



---

# 2017 – 2018 Governor's Executive Budget

---

Governor  
Tom Wolf

---

SCHOOLS THAT TEACH.

JOBS THAT PAY.

GOVERNMENT THAT WORKS.







COMMONWEALTH OF PENNSYLVANIA  
OFFICE OF THE GOVERNOR  
HARRISBURG

THE GOVERNOR

February 7, 2017

To the People of Pennsylvania:

For too many years, politicians in Harrisburg have tried to do things the same way. We've taken a different approach by prioritizing important responsibilities like protecting our seniors, making sure children receive the quality education they need, working to reduce property taxes, joining with law enforcement and medical professionals to expand treatment to battle the opioid and heroin epidemic, and rebuilding Pennsylvania's middle class by putting more people to work.

In this year's budget, I am again proposing significant changes to the way Harrisburg has done business. The proposed budget includes over \$2 billion in cuts and savings and avoids any new taxes on Pennsylvania families, while maintaining the investments we have made in our schools, protecting seniors, fighting the opioid epidemic and supporting Pennsylvania's middle class.

This budget takes a hard look at state government and makes tough decisions. Just like when I was in business, this budget identifies savings and efficiencies, not just to reduce costs but also to better deliver services to the people of Pennsylvania. By merging health-related agencies, we will reduce bureaucracy and redundancy. Our current fragmented approach to providing benefits often leads to confusion for program applicants and their families. Consolidation of these services into bureaus within one, combined department will drive better outcomes, improve customer service and reduce costs. As we approach this budget, we should not think about how we have done things before, but how we can better deliver services for the people of Pennsylvania.

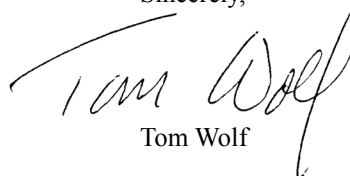
Through these savings and efficiencies, this budget protects our investments in our schools and our efforts to fight the opioid epidemic. Over the past two years, we have increased funding for Pennsylvania schools by nearly \$640 million while implementing a fair funding formula. This is a good start toward reversing the devastating \$1 billion in cuts made to schools during the previous administration, but there is still work to do. That's why I'm proposing additional investments in education at all levels.

Continuing to fight the opioid crisis will remain a top priority. The 2016-17 budget provided funding to implement 45 centers of excellence throughout the commonwealth that will treat nearly 11,000 people with substance use disorder. This budget builds on that effort by investing \$10 million to expand access to naloxone for first responders, and expands drug courts and treatment funding to make sure those affected by opioids can get the help they need.

My budget presents a plan for rebuilding our middle class and making government more efficient so that we can protect education, job creation programs, and services for our seniors and most vulnerable. It's clear that we need to do things differently if we want to move Pennsylvania forward.

I look forward to continuing to work with all members of the General Assembly to move our state forward.

Sincerely,



Tom Wolf

– THIS PAGE INTENTIONALLY LEFT BLANK –





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Commonwealth of Pennsylvania**

For the Fiscal Year Beginning

**July 1, 2016**

A handwritten signature in black ink, appearing to read "Jeffrey R. Egan".

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, 2016. 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.pa.gov](http://www.budget.pa.gov). To learn more about the Commonwealth of Pennsylvania, go to [www.pa.gov](http://www.pa.gov).

# Overview of Sections within the Budget

## Preface

Includes the Governor's letter, Distinguished Budget Presentation Award, an overview of sections within the budget and the table of contents.

## Reader's Guide

Provides an explanation of the budget process, program budget structure, and the basis of budgeting and accounting, summarizes significant financial policies and lists terms used in the budget.

## A. Overview and Summaries

Provides summary information regarding program policy direction and budget themes. It discusses the economic outlook, major operating funds and overall complement and summarizes the budget for major commonwealth funds including the General Fund, Motor License Fund, Lottery Fund and Budget Stabilization Reserve (Rainy Day) Fund. It also includes General Fund and special fund financial statements and information on federal block grants, communications and selected other financial summaries.

## B. Program Budget Summary

Provides a summary of the budget by major revenue source and information for each major program by component categories and subcategories (subdivisions of programs).

## C. Summary by Fund

Provides a summary for the General Fund and Special Funds, including detailed data on revenues and a summary of expenditures for each fund. 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. Each department presentation includes a Summary by Fund and Appropriation, Program Funding Summary, information on major programs, appropriation funding details and Program Measures.

## F. Capital Budget

Provides detailed information by agency regarding proposed capital budget projects. In addition, lists proposed funding sources and amounts needed to support the capital program for the next five years.

## 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 complement changes recommended in the budget.

## J. Statistical Data

Provides historical data for various Pennsylvania economic indicators.

## PREFACE

<b>GOVERNOR’S LETTER</b> .....	i
<b>DISTINGUISHED BUDGET PRESENTATION AWARD</b> .....	iii
<b>OVERVIEW OF SECTIONS WITHIN THE BUDGET</b> .....	iv
<b>TABLE OF CONTENTS</b> .....	v
<b>READER’S GUIDE:</b>	
Commonwealth of Pennsylvania Organization Chart.....	2
The Budget Process .....	3
The Capital Budget Process .....	5
The Commonwealth’s Program Budget Structure.....	6
Basis of Budgeting and Basis of Accounting for Financial Reporting .....	12
Significant Financial Policies .....	13
Terms Used in the Budget Process .....	14
Federal Funds Identification .....	19
Website Links to Commonwealth Agencies.....	20

## A. OVERVIEW AND SUMMARIES

### Fiscal and Program Policy Direction and Budget Themes:

Fiscal and Program Policy Direction .....	A1-4
Themes Introduction.....	A1-6
Schools that Teach.....	A1-8
Jobs that Pay.....	A1-11
Government that Works.....	A1-14

<b>Economic Outlook</b> .....	A1-21
-------------------------------	-------

### Summary of Major Operating Funds

General Fund .....	A1-24
Motor License Fund.....	A1-26
Lottery Fund .....	A1-26

<b>Rainy Day Fund</b> .....	A1-27
-----------------------------	-------

<b>Complement</b> .....	A1-28
-------------------------	-------

### Statements:

Seven Year Financial Statement — General Fund.....	A2-3
Seven Year Financial Statements — Special Funds .....	A2-4
Seven Year Department Summary by Fund .....	A2-5
Seven Year Commonwealth Program Summary — General and Special Funds .....	A2-8
Dollar Chart by Program — General and Special Funds .....	A2-9
Seven Year Commonwealth Program Summary — General Fund.....	A2-10
Dollar Charts — General Fund, Income and Outgo.....	A2-11
Dollar Chart by Character of Expenditure — General Fund.....	A2-12

<b>Federal Block Grants</b> .....	A3-1
-----------------------------------	------

<b>Public Information and Communications</b> .....	A4-1
--	------

## B. PROGRAM BUDGET SUMMARY

Guide to the “Summary of Revenues and Expenditures for the Operating Program” Statement .....	B2
Summary of Revenues and Expenditures for the Operating Program.....	B3
Seven Year Summary of Commonwealth Programs — Operating and Capital.....	B4
Direction and Supportive Services .....	B6
Protection of Persons and Property.....	B7
Education .....	B9
Health and Human Services.....	B10
Economic Development .....	B11
Transportation .....	B12
Recreation and Cultural Enrichment.....	B13
Debt Service.....	B14

# Table of Contents

## C. SUMMARY BY FUND

### General Fund

Financial Statement.....	C1-5
Notes on Financial Statement.....	C1-8
State Funds by Department.....	C1-11
Federal Funds by Department.....	C1-12
Augmentations by Department.....	C1-13
General Fund Revenue Summary.....	C1-14
Adjustments to Revenue Estimate.....	C1-15
Revenue Sources.....	C1-16
Revenue Detail.....	C1-22
Revenue History.....	C1-32

### Motor License Fund

Financial Statement.....	C2-2
Summary by Department.....	C2-3
Revenue Summary.....	C2-6
Adjustments to Revenue Estimate.....	C2-6
Revenue Sources.....	C2-7
Revenue Detail.....	C2-9
Restricted Revenues Not Included in Department Total.....	C2-11

### Lottery Fund

Financial Statement.....	C3-2
Notes on Financial Statement.....	C3-3
Summary by Department.....	C3-4
Revenue Summary.....	C3-6
Revenue Sources.....	C3-6

## D. TAX EXPENDITURES

<b>Tax Expenditure Analysis.....</b>	<b>D3</b>
--------------------------------------	-----------

### *General Fund Tax Expenditures:*

<b>Credit Programs.....</b>	<b>D5</b>
-----------------------------	-----------

<b>Corporation Taxes.....</b>	<b>D33</b>
-------------------------------	------------

Corporate Net Income.....	D33
Capital Stock/Foreign Franchise.....	D38
Gross Receipts.....	D45
Public Utility Realty.....	D47
Insurance Premiums.....	D50
Bank and Trust Company Shares.....	D53
Mutual Thrift Institutions.....	D54

<b>Sales and Use Tax.....</b>	<b>D55</b>
-------------------------------	------------

General/Personal Expenditures.....	D55
Fuels and Utilities.....	D60
Motor Vehicles/Vessels.....	D62
Production Expenditures.....	D64
Other.....	D66

<b>Cigarette Tax.....</b>	<b>D78</b>
---------------------------	------------

<b>Malt Beverage Tax.....</b>	<b>D80</b>
-------------------------------	------------

<b>Tobacco Products Tax.....</b>	<b>D80</b>
----------------------------------	------------

<b>Liquor Tax.....</b>	<b>D80</b>
------------------------	------------

# Table of Contents

<b>Personal Income Tax</b> .....	D81
Exclusions from Income.....	D81
Credits .....	D92
Estimated Taxes .....	D93
<b>Realty Transfer Tax</b> .....	D95
<b>Inheritance Tax</b> .....	D102
Family Related Exemptions and Exclusions .....	D102
Personal Exclusions and Deductions.....	D104
Business Related Exclusions and Deductions .....	D107
Other Exclusions.....	D109
<b>Table Game Taxes</b> .....	D110
<b><i>Motor License Fund Tax Expenditures:</i></b>	
<b>Liquid Fuels and Fuels Tax</b> .....	D111
<b>Oil Company Franchise Tax</b> .....	D111
<b>Alternative Fuels Tax</b> .....	D111
<b>Motor Carriers Road Tax/IFTA</b> .....	D118
<b>Motor Vehicle Code</b> .....	D123
<b><i>Racing Fund Tax Expenditures:</i></b>	
<b>Wagering Tax</b> .....	D127
<b>Admissions Tax</b> .....	D127
<b><i>Special Fund Tax Expenditures:</i></b>	
<b>Unemployment Compensation Insurance Tax</b> .....	D128
<b>Public Transportation Assistance Fund</b> .....	D129
<b>Motor Vehicle Lease Tax and Motor Vehicle Rental Fee</b> .....	D129
<b>Tire Fee</b> .....	D132
<b>E. DEPARTMENT PRESENTATIONS</b>	
<b>Governor's Office</b> .....	E1-3
Executive Direction .....	E1-7
<b>Executive Offices</b> .....	E2-1
Executive Direction .....	E2-7
Legal Services .....	E2-10
Prevention and Elimination of Discriminatory Practices.....	E2-11
Development of Artists and Audiences .....	E2-12
Criminal and Juvenile Justice Planning and Coordination .....	E2-13
Reintegration of Juvenile Delinquents .....	E2-15
<b>Lieutenant Governor</b> .....	E3-1
Executive Direction .....	E3-5
<b>Attorney General</b> .....	E4-1
Public Protection and Law Enforcement .....	E4-6
<b>Auditor General</b> .....	E5-1
Auditing.....	E5-5
Municipal Pension Systems .....	E5-6
<b>Treasury</b> .....	E6-1
Disbursement .....	E6-6
Interstate Relations.....	E6-8
Debt Service .....	E6-9



# Table of Contents

<b>Agriculture</b> .....	E7-1
Protection and Development of Agricultural Industries .....	E7-7
Horse Racing Regulation .....	E7-10
Emergency Food Assistance .....	E7-11
<b>Banking and Securities</b> .....	E8-1
Financial Services Industry Regulation .....	E8-5
<b>Civil Service Commission</b> .....	E9-1
Personnel Selection .....	E9-5
<b>Community and Economic Development</b> .....	E10-1
PA Job Creation, Business Growth and Attraction .....	E10-7
PA Innovation Economy .....	E10-9
International Business Development .....	E10-11
PA Assets .....	E10-12
PA Core Communities .....	E10-14
<b>Conservation and Natural Resources</b> .....	E11-1
Parks and Forests Management .....	E11-7
<b>Criminal Justice</b> .....	E12-1
Institutionalization of Offenders .....	E12-6
Reintegration of the Adult Offender .....	E12-13
<b>Probation and Parole Board</b> .....	E13-1
<b>Education</b> .....	E14-1
Education Support Services .....	E14-8
PreK–12 Education (Basic Education) .....	E14-9
Library Services .....	E14-12
Higher Education .....	E14-14
<b>Higher Education Assistance Agency</b> .....	E15-1
Financial Assistance to Students .....	E15-5
Financial Aid to Institutions .....	E15-6
<b>Emergency Management Agency</b> .....	E16-1
Emergency Management .....	E16-6
Fire Prevention and Safety .....	E16-8
<b>Environmental Protection</b> .....	E17-1
Environmental Support Services .....	E17-8
Environmental Protection and Management .....	E17-9
<b>Ethics Commission</b> .....	E18-1
Executive Direction .....	E18-5
<b>Fish and Boat Commission</b> .....	E19-1
Recreational Fishing and Boating .....	E19-5
<b>Game Commission</b> .....	E20-1
Wildlife Management .....	E20-5
<b>Gaming Control Board</b> .....	E21-1
Gaming Regulation .....	E21-5
<b>General Services</b> .....	E22-1
Facility, Property and Commodity Management .....	E22-6
<b>Health and Human Services</b> .....	E23-1
Health and Human Services Support .....	E23-17
Medical Assistance and Health Care Delivery .....	E23-19
Aging and Adult Community Living .....	E23-24
Eligibility and Self-Sufficiency .....	E23-27
Behavioral Health and Substance Use Disorder Services .....	E23-30
Intellectual Disabilities .....	E23-34
Human Services .....	E23-38
Child Development .....	E23-41
Public Health .....	E23-43
Health Care Quality and Licensure .....	E23-48

# Table of Contents

<b>Health</b> .....	E24-1
<b>Drug and Alcohol Programs</b> .....	E25-1
<b>Aging</b> .....	E26-1
<b>Health Care Cost Containment Council</b> .....	E27-1
Health Care Reporting .....	E27-5
<b>Historical and Museum Commission</b> .....	E28-1
State Historic Preservation .....	E28-5
Museum Assistance .....	E28-7
<b>Infrastructure Investment Authority</b> .....	E29-1
PENNVEST .....	E29-6
<b>Insurance</b> .....	E30-1
Insurance Industry Regulation .....	E30-5
<b>Labor and Industry</b> .....	E31-1
Community and Occupational Safety and Stability .....	E31-6
Workers' Compensation and Assistance .....	E31-8
Workforce Investment .....	E31-10
Vocational Rehabilitation .....	E31-13
<b>Liquor Control Board</b> .....	E32-1
Liquor Control .....	E32-5
<b>Military and Veterans Affairs</b> .....	E33-1
State Military Readiness .....	E33-6
Veterans Homes .....	E33-7
Compensation and Assistance .....	E33-9
<b>Milk Marketing Board</b> .....	E34-1
Milk Industry Regulation .....	E34-5
<b>Public School Employees' Retirement System</b> .....	E35-1
Public School Employees' Retirement .....	E35-5
<b>Public Utility Commission</b> .....	E36-1
Regulation of Public Utilities .....	E36-5
<b>Revenue</b> .....	E37-1
Revenue Collection and Administration .....	E37-6
Community Development and Preservation .....	E37-8
Homeowners and Renters Assistance .....	E37-9
<b>State</b> .....	E38-1
Consumer Protection .....	E38-5
<b>State Employees' Retirement System</b> .....	E39-1
State Employees' Retirement .....	E39-5
<b>State Police</b> .....	E40-1
Public Protection and Law Enforcement .....	E40-6
<b>Transportation</b> .....	E41-1
Transportation Support Services .....	E41-8
Highways and Bridges .....	E41-9
Local Highway and Bridge Assistance .....	E41-11
Multimodal Transportation .....	E41-12
Driver and Vehicle Services .....	E41-14
<b>Legislature</b> .....	E42-1
Legislature .....	E42-5
<b>Judiciary</b> .....	E43-1
State Judicial System .....	E43-6
<b>Government Support Agencies</b> .....	E44-1
Government Support Agencies .....	E44-5

