>

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 47,367	\$ 50,813	\$ 5,846
Receipts:			
Bond Authorization Fund.....	\$ 0	\$ 0	\$ 0
PENNVEST Fund.....	-4,762	6,000	5,000
Federal Funds.....	48,552	120,306	100,841
Transfer from the Water Pollution Control Revolving Fund.....	0	10,000	20,000
Transfer from the Water&Sewer Systems Assist Bond Fund.....	13,307	0	0
Principal and Loan Interest Payments.....	23,015	26,000	27,000
Interest.....	380	5,898	865
Total Receipts	<u>80,492</u>	<u>168,204</u>	<u>153,706</u>
Total Funds Available	\$ 127,859	\$ 219,017	\$ 159,552
Disbursements:			
Infrastructure Investment Authority.....	\$ 77,046	\$ 213,171	\$ 156,841
Total Disbursements	<u>-77,046</u>	<u>-213,171</u>	<u>-156,841</u>
Cash Balance, Ending	\$ 50,813	\$ 5,846	\$ 2,711

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 114,450	\$ 233,367	\$ 47,297
Receipts:			
Revolving Loan Payments.....	\$ 19,112	\$ 59,951	\$ 60,630
Bond Authorization Fund.....	0	0	0
Transfer from Environmental Stewardship Fund.....	8,531	7,439	6,488
Interest.....	785	13,970	3,500
Total Receipts	28,428	81,360	70,618
Total Funds Available	\$ 142,878	\$ 314,727	\$ 117,915
Disbursements:			
Infrastructure Investment Authority:			
Grants.....	\$ -193	\$ 11,433	\$ 4,000
Administration.....	1,800	2,615	2,301
Growing Greener Grants.....	-12,834	3,418	16,000
Revenue Bond Loan Pool.....	0	10	10
Revolving Loans and Administration.....	-88,472	248,045	85,000
State Conditional Fund.....	9,210	1,909	2,500
Total Disbursements	90,489	-267,430	-109,811
Cash Balance, Ending	\$ 233,367	\$ 47,297	\$ 8,104

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 29	\$ 29	\$ 29
Receipts:			
Bond Authorization Fund.....	\$ 0	\$ 0	\$ 0
Interest.....	0	0	0
Total Receipts	<u>0</u>	<u>0</u>	<u>0</u>
Total Funds Available	<u>\$ 29</u>	<u>\$ 29</u>	<u>\$ 29</u>
Disbursements:			
Infrastructure Investment Authority.....	\$ 0	\$ 0	\$ 0
Total Disbursements	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance, Ending	<u>\$ 29</u>	<u>\$ 29</u>	<u>\$ 29</u>

PENNVEST Redemption Fund

This fund, created under the authority of Act 16 of 1988, receives repayments of non-revolving loans and investment interest along with 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 1,759	\$ 1,775	\$ 1,775
Receipts:			
Transfer from General Fund.....	\$ 5,660	\$ 5,116	\$ 4,800
Interest on Securities.....	5	0	0
Non-Revolving Loan Repayments.....	5,320	5,320	5,320
Total Receipts	<u>10,985</u>	<u>10,436</u>	<u>10,120</u>
Total Funds Available	<u>\$ 12,744</u>	<u>\$ 12,211</u>	<u>\$ 11,895</u>
Disbursements:			
Treasury.....	\$ 10,969	\$ 10,436	\$ 10,120
Total Disbursements	<u>-10,969</u>	<u>-10,436</u>	<u>-10,120</u>
Cash Balance, Ending	<u>\$ 1,775</u>	<u>\$ 1,775</u>	<u>\$ 1,775</u>

PENNVEST Revolving Fund

This fund, created under the authority of Act 16 of 1988, receives moneys transferred from the PENNVEST Bond Authorization Fund. Funds are used for revolving loans which can be made to public or private entities for drinking water supply or sewer projects. Repayments of loans and interest are deposited in the PENNVEST Fund. In FY 2006-07, funds were redirected to the PENNVEST Non-Revolving Equity Fund and other PENNVEST funds.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 35	\$ 35	\$ 85
Receipts:			
Bond Authorization Fund.....	\$ 0	\$ 50	\$ 0
Interest.....	0	0	0
Total Receipts	<u>0</u>	<u>50</u>	<u>0</u>
Total Funds Available	<u>\$ 35</u>	<u>\$ 85</u>	<u>\$ 85</u>
Disbursements:			
Infrastructure Investment Authority.....	\$ 0	\$ 0	\$ 0
Total Disbursements	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance, Ending	<u>\$ 35</u>	<u>\$ 85</u>	<u>\$ 85</u>

PENNVEST Trustee Fund

This fund was created in Treasury by the Pennsylvania Infrastructure Investment Authority (PENNVEST) to record the accounting transactions of their trustee. The trustee will transfer the proceeds from the sale of Commercial Paper and Revenue Bonds to the Authority for loans to the public entities receiving State funds for construction projects.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Commercial Paper.....	\$ 0	\$ 75,000	\$ 100,000
Total Receipts	<u>0</u>	<u>75,000</u>	<u>100,000</u>
Total Funds Available	<u>\$ 0</u>	<u>\$ 75,000</u>	<u>\$ 100,000</u>
Disbursements:			
Infrastructure Investment Authority.....	\$ 0	\$ 75,000	\$ 100,000
Total Disbursements	<u>0</u>	<u>-75,000</u>	<u>-100,000</u>
Cash Balance, Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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)

	2009-10 Actual	2010-2011 Available	2011-2012 Estimated
Cash Balance, Beginning	\$ 263,728	\$ 235,922	\$ 76,200
Receipts:			
PENNVEST Fund.....	\$ -1,296	\$ 17,676	\$ 13,580
Federal Funds.....	101,446	274,197	120,350
Bond Authorization Fund.....	0	0	0
Transfer from the Water&Sewer Systems Assist Bond Fund.....	4,387	0	0
Principal and Loan Interest Payments.....	86,602	92,000	93,000
Interest.....	2,527	6,638	4,600
Total Receipts	<u>193,666</u>	<u>390,511</u>	<u>231,530</u>
Total Funds Available	\$ 457,394	\$ 626,433	\$ 307,730
Disbursements:			
Infrastructure Investment Authority.....	\$ 221,472	\$ 550,233	\$ 302,030
Total Disbursements	<u>-221,472</u>	<u>-550,233</u>	<u>-302,030</u>
Cash Balance, Ending	\$ 235,922	\$ 76,200	\$ 5,700

Persian Gulf Conflict Veterans' Compensation Bond Fund

This fund was created by Act 29 of 2006 to receive and distribute the proceeds from the sale of \$20 million in bonds approved by the electorate in November of 2006. This money will be used for payments of compensation to commonwealth veterans who were active in the Persian Gulf Theater of operations during the period from August 2, 1990 to August 31, 1991 and who have received the Southwest Asia Service Medal. The maximum compensation is \$525 except in the cases of death or if the veteran was a prisoner of war. In such instances the maximum compensation shall be \$5,000. Applications will be accepted until August 31, 2015.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 4,001	\$ 3,481	\$ 1,991
Receipts:			
Sale of Bonds.....	\$ 0	\$ 0	\$ 0
Interest.....	13	10	5
Loan From General Fund.....	0	0	0
Total Receipts	<u>13</u>	<u>10</u>	<u>5</u>
Total Funds Available	\$ 4,014	\$ 3,491	\$ 1,996
Disbursements:			
Military and Veterans Affairs.....	533	1,500	1,500
Total Disbursements	<u>-533</u>	<u>-1,500</u>	<u>-1,500</u>
Cash Balance, Ending	\$ 3,481	\$ 1,991	\$ 496

Persian Gulf Conflict Veterans' Compensation Sinking Fund

Monies in this fund are used to redeem or pay interest on bonds issued for the Persian Gulf Conflict Veterans' Compensation Program. The annual appropriation from the General Fund for general obligation debt service provides revenues to the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from Treasury.....	\$ 501	\$ 501	\$ 500
Total Receipts	<u>501</u>	<u>501</u>	<u>500</u>
Total Funds Available	\$ 501	\$ 501	\$ 500
Disbursements:			
Treasury.....	\$ 501	\$ 501	\$ 500
Total Disbursements	<u>-501</u>	<u>-501</u>	<u>-500</u>
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

Pharmaceutical Assistance Fund

The revenue for the Pharmaceutical Assistance Fund (PACE) is received from the Lottery Fund and the Tobacco Settlement Fund. This budget proposes that beginning in 2011-12 all revenue will be received from the Lottery Fund. Please see the Tobacco Settlement Fund in the Summary by Funds section of the budget for additional details. 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, the claims processing for the Auto Cat and the Worker's Compensation Security Fund programs in the Insurance Department and the State Workers' Insurance Fund in the Department of Labor and Industry 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, Insurance, Public Welfare and Labor and Industry.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 98,735	\$ 67,592	\$ 25,933
Receipts:			
Transfer from Lottery Fund	\$ 200,000	\$ 200,000	\$ 250,000
Transfer from Tobacco Settlement Fund	31,420	26,148 ^a	0
Interest	334	6,050	650
Disease Specific Programs.....	5,535	5,350	3,856
Special Pharmaceutical Services	52,614	67,430	69,120
State Workers' Insurance Fund	932	0	0
Auto Cat Program.....	0	1,150	1,808
Workers' Compensation Security Fund Program.....	0	3,741	6,209
Other	0	0	0
Total Receipts	<u>290,835</u>	<u>309,869</u>	<u>331,643</u>
Total Funds Available	\$ 389,570	\$ 377,461	\$ 357,576
Disbursements:			
Treasury	\$ 11	\$ 5	\$ 5
Aging	263,757	272,220	263,028
Health	5,360 ^a	3,856 ^a	3,856 ^a
Insurance.....	0 ^a	8,017 ^a	8,017 ^a
Public Welfare	51,995 ^a	67,430 ^a	69,120 ^a
Labor and Industry	855 ^a	0 ^a	0 ^a
Total Disbursements	<u>-321,978</u>	<u>-351,528</u>	<u>-344,026</u>
Cash Balance, Ending	\$ 67,592	\$ 25,933	\$ 13,550