## F. CAPITAL BUDGET

Capital Budget Program Summary.....	F3
Estimated Capital Expenditures — State Funds .....	F5
Forecast of New Project Authorizations — State Funds.....	F6
Recommended New Project Authorizations — State Funds .....	F7
Agriculture .....	F8
Conservation and Natural Resources.....	F10
Criminal Justice.....	F26
Education .....	F30
Environmental Protection .....	F37
General Services.....	F39
Health and Human Services.....	F42
Historical and Museum Commission .....	F45
Military and Veterans Affairs .....	F47
State Police .....	F50
Transportation .....	F52
Summary of Forecast of Future New Project Authorizations — State Funds.....	F99
Forecast of Future Projects by Department.....	F100
Estimate of Capital Project Expenditures by Department.....	F103
Estimate of Capital Expenditures .....	F104

## G. PUBLIC DEBT

Debt Authorized, Issued and Outstanding.....	G3
General Obligation Bond Issues.....	G4
General Obligation Debt Outstanding.....	G5
Constitutional Debt Limit .....	G6
Debt Service on General Obligation Debt .....	G7
Annual Debt Service on Outstanding General Obligation Bonds .....	G8
Trends in Debt Service and Debt Ratios .....	G9
Outstanding Indebtedness of Pennsylvania Agencies and Authorities.....	G10

## H. OTHER SPECIAL FUNDS

Other Special Funds.....	H3
Special Fund Categories .....	H4
Achieving a Better Life Experience Fund .....	H6
Acid Mine Drainage Abatement and Treatment Fund .....	H6
Administration Fund .....	H7
Agricultural College Land Scrip Fund.....	H7
Agricultural Conservation Easement Purchase Fund.....	H8
Anthracite Emergency Bond Fund .....	H8
Automobile Theft Prevention Trust Fund.....	H9
Banking Fund .....	H9
Ben Franklin Technology Development Authority Fund .....	H10
Benefit Completion Fund.....	H10
Boat Fund.....	H11
Broadband Outreach and Aggregation Fund.....	H11
Budget Stabilization Reserve Fund .....	H12
Capital Debt Fund .....	H12
Capital Facilities Fund.....	H13
Capitol Restoration Trust Fund .....	H13
Catastrophic Loss Benefits Continuation Fund .....	H14
Children's Trust Fund.....	H14
Cigarette Fire Safety and Firefighter Protection Act Enforcement Fund.....	H15
City Revitalization and Improvement Fund.....	H15
Clean Air Fund .....	H16
Coal and Clay Mine Subsidence Insurance Fund .....	H16
Coal Lands Improvement Fund.....	H17
Community College Capital Fund.....	H17
Compulsive and Problem Gambling Treatment Fund.....	H18

# Table of Contents

Conrad Weiser Memorial Park Trust Fund .....	H18
Conservation District Fund .....	H19
Deferred Compensation Fund .....	H19
Deferred Compensation Fund – Short-Term Portfolio .....	H20
DNA Detection Fund .....	H20
Educational Assistance Program Fund .....	H21
Emergency Medical Services Operating Fund .....	H21
Employment Fund for the Blind .....	H22
Energy Development Fund.....	H22
Environmental Education Fund .....	H23
Environmental Stewardship Fund .....	H24
Farm Products Show Fund.....	H25
Fire Insurance Tax Fund .....	H26
Fish Fund .....	H26
Game Fund .....	H27
Governor Robert P. Casey Memorial Organ and Tissue Donation Awareness Trust Fund.....	H28
Growing Greener Bond Fund .....	H29
Growing Greener Bond Sinking Fund.....	H30
Hazardous Material Response Fund.....	H30
Hazardous Sites Cleanup Fund .....	H31
Higher Education Assistance Fund .....	H32
Highway Beautification Fund.....	H32
Historical Preservation Fund .....	H33
HOME Investment Trust Fund.....	H33
Homeowners Assistance Settlement Fund.....	H34
Housing Affordability and Rehabilitation Enhancement Fund.....	H34
Industrial Development Fund .....	H35
Industrial Sites Cleanup Fund .....	H35
Insurance Fraud Prevention Trust Fund.....	H36
Insurance Liquidation Fund.....	H36
Insurance Regulation and Oversight Fund .....	H37
Job Training Fund .....	H37
Justice Reinvestment Fund.....	H38
Keystone Recreation, Park and Conservation Fund .....	H38
Land and Water Development Fund.....	H39
Land and Water Development Sinking Fund.....	H39
Liquid Fuels Tax Fund.....	H40
Liquor License Fund.....	H40
Local Cigarette Tax Fund.....	H41
Local Criminal Justice Sinking Fund.....	H41
Local Government Capital Project Loan Fund.....	H42
Machinery and Equipment Loan Fund.....	H42
Manufacturing Fund .....	H43
Marcellus Legacy Fund .....	H43
Medical Care Availability and Reduction of Error Fund .....	H44
Medical Marijuana Program Fund .....	H45
Milk Marketing Fund.....	H46
Mine Safety Fund .....	H46
Minority Business Development Fund .....	H47
Monetary Penalty Settlements Fund .....	H47
Motor Vehicle Transaction Recovery Fund .....	H48
Multimodal Transportation Fund.....	H48
Municipal Pension Aid Fund.....	H49
Municipalities Financial Recovery Revolving Aid Fund .....	H49
Neighborhood Improvement Zone Fund.....	H50
Non-Coal Surface Mining Conservation and Reclamation Fund .....	H50
Nutrient Management Fund.....	H51
Oil and Gas Lease Fund .....	H51
Patient Safety Trust Fund.....	H52

# Table of Contents

Pennsylvania Economic Revitalization Fund.....	H53
Pennsylvania eHealth Partnership Fund.....	H54
Pennsylvania Gaming Economic Development and Tourism Fund.....	H54
Pennsylvania Historical and Museum Commission Trust Fund.....	H55
Pennsylvania Infrastructure Bank.....	H55
Pennsylvania Municipal Retirement Fund.....	H56
Pennsylvania Race Horse Development Fund.....	H56
Pennsylvania Veterans Memorial Trust Fund.....	H57
PENNVEST Bond Authorization Fund.....	H57
PENNVEST Drinking Water Revolving Fund.....	H58
PENNVEST Fund.....	H58
PENNVEST Redemption Fund.....	H59
PENNVEST Water Pollution Control Revolving Fund.....	H59
Persian Gulf Conflict Veterans' Compensation Bond Fund.....	H60
Persian Gulf Conflict Veterans' Compensation Sinking Fund.....	H60
Pharmaceutical Assistance Fund.....	H61
Philadelphia Regional Port Authority Fund.....	H62
Philadelphia Taxicab and Limousine Regulatory Fund.....	H62
Philadelphia Taxicab Medallion Fund.....	H63
PlanCon Bond Projects Fund.....	H63
Port of Pittsburgh Commission Fund.....	H64
Property Tax Relief Fund.....	H65
Public Transportation Assistance Fund.....	H66
Public Transportation Trust Fund.....	H66
Purchasing Fund.....	H67
Racing Fund.....	H68
Real Estate Recovery Fund.....	H69
Recycling Fund.....	H69
Rehabilitation Center Fund.....	H70
Remining Financial Assurance Fund.....	H70
Rightful Owners' Claims Payment Fund.....	H71
School Employees' Retirement Fund.....	H72
Self-Insurance Guaranty Fund.....	H73
Small Business First Fund.....	H73
Solid Waste-Resource Recovery Development Fund.....	H74
Special Administration Fund.....	H74
State College Experimental Farm Fund.....	H75
State Employees' Retirement Fund.....	H76
State Gaming Fund.....	H77
State Insurance Fund.....	H78
State Restaurant Fund.....	H78
State School Fund.....	H79
State Stores Fund.....	H80
State Treasury Armory Fund.....	H81
State Worker's Insurance Fund.....	H81
Storage Tank Fund.....	H82
Substance Abuse Education and Demand Reduction Fund.....	H82
Surface Mining Conservation and Reclamation Fund.....	H83
Tax Note Sinking Fund.....	H83
Tobacco Settlement Fund.....	H84
Treasury Initiative Support Fund.....	H85
Tuition Account Guaranteed Savings Program Fund.....	H86
Tuition Account Investment Program Fund.....	H86
Unconventional Gas Well Fund.....	H87
Underground Storage Tank Indemnification Fund.....	H88
Unemployment Compensation Benefit Payment Fund.....	H89
Unemployment Compensation Contribution Fund.....	H89
Unemployment Compensation Debt Service Fund.....	H90
Uninsured Employers Guaranty Fund.....	H90
Veterans Trust Fund.....	H91



# Table of Contents

Vocational Rehabilitation Fund.....	H91
Volunteer Companies Loan Fund.....	H92
Water and Sewer Systems Assistance Bond Fund .....	H92
Water and Sewer Systems Assistance Bond Sinking Fund .....	H93
Water Supply and Wastewater Treatment Fund .....	H93
Water Supply and Wastewater Treatment Sinking Fund.....	H94
Wild Resources Conservation Fund.....	H94
Workers' Compensation Security Fund.....	H95
Workmen's Compensation Administration Fund .....	H96
Workmen's Compensation Supersedeas Fund .....	H96
911 Fund.....	H97
<b>I. COMPLEMENT</b>	
Authorized Salaried Complement By Agency.....	I 3
Summary of Complement Changes .....	I 4
<b>J. STATISTICAL DATA</b>	
General Information.....	J3
State Population Trends.....	J4
State Employment Trends.....	J5
State Unemployment Trends.....	J7
State Personal Income Trends.....	J9

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# READER'S GUIDE

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

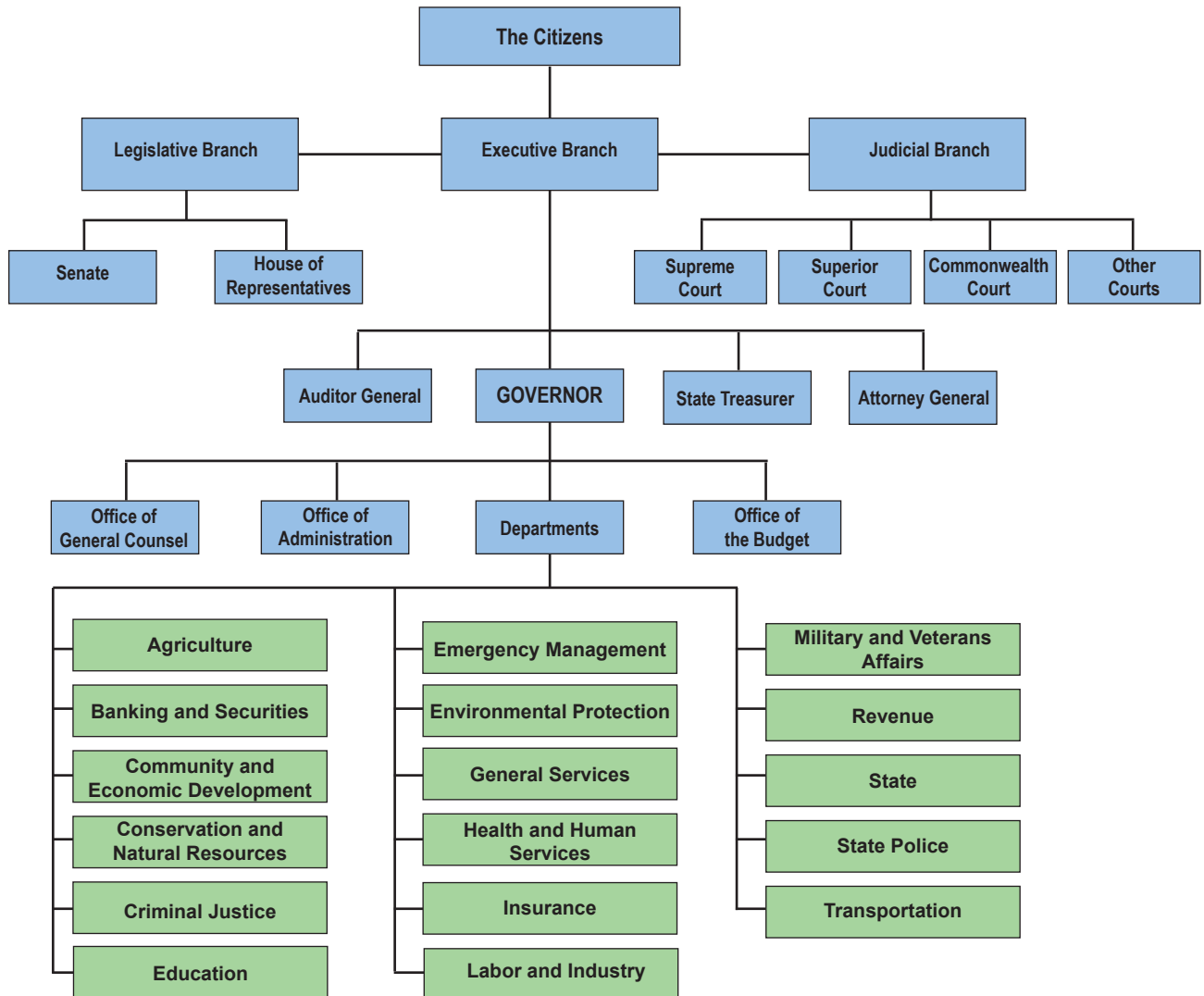
It contains an organization chart of the commonwealth, descriptions of the operating and capital budget processes, explanations of the program budget structure and the basis of budgeting and accounting, a summary of significant financial policies, terms used in the budget process and a list of common federal funds abbreviations.

The government of the commonwealth is comprised of three separate branches: the Executive Branch, the Legislative Branch and the Judicial Branch. The organization chart shown on the following page provides additional information about the structure of Pennsylvania State Government.

To view the Governor's Executive Budget online or learn more about the Pennsylvania Office of the Budget, go to [www.budget.pa.gov](http://www.budget.pa.gov). To learn more about the Commonwealth of Pennsylvania, go to [www.pa.gov](http://www.pa.gov).

---

## Commonwealth of Pennsylvania Organization Chart



AGENCIES

Higher Education Assistance  
Interstate Agencies

AUTHORITIES

Automobile Theft Prevention  
Commonwealth Financing  
Economic Development Financing  
Energy Development  
Higher Education Facilities  
Industrial Development  
Infrastructure Investment  
Insurance Fraud Prevention  
Minority Business Development  
Patient Safety  
Public School Building

BOARDS

Claims  
Environmental Hearing  
Gaming Control  
Finance and Revenue  
Liquor Control  
Milk Marketing  
Municipal Retirement  
Pardons  
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 Utility  
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 effectiveness 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 phases: 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 phase of the budget process begins nearly twelve months prior to the July 1 start of that fiscal year. The first step of the preparation phase 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.

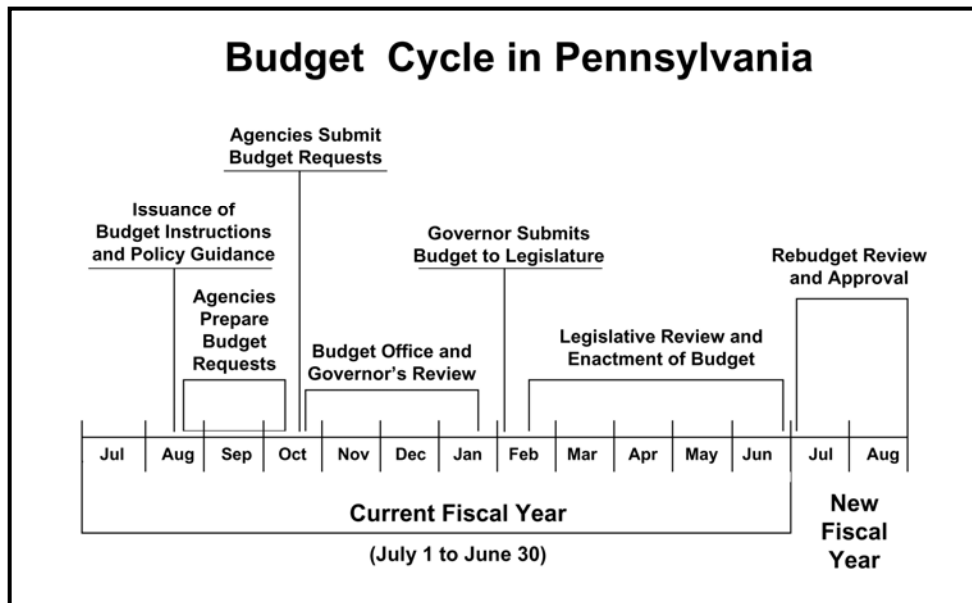
During December, the Governor apprises Legislative leaders of anticipated spending and revenue levels and major fiscal issues expected to be addressed in the upcoming budget.

The Secretary of the Budget and Governor's Budget Office staff review agency budget requests for accuracy and adherence to the policy guidance. The Agency Program Plan and appropriation data is 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, along 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 Executive Budget, 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 bills.





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 phase 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

## Preparation, Submission and Approval

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

## Capital Project Activation

In order for a capital project approved in an enacted project itemization act to move forward, the Department of General Services must request that it be activated. All project activation requests 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 then when design is complete, for construction. Project releases are made in accordance with certain fiscal guidelines in order to keep the entire capital budget at affordable levels each fiscal year.

## Debt Financing vs. Current Revenue Financing

A capital project can be funded by commonwealth debt obligations, current revenues or funds received from other jurisdictions if it meets one of the project category criteria listed in the Capital Budget Program Summary. The majority of capital projects are funded through general obligation bonds, but in accordance with commonwealth debt policy, highway capital projects are funded from current revenues of the Motor License Fund. Agencies will request either bond or current revenue funding when they submit capital project requests. The statements in section F summarize new capital projects by capital program category, then by department, and finally by department, capital program category and bond or current revenue sources. The capital projects for each department first list agency bond-funded projects, then list agency projects funded through current revenues.

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.

# The Commonwealth's Program Budget Structure

## COMMONWEALTH PROGRAM PLAN

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

The first commonwealth program, Direction and Supportive Services, includes the resources to support administrative functions that affect the overall operations of the commonwealth. The next six 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. The last 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 more clearly identified.

Program Budget Structure
<ul style="list-style-type: none"> <li>• Commonwealth Program – eight major programs</li> <li>• Program Category – defined by desired goals</li> <li>• Program Subcategory – Program Presentation that includes an objective, narrative and funding</li> <li>• Program Element – activities contributing toward the accomplishment of the subcategory program objective</li> </ul>

Each of the eight major Commonwealth Programs is subdivided into Program Categories defined by more specific goals. Program Categories are further broken down into Program Subcategories (more commonly referred to as Program Presentations in the budget book). The Program Presentations include program objectives, narratives and funding recommendations. Program narratives are further broken down into Program Elements – the basic unit of the program budget structure. Program elements are the activities that contribute to the accomplishment of the program objective of the Program Presentation.

### Department Presentations

Each agency presented in Section E of this budget book includes a Mission Statement, an Organization Overview, a Summary by Fund and Appropriation, a Program Funding Summary and a program subcategory Program Presentation.

#### Mission Statement

The mission statement is included on the title page of the department or agency presentation and describes what the agency does or intends to accomplish and why.

#### Organization Overview

The organization overview presentation displays the departmental organization chart and authorized complement count for the past five actual years.

#### Summary by Fund and Appropriation

The Summary by Fund and Appropriation presentation is organized by fund, character of expenditure, state appropriation, and the federal funds, augmentations and other funds that supplement the activities funded by each state appropriation. Three fiscal years are shown on this presentation – the budget year and two prior fiscal years. The most immediate prior fiscal year is named the “available year” and the second most immediate prior fiscal year is named the “actual year.”

State funds included in the SFA presentation are the: General Fund, Motor License Fund, and Lottery Fund and all appropriations or executive authorizations made from these funds. Section C presents financial statements and revenue detail for each of these state funds.

Federal fund amounts shown on the SFA 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 they are appropriated, federal funds are deposited as General Fund revenues rather than as augmentations. Federal funds are not, however, included in the revenue sections of the budget. Instead, federal funds are shown with the state funds they supplement. Abbreviations or acronyms often are used in the federal appropriation titles shown on the SFA. The Federal Funds Identification section in this Reader's Guide lists common federal fund abbreviations.

The Summary by Fund and Appropriation example pages immediately following this section explain the layout of the SFA and provide more detail on the items discussed here.

## Program Funding Summary

The agency Program Funding Summary presents general, special, federal and other funding organized by the program subcategory Program Presentations of the commonwealth's program budget structure rather than by appropriation. The summary is a seven-year presentation – including the actual, available and budget years previously discussed, plus four additional planning years beyond the budget year. The four planning years do not show cost projections based on desired progress toward meeting goals, but rather show the future cost consequences of current program policy including the cost of any current legislatively mandated increases that may be effective in a future year. All departmental program funding summaries are shown aggregated in Section B according to the eight major Commonwealth Programs and their identified Program Categories. Each departmental subcategory shown in its program funding summary is included in one and only one of the eight major Commonwealth Programs and in one of the Program Categories.

## Program Presentation

Each program subcategory Program Presentation includes a program goal that states the program's purpose in terms of desired accomplishments, a narrative describing program activities and services, funding recommendations that identify increases or decreases over available year funding, and a list of state appropriations that support the activities within the program.

An agency may have one or more Program Presentations, depending on the breadth and complexity of its mission, activities, goals and objectives. The reader can quickly see program presentation titles in the Table of Contents which lists every program presentation for every agency. Each program presentation begins with and is defined by one program goal. Program narratives describe program activities, services and expected outcomes and may be further broken down by program element narratives which focus on specific program activities.

Program Presentation
<ul style="list-style-type: none"> <li>• <i>Program Goal – program purpose stated as desired accomplishments</i></li> <li>• <i>Narrative – program activities and services description</i></li> <li>• <i>Program Recommendations – proposed funding increases or decreases</i></li> <li>• <i>Appropriations within this Program – appropriations supporting program activities</i></li> </ul>

The Program Recommendations section lists and briefly describes each funding increase or decrease for each state appropriation. Major funding changes are identified as Initiatives or Program Revision Requests which often are more fully discussed in the Section A: Overview and Summaries section. Significant program changes are explained and justified in a separate Program Revision Request section that immediately follows the program subcategory Program Presentation to which it pertains.

The Appropriations within this Program section is a seven-year presentation of the state appropriations included in the Program Presentation. As noted in the previous planning year discussion, the four planning years do not show cost projections based on desired progress toward meeting goals, but rather show the future cost consequences of current program policy including the cost of any current legislatively mandated increases that may be effective in a future year. Each state appropriation appears in only one agency and in only one Program Presentation.

The Program Presentation example pages immediately following the Summary by Fund and Appropriation example pages in this section explain the layout of the Program Presentation and provide more detail on the items discussed here. The reader is also referred to the Terms Used in the Budget Process section of this Reader's Guide for the definitions of the terms discussed in this section.

## Program Measures

Within the commonwealth's program budget structure, performance measures are used to quantify program activities and results. Program Measures is the last section in the agency presentation and is a seven-year presentation of performance measures that identify program activities and outcomes in addition to the impact the proposed budget is expected to have on those activities and outcomes.

## OTHER SPECIAL FUNDS

The Section H: Other Special Funds provides brief descriptions 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:

Black Fly Control and Research .....

West Nile Virus Control .....

Delaware River Master .....

Interstate Mining 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)

2015-16 ACTUAL      2016-17 AVAILABLE      2017-18 BUDGET

**\$ 10,400**      **\$ 10,500**      **\$ 10,600**  
 413      630      680  
 154      75      75  
\$ 10,967      \$ 11,205      \$ 11,355

**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      \$ 30,009      \$ 31,109

\$ 31,725      \$ 31,924      \$ 33,124  
 7,413      7,630      7,680  
 245      160      160  
 1,500      1,500      1,500  
\$ 40,883      \$ 41,214      \$ 42,464

**\$ 3,250**      **\$ 3,250**      **\$ 3,250**  
**3,676**      **3,676**      **3,776**  
 76      76      76  
 25      25      30  
 490      500      490  
 1,000      1,000      1,000  
 190      190      200  
\$ 8,707      \$ 8,717      \$ 8,822

\$ 40,432      \$ 40,641      \$ 41,946  
 7,413      7,630      7,680  
 245      160      160  
 1,500      1,500      1,500  
\$ 49,590      \$ 49,931      \$ 51,286

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

\$ 549      \$ 658      \$ 470

\$ 5,500      \$ 5,500      \$ 5,500

\$ 40,432      \$ 40,641      \$ 41,946  
 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  
\$ 59,639      \$ 60,089      \$ 61,256

*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 and Lottery 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.*

# 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) or Initiatives 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 manage water and mineral resources to prevent 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

\$	100	<b>General Government Operations</b> —to continue current program.
\$	100	<b>Environmental Program Management</b> —to continue current program.
	1,000	—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:

	2015-16 Actual	2016-17 Available
<b>GENERAL FUND:</b>		
General Government Operations .....	\$ 10,400	\$ 10,500
Environmental Program Management.....	21,325	21,424
Black Fly Control and Research.....	3,250	3,250
West Nile Virus Control .....	3,676	3,676
Delaware River Master .....	76	76
Interstate Mining Commission .....	25	25
Susquehanna River Basin Commission ..	490	500
Delaware River Basin Commission .....	1,000	1,000
Chesapeake Bay Commission .....	190	190

### Program

	2015-16	2016-17
<b>Protection of Air Quality</b>		
Percentage of population in counties attaining the ambient PM-2.5 (fine particles) annual standard .....	90%	90%
Percentage of population in counties attaining the 1997 ambient ozone standard	88%	88%
Percentage of population in counties attaining the 2008 ambient ozone standard	35%	42%

# Environmental Protection

Identifies the agency being presented.

to 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 sources in a way which ensures against their undue economic benefits from their use.

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

## Program and Management

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

### CLEAN AIR

#### Program Element: Protection of Air Quality

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

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. Ozone, a bluish gas, irritates the eyes and upper respiratory system. Small particles and toxic air pollutants they carry with them can aggravate or cause respiratory ailments.

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

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.

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

\$	100	<b>West Nile Virus Control</b> —to continue current program.
\$	5	<b>Interstate Mining Commission</b> —to continue current program.
\$	-10	<b>Susquehanna River Basin Commission</b> —nonrecurring project.
\$	10	<b>Chesapeake Bay Commission</b> —to continue current program.

(Dollar Amounts in Thousands)

2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
\$ 10,600	\$ 10,600	\$ 10,600	\$ 10,600	\$ 10,600
22,524	22,524	22,524	22,524	22,524
3,250	3,250	3,250	3,250	3,250
3,776	3,776	3,776	3,776	3,776
76	76	76	76	76
30	30	30	30	30
490	490	490	490	490
1,000	1,000	1,000	1,000	1,000
200	200	200	200	200

## Measures

2017-18	2018-19	2019-20	2020-21	2021-22
90%	100%	100%	100%	100%
100%	100%	100%	100%	100%
50%	68%	100%	100%	100%

**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 recognized when posted to the commonwealth's accounting system. 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 here:

**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 126 of 2014 suspended the transfer to the Budget Stabilization Reserve Fund for the most recent fiscal year ending June 30, 2014. Additional information on this fund, commonly referred to as the Rainy Day Fund, is found in Section A1.

**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.

## 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 that 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.

**Authorized Salary Complement:** A complement authorization established by the Governor's Budget Office based on funding and agency justification for positions.

**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.

**Bond:** A debt investment issued by the commonwealth or other public agency or authority. Bonds are used to raise money to finance new projects, maintain ongoing operations, or refinance existing other debts, and are issued for a set number of years (often 10 years plus). At maturity, the issuer repays the principal to the investor. The investor also receives regular interest payments from the issuer until the bond matures.

**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 part of the state budget that recommends projects for the construction, renovation, improvement, acquisition and purchase of 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, including 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.

**Complement:** A term synonymous with state personnel or workforce, more often used in the context of positions rather than employees or persons employed. Complement terms include:

- **Authorized Salaried Complement** – A complement authorization established by the Governor's Budget Office as part of the annual rebudget process and based on funding and agency justification for positions.
- **Complement Level** – The number of full-time equivalent wage or salaried positions authorized by appropriation and agency. The Governor's Budget Office establishes authorized salaried complement levels and the Governor's Office of Administration establishes authorized wage complement levels.
- **Full-time Equivalent (FTE)** – A numeric unit that indicates the workload of an employed person in a way that makes full- and part-time workloads comparable. A full-time worker is equivalent to one FTE and two half-time workers are also equivalent to one FTE. For budgeting purposes, an agency's total FTE count is rounded to the nearest integer.
- **Limited-Term Salaried Position** – A salaried position that has a specific date of expiration, regardless of duration, that requires the temporary, full-time or part-time employment of at least one person.
- **Position** – An authorized and individually identified group of duties and responsibilities requiring the full- or part-time employment of at least one person.
- **Salaried Position** – A position requiring the full-time or part-time employment of at least one person on a regularly scheduled basis for a period of time exceeding six months.
- **Wage Position** – A position requiring the full-time or part-time employment of one person, either on a regular schedule for a limited duration of time or on an intermittent or irregularly scheduled basis without regard to the employment duration.
- **Workforce** – Persons employed by the commonwealth.

**Comprehensive Annual Financial Report (CAFR):** A set of government financial statements that complies with accounting requirements prescribed by the Governmental Accounting Standards Board and provides information about the financial condition of the commonwealth. It is prepared primarily by accounting staff in the Office of Comptroller Operations and audited by independent auditors using GASB requirements.

**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." The four planning years do not show cost projections based on desired progress toward meeting goals, but rather show the future cost consequences of current level of services and current program policy including the cost of any current legislatively mandated increases that may be effective in a future year.

**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 (EA):** An authorization made in the name of the Governor to spend money from funds that 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, 2014 to September 30, 2015 would be FFY 2015.

**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.

**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.

**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, the fiscal year is referred to by the year in which the fiscal year begins, for example, July 1, 2015 to June 30, 2016 would be Fiscal Year 2015. In the budget document, the fiscal year is referred to by using both calendar years in which the fiscal year spans, for example, July 1, 2015 to June 30, 2016 would be Fiscal Year 2015-16.

- **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 that may be effective in a future year.