^a 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 251	\$ 577	\$ 578
Receipts:			
Transfer from Philadelphia Regional Port Authority.....	\$ 8,173	\$ 8,000	\$ 9,000
Interest.....	2	1	1
Total Receipts	<u>8,175</u>	<u>8,001</u>	<u>9,001</u>
Total Funds Available	\$ <u>8,426</u>	\$ <u>8,578</u>	\$ <u>9,579</u>
Disbursements:			
Philadelphia Regional Port Operations.....	\$ 7,849	\$ 8,000	\$ 9,000
Total Disbursements	<u>-7,849</u>	<u>-8,000</u>	<u>-9,000</u>
Cash Balance, Ending	\$ <u>577</u>	\$ <u>578</u>	\$ <u>579</u>

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, and Act 131 of 2006 added Blair 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 4,711	\$ 4,757	\$ 5,184
Receipts:			
Transfer from General Fund.....	\$ 767	\$ 775	\$ 738
Federal Revenue.....	0	2,629	0
Other.....	80	60	60
Interest	29	445	13
Total Receipts	<u>876</u>	<u>3,909</u>	<u>811</u>
Total Funds Available	\$ <u>5,587</u>	\$ <u>8,666</u>	\$ <u>5,995</u>
Disbursements:			
Port of Pittsburgh Commission.....	\$ 830	\$ 3,482	\$ 1,500
Total Disbursements	<u>-830</u>	<u>-3,482</u>	<u>-1,500</u>
Cash Balance, Ending	\$ <u>4,757</u>	\$ <u>5,184</u>	\$ <u>4,495</u>

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Property Tax Relief Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, created the Property Tax Relief Fund to provide local property and wage tax relief payments to school districts. The fund receives revenue from the State Gaming Fund representing the balance of money collected in the State Gaming Fund after other distributions. Act 1 of Special Session 1 of 2006, the Taxpayer Relief Act, further provides for the distribution of funds from the Property Tax Relief Fund to school districts. In addition, transfers are made to the State Lottery Fund for an expanded Property Rent Rebate Program and supplemental senior citizen tax reduction payments. The fiscal year ending balances include the Property Tax Relief Reserve Account and funding for property tax relief payments made in August and October each year.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 667,415	\$ 543,450	\$ 524,105
Receipts:			
Transfer from State Gaming Fund.....	\$ 664,737	\$ 761,600	\$ 778,000
Interest.....	1,198	1,455	1,504
Total Receipts	<u>665,935</u>	<u>763,055</u>	<u>779,504</u>
Total Funds Available	<u>\$ 1,333,350</u>	<u>\$ 1,306,505</u>	<u>\$ 1,303,609</u>
Disbursements:			
Property Tax Relief Payments:			
Department of Education			
General Property Tax Relief.....	\$ 595,000	\$ 595,000	\$ 595,000
Sterling Act.....	18,200	21,500	22,200
Subtotal: Education Property Tax Relief Payments.....	<u>613,200</u>	<u>616,500</u>	<u>617,200</u>
Department of Revenue			
Expanded Prop Tax/Rent Rebate/Senior Tax Reductions.....	127,500	129,100	135,900
Cities and High-Burden.....	9,200	26,900	28,200
Subtotal: Revenue Property Tax Relief Payments.....	<u>136,700</u>	<u>156,000</u>	<u>164,100</u>
Total Property Tax Relief Disbursements.....	<u>749,900</u>	<u>772,500</u>	<u>781,300</u>
Transfer to State Lottery Fund			
Expanded Prop Tax/Rent Rebate/Senior Tax Reductions.....	40,000	9,900	0
Total Disbursements.....	<u>-789,900</u>	<u>-782,400</u>	<u>-781,300</u>
Cash Balance, Ending	<u>\$ 543,450</u> ^a	<u>\$ 524,105</u> ^b	<u>\$ 522,309</u> ^c

^a 2009-10 Actual includes a balance of \$83,048,597 in the Property Tax Relief Reserve Account.

^b 2010-11 Available includes a balance of \$34,800,000 in the Property Tax Relief Reserve Account.

^c 2011-12 Estimated includes a balance of \$15,000,000 in the Property Tax Relief Reserve Account.

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. Act 44 of 2007 revised the purpose of this fund by transferring programs to the new Public Transportation Trust Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 6,162	\$ 6,829	\$ 592
Receipts:			
PTAF Tax Revenues.....	\$ 167,530	\$ 170,300	\$ 174,100
Interest on Securities	44	37	27
Total Receipts	<u>167,574</u>	<u>170,337</u>	<u>174,127</u>
Total Funds Available	\$ 173,736	\$ 177,166	\$ 174,719
Disbursements:			
Transportation:			
Grants.....	\$ 151,825	\$ 159,464	\$ 154,738
Transfer to Public Transportation Trust Fund.....	15,082	17,110	15,811
Total Disbursements	<u>-166,907</u>	<u>-176,574</u>	<u>-170,549</u>
Cash Balance, Ending	\$ 6,829	\$ 592	\$ 4,170

Public Transportation Trust Fund

This fund was created by Act 44 of 2007 to provide dedicated funding for public transportation in the commonwealth. Revenues come from scheduled payments by the Pennsylvania Turnpike Commission, a portion of the Sales and Use Tax, and transfers from the Public Transportation Assistance Fund and the Lottery Fund. Monies in this fund are disbursed as grants to public transit agencies for operating costs (including Shared Ride and Free Transit for Older Pennsylvanians), capital and asset improvements, and programs of statewide significance.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 55,469	\$ 102,856	\$ 47,447
Receipts:			
Sales and Use Tax.....	\$ 368,418	\$ 386,936	\$ 392,856
Pennsylvania Turnpike Commission.....	400,000	250,000	250,000
Transfer from the Lottery Fund.....	86,597	88,199	89,610
Transfer from the Public Transportation Assistance Fund.....	15,082	17,110	15,811
Other	374	0	0
Interest.....	627	11,943	1,500
Total Receipts.....	<u>871,098</u>	<u>754,188</u>	<u>749,777</u>
Total Funds Available	\$ 926,567	\$ 857,044	\$ 797,224
Disbursements:			
Transportation.....	\$ 823,711	\$ 809,597	\$ 784,916
Total Disbursements.....	<u>-823,711</u>	<u>-809,597</u>	<u>-784,916</u>
Cash Balance, Ending	\$ 102,856	\$ 47,447	\$ 12,308

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 19,935	\$ 38,967	\$ 41,548
Receipts:			
Reimbursements to General Services.....	\$ 327,902	\$ 326,846	\$ 341,214
Reimbursements to Executive Offices.....	64,223	73,096	80,000
General Fund Loan.....	14,300	0	0
Interest.....	75	80	64
Total Receipts	406,500	400,022	421,278
Total Funds Available	\$ 426,435	\$ 438,989	\$ 462,826
Disbursements:			
General Services.....	\$ 314,168	\$ 319,759	\$ 324,796
Executive Offices.....	59,000	77,677	80,000
Loan Repayment.....	14,300	0	0
Treasury.....	0	5	5
Total Disbursements	-387,468	-397,441	-404,801
Cash Balance, Ending	\$ 38,967	\$ 41,548	\$ 58,025

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 479	\$ 479	\$ 486
Receipts:			
Additional License Fees.....	\$ 36	\$ 100	\$ 100
Interest	3	57	1
Total Receipts	39	157	101
Total Funds Available	\$ 518	\$ 636	\$ 587
Disbursements:			
State.....	\$ 39	\$ 150	\$ 150
Total Disbursements	-39	-150	-150
Cash Balance, Ending	\$ 479	\$ 486	\$ 437

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 allowed 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 52,259	\$ 52,325	\$ 35,582
Receipts:			
Recycling Fees.....	\$ 35,300	\$ 37,550	\$ 35,070
Fines and Penalties.....	0	3	3
Interest	112	7,098	500
Transfer from Hazerdous Sites Cleanup Fund.....	1,000	0	0
Environmental Technology Loan Repayments and Interest.....	0	0	0
Total Receipts	36,412	44,651	35,573
Total Funds Available	\$ 88,671	\$ 96,976	\$ 71,155
Disbursements:			
Environmental Protection	\$ 36,346	\$ 61,394	\$ 39,016
Transfer to General Fund.....	0	0	0
Total Disbursements	-36,346	-61,394	-39,016
Cash Balance, Ending	\$ 52,325	\$ 35,582	\$ 32,139

Rehabilitation Center Fund

This fund was created by Act 55 of 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 3,981	\$ 4,628	\$ 4,881
Receipts:			
Client Fees	\$ 18,094	\$ 18,500	\$ 18,500
Interest.....	12	11	9
Labor and Industry.....	1,748	1,700	1,700
Other.....	525	550	550
Total Receipts	20,379	20,761	20,759
Total Funds Available	\$ 24,360	\$ 25,389	\$ 25,640
Disbursements:			
Labor and Industry.....	\$ 19,732	\$ 20,508	\$ 20,508
Total Disbursements	-19,732	-20,508	-20,508
Cash Balance, Ending	\$ 4,628	\$ 4,881	\$ 5,132

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 2,982	\$ 3,096	\$ 2,978
Receipts:			
Interest transfer to Land and Water			
Sinking Fund.....	\$ -4	\$ -377	\$ -6
Interest.....	22	377	6
Operator Annual Fee.....	96	111	111
Total Receipts	<u>114</u>	<u>111</u>	<u>111</u>
Total Funds Available	\$ 3,096	\$ 3,207	\$ 3,089
Disbursements:			
Environmental Protection	\$ 0	\$ 229	\$ 50
Total Disbursements	<u>0</u>	<u>-229</u>	<u>-50</u>
Cash Balance, Ending	\$ 3,096	\$ 2,978	\$ 3,039

Rightful Owners' Claims Payment Fund

This fund was created by Act 45 of 2003 to make reimbursements and prompt payment of claims to 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, 5 percent of the funds transferred annually into 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 34	\$ 37	\$ 12
Receipts:			
Transfers from Unclaimed Property Accounts.....	\$ 263	\$ 160	\$ 206
Interest.....	0	0	0
Total Receipts	<u>263</u>	<u>160</u>	<u>206</u>
Total Funds Available	\$ 297	\$ 197	\$ 218
Disbursements:			
Treasury Payments to Claimants.....	\$ 260	\$ 185	\$ 200
Total Disbursements.....	<u>-260</u>	<u>-185</u>	<u>-200</u>
Cash Balance, Ending	\$ 37	\$ 12	\$ 18

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. Act 40 also added a minimum employer contribution rate. Act 46 of 2010 capped the employer rate for 2010-11 at 5 percent.