**Full-time Equivalent:** see **Complement**.

**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 major operating fund of the commonwealth. It receives all tax receipts and other types of revenue not specified by law to be placed in special funds. Except for certain restricted receipts, the income of the General Fund is appropriated in specific amounts for the ordinary programs of government. Pennsylvania's major sources of General Fund revenues are corporation taxes, consumption taxes, the Personal Income Tax and nontax revenues.

**General Obligation Bonds:** Bonds guaranteed by the full faith and credit of the commonwealth, repayment of which is from the General fund.

**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.

**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. Funds include the General Fund, Special Revenue Funds, Capital Project Funds and Debt Service Funds. (See page H3 for additional information.)



**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. (See page H3 for additional information.)

**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 after the end of that fiscal year.

**Lottery Fund:** 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 prescription drug costs.

**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.

**Motor License Fund:** 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.

**Nonpreferred Appropriations:** An appropriation to any charitable or educational institution not under the absolute control of the commonwealth that 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. Accomplishments are intended effects (impacts) 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 defined at the program subcategory level.

**Official Revenue Estimate:** The estimate of revenues for the coming fiscal year determined by the governor at the time the governor 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 supports the general day to day activities and expenses of state government paid out of revenues derived from taxes, license or permit fees, or other non-tax sources.

**Position:** see **Complement**.

**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, the Program Subcategory and the Program Element.

**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:** see **Program Structure**.

**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 that 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 structure terms listed in system order are:

- **Commonwealth Program** – There are eight major program classifications in the program structure: Direction and Supportive Services, Protection of Persons and Property, Education, Health and Human Services, Economic Development, Transportation, Recreation and Cultural Enrichment, and Debt Service.
- **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 Subcategory** – A subdivision of a program category. The subcategory focuses upon objectives that can be measured in terms of quantifiable impact. Program subcategories within agencies are commonly referred to as programs or program presentations within the Governor's Budget.
- **Program Element** – The agency activity or set of activities which produce an output or group of related outputs that contributes to the accomplishment of the objective of a single program subcategory. Program elements are the basic units of the program structure of the budget.

**Proprietary Funds:** These 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. (See page H3 for additional information.)

**Rebudget:** An agency-revised spending plan based on its enacted appropriations. The Governor's Budget Office has the authority to request and approve agency spending plans or rebudgets.

**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.

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

**Workforce:** see **Complement**.

## Federal Funds Identification

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

ADA	Americans with Disabilities Act
ARC	Appalachian Regional Commission
BG	Block Grant
CCDFBG	Child Care and Development Fund Block Grant
COPS	Community Oriented Policing Services
CSBG	Community Services Block Grant
DCSI	Drug Control and Systems Improvement
DFSC	Safe and Drug Free Schools and Communities
DOE	Department of Energy
EDA	Economic Development Administration
EEOC	Equal Employment Opportunity Commission
EMAC	Emergency Management Assistance Compact
EMS	Emergency Medical Services
EPA	Environmental Protection Agency
EPCA	Energy Policy and Conservation Act
ESEA	Elementary and Secondary Education Act
FEMA	Federal Emergency Management Agency
FFY	Federal Fiscal Year (October 1 to September 30)
FHWA	Federal Highway Administration
FTA	Federal Transit Administration
HIPAA	Health Insurance Portability and Accountability Act
HHS	Health and Human Services
HUD	Department of Housing and Urban Development
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/ID	Mental Health/ Intellectual Disabilities
MHSBG	Mental Health Services Block Grant
NCHIP	National Criminal History Improvement Program
NEA	National Endowment for the Arts
NICS	National Instant Check System
NSF	National Science Foundation
NSTIC	National Strategy for Trusted Identities in Cyberspace
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
TEA 21	Transportation Equity Act for the 21 <sup>st</sup> Century
USFWS	United States Fish and Wildlife Service
VA	Veterans Administration
VOCA	Victims of Crime Act
WIC	Women, Infants and Children Program
WIOA	Workforce Innovation and Opportunity Act n

## Website Links to Commonwealth Agencies

To learn more about state agencies, their missions, programs and funding, visit their websites by choosing links below.

[Agriculture](#)

[Attorney General](#)

[Auditor General](#)

[Banking and Securities](#)

[Civil Service Commission](#)

[Community and Economic Development](#)

[Conservation and Natural Resources](#)

[Corrections](#)

[Education](#)

[eHealth Partnership Authority](#)

[Emergency Management Agency](#)

[Environmental Protection](#)

[Ethics Commission](#)

Executive Offices

[Office of Administration](#)

[Office of General Counsel](#)

[Office of Inspector General](#)

[Office of the Budget](#)

[Commission on Crime and Delinquency](#)

[Council on the Arts](#)

[Juvenile Court Judges Commission](#)

[Human Relations Commission](#)

[Fish and Boat Commission](#)

[Game Commission](#)

[Gaming Control Board](#)

[General Services](#)

[Governor's Office](#)

[Health and Human Services](#)

[Health](#)

[Drug and Alcohol Programs](#)

[Aging](#)

[Higher Education Assistance Agency](#)

[Historical and Museum Commission](#)

[Housing Finance Agency](#)

[Infrastructure Investment Authority \(PENNVEST\)](#)

[Insurance](#)

[Judiciary](#)

[Labor and Industry](#)

[Legislature](#)

[Liquor Control Board](#)

[Lieutenant Governor's Office](#)

[Military and Veterans Affairs](#)

[Milk Marketing Board](#)

[Probation and Parole Board](#)

[Public School Employees' Retirement System](#)

[Public Utility Commission](#)

[Revenue](#)

[State](#)

[State Employees' Retirement System](#)

[State Police](#)

[Transportation](#)

[Treasury](#)



Commonwealth of Pennsylvania

Governor's Executive Budget

*OVERVIEW*  
*AND*  
*SUMMARIES*

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# 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 2017-18 Governor's Executive Budget. The revenue and expenditure recommendations included in this budget 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: Schools that Teach; Jobs that Pay; and Government that Works.

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.

## Fiscal and Program Policy Direction

This section presents the fiscal and program policies that guided the development of the 2017-18 Governor's Executive Budget. The commonwealth faced considerable financial challenges during the past few years. While last year's budget contained significant new recurring revenue to meet projected spending, challenges still remain. Nonetheless, agencies are expected to rise to those challenges and continue to efficiently and effectively provide quality services to Pennsylvania residents.

For the 2017-18 fiscal year, it is critical that the commonwealth employs sound budget planning. Agency budget requests should focus on the governor's three key priority areas – Schools that Teach, Jobs that Pay, and Government that Works – as we continue to build on the progress made last year to resolve persistent budget deficits, fully fund our obligations, and restore education funding. The budget and policy direction given to agencies was responsive to fiscal realities and addressed the commonwealth's 2017-18 budget challenges.

Key budget development policy direction was provided by the Governor's Budget Office in August 2016 to assist agencies in developing their 2017-18 budget requests – the annual Budget Instructions and related program policy guidance. Additional guidance was provided to the agencies throughout fall 2016 as the budget development process continued.

### Budget Instructions

The 2017-18 Budget Instructions directed agencies to prepare budget requests consistent with the governor's policy guidance and seek responses to the specific issues that the governor wished to address in the 2017-18 Governor's Executive Budget. Agencies were to develop plans and policies designed to make government more efficient and effective. Agencies were asked to prepare 2017-18 budget requests building upon the administrative spending constraints and operational efficiencies initiated during the past budget planning cycle and make every effort to eliminate nonessential spending and deliver essential services at reduced cost.



The budget instructions directed agency heads, program managers and fiscal officers to closely coordinate all aspects of the development of agency budget requests. The budget request should include all data and analysis required to adequately explain and defend agency funding requests. Agency budget planning must focus on specific budget proposals to improve the efficiency and effectiveness of program operations and ensure that program delivery is consistent with the governor's policy guidance and the mission and goals of the commonwealth.

Agencies were directed to strengthen their multi-year planning efforts to realistically reflect future-year consequences of actions proposed in their budget requests. All financial data must be projected for the budget year as well as four future years. Projected trends are intended to show the future consequences of currently existing policy commitments. That is, the future trends in program costs if the current level of service is maintained over the five-year period. Expected trends in eligible populations served, mandated service levels and the potential for improved program and/or administrative efficiencies are among the factors to consider when preparing multi-year projections.

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 outcomes the capital project was intended to serve. No capital project request would be recommended unless the request included a detailed estimate of annualized operating cost changes or impacts, including new positions required, that would result from completion of the project.

Agencies should continue to seek federal grants and other funding opportunities which advance agency priorities without depending on General Fund appropriations.



## Program Policy Guidance

The 2017-18 program policy guidance provided specific fiscal and program direction to the agencies. Agency budget planning was to be predicated on the fact that the Pennsylvania economy was growing very modestly with a number of factors restraining its growth. The commonwealth budget faced additional challenges, such as increased pension obligations, wage and benefit increases, debt service and medical and entitlement costs. In recognition of this reality, agencies were encouraged to evaluate options to generate savings wherever possible. New programs that align with the Governor's priority areas may be proposed, but must be offset by achievable, sustainable savings in other areas of the agency budget.



### Program Direction

As part of the process of finding efficiencies and budget dollars that can be shifted to new programs, agencies should identify legislative and regulatory changes that will streamline program operations and phase out burdensome practices or outdated programs. Furthermore, agencies should look for consolidation opportunities with the goal of saving money and streamlining operations.

Proposed new programs should be aligned to advance the governor's three key priority areas:

**Schools that Teach:** We will continue our commitment to ensure that our youngest residents, regardless of where they live, have access to a high-quality education that will provide them with the tools to be successful in the 21st century.


**Jobs that Pay:** To move Pennsylvania forward, we must have a thriving middle class. It is essential to continue to focus on economic development policies that will create family-sustaining jobs across the commonwealth.

**Government that Works:** Residents of Pennsylvania must have confidence that taxpayer dollars are being used effectively and efficiently. Agencies should continue to aggressively pursue savings through the Governor's Office of Transformation, Innovation, Management, and Efficiency (GO-TIME).

Additionally, agencies should continue to focus on initiatives that support our most vulnerable residents in the most cost-effective manner.

## Performance Measurement

The 2017-18 budget planning process continued to emphasize performance measurement goal-setting as a core component of budget planning. Pennsylvania's public servants are entrusted to expend and invest the public's money on the public's behalf. In return, citizens expect results and accountability. Agencies were directed to identify key performance indicators along with strategies for achieving key results and how their funding requests relate to the goals in their annual performance plans. Agency funding requests should be driven by data collected about each program's effectiveness in achieving its purpose. Where programs are not meeting performance goals, the agency should carefully consider the reasons, and be prepared to justify continued funding of underachieving programs. A core goal of the budget review process is to evaluate the impact each agency's proposed expenditure levels would have on the achievement of its mission and programmatic goals.



### Measuring Program Results

The revenue and expenditure recommendations included in this budget address the commonwealth's structural deficit, and provide a solid fiscal foundation for the governor to successfully achieve his vision, goals and program priorities for Pennsylvania.

The following pages present the major budget themes for the 2017-18 Governor's Executive Budget. 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 2017-18 Budget in Brief, a separate booklet, for summary information on the 2017-18 Governor's Executive Budget, including recommended program changes and funding levels in pursuit of the administration's policy and program direction for the commonwealth.

## Introduction

For many years, the commonwealth has faced grave budget challenges. The prior administration, when faced with these challenges, cut funding for schools and the most vulnerable while employing gimmicks to bring budgets into balance.

Since taking office, Governor Wolf has fought to change the way we do things in Pennsylvania. He has proposed balanced budgets that fund education and human services while investing in middle class job creation, programs for seniors, and drug treatment to fight the opioid crisis.

There has been progress. Following the protracted budget impasse, the commonwealth enacted a budget that made historic investments in education and provided much-needed resources in the fight against opioid abuse. Moreover, the budget took important steps to put Pennsylvania back on a path to fiscal responsibility and a sustainable future.

Building upon this bipartisan success, the governor and legislature worked together to address many of the commonwealth's most pressing needs, including:

- Enacting a fair funding formula for our schools while investing \$640 million to make sure students are getting the education they need;
- Providing health insurance for nearly 700,000 people, including 63,000 in treatment for substance use disorder;
- Enabling access to medical marijuana for commonwealth residents with serious medical conditions;
- Modernizing our liquor system to improve customer experience while increasing profits; and
- Establishing and executing a plan to combat the heroin and opioid epidemic.

While significant progress was made to address the financial challenges the commonwealth faces, more work remains. Revenues have come in below estimate and cost drivers continue to stretch our resources. To protect investments in our schools, improve services for seniors, and fight the opioid epidemic, this budget takes a different approach.

This year's budget takes a new look at Pennsylvania's government in the face of chronic budget deficits. While cutting spending and changing the way we deliver services, this budget still provides funding for schools and protects essential services to those most vulnerable, including senior citizens and the disabled, while maintaining public safety, transportation, and other essential services upon which middle class families depend.

The budget includes more than \$2 billion in cuts and savings by reinventing and reforming the way the public's money is spent. State support is provided for those programs deemed most essential to serve the citizens of the commonwealth. Program coordination and consolidation across all agencies will eliminate duplicative functions, leverage increased non-state resources, and improve services to customers through program delivery refinements.

While this budget takes steps to cut spending, it also makes investments in key priorities that will drive growth in Pennsylvania, including funding for early childhood education and K-12 learning. The budget continues to dedicate resources to combat opioid abuse and better coordinate treatment. It continues to invest in the people of Pennsylvania by training our workforce and funding job creation initiatives that work.

The governor, working with his entire cabinet, has identified more than \$2 billion in cost savings across seven broad categories as shown in the following chart:

2017-18 Savings Initiatives		Amounts in thousands
Prioritizing Agency Expenditures and Cost Efficiencies	\$	767,000
Prudent Fiscal Management		493,000
Revenue Enhancements		314,000
Eliminating and Reducing Programs Outside Commonwealth's Core Mission		171,000
Complement Controls		143,000
Consolidation and Coordination		104,000
Facility Closures, Lease Management, and Facility Downsizing		104,000
<b>TOTAL</b>	<b>\$</b>	<b>2,096,000</b>

Throughout the budget, and detailed within every agency, these overarching savings assumptions provide the financial means to support limited funding increases to grow support for local school districts, early learning and special education services, continue efforts to combat opioid abuse and better coordinate treatment, and provide for a better trained workforce. **However, total spending is otherwise constrained, growing by only 1.8 percent above the current year.**

Moreover, in the longer term, this budget would put the commonwealth back on a path of fiscal stability. **In future years, budget surpluses would grow annually to replenish nearly \$500 million in the commonwealth's Budget Stabilization Reserve Fund, commonly known as the Rainy Day Fund.**

## Schools that Teach

Pennsylvania cannot get ahead if our schools fall behind. Fair and increased education funding for all Pennsylvania schools continues to be one of Governor Wolf’s top priorities to ensure students are college and career ready. Working with the legislature, the governor secured historic increases at all levels of education in his first two years in office, restoring the devastating funding cuts to the K-12 system made by the previous administration, including:

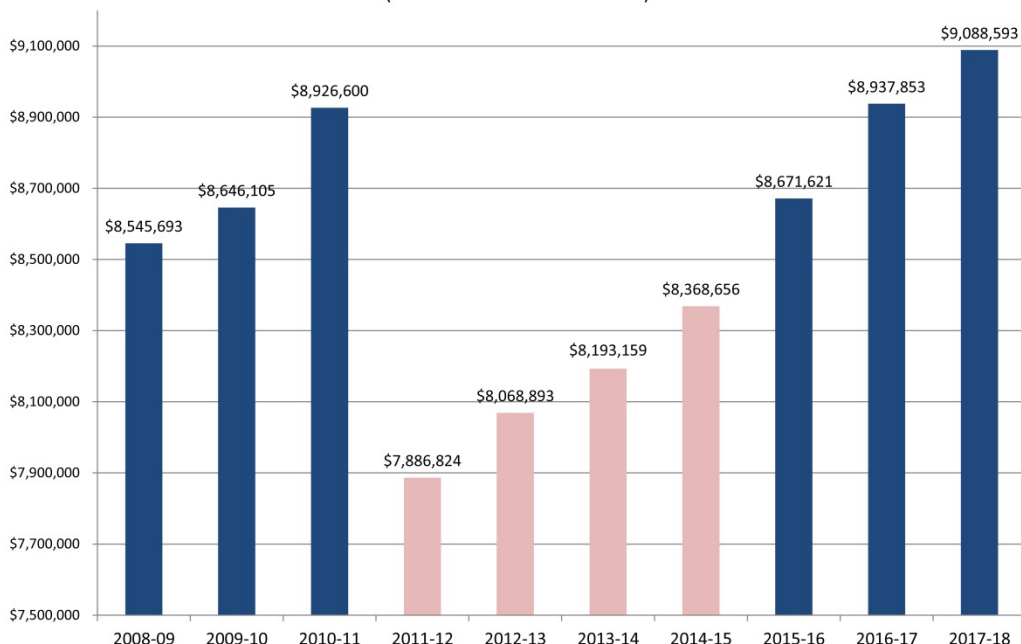
- \$415 million increase in Basic Education Funding;
- \$50 million increase in Special Education Funding;
- \$60 million increase for early childhood education;
- \$14.6 million increase for early intervention;
- \$81.4 million increase for PASSHE and state-related schools; and
- \$16.4 million increase for community colleges.