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 43,143,139	\$ 45,440,228	\$ 45,440,828
Receipts:			
Transfer from General Fund —			
Employer Contribution (non-school entities).....	\$ 2,812	\$ 4,000	\$ 8,000
Transfers from State Retirement System.....	13,599	15,000	16,000
Contributions of School Employees.....	944,706	992,000	1,026,000
Contributions of Employers.....	536,701	769,900	1,220,700
Interest on Securities.....	-14,190	57,000	57,000
Net Investment Adjustment.....	5,618,896	3,599,000	3,596,000
Directed Commissions.....	778	1,000	2,000
Other.....	104,867	23,000	23,000
Total Receipts	<u>7,208,169</u>	<u>5,460,900</u>	<u>5,948,700</u>
Total Funds Available	\$ 50,351,308	\$ 50,901,128	\$ 51,389,528
Disbursements:			
Treasury	\$ 413	\$ 300	\$ 300
Public School Employees' Retirement Board	4,910,667	5,460,000	5,841,000
Total Disbursements	<u>-4,911,080</u>	<u>-5,460,300</u>	<u>-5,841,300</u>
Cash Balance, Ending	\$ 45,440,228	\$ 45,440,828	\$ 45,548,228

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. This presentation only reflects the activity of the claims reserve account. PSERS administers other activity through the fund which is not included herein. The revenue for HOP is from premiums paid by its participants for the benefit coverage they elect and, beginning in 2006, federal funds to subsidize Medicare Part D prescription drug benefits for HOP participants enrolled in that program. 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Interest.....	\$ 0	\$ 0	\$ 0
Insurance Claims.....	62,018	33,000	34,000
Total Receipts	62,018	33,000	34,000
Total Funds Available	\$ 62,018	\$ 33,000	\$ 34,000
Disbursements:			
School Employees' Retirement System.....	\$ 62,018	\$ 33,000	\$ 34,000
Total Disbursements	-62,018	-33,000	-34,000
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 38,980	\$ 40,531	\$ 37,021
Receipts:			
Transfer from the Workmen's Compensation Fund.....	\$ 5,832	\$ 2,800	\$ 1,980
Interest.....	366	9	9
Other.....	44	0	0
Total Receipts	6,242	2,809	1,989
Total Funds Available	\$ 45,222	\$ 43,340	\$ 39,010
Disbursements:			
Labor and Industry.....	\$ 4,691	\$ 6,319	\$ 3,500
Total Disbursements	-4,691	-6,319	-3,500
Cash Balance, Ending	\$ 40,531	\$ 37,021	\$ 35,510

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. Act 50 of 2009 enabled the fund to transfer monies to the Machinery and Equipment Loan Fund in support of its activities.

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 59,527	\$ 57,059	\$ 36,748
Receipts:			
Loan Repayments.....	\$ 20,977	\$ 24,450	\$ 21,870
Interest.....	529	6,478	950
Miscellaneous.....	0	10	5
Total Receipts	<u>21,506</u>	<u>30,938</u>	<u>22,825</u>
Total Funds Available	\$ 81,033	\$ 87,997	\$ 59,573
Disbursements:			
Transfer to Machinery & Equip Loan Fund.....	\$ 12,000	\$ 0	\$ 0
Transfer to General Fund.....	0	4,000	0
Treasury.....	0	10	10
Community and Economic Development			
Administration.....	749	1,768	1,727
Loans.....	11,225	45,471	37,500
Total Disbursements	<u>-23,974</u>	<u>-51,249</u>	<u>-39,227</u>
Cash Balance, Ending	\$ 57,059	\$ 36,748	\$ 20,346

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 630	\$ 634	\$ 461
Receipts:			
Interest.....	\$ 4	\$ 77	\$ 1
Total Receipts	<u>4</u>	<u>77</u>	<u>1</u>
Total Funds Available	\$ 634	\$ 711	\$ 462
Disbursements:			
Environmental Protection	\$ 0	\$ 250	\$ 0
Total Disbursements	<u>0</u>	<u>-250</u>	<u>0</u>
Cash Balance, Ending	\$ 634	\$ 461	\$ 462

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. Act 5 of 2005 requires that all moneys in excess of \$200,000 in the fund, less encumbrances for litigation, shall be transferred by June 25th of each year to either the Unemployment Compensation Contribution Fund or the Job Training Fund or both.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 3,772	\$ 6,387	\$ 200
Receipts:			
Penalty and Interest Collections.....	\$ 6,065	\$ 6,715	\$ 6,767
Interest.....	50	174	9
Total Receipts	6,115	6,889	6,776
Total Funds Available	\$ 9,887	\$ 13,276	\$ 6,976
Disbursements:			
Transfer to Job Training Fund.....	\$ 3,500	\$ 6,000	\$ 3,600
Transfer to Unemployment Compensation Fund.....	0	7,071	3,176
Labor and Industry.....	0	5	0
Total Disbursements	-3,500	-13,076	-6,776
Cash Balance, Ending	\$ 6,387	\$ 200	\$ 200

Special Juvenile Victim Compensation Fund

This fund was created in Act 46 of 2010. The purpose of the fund is to provide compensation to victims of juvenile crime in a county of the third class. If money in the Special Juvenile Victim Compensation Fund is not sufficient to make all of the payments required by the legislation, the payments shall be reduced for each victim on a pro rata basis. Revenue to the fund consists of funds transferred from the Crime Victim's Compensation Fund, appropriations, money from any other source and return on the money in the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from Crime Victims' Compensation Fund.....	\$ 0	\$ 500	\$ 0
Interest.....	0	0	0
Total Receipts.....	0	500	0
Total Funds Available	\$ 0	\$ 500	\$ 0
Disbursements:			
PA Commission on Crime and Delinquency.....	\$ 0	\$ 500	\$ 0
Total Disbursements.....	0	-500	0
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 24	\$ 24	\$ 24
Receipts:			
Interest.....	\$ 0	\$ 3	\$ 1
Total Receipts	0	3	1
Total Funds Available	\$ 24	\$ 27	\$ 25
Disbursements:			
Treasury.....	\$ 0	\$ 3	\$ 1
Total Disbursements	0	-3	-1
Cash Balance, Ending	\$ 24	\$ 24	\$ 24

State Employees' Retirement Fund

This fund was created in 1923 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, thereby lowering the employer contribution costs. Act 8 of 2007 added a minimum employer contribution rate. Act 46 of 2010 capped the employer rate for 2010-11 at 5 percent.

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 2010-11 and 2011-12.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 22,068,932	\$ 23,540,317	\$ 23,589,047
Receipts:			
Contributions of Employees.....	\$ 350,024	\$ 369,000	\$ 382,500
Contributions of Employers.....	224,714	296,800	490,600
Transfer to Annuity Reserve Account.....	22,249	0	0
Income from Securities.....	2,190	295,274	296,256
Directed Commissions.....	82	80	80
Net Investment Adjustment.....	3,255,575	1,595,922	1,601,156
Total Receipts	3,854,834	2,557,076	2,770,592
Total Funds Available	\$ 25,923,766	\$ 26,097,393	\$ 26,359,639
Disbursements:			
Treasury.....	\$ 167	\$ 250	\$ 300
State Employees' Retirement System.....	2,383,282	2,508,096	2,659,521
Total Disbursements	-2,383,449	-2,508,346	-2,659,821
Cash Balance, Ending	\$ 23,540,317	\$ 23,589,047	\$ 23,699,818

State Gaming Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, established the State Gaming Fund to receive all licenses fees provided for in the act and 34 percent of the gross terminal revenue (GTR) generated by licensed gaming facilities. These monies are to be distributed annually to various programs as set forth in the act with the remainder being transferred to the Property Tax Relief Fund in order to provide property tax relief as required by Act 1 of Special Session 1 of 2006. Also licensed gaming facilities deposit an additional 4 percent of GTR into the fund for local share distributions where gaming facilities are located.

Act 1 of 2010 expanded gaming in the commonwealth to include table games and required licensed gaming facilities with table games to deposit an additional 2 percent of the gross table games revenue into the fund for local share distributions.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 213,526	\$ 213,888	\$ 190,870
Receipts:			
License Fees.....	\$ 0	\$ 15,000	\$ 0
State Tax Revenue.....	735,816	790,900	821,400
Licensee Deposit Accts.....	45,388	52,500	57,000
Local Share Assessment.....	123,704	143,593	151,100
Interest.....	600	502	454
Other	8,598	8,113	8,113
Total Receipts	914,106	1,010,608	1,038,067
Total Funds Available	\$ 1,127,632	\$ 1,224,496	\$ 1,228,937
Disbursements:			
Revenue			
Transfer to Compulsive and Problem Gambling Treatment Fund.....	\$ 2,471	\$ 5,756	\$ 4,800
Transfer to Compulsive and Problem Gambling Treatment Fund - Drug and Alcohol.....	3,000	3,000	3,000
Statutory Licensee Deposit Adjustment	31,500	0	0
Payment in Lieu of Taxes:			
Conservation and Natural Resources.....	5,044	5,084	5,110
Fish and Boat Commission.....	16	40	40
Game Commission.....	3,468	3,475	3,475
Emergency Management & Homeland Security			
Volunteer Company Grants.....	25,000	25,000	25,000
Gaming Control Board			
Local Law Enforcement Grants.....	0	2,000	2,000
Grantee Refunds Received.....	-534	0	0
Transfer to General Fund.....	12,500	0	0
Local Share Assessment Distribution.....			
Revenue.....	84,476	110,000	115,000
Community and Economic Development.....	28,730	50,000	50,000
Education.....	0	980	1,000
Administrative Appropriations			
Gaming Control Board.....	30,591	35,800	36,444
Revenue.....	7,722	10,775	9,501
State Police.....	14,328	19,070	19,268
Attorney General.....	695	1,046	976
Transfer to Property Tax Relief Fund.....	664,737	761,600	778,000
Total Disbursements	-913,744	-1,033,626	-1,053,614
Cash Balance, Ending	\$ 213,888^a	\$ 190,870^a	\$ 175,323^a

^a Ending cash balance includes the following restricted balances: 2009-10 Actual is \$117,384,000, 2010-11 Available is \$93,919,000 and 2011-12 Estimated is \$77,943,000.