In June 2016, the governor signed Act 35 establishing a new funding formula to provide more predictable and equitable levels of basic education funding for school districts across the commonwealth. The formula considers both student-based factors, including the number of children in the district who live in poverty or who are enrolled in charter schools, as well as district-based factors such as the wealth of the district, the district’s current tax effort and the ability of the district to raise revenue.

The 2017-18 Budget provides increased funding for Pennsylvania schools to deliver high-quality education to every student across the state, regardless of zip code. Continuing investments in education include:

- **\$100 million increase in Basic Education Funding.** Following \$415 million in basic education and Ready to Learn Block Grant funding increases over the past two fiscal years, this increase will be distributed through the Basic Education Funding Formula, providing an equitable and predictable allocation to school districts across the commonwealth.

**Pre-K to 12 Education Funding**  
(Dollar amounts in thousands)



Note: Excludes Authority Rentals and Sinking Fund Requirements.

## Theme: Schools that Teach

- **\$25 million increase in Special Education Funding.** This increase, allocated to school districts through the formula adopted by the bipartisan legislative Special Education Funding Commission, builds upon a \$50 million increase over the last two years.
- **\$75 million increase in high-quality early childhood education.** Children who participate in high-quality pre-k programs perform better in school, graduate at higher rates and earn more throughout their lives compared to peers without access to early learning programs. Building upon \$60 million in additional investment over the past two years, this nearly 40 percent increase in funding will allow more than 8,400 additional children to enroll in Pennsylvania Pre-K Counts and the Head Start Supplemental Assistance Program.
- **\$8.9 million increase for the 14 universities of the Pennsylvania State System of Higher Education.** The governor will continue to work with PASSHE to develop individual college plans that address performance, affordability, and accountability, while partnering with employers to create structured career pathways. (See *Jobs that Pay* for further information on the governor's plans to build bridges from high school to college and careers.)

### Capturing Efficiencies in Pupil Transportation

School districts, intermediate units, and career and technology centers transport well over a million students each year. The formula which provides state funding to these entities for transportation of students to and from school was originally enacted in the PA School Code in 1972, with only slight modifications since then. Over the last decade, the number of students transported and the cost of fuel declined, while the number of buses and state subsidies for pupil transportation in Pennsylvania rose. This trend demonstrates how the current formula fails to accurately reflect changing demographics or incentivize districts and contractors to operate most efficiently.

As advances in vehicle fuel efficiency and falling gas prices continue to drive down the cost of transportation, the outdated formula continues to provide unbalanced reimbursements and exacerbate inefficiencies. Additionally, the complexity of the calculation makes it difficult for districts to predict year-to-year funding allocations. Updating and simplifying the funding formula will incentivize efficiency in fleet management and better reflect actual costs, including fuel prices, district geography, vehicle utilization, and transportation of special education students, while saving taxpayers \$50 million.

In addition to modernizing the funding formula, school districts will be encouraged to competitively bid pupil transportation contracts. Roughly 80 percent of pupil transportation in the commonwealth is provided through contracted services. A competitive procurement process will further drive down costs and reflects a continued commitment to transparency and accountability.

### Strengthening Pennsylvania's Education Accountability System

For many years, school improvement efforts in Pennsylvania have revolved around sweeping labels of failure based on limited data and interventions without consideration of local context or community input. For the past two years, Governor Wolf and the Department of Education have forged an alternative path that builds on a comprehensive set of school performance indicators, emphasizes evidence-based strategies for school improvements, and focuses on resource equity.

The enactment of the federal Every Student Succeeds Act (ESSA) offers Pennsylvania a new opportunity to accelerate these efforts to support additional schools and students. ESSA requires states to develop accountability systems that provide meaningful differentiation on school performance but broadens the range of indicators beyond a narrow focus of pure academic achievement. ESSA provides Pennsylvania wide latitude in designing interventions for struggling schools, and PDE has leveraged that latitude by traveling throughout the commonwealth to engage stakeholders and gain first-hand insight into the challenges, needs, and successes of various communities.

To further address accountability and align with the goals of ESSA and the governor's vision of a holistic system focused on future academic and workforce success, the 2017-18 Budget proposes an additional \$2 million in state funding, leveraging \$1 million in federal funds, **for school improvement efforts** at three districts serving 15 persistently low-achieving schools. The funds will be used to conduct diagnostic audits to determine specific district and school needs, develop improvement plans, and prepare for implementation of those plans in the following school year. These districts will have three years to demonstrate improved performance. For those that fail to do so, the Secretary of the Department of Education will assess next steps, which could include placing the school under state control or closing the school.

### **Expanding Access to School Breakfast Programs**

Research has demonstrated that breakfast is the most important meal of the day in impacting a variety of children's outcomes including academic progress and mental health. The 2017-18 Budget includes \$2 million in state funds to leverage and maximize up to \$20 million in federal funding to **enhance current school breakfast programs**. Competitive grants will prioritize efforts to encourage schools to adopt alternative breakfast delivery models, including "Breakfast After the Bell" (elementary school) and "Grab 'n' Go" (middle and high school) breakfast in the classroom. Funds will be targeted to those schools with student populations with more than 60 percent of children receiving subsidized meals. Nationally, less than half of students who are eligible currently receive a free or reduced price breakfast.

## Jobs that Pay

Governor Wolf is committed to ensuring Pennsylvania workers have the skills to succeed in the 21st century economy. Over the last two years, the governor has worked to increase the number of residents with college degrees and high-value industry-recognized credentials through the state's federally approved workforce innovation plan. Additionally, the governor has worked to expand economic opportunity for both residents and businesses.

The commonwealth offers a variety of economic development incentives to companies which commit to invest in Pennsylvania and create and retain jobs. Last year, the Department of Community and Economic Development approved nearly \$1.1 billion in low-interest loans, tax credits, and grants for projects across the commonwealth and secured private-sector commitments for the creation and retention of more than 245,000 full-time jobs. In the same timeframe, the Governor's Action Team completed 77 projects – creating and retaining more than 36,800 jobs.

The 2017-18 Budget continues to invest in workforce development and training programs while also implementing new safeguards to ensure taxpayer dollars for economic development projects are spent appropriately and intended outcomes are met.

### Manufacturing PA

Manufacturing is the third-largest industry in Pennsylvania employing over 550,000 workers with an average salary of \$72,500. The Manufacturing PA initiative links job training to career pathways, ensuring that training leads not simply to any job, but to careers that provide higher pay and opportunities for advancement.

Pennsylvania's 21st century economy is driven by highly skilled, highly trained workers. Research continues to demonstrate the value apprenticeship and other workforce training programs have in providing workers the opportunity to learn skills necessary to succeed in our modern economy, through on-the-job training. But these programs do not just benefit the workforce. Employers benefit by creating customized training which is tailored to their specific needs, and produces highly skilled employees. These programs increase productivity, enhance employee retention, lower recruitment costs and provide workers with the skills needed to compete for good-paying jobs.

Through Manufacturing PA, the 2017-18 Budget **partners the commonwealth's research universities and Industrial Resource Centers** to accelerate manufacturing technology advancement and adoption, foster manufacturing innovation and commercialization, and build a 21st century workforce. This partnership will create or retain 6,000 manufacturing jobs, leverage nearly \$30 million in matching funds and provide \$950 million of economic impact for manufacturers.

A new **apprenticeship grant program** is established to ensure workers – both those leaving the K-12 education system as well as those transitioning into a new sector – can receive training aligned to business workforce needs. This initiative will be funded with revenue recovered by DCED from companies that fail to live up to previous commitments made when they received state assistance. Businesses can seek grant funding of up to \$2,000 for each apprentice employed pursuant to an apprenticeship agreement registered with the Office of Apprenticeship in the United States Department of Labor.

Building upon the recent enactment of a Manufacturing Tax Credit to encourage high-tech manufacturing growth, the 2017-18 Budget includes \$5 million for a **manufacturing training-to-career grant program**. Through this new grant program, manufacturing businesses will receive funds to partner with technical programs and community colleges to develop new training programs that align with their workforce needs. In addition to expanding manufacturing training opportunities, these programs will offer apprenticeship programs, on-the-job training opportunities or paid internships.

While this budget continues to take important steps toward ensuring that Pennsylvania workers have the necessary skills to compete in a 21st century economy, more work must be done. To that end, the governor will call for the **creation of a Middle Class Task Force**, composed of industry and policy experts as well as residents, to make future policy recommendations to improve the lives of our hard working, middle class families.



## Cutting Bureaucracy for Small Businesses

As a former business owner, Governor Wolf understands the challenges businesses can face interacting with government. Further efforts to make this interaction as hassle free as possible must be a top priority to continue to encourage business establishment or expansion. The need for businesses to interact with multiple state agencies to obtain certificates of incorporation, apply for start-up grants, and file financing statements often complicates this process. These overlapping bureaucratic steps stifle innovation and limit job creation.

To address this concern, business should have a single, centralized point of contact when interacting with state government. To create a one-stop shop for business, DCED will work with other state agencies that interface with the business community to become the point of entry for more of these services. The mission of this office will be to cut through red tape by centralizing licensing processes, working with businesses to better understand other requirements under the law such as Workers' Compensation, Unemployment Insurance and tax filings, and providing small businesses and other job creators with information on services the commonwealth provides to help them grow.

## Protecting Jobs and Taxpayers in Pennsylvania

As previously noted, Pennsylvania's economic development projects provide tremendous value to the state. But, it is critical that they are monitored scrupulously to ensure that every taxpayer dollar is being spent wisely to provide maximum return on investment. Businesses that receive state funding to expand economic opportunity must be held accountable for the use of those dollars.

DCED already collects millions of dollars annually from companies who fail to meet their previously agreed upon commitments. These policies will be further strengthened, particularly for companies that relocate out of state, to ensure our focus is on creating jobs that pay.

Specifically, DCED will make the following changes to our job creation grant programs:

- Companies receiving state economic development grants will be required to maintain any job created through receipt of a state grant for no less than five years, and to maintain operations within the state for no less than eight years.
- Where a company commits to create jobs, and fails to make progress towards its obligations, the state will require full repayment of the grant amount.
- If a company receives a grant from the state and subsequently moves operations out of Pennsylvania, DCED will require full repayment of the grant, as well as a 10 percent penalty.
- DCED will revise the formula by which it pursues recovery in the event a company does not achieve its full commitment to prioritize job creation.
- Finally, DCED will strengthen its contract language to implement the requirements above and ensure that all parties understand their responsibilities up front.

## Business Retention and Expansion Program

Through our Partnerships for Regional Economic Performance (PREP) program, Pennsylvania supports strong economic and workforce development partners operating within a regional delivery system. However, this system could be further strengthened through additional business outreach efforts and proactive steps for business engagement.

Attracting new business investment to our commonwealth is important, but the state must prioritize resources on supporting businesses that already have their roots here in Pennsylvania. This is smart policy – helping businesses already operating in Pennsylvania to retain or expand their footprint here costs a fraction of what is required to attract new businesses to the commonwealth. Studies suggest an estimated 80 percent of jobs and capital investment result from existing business investment. A coordinated, systematic retention program can also provide helpful feedback on what is working and what is not when evaluating current state efforts. **Through the business calling program, as part of the 2017-18 Budget, DCED will invest \$2.5 million to expand regular proactive outreach to Pennsylvania businesses.**



## Increasing the Minimum Wage

A minimum wage increase to \$12.00 per hour supports local businesses, creates new jobs and would boost state revenue by roughly \$95 million annually. Pennsylvanians who work full time at the minimum wage earn \$15,080 annually, leaving them below the poverty level for a family of four and often unable to afford basic necessities. Employees have become more productive, increasing business efficiency and competitiveness, but wages have not kept pace with these productivity gains. Studies have consistently shown that an increase in the minimum wage does not result in job loss for low-wage workers. The 2017-18 Budget proposes to raise Pennsylvania's minimum wage from \$7.25 to \$12.00 per hour, while tying it to inflation to maintain its purchasing power over time.

## Investing in Pennsylvania's Tourism Industry

Every dollar invested in tourism advertising produces five dollars in state revenue. The 2017-18 Budget provides **\$6.1 million to encourage tourism in Pennsylvania**, one of the commonwealth's largest industries with an estimated \$40 billion in total economic activity, \$4 billion in tax revenue, and a 450,000-job impact on the state's economy. Recognizing that more people continue to access media content on mobile devices, this investment funds a media strategy that prioritizes utilizing social media and digital advertising to promote tourism. To encourage international travelers to visit Pennsylvania, the initiative also increases the state's advertising presence abroad, including in the United Kingdom, Ireland, Germany, China, and Italy.

## Smart Cities Initiative

To support efforts to reimagine and reinvigorate Pennsylvania's cities through the use of advanced data and intelligent transportation systems technologies, the 2017-18 Budget provides \$11 million for a grant program to develop a network of smart corridors which will layer environmental, communications, energy, and transportation infrastructure. The network will be supported by an array of fixed and mobile sensors, to improve connections between historically isolated neighborhoods and major centers of employment and health care services. This innovative project will leverage significant private investment to reduce congestion, keep travelers safe, use energy more efficiently, respond to climate change, connect and create opportunities for underserved communities, and support economic vitality.

## Government that Works

### PROTECTING TAXPAYER DOLLARS

#### Reforming Pennsylvania's Government

The governor's proposed 2017-18 Budget includes more than \$2 billion in cuts and savings to address chronic budget shortfalls that have plagued the state for many years.

These savings are realized by first prioritizing our state's most important responsibilities – to protect our seniors, ensure children receive the quality education they deserve, provide effective treatment for those battling opioid addiction and put more people back to work to rebuild Pennsylvania's middle class.

Given those expenditure needs, the budget then proposes dramatic changes to state government by eliminating program redundancies, making government operations more efficient, consolidating services where possible and in some cases eliminating funding not related to the core functions of government.

#### Consolidating Efforts to Serve Pennsylvanians

Last year, the eHealth Partnership and the Children's Health Insurance Program (CHIP) were successfully merged into the Department of Human Services cutting costs, leveraging additional federal reimbursement and improving services. More recently, investment management operations within the Department of Labor and Industry and the Department of Insurance have been consolidated within the Treasury Department. Redundant and overlapping functions were further reduced through the elimination of the Public Employee Retirement Commission, shifting those responsibilities to the Auditor General and the Independent Fiscal Office.

Building upon these successes, the proposed budget will continue efforts to merge the Department of Corrections and the Board of Probation and Parole to create a new Department of Criminal Justice. The budget creates a consolidated Department of Health and Human Services to merge all program functions currently provided through the Department of Human Services, the Department of Health, the Department of Aging and the Department of Drug and Alcohol Programs. In both cases, these consolidated agencies will provide more seamless service delivery and save taxpayers more than \$100 million.

#### Making Difficult Decisions

The administration has already taken steps to reduce the size and cost of government. From this point forward, agencies will operate within current complement levels and optimize spans of control across the commonwealth. The proposed budget assumes an early retirement incentive program and the reform of workers' compensation Acts 534 and 632 to limit increases in the benefit after three years. The delivery of human resource and information technology services will be consolidated within agency hubs. And, where possible, institutions will be closed within our corrections and human services systems. We cannot afford to do things the way we have for many years. These initiatives will save the commonwealth a combined \$250 million through the end of the next fiscal year.

#### Continuing GO-TIME Efforts

The Governor's Office of Transformation, Innovation, Management and Efficiency, or GO-TIME, continues its work with state agencies to modernize government operations, maximize efficiency and improve the delivery of programs and services through collaboration, coordination and sharing of resources. In its first year, the GO-TIME initiative launched 154 projects that generated more than \$156 million in savings in 2015-16, exceeding Governor Wolf's goal of \$150 million. In 2016-17, GO-TIME built on this success, growing to more than 200 projects in progress or planned, with a goal of \$500 million in savings by 2020. Specific GO-TIME projects with new direct savings in 2017-18 are detailed throughout agency Program Recommendation sections in this budget document.

# Theme: Government that Works

GO-TIME highlights for ongoing and new projects include:

- **Sharing Electronic Grants Software** – The Department of Environmental Protection became the first state agency to leverage DCED’s online grants system to replace its paper-driven application and review process for Environmental Education Grants. The Pennsylvania Emergency Management Agency and Pennsylvania Council on the Arts also plan to begin using the system in this fiscal year.
- **Leveraging Mobile Technology to Increase Staff Efficiency** – The Board of Probation and Parole will increase the productivity and effectiveness of its agents with a mobile application that enables them to meet with offenders and complete necessary paperwork electronically in the field instead of having to return to an office. Mobile apps have been developed in PennDOT, DEP, and in the Department of Agriculture to improve the speed and accuracy of field inspections.
- **Modernizing Public Works Project Management** – The Department of General Services continues a modernization process focused on effectively managing capital projects from design to completion for safe, functional and appealing facilities. By leveraging new technology, employees are empowered to maximize efficiency, monitor project performance and ensure projects stay on time and under budget.
- **Leveraging Purchasing Power** – By leveraging purchasing power, State Correctional Institutions and other 24/7 institutions can procure food orders at a reduced cost while improving operational efficiencies.
- **Decommissioning Redundant Software** – The Office of Administration will continue to streamline redundant software, including GIS mapping applications, resulting in savings that accrue to multiple agencies and more efficient and coordinated use of technology.

## Maximizing Existing Sources of Revenue without Increasing Taxes

Before taking any steps to realize new revenue, the 2017-18 Budget relies first on all currently available resources. **The divestiture of unused property** is proposed to generate one-time augmenting revenue from the sale, and also reduce maintenance and operating expenses going forward. However, legislative restrictions governing the sale of commonwealth property must be modernized to allow the commonwealth to generate the highest possible return for these properties. Eliminating the requirement of legislative approval of every sale and something as basic as letting the commonwealth hire a professional realtor could substantially impact the success of property sales.

The 2017-18 Budget proposes the commonwealth enter into a **lease-leaseback arrangement for the Pennsylvania Farm Show Complex & Expo Center (Farm Show)**. Under this arrangement, the commonwealth will lease the Farm Show to a private entity for 29 years for the fair market value of the property of \$200 million. At the same time, the private entity will lease back the facility to the commonwealth for the same term with annual rental payments based on a negotiated interest rate. The commonwealth will retain the control and responsibility of the property, while at the same time utilizing the value of the property to address funding shortfalls.

The 2017-18 Budget saves nearly \$110 million in General Fund spending in each of the next three fiscal years by implementing a **bond program through the Commonwealth Financing Authority**. Programs funded through this bond proposal include:

- **CURE Grants (\$45.9 million)** – The Commonwealth Universal Research Enhancement (CURE) program provides health research grants to Pennsylvania-based research institutions.
- **Environmental Stewardship Fund Grants (\$52 million)** – These grants are distributed through the Department of Agriculture, DCNR, DEP, and PENNVEST.

# Theme: Government that Works

- **Cultural and Historical Support Grants (\$2 million)** – The Cultural and Historical Support program awards grants to eligible museums and official county historical societies in Pennsylvania.
- **Grants to the Arts (\$9.6 million)** – These grants are provided to organizations and artists to increase public exposure to quality artistic and cultural programs, supporting local arts programs to world-renowned orchestras, museums, dance companies, theaters and festivals.

Across the commonwealth, 67 percent of municipalities rely to some degree on the State Police to provide local police support. This coverage comes at no cost to the municipality and is borne by taxpayers statewide, who in many cases support their own local police coverage through local taxes. To begin to address this inequity, the 2017-18 Budget assumes a **\$25 fee is assessed for every person residing in a municipality without local police coverage.**

Act 39 of 2016 enacted sweeping changes to the wine and spirits system in Pennsylvania to improve customer convenience, entrepreneurial opportunity, and the Pennsylvania Liquor Control Board's ability to negotiate with suppliers. The wine and spirits system will continue to play an important budgetary role with these changes in future years while maximizing convenience for customers through the direct shipment of wine, auctioning of "dead" licenses, the sale of wine in grocery stores, the ability to negotiate prices with suppliers, and expanding the hours and number of stores open on Sundays. Through these changes and further refinements to the LCB's flexibility in pricing, an **additional \$137 million in LCB revenues** will be generated, with continued growth in future years.

As part of the final 2016-17 Budget agreement, the legislature committed to enacting a gaming expansion proposal that would generate \$100 million in the current fiscal year. This commitment continues to be reflected in the 2017-18 Budget, which further proposes an **additional \$150 million in revenue from gaming expansion** for the budget year. Given developments within the legislature, the governor's proposed budget does not put forth a specific proposal for expansion, but merely assumes revenues within the current ideas being discussed.

## Protecting Middle Class Taxpayer Dollars while Closing Loopholes

The 2017-18 Budget includes **no broad-based tax increases** to address our funding shortfalls and make needed investments. On the contrary, any proposed tax changes will focus on ending special tax treatment for favored interests, strengthening our tax base by eliminating corporate loopholes to avoid future erosion, and providing tax certainty to maximize new business investment.

Specifically, the budget assumes the following limited revenue changes:

- Impose a competitively structured severance tax on natural gas to generate new revenue to support future education investment while sustaining growth and maximizing economic gain from the commonwealth's natural resource.
- Close loopholes to ensure all insurers, regardless of their method of incorporation, are taxed consistently.
- Establish uniform Net Operating Loss (NOL) provisions to respond to a recent court decision and enact a permanent, competitive resolution.
- Eliminate special interest tax loopholes for specialty software and computer services, prepared food sold to airlines, aircraft maintenance and repair, and business storage that do not contribute a justifiable return in increased business investment.
- Adopt combined reporting in conjunction with Corporate Net Income (CNI) Tax rate reductions beginning in the 2019 tax year to reduce the CNI rate to 6.49 percent by 2022.

The amount available for **tax credits will be reduced by \$100 million** by converting our current array of tax credit incentives into a block grant to focus these initiatives on those credits that have demonstrated the greatest return in new business investment, educational access and community development.

## PROTECTING THE MOST VULNERABLE

### The Department of Health and Human Services

The 2017-18 Budget proposes the consolidation of the Departments of Human Services (DHS), Health (DOH), Drug and Alcohol Programs (DDAP) and Aging (PDA) into a new, unified Department of Health and Human Services (DHHS) to encourage more effective collaboration and service delivery, enhance program effectiveness, reduce administrative costs, and eliminate duplicate positions.

These agencies often serve similar, if not the same, populations. Access to these services dispersed across various state agencies requires individuals to undergo separate intake and eligibility processes. For example, seniors are currently served by programs in both PDA and DHS. Both DDAP and DHS provide mental health and substance abuse services. The Women, Infants and Children (WIC) program in DOH and the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF) grants, home heating assistance (LIHEAP) and child support programs in DHS are all administered through the counties and serve many of the same recipients. This fragmented approach often leads to confusion for program applicants and their families and, in many cases, discourages individuals from accessing services for which they are eligible. Consolidation of these services into bureaus within a new department will drive better outcomes, improve customer service and save more than \$90 million.

Additionally, several programs throughout the commonwealth purchase, dispense, and monitor prescription drugs, including PACE in PDA, the Prescription Drug Monitoring Program (PDMP) in DOH, and the pharmacy functions of Medical Assistance and CHIP in DHS. The consolidation of these functions into one bureau will drive down costs by more than \$45 million through uniformity of program services and fees and other efficiencies. This consolidation will also lay the groundwork for the further merging of other pharmacy functions throughout the commonwealth, significantly reducing costs in other areas such as veterans homes and state correctional institutions.

DOH currently operates 55 **State Health Centers** (SHC) across the commonwealth providing clinical services for uninsured and underinsured Pennsylvanians. These services include vaccinations, counseling, testing and treatment for STD/HIV/TB, and referrals to appropriate agencies for assistance with housing, utilities, insurance, medical needs, investigation of reportable diseases and outbreaks and education on public health issues. Although the health needs of the commonwealth's population have changed and services offered by health providers have expanded, the SHC system has remained unchanged since 1992.

Through the expansion of Medicaid in Pennsylvania, the uninsured rate has dropped from 14 percent to 6.4 percent. Many of the services provided by the SHCs are now provided by primary health care providers. Therefore, a new approach is needed to continue to serve the citizens of the commonwealth which reduces costs while improving delivery. The proposed consolidation reduces the number of brick-and-mortar health centers and relocates community-health nurses into other community-based settings, such as County Assistance Offices or local health departments, to increase regular participation and provide enhanced service and education for the consumers, while saving \$15 million.

The back-office functions of our **County Assistance Offices** (CAO) will also be consolidated by shifting these functions to processing centers to reduce the physical footprint of CAOs, starting with those with the highest turnover. This reorganization and streamlining will result in improved staff retention and productivity while saving \$7 million. Customers of the CAOs will not be impacted as "storefronts" would remain. Not only will this initiative improve customer service, it will also bring new employment to areas that do not currently have many state government employment opportunities.

Finally, consolidation of these agencies into a **single state authority for Medicaid** purposes, will enable the commonwealth to maximize the amount of federal dollars available to offset state costs for staff and services delivered.



## Ensuring the best care for those with Intellectual Disabilities

The intellectual and developmental disability service system is evolving from a focus on providing service in large institutions, often far from a person's home and community, to a flexible and dynamic system of supports and services close to home and in the community. The new system is tailored to the needs of persons living in their home community and includes community residential and day support services.

The 2017-18 Budget provides **\$26.2 million to move individuals with intellectual disabilities and autism from the waiting list and into services**. This funding will allow DHHS to transition 40 individuals from State Centers to the community; reduce the waiting list by 1,000 individuals; expand the Person/Family Directed Support waiver to provide employment and community services to 820 Special Education graduates with ID and autism; add more than 2,000 individuals with autism and ID to the Targeted Services Management State Plan; and expand the Adult Autism Waiver by 50 additional individuals.

## Continued Efforts to Address the Heroin and Opioid Epidemic

While Governor Wolf, in partnership with the General Assembly, has taken significant steps over the last two years to address our heroin and opioid epidemic, more work needs to be done. More than 3,500 individuals lost their lives to substance use disorder in 2015. Since taking office, the governor has expanded access to naloxone, increased access to treatment, implemented the state's Prescription Drug Monitoring Program, and worked with the General Assembly to pass five pieces of legislation to address the epidemic.

The 2017-18 Budget places significant emphasis on expanding access to treatment, diverting addicted individuals away from the criminal justice system and into supportive programs, and regulating facilities that provide recovery services. These strategies are evidence-based approaches targeting communities and individuals most in need.

Specific 2017-18 budget plans will **maximize federal Cures Act funding, which includes \$26.5 million in each of the next two years for Pennsylvania**, to address the heroin and opioid epidemic. Funds will be used to expand access to treatment services, particularly for individuals who are uninsured or underinsured. A statewide needs assessment will be used to develop a strategic plan to provide access to treatment across a continuum of care.

Proposed funds for the Pennsylvania Commission on Crime and Delinquency include **\$10 million to expand access to naloxone for first responders**. Competitive grant funds will be awarded through PCCD to local communities that demonstrate the greatest need.

Another PCCD initiative will provide **\$3.4 million to expand specialty drug courts**. Funds will be targeted to communities that are seeking state accreditation to root their practices in evidence-based strategies or communities looking to expand treatment strategies to divert offenders into more meaningful treatment and recovery. Funding will also be available for counties that are looking to implement drug courts for the first time. In addition, a portion of these funds will be allocated to the Administrative Office of Pennsylvania's Courts to provide assistance to communities with existing drug courts.

## All Payer Claims Database

Health care costs in Pennsylvania continue to escalate. Among the governor's many efforts to bend this cost curve is the ongoing implementation of the Health Innovation Plan (HIP). Developed with input from various external stakeholders, HIP established a primary goal of price and quality transparency. The 2017-18 Budget provides **\$2 million to establish an All Payer Claims Database** to collect medical, pharmacy, and dental claims, and eligibility and provider files from private and public payers, including Medicaid, Medicare, and commercial insurers. Establishing this database is vital to transforming our health care system and controlling health care spending, as it offers the only way to comprehensively measure and bring transparency to health care spending and utilization in Pennsylvania.

# Theme: Government that Works

## Ensuring Solvency of the Lottery Fund

The Pennsylvania Lottery funds a wide range of important programs supporting older Pennsylvanians, including the property tax and rent rebate program, the Department of Aging's PACE program, the free and reduced-fare transit program, and the long-term living services program. The 2017-18 Budget assumes the **implementation of iLottery**, ensuring the system continues to be competitive in an increasingly online marketplace while generating additional revenue to support these programs.

## PROTECTING OUR SAFETY

### Justice Reinvestment II, or JRI II

In 2016, the commonwealth engaged in a second round of justice reinvestment initiatives to build upon past efforts. This review of the state's criminal justice system focused on reducing ineffective corrections spending and investing some of these savings in proven public safety strategies. With the assistance of the Council of State Governments and the leadership of the governor, General Assembly, and criminal justice stakeholders, the JRI II Workgroup identified key legislative and policy reforms.

The following reforms, detailed below, will result in estimated savings of \$108 million over the next five years:

- **Presumptive Parole Policy** – The state correctional institution population with sentences of 24 months or less for nonviolent offenses will be given a presumptive release to parole upon reaching their minimum sentence.
- **Statewide Adult Probation Committee** – Create a statewide adult probation board within the Pennsylvania Commission on Crime and Delinquency to oversee funding, standards, and training.
- **Quick Dip Parole** – Use brief sanctions of up to five days for certain technical parole violations instead of sending a parolee back to state correctional institutions for multiple weeks.
- **Community Corrections Centers** – Develop limited admission criteria for community corrections centers to cut down on recidivism.
- **Sentencing Reform** – Guide effective sentencing decisions to reduce recidivism through recommendations by the Commission on Sentencing, streamlining State Intermediate Punishment, county probation reform, and the merging of probation and County Intermediate Punishment into one sentencing option.
- **Pretrial Reform** – Through an established working group, pursue informed pretrial decisions to increase public safety and decrease county prison costs.
- **Victim Advocate Support** – Revise the Crime Victims Act to serve individuals more effectively.