State Insurance Fund

Act 227 of 1915 created this fund which finances expenditures related to the rebuilding, restoring or replacing of buildings, structures, equipment or other property owned by the commonwealth that 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. This fund satisfies the requirements of the federal government for the Disaster Insurance Program.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 12,760	\$ 11,548	\$ 7,573
Receipts:			
Recovered Damages.....	\$ 0	\$ 0	\$ 260
Interest	131	1,530	137
Total Receipts	131	1,530	397
Total Funds Available	\$ 12,891	\$ 13,078	\$ 7,970
Disbursements:			
Treasury.....	\$ 0	\$ 5	\$ 5
General Services.....	1,343	5,500	2,000
Total Disbursements	-1,343	-5,505	-2,005
Cash Balance, Ending	\$ 11,548	\$ 7,573	\$ 5,965

State Restaurant Fund

This fund was created by Act 259 of 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 is the only restaurant operated through this fund. Revenue is derived from profit-sharing with the contracted vendor.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 1,961	\$ 1,522	\$ 1,370
Receipts:			
Revenue from Operations.....	\$ 56	\$ 50	\$ 60
Interest.....	37	198	2
Total Receipts	93	248	62
Total Funds Available	\$ 2,054	\$ 1,770	\$ 1,432
Disbursements:			
General Services.....	\$ 532	\$ 400	\$ 100
Total Disbursements	-532	-400	-100
Cash Balance, Ending	\$ 1,522	\$ 1,370	\$ 1,332

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. Currently, the State Board of Education periodically uses the interest earned to fund research and small projects.

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 589	\$ 586	\$ 651
Receipts:			
Interest.....	\$ 5	\$ 75	\$ 1
Sale Proceeds.....	2	0	0
Total Receipts	<u>7</u>	<u>75</u>	<u>1</u>
Total Funds Available	\$ 596	\$ 661	\$ 652
Disbursements:			
Education.....	\$ 10	\$ 10	\$ 10
Total Disbursements	<u>-10</u>	<u>-10</u>	<u>-10</u>
Cash Balance, Ending	\$ 586	\$ 651	\$ 642

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. Surplus funds are transferred to the General Fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 32,781	\$ -52,900	\$ -11,218
Receipts:			
Fees, Fines and Penalties.....	\$ 14,713	\$ 14,004	\$ 14,004
Sale of Goods.....	1,529,631	1,583,483	1,638,905
Liquor/Sales Taxes.....	383,557	397,919	409,726
Recovered Losses and Damages.....	972	1,000	1,000
General Fund Loan.....	110,000	110,000	110,000
Interest.....	349	200	200
Total Receipts	2,039,222	2,106,606	2,173,835
Total Funds Available	\$ 2,072,003	\$ 2,053,706	\$ 2,162,617
Disbursements:			
Treasury.....	\$ 6	\$ 15	\$ 21
Health.....	1,377	1,050	2,100
Liquor Control Board	1,505,064	1,426,681	1,517,700
State Police.....	19,899	24,259	25,034
General Fund Loan Repayment.....	110,000	110,000	110,000
Transfer of Liquor/Sales Taxes to General Fund.....	383,557	397,919	409,726
Transfer of Profits to General Fund.....	105,000	105,000	80,000
Total Disbursements	-2,124,903	-2,064,924	-2,144,581
Cash Balance, Ending	\$ -52,900^a	\$ -11,218	\$ 18,036

^a Actual year receipts include \$3,766,500 pending in Treasury. Actual year disbursements include \$101,856,780 posted but not yet paid by Treasury. The actual cash balance in Treasury at 06/30/2010 was \$45,190,225.

State Treasury Armory Fund

Created in accordance with Act 92 of 1975 as amended by Act 47 of 1994, this fund receives monies derived from the sale of unusable armories and land or the sale or lease of timber and mineral rights. Funds can be expended for the purchase of equipment, furniture and fixtures for state armories and other National Guard facilities and/or repairs and maintenance to the same facilities in the commonwealth.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 2,978	\$ 3,141	\$ 2,238
Receipts:			
Armory Rentals.....	\$ 197	\$ 400	\$ 200
Sale of Armories and Land.....	889	175	400
Interest.....	21	322	7
Total Receipts	<u>1,107</u>	<u>897</u>	<u>607</u>
Total Funds Available	\$ 4,085	\$ 4,038	\$ 2,845
Disbursements:			
Military and Veterans Affairs.....	\$ 944	\$ 1,800	\$ 650
Total Disbursements	<u>-944</u>	<u>-1,800</u>	<u>-650</u>
Cash Balance, Ending	\$ 3,141	\$ 2,238	\$ 2,195

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)		
	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 1,608,307	\$ 1,569,769	\$ 1,519,150
Receipts:			
Premiums.....	\$ 197,139	\$ 334,000	\$ 334,000
Interest.....	72,837	61,251	59,000
Net Investment Adjustment.....	79,648	0	0
Other.....	6,082	6,000	6,000
Total Receipts	<u>355,706</u>	<u>401,251</u>	<u>399,000</u>
Total Funds Available	\$ 1,964,013	\$ 1,971,020	\$ 1,918,150
Disbursements:			
Treasury.....	\$ 0	\$ 25	\$ 25
Labor and Industry.....	394,244	448,845	448,845
Premium Tax Payment to the General Fund.....	0	3,000	3,000
Total Disbursements	<u>-394,244</u>	<u>-451,870</u>	<u>-451,870</u>
Cash Balance, Ending	\$ 1,569,769	\$ 1,519,150	\$ 1,466,280

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 9,657	\$ 10,144	\$ 7,619
Receipts:			
Registration Fees.....	\$ 3,207	\$ 3,103	\$ 3,103
Federal Funds - EPA.....	6,265	11,492	10,403
Fines and Penalties.....	585	728	728
Interest.....	62	963	26
Other.....	2,120	1,955	1,955
Total Receipts	12,239	18,241	16,215
Total Funds Available	\$ 21,896	\$ 28,385	\$ 23,834
Disbursements:			
Environmental Protection.....	\$ 11,752	\$ 20,766	\$ 13,902
Total Disbursements	-11,752	-20,766	-13,902
Cash Balance, Ending	\$ 10,144	\$ 7,619	\$ 9,932

Substance Abuse Education and Demand Reduction Fund

This fund was created by Act 198 of 2002 and amended by Act 36 of 2006. 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 11,005	\$ 10,841	\$ 8,629
Receipts:			
Assessments.....	\$ 3,537	\$ 3,655	\$ 3,655
Interest.....	77	1,290	120
Total Receipts	3,614	4,945	3,775
Total Funds Available	\$ 14,619	\$ 15,786	\$ 12,404
Disbursements:			
Executive Offices.....	\$ 3,431	\$ 6,803	\$ 6,145
Attorney General.....	347	354	355
Total Disbursements	-3,778	-7,157	-6,500
Cash Balance, Ending	\$ 10,841	\$ 8,629	\$ 5,904

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 Employee 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 73	\$ 74	\$ 0
Receipts:			
Interest	\$ 1	\$ 8	\$ 0
Total Receipts	<u>1</u>	<u>8</u>	<u>0</u>
Total Funds Available	<u>\$ 74</u>	<u>\$ 82</u>	<u>\$ 0</u>
Disbursements:			
Auditor General.....	\$ 0	\$ 0	\$ 0
Transfer to the General Fund.....	0	82	0
Total Disbursements	<u>0</u>	<u>-82</u>	<u>0</u>
Cash Balance, Ending	<u>\$ 74</u>	<u>\$ 0</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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 60,207	\$ 60,285	\$ 58,536
Receipts:			
Licenses and Fees.....	\$ 116	\$ 120	\$ 120
Fines and Penalties.....	30	210	210
Interest.....	136	8,104	140
Forfeiture of Bonds.....	377	0	0
Trust Account Collateral.....	3,564	0	0
Reclamation Fee O & M.....	112	0	0
ABS Legacy Sites Trust.....	343	0	0
Other.....	30	0	0
Total Receipts	<u>4,708</u>	<u>8,434</u>	<u>470</u>
Total Funds Available	<u>\$ 64,915</u>	<u>\$ 68,719</u>	<u>\$ 59,006</u>
Disbursements:			
Treasury.....	\$ 0	\$ 5	\$ 5
Environmental Protection.....	4,630	10,178	3,247
Total Disbursements	<u>-4,630</u>	<u>-10,183</u>	<u>-3,252</u>
Cash Balance, Ending	<u>\$ 60,285</u>	<u>\$ 58,536</u>	<u>\$ 55,754</u>

Tax Note Sinking Fund

Monies in this fund are used solely for the payment of principal and interest on tax anticipation notes issued for the General Fund or the Motor License Fund. Repayment of tax anticipation notes must be accomplished before the end of the fiscal year in which the notes were issued.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 801,221	\$ 1,002,697	\$ 1,505,000
Premium on Sale of Notes.....	5,000	15,180	0
Interest on Securities.....	26	0	0
Total Receipts	<u>806,247</u>	<u>1,017,877</u>	<u>1,505,000</u>
Total Funds Available	\$ 806,247	\$ 1,017,877	\$ 1,505,000
Disbursements:			
Treasury.....	\$ 806,247	\$ 1,017,877	\$ 1,505,000
Total Disbursements	<u>-806,247</u>	<u>-1,017,877</u>	<u>-1,505,000</u>
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

Treasury Initiative Support Fund

This fund was created in 2009 as a vehicle to account for funding received in support of Treasury initiatives and to track spending as required by the various funding agreements. Treasury established the Keystone Home Energy Loan Program (HELP) in 2006 to offer affordable energy efficiency financing options to homeowners. These consumer loans are bundled and purchased as an investment into a Treasury investment pool. This program received funding to administer components of the Alternative Energy Act of July 9, 2008. It has also received funding to support the HELP loans, including funds for a geothermal energy component. Support received to assist a Micro Lending investment program is also included in this fund. In addition, Treasury has received independent foundation grants to develop a nationwide market to support the sale of energy efficiency loans and to make investments that promote energy efficiency improvements on college and university campuses in Pennsylvania.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 4,641	\$ 6,415	\$ 8,747
Receipts:			
Program Funding.....	\$ 4,739	\$ 17,023	\$ 8,000
Interest.....	8	59	50
Total Receipts	<u>4,747</u>	<u>17,082</u>	<u>8,050</u>
Total Funds Available	\$ 9,388	\$ 23,497	\$ 16,797
Disbursements:			
Treasury.....	\$ 2,973	\$ 14,750	\$ 8,500
Total Disbursements.....	<u>-2,973</u>	<u>-14,750</u>	<u>-8,500</u>
Cash Balance, Ending	\$ 6,415	\$ 8,747	\$ 8,297