### It's on Us PA

In an effort to increase awareness, education, and resources to combat sexual violence in schools, colleges, and universities, Governor Wolf launched the "It's On Us PA" campaign in January 2016, inviting education leaders and all Pennsylvanians to be part of the solution to protect students from sexual violence. The campaign's goals include reducing barriers that prevent survivors of sexual violence from reporting or accessing vital resources and demonstrating change in campus culture by challenging Pennsylvania's education leaders including college and university presidents, superintendents, students, teachers, faculty, staff, families, and communities to pledge to improve their institutions' climate.

The 2017-18 Budget will again provide **\$1 million to support prevention, reporting, and response efforts at postsecondary institutions.**

## State Police Cadet Classes

Following the completion of three State Police Cadet classes beginning in 2016-17, this budget provides for **three additional classes beginning in 2017-18**. These classes will restore and maintain historic State Police Trooper filled complement levels with traditional retirement and turnover.

## PROTECTING THE ENVIRONMENT

### Watershed Protection

The commonwealth is blessed with more miles of rivers and streams than any state other than Alaska. These bodies of water and the watersheds that feed them are sources of our drinking water, provide recreation, and support Pennsylvania's diverse population of wildlife. Pennsylvania has over 19,000 miles of impaired local waterways, and half of the land area of Pennsylvania drains to the Chesapeake Bay. While the state has made significant progress in reducing pollution entering local waterways, these reductions have fallen short of the reduction targets established by U.S. Environmental Protection Agency.

In February 2016, the Department of Agriculture, DEP and DCNR jointly launched a Chesapeake Bay Restoration Strategy to reduce nitrogen and phosphorous discharges into the watershed.

The 2017-18 Budget would use \$15 million in bond proceeds to fund watershed protection activities. The Department of Agriculture will receive **\$4.7 million to develop erosion and sediment management plans** on Pennsylvania farms. The Department of Environmental Protection will receive **\$8.3 million to address local water quality efforts**. A portion of these resources will support a rebate program to farmers to cover costs for nutrient management, agricultural erosion, and sediment control. Funds will also be used for the implementation of storm water control and agricultural best management practices. The Department of Conservation and Natural Resources will utilize **\$2 million to expand its Chesapeake Bay Riparian Forest Buffer Program** which will leverage an additional federal match.



# Economic Outlook

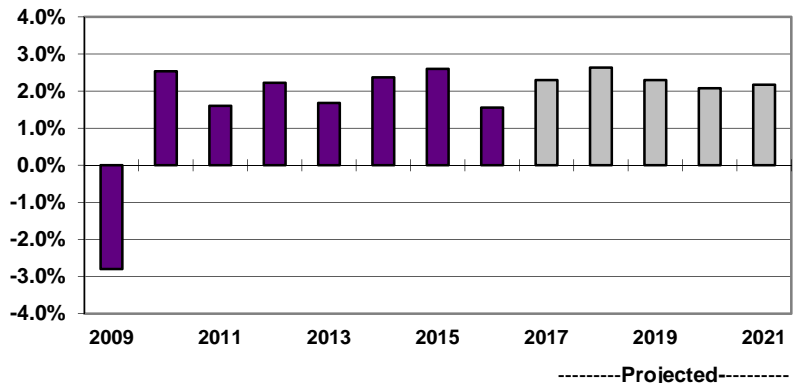
The Pennsylvania Department of Revenue and the Office of the Budget were facilitated in constructing the official tax revenue estimates by two main sources of economic forecast data: IHS Markit Ltd., London, England, and Moody’s Analytics of West Chester, Pennsylvania. Both firms are private economic 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 assist in developing the revenue estimates in this document for the current budget year and future fiscal years. Analyses and discussion in this section, as well as the revenue estimates used in the budget, were based on a combination of data from each source and further analysis from the Department of Revenue and the Office of the Budget.

## U.S. Recent Trends and Current Conditions

U.S. GDP growth was down in 2016, due to the impacts of large inventory drawdowns, weak energy-sector capital spending and lower net exports due to a stronger dollar.

The Federal Open Market Committee, as expected, raised the federal funds rate by 25 basis points at the December 15, 2016 meeting. The target rate is now between 0.50% and 0.75%. The expectation going forward is for a number of moderate basis-point increases in 2017. Fed Chairwoman Janet Yellen noted that there will be a wait-and-see approach regarding the new president’s economic agenda and the progress of the economy before decisions are made to raise rates going forward.

Chart 1  
REAL GROSS DOMESTIC PRODUCT  
Annual Growth



U.S. GDP was down in 2016, but it is expected to rebound in 2017, and 2018. GDP will likely grow due to infrastructure spending, and higher consumer and business confidence. GDP is expected to grow approximately 2.3 percent annually over the next five years as shown in Chart 1.

Chart 2  
FEDERAL FUNDS RATE



The federal funds rate, the rate at which depository institutions actively trade balances held at the Federal Reserve on an uncollateralized basis, continues to be at historic lows but is projected to rise over the next two years.

The Fed took action during the financial crisis in an attempt to reduce the impact of the economic crisis. Reductions to the federal funds rate were extraordinary in scale and frequency.

The expectation, at least for the foreseeable future, is that the Fed will continue to monitor the U.S. economy and make a determination of the pace of the rate hikes. When the federal funds rate is low, banks have more money available to lend, and consumers can borrow at lower costs.

## The Forecast

Growth is expected to be decent for the U.S. in the coming year as consumer spending, housing, and government spending continue to expand. Growth in spending was approximately 3% over the past year and is predicted to increase at a similar level in 2017. Housing activity is predicted to continue to grow and remain strong for the next several years. Government spending was revised down slightly in the third quarter of 2016. The growth rate for the U.S. economy for 2017 is expected to be in the 2.0-2.5% range.

Table 1 and Table 2 are U.S. macro forecast projections from IHS Global Insight. Table 1 outlines the expected outlook for lower unemployment and an increase in GDP. Table 2 notes that over the next two years there is a 65% probability of decent GDP growth, with an increase in consumer and business fixed investment. Table 2 also provides narrative for each economic indicator.

Indicator	2015	2016p	2017p	2018p
Nominal GDP	3.7	2.9	4.7	5.0
Real GDP	2.5	1.5	2.3	2.6
Real Personal Consumption	3.2	2.7	2.8	3.1
Corporate Profits (After Tax)	-8.5	3.9	7.7	7.1
Unemployment Rate (Rate)	5.3	4.9	4.6	4.3
CPI	0.1	1.3	2.5	2.4
Federal Funds (Rate)	0.1	0.4	0.9	1.7

\*Assumptions in this chart, as well as other assumptions, are incorporated in the 2017-18 fiscal year revenue estimates.  
p = projected

**Table 2**  
**U.S. Macro Forecast Projections from IHS Global Insight**  
**December 2016**

Baseline Forecast (65% Probability)	
<b>GDP Growth</b>	Decent growth, 2.3% in 2017 and 2.6% in 2018
<b>Consumer Spending</b>	A key driver of growth, up 2.8% in 2017 and 3.1% in 2018
<b>Business Fixed Investment</b>	Rebonds 4.3% in 2017 as equipment spending picks up, and grows 4.4% in 2018
<b>Housing</b>	Gradual improvement, with more than 1.3 million starts by second quarter 2018
<b>Exports</b>	Move up 2.3% in 2017, before climbing 2.7% in 2018
<b>Monetary Policy</b>	Federal Reserve hikes the federal funds rate three times in 2017, ending the year at 1.50%
<b>Credit Conditions</b>	Gradually easing
<b>Consumer Confidence</b>	On a generally upward trajectory until fourth-quarter 2018
<b>Oil Prices (Dollars/barrel)</b>	Brent crude oil averages \$54 in 2017 and \$57 in 2018
<b>Stock Markets</b>	The S&P 500 rises 7.7% in 2017 and 4.2% in 2018
<b>Inflation (CPI)</b>	Core CPI inflation averages 2.3% in each year from 2017–19; headline inflation hovers slightly higher during that period
<b>Foreign Growth</b>	In 2017, Eurozone growth registers 1.3% while China's growth slows to 6.4%
<b>U.S. Dollar</b>	The inflation-adjusted dollar peaks in the fourth quarter of 2017, then depreciates for the remainder of the forecast interval

## Pennsylvania Outlook

Pennsylvania benefits from a highly diversified economy with a mix of industries, and no single employment sector dominates Pennsylvania. Since the turbulent diversification of the Pennsylvania economy during the 1970's and 1980's, Pennsylvania has a much more stable economy which tends to track the national economy but with less volatility. During periods of national economic contraction, Pennsylvania often will outperform the U.S. in areas such as growth in real gross state product, growth in real personal income, and employment growth. Pennsylvania's unemployment rate generally trends below the U.S. rate, and per capita income levels in the Commonwealth exceed national levels.

However, during periods of economic expansion, Pennsylvania will often lag behind the rate of growth in the national economy.

Pennsylvania will continue to benefit from the Marcellus shale natural gas deposit. The buildout of infrastructure to move gas to the market will continue with the construction of pipelines, compressing stations, and processing facilities. Eventually the Utica Shale will provide jobs in the mining industry. The state may also attract jobs in industries that can benefit from the increase in natural gas supplies, either for low-cost energy or for inputs into chemical products. The current growth phase in the Marcellus Shale production continues to mostly involve building infrastructure to service existing wells. Royal Dutch Shell is moving forward with its proposed processing plant in Beaver County. The plant will process ethane from nearby natural gas wells in Pennsylvania, Ohio, and West Virginia into ethylene, which is the building block of plastics. The plant will provide hundreds of jobs and ensure market access for locally produced natural gas liquids.

The Pittsburgh area continues to attract high-tech jobs such as software development. This, along with the state's numerous high-quality research universities, is helping to mitigate job migration.

Pennsylvania is expected to add jobs at an annual average rate of 0.7% between 2016 and 2020. The health care sector continues to be a reliable source for new jobs. This growth is low when compared to other states but is based upon Pennsylvania's slow population growth. Population growth for Pennsylvania remains below the national average. Also, recent Census estimates show that Pennsylvania is lagging behind many other states in net migration. These two factors may limit the labor-force growth rate.

Table 3 shows various historical and projected key economic indicators for Pennsylvania and the U.S. economy.

**Table 3**  
**Key Economic Indicators for Pennsylvania**

<b>PENNSYLVANIA: Key Economic Indicators</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Real Gross State Product (in millions, 2009 dollars)	647,041	647,806	658,850	672,027	683,022	695,471
Real Gross State Product (percentage change)	2.8%	0.1%	1.7%	2.0%	1.6%	1.8%
Total Employment (in thousands)	5,836.9	5,888.4	5,925.2	5,964.4	6,004.2	6,037.3
Total Employment (percentage change)	0.8%	0.9%	0.6%	0.7%	0.7%	0.6%
Manufacturing Employment (in thousands)	568.2	565.6	565.2	571.0	579.1	584.3
Nonmanufacturing Employment (in thousands.)	5,268.7	5,322.8	5,360.0	5,393.3	5,425.1	5,452.9
Population (in thousands)	12,790.4	12,783.6	12,780.2	12,783.0	12,791.9	12,805.0
Population (percentage change)	0.0%	-0.1%	0.0%	0.0%	0.1%	0.1%
Unemployment Rate (percentage)	5.0%	5.4%	5.3%	4.7%	4.4%	4.4%
Personal Income (percentage change)	3.8%	2.7%	4.3%	4.6%	4.7%	4.3%
<b>U.S. ECONOMY</b>						
Real Gross Domestic Product (percentage change)	2.5%	1.5%	2.3%	2.6%	2.2%	2.1%
Employment (percentage change)	2.0%	1.7%	1.3%	1.2%	1.2%	0.9%

Copyright 2017 IHS Global Insight, Inc.

## Summary of Major Operating Funds

The total 2017-18 operating budget for the commonwealth is \$81 billion. It includes \$32.3 billion in the General Fund, \$2.9 billion in the Motor License Fund, \$1.8 billion in the Lottery Fund, \$28.7 billion in federal funds and \$15.3 billion in fees and other special fund revenues.

(Dollar Amounts in Thousands)

Major Operating Fund Expenditures	Actual 2015-16	Available 2016-17	Budget 2017-18	2017-18 Change from 2016-17	
				Dollars	Percent
<b>General Fund</b>	\$ 30,127,165	\$ 31,766,153	\$ 32,337,702	\$ 571,549	1.8%
<b>Motor License Fund</b>	\$ 2,766,861	\$ 2,772,704	\$ 2,855,110	\$ 82,406	3.0%
<b>Lottery Fund</b>	\$ 1,914,991	\$ 1,876,460	\$ 1,839,721	\$ (36,739)	-2.0%

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. All tax revenue, non-tax revenue and federal grants and entitlements not specified by law to be deposited elsewhere are deposited into the General Fund. 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 more than 97 percent of annual General Fund revenue. Four taxes account for the vast majority of General Fund tax revenue. The Personal Income Tax, the Sales and Use Tax, the Corporate Net Income Tax and the Gross Receipts Tax together provide approximately 86 percent of annual General Fund revenue. For non-tax revenue, the largest sources of revenue are typically from profit transfers from the Pennsylvania Liquor Control Board, licenses and fees, and the escheats or "unclaimed property" program.

**Recent Revenue Trends:** For the five fiscal years ending with 2015-16, total General Fund revenue increased by 11.6 percent, an annual rate of increase of approximately 2.8 percent. The rate of growth for revenue during the period has been affected by the recent recovery from the economic recession and the increased economic growth during the post-recessionary period. Without adjusting for tax rate and base changes, the major tax revenue sources experiencing the largest growth during this period were the Realty Transfer Tax, the Personal Income Tax, and the Inheritance Tax. Five-year total increases for these tax types were 64.8 percent, 15.8 percent and 16.2 percent, respectively. Revenue from some tax sources declined or was flat over the period. Receipts from the Gross Receipt and Cigarette taxes decreased over this period. Non-tax revenue sources increased over this five-year period.

Receipts from the Personal Income Tax in recent fiscal years had been steadily improving since the national economic recession. Over the last five fiscal years, growth in personal income tax receipts has averaged 3.7 percent annually. For fiscal year 2017-18, Personal Income Tax receipts are anticipated to increase. Estimates for the Personal Income Tax are developed from a series of regression equations that use forecasts of wages, salaries, interest, dividends, rents, and capital gains income.

The Sales and Use Tax is levied on taxable property and services used by consumers and by businesses. Annual growth rates for this tax have been modest during the recovery from the most recent recession, increasing at an average rate of 2.8 percent annually over the past five completed fiscal years. Estimates for the Sales and Use Tax are developed from a series of regression equations that use forecasts of national consumer expenditures on durable goods, non-durable goods, and new and used motor vehicles.

The largest General Fund tax on businesses 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 Net Income Tax receipts over the past five completed fiscal years have increased by 4.7 percent annually. Overall, corporate tax collections averaged a modest increase over the past five fiscal years, growing 1.2 percent annually. 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 77 cents 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 2017-18 is \$32.3 billion. General Fund expenditure growth is projected to increase 1.8 percent. Major program expenditures occur in the areas of education, public health and human services 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, school employees' retirement 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 approximately \$6.0 billion for the Basic Education subsidy in state funds in 2017-18, which is a \$100 million or 1.7 percent increase (in addition to the \$200 million increase in 2016-17). Basic education increases include \$65 million, or 44.1 percent, for Pre-K Counts; \$10 million, or 20.3 percent, for Head Start Supplemental Assistance; and \$25 million, or 2.3 percent, for Special Education. In total, state funding for basic education is more than \$11.8 billion in 2017-18.