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 ending fund balance shown in the statement includes substantial investment assets. The net investment adjustment receipt item is included to reflect the carrying value of long-term investments as of June 30. The Long-Term Investments (outside of Treasury) disbursement represents cash for investments purchased through various TAP fund investment managers.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 1,050,068	\$ 1,177,143	\$ 1,280,798
Receipts:			
Application Fees	\$ 605	\$ 698	\$ 625
Tuition Unit Purchases.....	156,936	140,674	143,487
Investment Earnings.....	27,964	28,751	29,326
Net Investment Adjustment.....	116,291	116,000	120,000
Other.....	428	433	430
Total Receipts	<u>302,224</u>	<u>286,556</u>	<u>293,868</u>
Total Funds Available	\$ 1,352,292	\$ 1,463,699	\$ 1,574,666
Disbursements:			
Treasury.....	\$ 175,149	\$ 182,901	\$ 186,559
Total Disbursements	<u>-175,149</u>	<u>-182,901</u>	<u>-186,559</u>
Cash Balance, Ending	\$ 1,177,143	\$ 1,280,798	\$ 1,388,107

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 548,624	\$ 721,802	\$ 896,665
Receipts:			
Tuition Investment Purchases.....	\$ 30,307	\$ 44,845	\$ 45,000
Net Investment Adjustment.....	172,859	175,000	177,000
Other.....	0	0	0
Total Receipts	<u>203,166</u>	<u>219,845</u>	<u>222,000</u>
Total Funds Available	\$ 751,790	\$ 941,647	\$ 1,118,665
Disbursements:			
Treasury.....	\$ 29,988	\$ 44,982	\$ 45,000
Total Disbursements	<u>-29,988</u>	<u>-44,982</u>	<u>-45,000</u>
Cash Balance, Ending	\$ 721,802	\$ 896,665	\$ 1,073,665

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 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 act also established an environmental cleanup program and a pollution prevention program that 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.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 109,465	\$ 114,301	\$ 93,598
Receipts:			
Gallon Fee	\$ 51,390	\$ 55,000	\$ 52,000
Tank Capacity Fee	6,057	6,400	6,000
Investment Income	3,507	5,625	3,000
Net Investment Adjustment	7,170	0	0
Loan Repayments	123	60	45
Loan Repayment from General Fund	0	0	0
Miscellaneous Fees	1,517	900	250
Total Receipts	<u>69,764</u>	<u>67,985</u>	<u>61,295</u>
Total Funds Available	\$ 179,229	\$ 182,286	\$ 154,893
Disbursements:			
Treasury	\$ 2	\$ 12	\$ 10
Community and Economic Development	6	1,025	1,024
Environmental Protection	2,194	12,406	11,777
Insurance	62,726	75,245	69,000
Total Disbursements	<u>-64,928</u>	<u>-88,688</u>	<u>-81,811</u>
Cash Balance, Ending	\$ 114,301	\$ 93,598	\$ 73,082

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Regular Unemployment Compensation			
Program.....	\$ 4,135,971	\$ 3,188,982	\$ 3,187,800
Federal Receipts in Transit ^a	4,193	3,200	3,200
Other.....	4,514,246	3,722,000	2,036,000
Total Receipts	8,654,410	6,914,182	5,227,000
Total Funds Available	\$ 8,654,410	\$ 6,914,182	\$ 5,227,000
Disbursements:			
Labor and Industry.....	\$ 8,654,410	\$ 6,914,182	\$ 5,227,000
Total Disbursements	-8,654,410	-6,914,182	-5,227,000
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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 4,866	\$ 915	\$ 0
Receipts:			
Contributions of Employers			
and Employees.....	\$ 2,317,259	\$ 2,687,028	\$ 2,676,610
Other.....	556	700	690
Total Receipts	2,317,815	2,687,728	2,677,300
Total Funds Available	\$ 2,322,681	\$ 2,688,643	\$ 2,677,300
Disbursements:			
Labor and Industry.....	\$ 2,321,766	\$ 2,688,643	\$ 2,677,300
Total Disbursements	-2,321,766	-2,688,643	-2,677,300
Cash Balance, Ending	\$ 915	\$ 0	\$ 0

Uninsured Employers Guaranty Fund

This fund was created by Act 147 of 2006, amending the Pennsylvania Workers' Compensation Act. The purpose of this fund is to pay claimants, or their dependents, workers' compensation benefits where the employer liable for the payments failed to insure or self-insure its workers' compensation liability at the time the injuries took place. Funding will then be maintained by assessments on insurers and self-insured employers. Assessments are limited to 0.1% of the total compensation paid by all insurers or self-insured employers during the previous calendar year.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 2,813	\$ 1,420	\$ 83
Receipts:			
Assessments/Self-Insurer's Security.....	\$ 2,999	\$ 2,855	\$ 3,000
Interest.....	113	8	6
Total Receipts	3,112	2,863	3,006
Total Funds Available	\$ 5,925	\$ 4,283	\$ 3,089
Disbursements:			
Labor and Industry.....	\$ 4,505	\$ 4,200	\$ 3,000
Total Disbursements	-4,505	-4,200	-3,000
Cash Balance, Ending	\$ 1,420	\$ 83	\$ 89

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 686	\$ 4,114	\$ 3,529
Receipts:			
Transfer from General Fund.....	\$ 43,303	\$ 40,473	\$ 40,473
Federal Vocational Rehabilitation Funds.....	122,335	174,362	137,524
Interest.....	521	169	45
Total Receipts	166,159	215,004	178,042
Total Funds Available	\$ 166,845	\$ 219,118	\$ 181,571
Disbursements:			
Labor and Industry.....	\$ 162,731	\$ 215,589	\$ 178,697
Total Disbursements	-162,731	-215,589	-178,697
Cash Balance, Ending	\$ 4,114	\$ 3,529	\$ 2,874

Volunteer Companies Loan Fund

Bond referenda 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 Department of Emergency Management and Homeland Security. 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 32,586	\$ 36,469	\$ 40,707
Receipts:			
Loan Principal Repayments.....	\$ 16,009	\$ 16,000	\$ 16,000
Loan Interest.....	2,039	2,000	2,000
Interest.....	227	3,738	75
Total Receipts	<u>18,275</u>	<u>21,738</u>	<u>18,075</u>
Total Funds Available	\$ 50,861	\$ 58,207	\$ 58,782
Disbursements:			
Emergency Management	\$ 14,392	\$ 17,500	\$ 17,500
Total Disbursements	<u>-14,392</u>	<u>-17,500</u>	<u>-17,500</u>
Cash Balance, Ending	\$ 36,469	\$ 40,707	\$ 41,282

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 General Fund for general obligation debt service provides revenues to the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 87	\$ 82	\$ 541
Total Receipts	<u>87</u>	<u>82</u>	<u>541</u>
Total Funds Available	\$ 87	\$ 82	\$ 541
Disbursements:			
Treasury.....	\$ 87	\$ 82	\$ 541
Total Disbursements	<u>-87</u>	<u>-82</u>	<u>-541</u>
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

Water and Sewer Systems Assistance Bond Fund

Act 64 of 2008, the Water and Sewer Systems Assistance Act and Act 50 of 2009 authorized a \$400 million bond issue, which was approved by referendum, to provide grants and loans to municipalities and public utilities for the acquisition, repair, construction, reconstruction, rehabilitation, extension, expansion and improvement of water supply and sewage treatment systems as well as the purchase or trading of nutrient credits.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 0	\$ 22,719	\$ 54
Receipts:			
Referendum Bonds.....	\$ 145,000	\$ 0	\$ 0
Premium or Discount on Sale of Bonds.....	3,817	0	0
Interest.....	6	60	73
Total Receipts	148,823	60	73
Total Funds Available	\$ 148,823	\$ 22,779	\$ 127
Disbursements:			
Treasury.....	\$ 82	\$ 0	\$ 0
PENNVEST Drinking Water Revolving Fund.....	15,600	0	0
PENNVEST Water Pollution Control Rev. Fund.....	25,915	0	0
Direct Disbursements.....	84,507	22,725	0
Total Disbursements	-126,104	-22,725	0
Cash Balance, Ending	\$ 22,719	\$ 54	\$ 127

Water and Sewer Systems Assistance Bond Sinking Fund

This fund will be established to redeem or pay interest on bonds issued for the Water and Sewer Systems Assistance program. The annual appropriation from the General Fund for general obligation debt service will provide revenues to the fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 0	\$ 9,208	\$ 12,344
Total Receipts	0	9,208	12,344
Total Funds Available	\$ 0	\$ 9,208	\$ 12,344
Disbursements:			
Treasury.....	\$ 0	\$ 9,208	\$ 12,344
Total Disbursements	0	-9,208	-12,344
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 1,857	\$ 1,852	\$ 1,850
Total Receipts	1,857	1,852	1,850
Total Funds Available	\$ 1,857	\$ 1,852	\$ 1,850
Disbursements:			
Treasury.....	\$ 1,857	\$ 1,852	\$ 1,850
Total Disbursements	-1,857	-1,852	-1,850
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

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 April 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 43,778	\$ 25,373	\$ 10,913
Receipts:			
Sale of Bonds.....	\$ 0	\$ 20,275	\$ 38,725
Premium on Sale of Bonds.....	0	0	0
Loan Repayment.....	3,013	500	500
Interest.....	116	65	74
Total Receipts	3,129	20,840	39,299
Total Funds Available	\$ 46,907	\$ 46,213	\$ 50,212
Disbursements:			
Community & Economic Development - Public.....	\$ 19,246	\$ 29,920	\$ 35,627
Community & Economic Development - Private.....	0	4,080	3,098
PENNVEST.....	2,288	1,300	1,500
Total Disbursements	-21,534	-35,300	-40,225
Cash Balance, Ending	\$ 25,373	\$ 10,913	\$ 9,987

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)

	2009-10 Actual	2010-11 Available	2010-11 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 14,197	\$ 13,921	\$ 14,847
Total Receipts	<u>14,197</u>	<u>13,921</u>	<u>14,847</u>
Total Funds Available	<u>\$ 14,197</u>	<u>\$ 13,921</u>	<u>\$ 14,847</u>
Disbursements:			
Treasury.....	\$ 14,197	\$ 13,921	\$ 14,847
Total Disbursements	<u>-14,197</u>	<u>-13,921</u>	<u>-14,847</u>
Cash Balance, Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 155	\$ 328	\$ 278
Receipts:			
Tax Check-Offs.....	\$ 137	\$ 118	\$ 130
Interest.....	1	3	2
Voluntary Donations.....	3	5	5
License Plate Sales.....	207	25	23
Other.....	6	15	7
Total Receipts	<u>354</u>	<u>166</u>	<u>167</u>
Total Funds Available	<u>\$ 509</u>	<u>\$ 494</u>	<u>\$ 445</u>
Disbursements:			
Conservation and Natural Resources.....	\$ 181	\$ 216	\$ 203
Total Disbursements	<u>-181</u>	<u>-216</u>	<u>-203</u>
Cash Balance, Ending	<u>\$ 328</u>	<u>\$ 278</u>	<u>\$ 242</u>

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 2 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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 13,086	\$ 7,815	\$ 5,323
Receipts:			
Surcharges	\$ 108,979	\$ 112,000	\$ 120,000
Interest.....	567	1,244	27
Total Receipts	<u>109,546</u>	<u>113,244</u>	<u>120,027</u>
Total Funds Available	\$ 122,632	\$ 121,059	\$ 125,350
Disbursements:			
Emergency Management			
Administration.....	\$ 1,677	\$ 2,157	\$ 2,400
Grants.....	113,140	113,579	118,000
Total Disbursements	<u>-114,817</u>	<u>-115,736</u>	<u>-120,400</u>
Cash Balance, Ending	\$ 7,815	\$ 5,323	\$ 4,950

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 was 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.

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 457,836	\$ 570,004	\$ 576,699
Receipts:			
Assessments and Receipts	\$ 105,063	\$ 22,500	\$ 20,000
Interest	18,674	23,000	21,000
Net Investment Adjustment	20,280	0	0
Miscellaneous	1,367	1,200	1,000
Total Receipts	<u>145,384</u>	<u>46,700</u>	<u>42,000</u>
Total Funds Available	\$ 603,220	\$ 616,704	\$ 618,699
Disbursements:			
Treasury	\$ 17	\$ 5	\$ 5
Insurance	33,199	40,000	40,000
Total Disbursements	<u>-33,216</u>	<u>-40,005</u>	<u>-40,005</u>
Cash Balance, Ending	\$ 570,004	\$ 576,699	\$ 578,694

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 workers' compensation rate filings before the Insurance Department.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 101,592	\$ 121,680	\$ 104,547
Receipts:			
Assessments.....	\$ 72,216	\$ 57,522	\$ 72,615
Interest.....	642	310	201
Fines and Penalties.....	20	20	20
Other.....	162	160	150
Total Receipts	73,040	58,012	72,986
Total Funds Available	\$ 174,632	\$ 179,692	\$ 177,533
Disbursements:			
Treasury.....	\$ 4	\$ 2	\$ 2
Community and Economic Development.....	168	194	194
Labor and Industry.....	52,780	74,951	81,990
Total Disbursements	-52,952	-75,145	-82,184
Cash Balance, Ending	\$ 121,680	\$ 104,547	\$ 95,349

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)

	2009-10 Actual	2010-11 Available	2011-12 Estimated
Cash Balance, Beginning	\$ 11,626	\$ 9,587	\$ 7,359
Receipts:			
Assessments.....	\$ 14,491	\$ 14,491	\$ 15,000
Other.....	72	72	100
Interest.....	76	1,102	33
Total Receipts	<u>14,639</u>	<u>15,665</u>	<u>15,133</u>
Total Funds Available	\$ 26,265	\$ 25,252	\$ 22,492
Disbursements:			
Labor and Industry.....	\$ 16,678	\$ 17,893	\$ 17,040
Total Disbursements	<u>-16,678</u>	<u>-17,893</u>	<u>-17,040</u>
Cash Balance, Ending	\$ 9,587	\$ 7,359	\$ 5,452



Commonwealth of Pennsylvania

Governor's Executive Budget

COMPLEMENT

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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.

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**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.

<i>Department</i>	<i>2009-10 Actual</i>	<i>2010-11 Available</i>	<i>2011-12 Budget</i>	<i>Difference Budget vs. Available</i>
Governor's Office	67	66	64	-2
Executive Offices	2,106	2,056	1,974	-82
Lieutenant Governor's Office	12	12	12	
Aging	97	97	97	
Agriculture	612	604	611	7
Banking	196	196	196	
Civil Service Commission	160	140	137	-3
Community and Economic Development	343	320	296	-24
Conservation and Natural Resources	1,362	1,389	1,389	
Corrections	16,215	16,180	16,157	-23
Education	603	590	544	-46
Emergency Management Agency	178	161	161	
Environmental Hearing Board	14	14	14	
Environmental Protection	2,835	2,839	2,770	-69
Fish & Boat Commission	432	432	432	
Game Commission	698	698	698	
General Services	1,246	1,149	1,125	-24
Health	1,582	1,525	1,476	-49
Historical and Museum Commission	212	200	184	-16
Infrastructure Investment Authority	30	30	30	
Insurance	334	317	308	-9
Labor and Industry	5,790	5,764	5,748	-16
Liquor Control Board	3,276	3,276	3,276	
Military and Veterans Affairs	2,336	2,323	2,296	-27
Milk Marketing Board	33	33	33	
Municipal Employees' Retirement	30	30	30	
Probation and Parole Board	1,173	1,173	1,228	55
Public Utility Commission	519	519	519	
Public Welfare	18,197	17,858	16,647	-1,211
Revenue	2,128	2,128	2,128	
School Employees' Retirement System	310	310	310	
Securities Commission	79	79	84	5
State	531	523	507	-16
State Employees' Retirement System	197	197	197	
State Police	6,359	6,359	6,359	
Tax Equalization Board	15	15	15	
Transportation	11,876	11,876	11,876	
TOTAL ALL DEPARTMENTS	82,183	81,478	79,928	-1,550

Summary of 2011-12 Complement Changes

The following is a detailed listing, by department, of the recommended authorized salaried complement changes (on a full-time equivalent basis) for 2011-12. 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 Administration.....	-8	Eliminated positions.
Commonwealth Technology Services.....	-12	Eliminated positions.
Statewide Public Safety Radio System.....	-2	Eliminated positions.
Office of Inspector General.....	-2	Eliminated positions.
Inspector General - Welfare Fraud.....	-11	Eliminated positions.
Office of the Budget.....	-8	Eliminated positions.
Office of Health Care Reform.....	-9	Eliminated positions.
Rx for PA - Chronic Care Management.....	-2	TRANSFERRED: To the Department of Health.
Health Information Exchange.....	-1	Eliminated position.
Office of General Counsel.....	-3	Eliminated positions.
Governor's Advisory Council on Rural Affairs.....	-1	TRANSFERRED: To the Department of Agriculture.
Human Relations Commission.....	-11	Eliminated positions.
Office of Public Liaison.....	2	NEW: For consolidation of four Commissions.
Latino Affairs Commission.....	-1	Eliminated position.
African-American Affairs Commission.....	-2	Eliminated positions.
Asian-American Affairs Commission.....	-1	Eliminated position.
Commission for Women.....	-3	Eliminated positions.
Commission on Crime and Delinquency.....	-2	Eliminated positions.
Victims of Juvenile Crime.....	-3	Eliminated positions.
Evidence-Based Prevention and Intervention.....	-4	TRANSFERRED: To Violence Prevention Programs.
Violence Prevention Programs.....	4	TRANSFERRED: From Evidence-Based Prevention and Intervention.
Weed and Seed Program	-2	Eliminated positions.
DEPARTMENT TOTAL	-82	
AGRICULTURE		
General Fund:		
Agricultural Conservation Easement Administration.....	-4	TRANSFERRED: To General Government Operations.
Nutrient Management	-4	TRANSFERRED: To General Government Operations.
General Government Operations.....	15	TRANSFERRED: From Agricultural Conservation Easement Administration (4), from Nutrient Management (4), and from Executive Offices - Governor's Advisory Council on Rural Affairs (1). NEW: For weights and measures (6).
DEPARTMENT TOTAL	7	
CIVIL SERVICE COMMISSION		
General Fund:		
General Government Operations.....	-3	Eliminated positions.
COMMUNITY AND ECONOMIC DEVELOPMENT		
General Fund:		
General Government Operations.....	-3	TRANSFERRED: From Land Use Planning and Technical Assistance (3), and from Business Retention and Expansion (1). Eliminated positions (-7).
World Trade PA.....	-8	Eliminated positions.



Summary of 2011-12 Complement Changes

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
Marketing to Attract Tourists.....	-7	Eliminated positions.
Marketing to Attract Business.....	-2	Eliminated positions.
Business Retention and Expansion.....	-1	TRANSFERRED: To General Government Operations.
Land Use Planning and Technical Assistance.....	-3	TRANSFERRED: To General Government Operations.
DEPARTMENT TOTAL	<u>-24</u>	
CORRECTIONS		
General Fund:		
General Government Operations.....	<u>-23</u>	Eliminated positions.
EDUCATION		
General Fund:		
General Government Operations.....	-42	TRANSFERRED: From State Library (2), from Educational Technology - Administration (F) (2) and to Preschool Grant (F) (-6). Eliminated positions (-40).
State Library.....	-6	TRANSFERRED: To General Government Operations (-2). Eliminated positions (-4).
General Fund Total	<u>-48</u>	
Federal Funds:		
Food and Nutrition Service (F).....	-1	Eliminated position.
Preschool Grant (F).....	6	TRANSFERRED: From General Government Operations.
Educational Technology - Administration (F).....	-3	TRANSFERRED: To General Government Operations (-2). Eliminated position (-1).
Federal Funds Total	<u>2</u>	
DEPARTMENT TOTAL	<u>-46</u>	
ENVIRONMENTAL PROTECTION		
General Fund:		
General Government Operations.....	-5	Eliminated positions.
Environmental Program Management.....	-20	Eliminated positions.
Environmental Protection Operations.....	-30	Eliminated positions.
Flood Control Projects.....	-14	Eliminated positions.
DEPARTMENT TOTAL	<u>-69</u>	
GENERAL SERVICES		
General Fund:		
General Government Operations.....	<u>-24</u>	Eliminated positions.
HEALTH		
General Fund:		
General Government Operations.....	-26	Eliminated positions.
Quality Assurance.....	11	TRANSFERRED: From Rx for PA - Health Care Associated Infections.
Rx for PA - Health Care Associated Infections.....	-12	TRANSFERRED: To Quality Assurance (-11). Eliminated position (-1).
Chronic Care Management.....	2	TRANSFERRED: From Executive Offices - Rx for PA - Chronic Care Management.
Vital Statistics.....	-12	Eliminated positions.
State Laboratory.....	-11	Eliminated positions.
State Health Care Centers.....	-3	Eliminated positions.
General Fund Total	<u>-51</u>	
Federal Funds:		
Epidemiology and Laboratory Surveillance and Response (F).....	1	NEW: For health information systems capacity.
Preventive Health Special Projects (F).....	-13	TRANSFERRED: To Collaborative Chronic Disease Programs (F).
Strengthening Public Health Infrastructure (F).....	3	TRANSFERRED: From Public Health Emergency Preparedness and Response (F).



Summary of 2011-12 Complement Changes

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
Collaborative Chronic Disease Programs (F).....	13	TRANSFERRED: From Preventive Health Special Projects (F).
Refugee Health Program (F).....	1	NEW: For refugee epidemiology tracking system.
Public Health Emergency Preparedness and Response (F).....	-3	TRANSFERRED: To Strengthening Public Health Infrastructure (F).
Federal Funds Total	2	
DEPARTMENT TOTAL	-49	
HISTORICAL AND MUSEUM COMMISSION		
General Fund:		
General Government Operations.....	-16	Eliminated positions.
INSURANCE		
General Fund:		
General Government Operations.....	-9	Eliminated positions.
Children's Health Insurance Administration.....	7	TRANSFERRED: From Adult Health Insurance Administration.
Adult Health Insurance Administration.....	-7	TRANSFERRED: To Children's Health Insurance Administration.
DEPARTMENT TOTAL	-9	
LABOR AND INDUSTRY		
General Fund:		
General Government Operations.....	-2	Eliminated positions.
Occupational and Industrial Safety.....	-3	Eliminated positions.
PENNSAFE.....	-1	Eliminated position.
Pennsylvania Conservation Corps.....	-10	Eliminated positions.
DEPARTMENT TOTAL	-16	
MILITARY AND VETERANS AFFAIRS		
General Fund:		
General Government Operations.....	-8	Eliminated positions.
Veterans Homes.....	-19	Eliminated positions.
DEPARTMENT TOTAL	-27	
PROBATION AND PAROLE		
General Fund:		
General Government Operations.....	53	NEW: For parole agents for workforce development and case processing.
Sexual Offenders Assessment Board.....	2	NEW: For investigators to reduce case backlog.
DEPARTMENT TOTAL	55	
PUBLIC WELFARE		
General Fund:		
General Government Operations.....	-40	Eliminated positions.
Information Systems.....	-23	Eliminated positions.
County Administration - Statewide.....	-54	Eliminated positions.
County Assistance Offices.....	-168	Eliminated positions.
Child Support Enforcement.....	-15	Eliminated positions.
New Directions.....	-9	Eliminated positions.
Youth Development Institutions and Forestry Camps.....	-113	Eliminated positions.
Mental Health Services.....	-774	Eliminated positions.
Intellectual Disabilities - State Centers.....	-15	Eliminated positions.
DEPARTMENT TOTAL	-1,211	



Summary of 2011-12 Complement Changes

<u>Department / Fund / Appropriation</u>	<u>Increase/ Decrease</u>	<u>Comment on Complement Change</u>
SECURITIES COMMISSION		
General Fund:		
General Government Operations.....	<u>5</u>	NEW: For oversight due to federal financial reform.
STATE		
General Fund:		
General Government Operations.....	-3	Eliminated positions.
Professional and Occupational Affairs.....	<u>-13</u>	Eliminated positions.
DEPARTMENT TOTAL	<u>-16</u>	
GRAND TOTAL		<u>-1,550</u>



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Commonwealth of Pennsylvania

Governor's Executive Budget

STATISTICAL DATA

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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 their homepage at (www.pasdc.hbg.psu.edu/).

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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 \$5.4 billion in crop and livestock products annually. In 2009, agribusiness and food related industries had export sales surpassing \$1.3 billion in economic activity. Over 63,000 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.

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 67 million tons of anthracite and bituminous coal, 168 billion cubic feet of natural gas, and about 3.6 million barrels of oil are extracted from Pennsylvania. Pennsylvania is one of the top 10 producing states in the country for aggregate/crushed stone. The value of non-coal mineral production in PA is around \$1 billion dollars per year.

Pennsylvania is a Mid-Atlantic state within easy reach of the populous eastern seaboard as well as a gateway 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. Whether by air, rail, water, or road, Pennsylvania is easily accessible for both inter and intra state trade and commerce.



Population

The commonwealth is highly urbanized. Of the commonwealth's 2009 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, 12.7 million people in 2010, 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 2001 to 2010 and the age distribution of the population for 2009.

Population Trends Pennsylvania, Middle Atlantic Region and the United States 2001-2010

As of July 1	Total Population In Thousands			Total Population as a % of 2000 base		
	PA	Middle Atlantic Region ^(a)	U.S.	PA	Middle Atlantic Region ^(a)	U.S.
2001	12,299	39,877	285,081	100%	100%	100%
2002	12,326	40,032	287,803	100	100	101
2003	12,357	40,172	290,326	100	101	102
2004	12,388	40,297	293,045	101	101	103
2005	12,418	40,370	295,753	101	101	104
2006	12,471	40,451	298,593	101	101	105
2007	12,522	40,581	301,579	102	102	106
2008	12,566	40,697	304,374	102	102	107
2009	12,604	40,854	307,006	102	102	108
2010 ^(b)	12,746	40,916	308,746	103	103	103

^(a) Middle Atlantic Region: Pennsylvania, New York, New Jersey

^(b) April 1, 2010 Census

Source: U.S. Department of Commerce, Bureau of the Census

Population By Age Group — 2009 Pennsylvania, Middle Atlantic Region and the United States

Age	Pennsylvania	Middle Atlantic Region ^(a)	United States
Under 5 years	5.9%	6.2%	6.9%
5-24 years	25.9	26.1	27.3
25-44 years	25.3	26.7	27.1
45-64 years	27.5	27.0	25.8
65 years and over	15.4	14.0	12.9

^(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 2010 increased at an average annual rate of 0.01 percent compared with a 0.1 percent rate reduction for the Middle Atlantic region and 0.2 percent rate reduction for the U.S. The following table shows employment trends from 2001 through 2010.

Non-Agricultural Establishment Employment Trends Pennsylvania, Middle Atlantic Region and the United States 2001-2010

Calendar Year	Total Establishment Employment In Thousands			Total Establishment Employment as a % of 2001 base		
	PA	Middle Atlantic Region ^(a)	U.S.	PA	Middle Atlantic Region ^(a)	U.S.
2001	5,682	18,274	131,826	100 %	100 %	100 %
2002	5,640	18,087	130,341	99	99	99
2003	5,611	17,999	129,999	99	98	99
2004	5,644	18,108	131,435	99	99	100
2005	5,702	18,278	133,703	100	100	101
2006	5,756	18,446	136,086	101	101	103
2007	5,798	18,610	137,598	102	102	104
2008	5,799	18,640	136,790	102	102	104
2009	5,608	18,056	130,920	99	99	99
2010	5,684	18,184	130,262	100	100	99

^(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 89.8 percent of total employment by 2009. Consequently, manufacturing employment constitutes a diminished share of total employment within the commonwealth. Manufacturing, contributing 10.2 percent of 2009 non-agricultural employment, has fallen behind the services sector and the trade sector as the largest single source of non-governmental employment within the commonwealth. In 2009, the services sector accounted for 47.0 percent of all non-agricultural employment while the trade sector accounted for 15.1 percent. The following table shows trends in employment by sector for Pennsylvania from 2005 through 2009.

Non-Agricultural Establishment Employment by Sector Pennsylvania 2005-2009 (In Thousands)

	CALENDAR YEAR									
	2005		2006		2007		2008		2009	
	Employees	%	Employees	%	Employees	%	Employees	%	Employees	%
Manufacturing:										
Durable.....	412.9	7.2	414.4	7.2	407.4	7.0	398.5	6.9	344.7	6.1
Non-Durable.....	266.5	4.7	256.0	4.4	251.7	4.3	245.2	4.2	228.9	4.1
Total										
Manufacturing ^(d)	679.4	11.9	670.4	11.6	659.1	11.4	643.7	11.1	573.6	10.2
Non-Manufacturing:										
Trade ^(a)	1,120.3	19.6	1,125.8	19.6	1,134.2	19.6	887.1	15.3	849.4	15.1
Finance ^(b)	335.7	5.9	335.0	5.8	332.8	5.7	329.8	5.7	318.9	5.7
Services.....	2,321.1	40.7	2,365.0	41.1	2,400.6	41.4	2,674.5	46.1	2,634.3	47.0
Government.....	745.1	13.1	745.6	13.0	749.4	12.9	749.3	12.9	755.9	13.5
Utilities ^(c)	225.2	3.9	233.5	4.1	239.1	4.1	238.8	4.1	229.5	4.1
Construction.....	255.7	4.5	261.0	4.5	262.3	4.5	254.6	4.4	225.3	4.0
Mining.....	19.0	0.3	19.7	0.3	20.4	0.4	21.6	0.4	21.6	0.4
Total										
Non-Manufacturing ^(d)	5,022.1	88.1	5,085.6	88.2	5,138.8	88.6	5,155.7	88.9	5,034.9	89.8
Total Employees ^{(d)(e)}	5,701.5	100.0	5,756.0	99.8	5,797.9	100.0	5,799.4	100.0	5,608.5	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 2009.

Non-Agricultural Establishment Employment by Sector Pennsylvania and the United States

	2009 Calendar Year	
	<u>Pennsylvania</u>	<u>United States</u>
Manufacturing.....	10.2 %	9.1 %
Trade ^(a)	15.1	15.3
Finance ^(b)	5.7	5.9
Services.....	47.0	44.0
Government.....	13.5	17.2
Utilities ^(c)	4.1	3.7
Construction.....	4.0	4.6
Mining.....	0.4	0.2
Total.....	<u>100.0 %</u>	<u>100.0 %</u>

^(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 about one-tenth of total non-agricultural employment in Pennsylvania, the fabricated metals industries employed the largest number of workers. Employment in the fabricated metals industries was 13.8 percent of Pennsylvania manufacturing employment but only 1.4 percent of total Pennsylvania non-agricultural employment in 2009. The following table shows trends in manufacturing employment by industry for Pennsylvania from 2005 through 2009.

Manufacturing Establishment Employment by Industry Pennsylvania 2005-2009 (In Thousands)

	CALENDAR YEAR									
	2005		2006		2007		2008		2009	
	Employees	%	Employees	%	Employees	%	Employees	%	Employees	%
Durable Goods:										
Primary Metals.....	43.0	6.3	43.5	6.5	42.6	6.5	41.6	6.5	35.5	6.2
Fabricated Metals.....	90.1	13.3	90.9	13.6	91.5	13.9	91.7	14.2	79.1	13.8
Machinery (excluding electrical)	55.6	8.2	57.0	8.5	56.8	8.6	56.4	8.8	47.6	8.3
Electrical Equipment.....	25.8	3.8	26.7	4.0	26.9	4.1	27.1	4.2	24.6	4.3
Transportation Equipment.....	43.7	6.4	44.3	6.6	43.5	6.6	43.6	6.8	38.8	6.8
Furniture Related Products.....	24.0	3.5	23.7	3.5	21.7	3.3	20.3	3.2	16.0	2.8
Other Durable Goods.....	130.7	19.2	128.3	19.1	124.4	18.9	117.8	18.3	103.1	18.0
Total Durable Goods^(a).....	412.9	60.8	414.4	61.8	407.4	61.8	398.5	61.9	344.7	60.1
Non-Durable Goods:										
Pharmaceutical/Medicine.....	21.9	3.2	21.9	3.3	22.0	3.3	22.3	3.5	21.7	3.8
Food Products.....	70.9	10.4	68.9	10.3	69.0	10.5	67.8	10.5	66.8	11.6
Chemical Products.....	49.2	7.2	46.7	7.0	46.4	7.0	45.9	7.1	43.3	7.5
Printing and Publishing.....	37.1	5.5	36.4	5.4	35.2	5.3	33.2	5.2	29.9	5.2
Plastics/Rubber Products.....	40.2	5.9	39.8	5.9	39.5	6.0	39.1	6.1	34.8	6.1
Other Non-Durable Goods.....	47.2	6.9	42.3	6.3	39.6	6.0	37.0	5.7	32.4	5.6
Total Non-Durable Goods^(a)...	266.5	39.2	256.0	38.2	251.7	38.2	245.3	38.1	228.9	39.9
Total Manufacturing Employees^(a).....	679.4	100.0	670.4	100.0	659.1	100.0	643.8	100.0	573.6	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 2000's. Slower economic growth caused the unemployment rate in the commonwealth to rise to 8.1 percent in 2009. As of December 2010, the most recent month for which figures are available, Pennsylvania had a seasonally adjusted annual unemployment rate of 8.5 percent. The following table represents the annual non-adjusted unemployment rate in Pennsylvania, the Middle Atlantic Region, and the United States from 2000 through 2009.



**Annual Average Unemployment Rate
Pennsylvania, Middle Atlantic Region and the United States
2000-2009**

<u>Calendar Year</u>	<u>Pennsylvania</u>	<u>Middle Atlantic Region^(a)</u>	<u>United States</u>
2000	4.2 %	4.2 %	4.0 %
2001	4.8	4.7	4.7
2002	5.6	5.9	5.8
2003	5.7	6.1	6.0
2004	5.4	5.5	5.5
2005	5.0	4.9	5.1
2006	4.5	4.6	4.6
2007	4.3	4.4	4.6
2008	5.3	5.4	5.8
2009	8.1	8.5	9.3

^(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
March 2010**

<u>Company</u>	<u>Rank</u>	<u>Company</u>	<u>Rank</u>
Wal-Mart Associates	1	Vanguard Group Inc.	16
University of Pennsylvania	2	KMART of Pennsylvania LP	17
Pennsylvania State University	3	GMRI Inc.	18
Giant Food Stores	4	Western Pennsylvania Hospital	19
United Parcel Service.....	5	Heartland Employment Services.....	20
University of Pittsburgh	6	US Airways Inc	21
PNC Bank NA	7	Comcast Cablevision Corp	22
UPMC Presbyterian	8	Pennsylvania Blue Shield	23
Weis Markets	9	Temple University.....	24
Lowe's Home Centers Inc	10	Thomas Jefferson Hospital	25
Giant Eagle Inc.....	11	Milton S. Hershey Medical Center	26
Merck & Co Inc.....	12	Pennsylvania CVS Pharmacy, LLC	27
Target Division of Target Corp	13	Verizon Pennsylvania	28
Home Depot USA Inc.....	14	Eat'n Park Restaurants.....	29
The Children's Hospital of Phila	15	ACME Markets Inc.....	30

Source: Pennsylvania Department of Labor, Office of Employment Security.



Personal Income

Personal income in the commonwealth for 2009 was \$498.8 billion, a decrease of 0.1 percent over the previous year. During the same period, national personal income decreased by 1.7 percent. Based on the 2009 personal income estimates, per capita income for 2009 was \$39,578 in the commonwealth compared to per capita income in the United States of \$39,138. The following tables represent annual personal income data and per capita income from 2000 through 2009.

Personal Income Pennsylvania, Mideast Region and the United States 2000-2009

Year	Total Personal Income Dollars in Thousands			Total Personal Income As a % of 2000 base		
	PA	Mideast Region ^(a)	U.S. ^(b)	PA	Mideast Region ^(a)	U.S.
2000.....	\$ 369,918	\$1,585,503	\$7,906,131	100 %	100 %	100 %
2001.....	377,188	1,637,586	8,878,830	102	103	104
2002.....	387,490	1,662,885	9,054,781	105	105	106
2003.....	399,420	1,707,810	9,369,072	108	108	110
2004.....	417,587	1,808,646	9,928,790	113	114	116
2005.....	432,040	1,899,255	10,476,669	117	120	122
2006.....	462,401	2,047,041	11,256,516	125	129	132
2007.....	485,102	2,181,571	11,879,836	131	138	139
2008.....	499,669	2,242,857	12,225,589	135	141	143
2009.....	498,867	2,304,610	12,015,534	134	139	140

^(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 2000-2009

Calendar Year	Per Capita Income			As a % of U.S.	
	PA	Mideast Region ^(a)	U.S.	PA	Mideast Region ^(a)
2000.....	\$ 30,110	\$ 34,183	\$ 30,318	99 %	113 %
2001.....	30,667	35,122	31,145	98	113
2002.....	31,436	35,489	31,462	100	113
2003.....	32,322	36,289	32,271	100	112
2004.....	33,708	38,281	33,881	99	113
2005.....	34,791	40,090	35,424	98	113
2006.....	37,078	43,095	37,698	98	114
2007.....	38,738	45,767	39,392	98	116
2008.....	39,762	46,900	40,166	99	117
2009.....	39,578	45,893	39,138	101	117

^(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 2005 through 2009

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			
2005.....	3.5%	5.0%	5.5%
2006.....	7.0	7.8	7.4
2007.....	4.9	6.6	5.5
2008.....	3.0	2.8	2.9
2009.....	-0.2	-1.7	-1.7
Manufacturing			
2005.....	1.2%	0.8%	2.1%
2006.....	3.7	2.6	3.8
2007.....	0.8	1.6	2.0
2008.....	1.3	0.5	-0.5
2009.....	-9.7	-9.4	-10.5
Trade^(b)			
2005.....	4.1%	4.1%	4.9%
2006.....	3.9	3.8	4.7
2007.....	3.4	4.1	4.0
2008.....	1.7	0.7	0.8
2009.....	-4.2	-5.4	-6.0
Finance^(c)			
2005.....	4.1%	7.4%	7.0%
2006.....	7.2	15.3	9.8
2007.....	3.2	8.4	5.0
2008.....	2.3	-0.4	-0.3
2009.....	-2.3	-11.7	-6.9
Services			
2005.....	6.6%	7.3%	8.1%
2006.....	8.2	8.5	9.6
2007.....	6.7	7.1	7.0
2008.....	4.7	5.1	-0.3
2009.....	-0.6	-1.3	-6.9
Utilities			
2005.....	-3.6%	-2.0%	-1.1%
2006.....	5.5	12.0	14.6
2007.....	3.7	0.4	0.5
2008.....	4.6	3.4	4.8
2009.....	1.9	2.7	4.5
Construction			
2005.....	4.8%	5.0%	7.4%
2006.....	5.3	6.5	7.3
2007.....	0.2	2.0	0.3
2008.....	-7.0	-4.2	-7.8
2009.....	12.3	-11.7	-16.3
Mining			
2005.....	11.6%	13.0%	15.2%
2006.....	17.7	16.7	22.4
2007.....	-8.1	-14.3	-7.7
2008.....	13.8	16.7	17.1
2009.....	0.5	0.5	-8.3

^(a) Mideast Region: Delaware, District of Columbia, Maryland, Pennsylvania, New York, and New Jersey.

^(b) Wholesale and retail trade.

^(c) Finance and insurance

Source: U.S. Department of Commerce, Bureau of Economic Analysis



The commonwealth's average hourly wage rate of \$16.28 for manufacturing and production workers compares to the national average of \$18.62 for 2009. The following table presents the average hourly wage rates for 2005 through 2009.

Average Hourly Wages Production Workers on Manufacturing Payrolls Pennsylvania and the United States 2005-2009

Calendar Year	PA	U.S.
2005.....	\$ 15.26	\$ 16.13
2006.....	15.38	16.76
2007.....	15.48	17.43
2008.....	15.61	18.08
2009.....	16.28	18.62

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. 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 2000-2009

<u>Year</u>	<u>Market Value^(a)</u>	<u>Assessed Valuation</u>	<u>Ratio of Assessed Valuation to Market Value^(a)</u>
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
2005	546,222,770,500	378,011,903,306	69.2
2006	619,788,036,800	393,869,708,825	63.5
2007	633,886,898,100	400,428,104,035	63.1
2008	708,521,506,000	406,426,527,325	57.3
2009	717,475,983,911	431,911,595,146	60.2

^(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.



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