**Higher Education:** Higher education in Pennsylvania is provided through 243 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 more than \$1.7 billion for higher education.

**Health and Human Services:** 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 behavioral, intellectual and physical disabilities. For 2017-18, the total health and human services expenditures from all sources is \$40.2 billion; the amount from the General Fund will be \$13 billion, which is an increase of \$426 million or 3.4 percent.

The largest component of health and human service expenditures is the Medical Assistance program, which includes aging and community-living programs. In the last ten years, these programs grew at an annual rate of 4.9 percent. Caseload growth continues to increase especially for the elderly and for individuals who are eligible under *Medicaid Expansion*. In 2015-16, *Medicaid Expansion* closed the coverage gap for working adults and streamlined delivery of health care services and this budget continues to provide this health insurance for over 700,000 adults. While general medical inflation, including increases in pharmaceutical prices, contributes to an overall increase in MA expenditures in 2017-18, this increase is mitigated through cost containment and operational efficiencies. Total funding in 2017-18 increased by \$631 million from \$27.1 billion to \$27.7 billion. State funds are anticipated to increase from \$7.1 billion in 2016-17 to \$7.4 billion in 2017-18, which is an increase of \$233 million or 3.3 percent.

Eligibility and self-sufficiency, including child care services, Supplemental Nutrition Assistance Program, Women, Infants and Children (WIC) program and cash assistance payments for families in transition to independence and self-sufficiency, totaled \$3.1 billion from all sources for 2016-17. The 2017-18 budget maintains total resources at \$3.1 billion while the commonwealth's General Fund share is decreased from \$868 million to \$863 million. Of the \$3.1 billion, the budget provides a total of \$825 million for child care services.



The 2017-18 budget continues to provide a continuum of services for individuals with behavioral health and intellectual disabilities, ranging from home and community-based supports to quality institutional care. In June 2002, the state supported 5,098 institutional beds. By June 2017, that will be reduced to 2,335, a reduction of 54 percent. Over that period the community budgets will have grown by more than \$2.2 billion, an increase of 128.1 percent.

**State Correctional Institutions:** The 2017-18 budget proposed for the state correctional system is \$2.32 billion. From 2013-14 to 2017-18, total costs have grown from \$1.97 billion to \$2.32 billion. During this time frame, the inmate population has declined by approximately 2,000, from 51,512 to 49,514.

## 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 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 motor fuels provided approximately 62 percent of total non-restricted Motor License Fund revenues in 2015-16. Total tax revenue has been growing incrementally over the past several years. For the five-year period ending with 2015-16, revenues increased at an annual average rate of 2.4 percent. For 2016-17 tax revenues are expected to increase 3.5 percent over fiscal year 2015-16. 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 modest in recent years. For the five-year period ending with 2015-16, license and fee revenues increased at an annual average rate of 1.9 percent. An increase of 3 percent in license and fee revenue is projected for fiscal year 2016-17. The Motor License Fund is expected to increase 3.5 percent for fiscal year 2016-17 versus fiscal year 2015-16.

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 Property Tax and Rent Rebate program within the Department of Revenue 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 expanded the current Property Tax / Rent Rebate program to give more Pennsylvanians a rebate while also increasing the amounts of the rebates. The expansion included increasing the household income limit from \$15,000 to \$35,000 and increasing the maximum rebate from \$500 to \$650. As a result of Act 156 of 2014, income eligibility guidelines changed so that income increases due solely to Social Security cost-of-living adjustments (COLAs) will no longer disqualify claimants from receiving rebates. Act 117 of 2016 eliminated Federal veterans' disability payments and State veterans' benefits from the definition of income when determining a claimant's eligibility for a rebate.

The Pharmaceutical Assistance Contract for the Elderly (PACE/PACENET) program provides pharmaceutical benefits to qualified older Pennsylvanians who face a growing burden from the cost of prescription drugs required to maintain healthy and productive lives.

The PENNCARE program 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 2017-18, \$329.5 million is provided for the PENNCARE appropriation which includes an increase of \$ 4 million to expand Attendant Care services to 420 additional recipients. For additional details, see the Department of Health and Human Services presentation.

The Lottery Fund also provides \$184.1 million to offset program costs in Long-Term Care, \$120.1 million to offset program costs for the Home and Community-Based Services program and \$3.5 million to offset program costs for Medical Assistance Transportation Services in the Department of Health and Human Services

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

## 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.

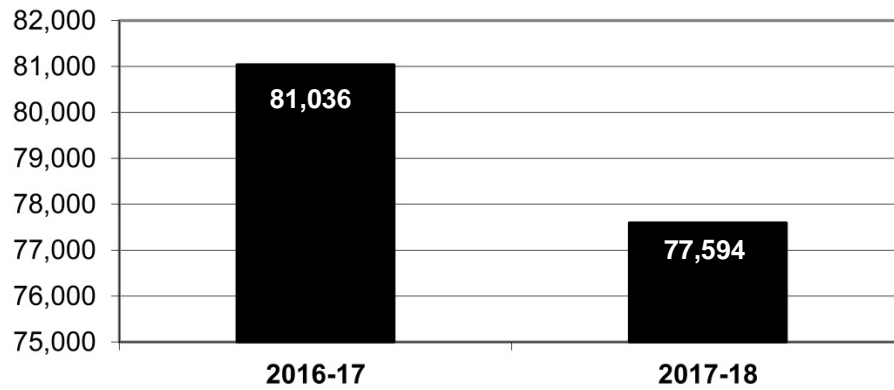
Act 53 of 2008 suspended the transfer of surplus funds to the Budget Stabilization Reserve Fund for 2007-08. To help balance the 2009-10 budget, Act 50 of 2009 authorized the transfer of \$755 million from the Budget Stabilization Reserve Fund to the General Fund. Act 46 of 2010 authorized the transfer of \$745,000 to the General Fund. The transfer has since been suspended for fiscal years 2010-11 through 2014-15. Act 85 of 2016 suspended the transfer for the most recent fiscal year ended June 30, 2016. There is no surplus anticipated for fiscal year 2016-17.

The Budget Stabilization Reserve Fund had a balance of \$244,000 as of June 30, 2016. This budget proposes to reinstate the transfer of 25 percent of the 2017-18 General Fund surplus to the Budget Stabilization Reserve Fund.



## Complement

A major component of any budget is the size of its workforce or complement. In Pennsylvania, a complement level of 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 decrease in the commonwealth's current authorized salaried complement level in 2017-18 of 3,442 positions, from 81,036 to 77,594 positions.



---

# STATEMENTS

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

– THIS PAGE INTENTIONALLY LEFT BLANK –

## 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 2015-16 actual year, 2016-17 available year and 2017-18 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)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Balance.....	\$ 274,457	\$ 1,991	\$ -605,572	\$ 4,144	\$ 27,888	\$ 507,928	\$ 536,416
Revenues.....	\$ 30,901,581	\$ 32,401,700	\$ 34,023,800	\$ 35,369,000	\$ 37,011,300	\$ 37,584,100	\$ 38,313,300
Adjustments <sup>a</sup> .....	-1,046,882	-1,243,110	-1,075,000	-1,345,000	-1,370,000	-1,395,000	-1,420,000
Funds Available.....	\$ 30,129,156	\$ 31,160,581	\$ 32,343,228	\$ 34,028,144	\$ 35,669,188	\$ 36,697,028	\$ 37,429,716
Total Spending.....	30,127,165	31,766,153	32,337,702	33,990,960	34,991,951	35,981,807	36,938,365
Preliminary Balance.....	\$ 1,991	\$ -605,572	\$ 5,526	\$ 37,184	\$ 677,237	\$ 715,221	\$ 491,351
Less Transfer to Budget Stabilization Reserve Fund.....	0 <sup>b</sup>	0	-1,382 <sup>c</sup>	-9,296	-169,309	-178,805	-122,838
Ending Balance.....	<u>\$ 1,991</u>	<u>\$ -605,572</u>	<u>\$ 4,144</u>	<u>\$ 27,888</u>	<u>\$ 507,928</u>	<u>\$ 536,416</u>	<u>\$ 368,513</u>

<sup>a</sup> Includes refunds, lapses and adjustments to beginning balances.

<sup>b</sup> Act 85 of 2016 suspended the 25% transfer to the Budget Stabilization Reserve Fund for 2015-16.

<sup>c</sup> This budget proposes the reinstatement of the 25% transfer to the Budget Stabilization Reserve Fund for 2017-18.

## Seven Year Financial Statements By Fund

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

	(Dollar Amounts in Thousands)						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
Beginning Balance.....	\$ 130,345	\$ 40,077	\$ 32,073	\$ 35,563	\$ 14,691	\$ 11,272	\$ 10,472
Receipts.....	<u>2,676,593</u>	<u>2,764,700</u>	<u>2,858,600</u>	<u>2,859,000</u>	<u>2,904,800</u>	<u>2,919,900</u>	<u>2,964,100</u>
Funds Available.....	\$ 2,806,938	\$ 2,804,777	\$ 2,890,673	\$ 2,894,563	\$ 2,919,491	\$ 2,931,172	\$ 2,974,572
Less Expenditures.....	<u>-2,766,861</u>	<u>-2,772,704</u>	<u>-2,855,110</u>	<u>-2,879,872</u>	<u>-2,908,219</u>	<u>-2,920,700</u>	<u>-2,964,758</u>
Ending Balance.....	<u>\$ 40,077</u>	<u>\$ 32,073</u>	<u>\$ 35,563</u>	<u>\$ 14,691</u>	<u>\$ 11,272</u>	<u>\$ 10,472</u>	<u>\$ 9,814</u>

### Lottery Fund

	(Dollar Amounts in Thousands)						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
Beginning Balance.....	\$ 14,794	\$ 26,941	\$ 17,431	\$ 29,460	\$ 31,399	\$ 22,936	\$ 62,106
Add Reserve From Prior Year.....	75,000	75,000	0	0	25,000	75,000	75,000
Receipts.....	<u>1,927,138</u>	<u>1,791,950</u>	<u>1,851,750</u>	<u>1,887,350</u>	<u>1,913,350</u>	<u>1,928,950</u>	<u>1,946,050</u>
Funds Available.....	\$ 2,016,932	\$ 1,893,891	\$ 1,869,181	\$ 1,916,810	\$ 1,969,749	\$ 2,026,886	\$ 2,083,156
Less Expenditures.....	<u>-1,914,991</u>	<u>-1,876,460</u>	<u>-1,839,721</u>	<u>-1,860,411</u>	<u>-1,871,813</u>	<u>-1,889,780</u>	<u>-1,905,012</u>
Less Reserve for Current Year.....	<u>-75,000</u>	<u>0</u>	<u>0</u>	<u>-25,000</u>	<u>-75,000</u>	<u>-75,000</u>	<u>-75,000</u>
Ending Balance.....	<u>\$ 26,941</u>	<u>\$ 17,431</u>	<u>\$ 29,460</u>	<u>\$ 31,399</u>	<u>\$ 22,936</u>	<u>\$ 62,106</u>	<u>\$ 103,144</u>

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

# Overview and Summaries

## Seven Year Department Summary by Fund

The following is a summary by department of 2015-16 actual expenditures, the 2016-17 amounts available, the 2017-18 amounts budgeted and future year estimates for the General Fund and selected Special Funds.

	(Dollar Amounts in Thousands)						
	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>Governor's Office</b>							
General Fund.....	\$ 6,484	\$ 6,887	\$ 6,607	\$ 6,607	\$ 6,607	\$ 6,607	\$ 6,607
<b>Executive Offices</b>							
General Fund.....	\$ 169,074	\$ 184,068	\$ 180,040	\$ 224,866	\$ 224,866	\$ 234,555	\$ 234,456
Motor License Fund.....	1,401	1,244	1,327	1,327	1,327	1,327	1,327
Department Total.....	\$ 170,475	\$ 185,312	\$ 181,367	\$ 226,193	\$ 226,193	\$ 235,882	\$ 235,783
<b>Lieutenant Governor</b>							
General Fund.....	\$ 1,623	\$ 1,755	\$ 1,726	\$ 1,726	\$ 1,726	\$ 1,726	\$ 1,726
<b>Attorney General</b>							
General Fund.....	\$ 95,677	\$ 95,583	\$ 94,302	\$ 94,302	\$ 94,302	\$ 94,302	\$ 94,302
<b>Auditor General</b>							
General Fund.....	\$ 46,316	\$ 48,234	\$ 44,771	\$ 44,771	\$ 44,771	\$ 44,771	\$ 44,771
<b>Treasury</b>							
General Fund.....	\$ 1,177,272	\$ 1,171,765	\$ 1,018,002	\$ 1,301,496	\$ 1,320,230	\$ 1,366,091	\$ 1,413,792
Motor License Fund.....	46,144	81,924	80,252	80,172	80,146	80,106	80,149
Department Total.....	\$ 1,223,416	\$ 1,253,689	\$ 1,098,254	\$ 1,381,668	\$ 1,400,376	\$ 1,446,197	\$ 1,493,941
<b>Agriculture</b>							
General Fund.....	\$ 136,788	\$ 143,658	\$ 109,315	\$ 110,877	\$ 110,877	\$ 110,877	\$ 110,877
Motor License Fund.....	32,728	32,728	33,228	32,728	32,728	32,728	32,728
Department Total.....	\$ 169,516	\$ 176,386	\$ 142,543	\$ 143,605	\$ 143,605	\$ 143,605	\$ 143,605
<b>Civil Service Commission</b>							
General Fund.....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
<b>Community and Economic Development</b>							
General Fund.....	\$ 223,723	\$ 145,500	\$ 134,053	\$ 134,053	\$ 134,053	\$ 134,053	\$ 134,053
Motor License Fund.....	1,073	1,073	1,073	1,073	1,073	1,073	1,073
Department Total.....	\$ 224,796	\$ 146,573	\$ 135,126	\$ 135,126	\$ 135,126	\$ 135,126	\$ 135,126
<b>Conservation and Natural Resources</b>							
General Fund.....	\$ 62,349	\$ 106,961	\$ 53,754	\$ 58,754	\$ 58,754	\$ 118,754	\$ 118,754
Motor License Fund.....	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Department Total.....	\$ 69,349	\$ 113,961	\$ 60,754	\$ 65,754	\$ 65,754	\$ 125,754	\$ 125,754
<b>Criminal Justice</b>							
General Fund.....	\$ 2,234,576	\$ 2,387,437	\$ 2,520,538	\$ 2,506,878	\$ 2,496,378	\$ 2,485,978	\$ 2,486,078
<b>Probation and Parole</b>							
General Fund.....	\$ 167,245	\$ 176,088	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Education</b>							
General Fund.....	\$ 12,103,266	\$ 12,801,142	\$ 13,268,107	\$ 13,944,771	\$ 14,522,939	\$ 14,963,851	\$ 15,393,538
Motor License Fund.....	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Department Total.....	\$ 12,104,366	\$ 12,802,242	\$ 13,269,207	\$ 13,945,871	\$ 14,524,039	\$ 14,964,951	\$ 15,394,638

# Overview and Summaries

## Seven Year Department Summary by Fund

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>Higher Education Assistance Agency</b>							
General Fund.....	\$ 313,554	\$ 321,289	\$ 308,414	\$ 308,414	\$ 308,414	\$ 308,414	\$ 308,414
<b>eHealth Partnership Authority</b>							
General Fund.....	\$ 1,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Emergency Management Agency</b>							
General Fund.....	\$ 16,361	\$ 13,637	\$ 18,990	\$ 13,790	\$ 13,790	\$ 13,790	\$ 13,790
<b>Environmental Protection</b>							
General Fund.....	\$ 144,999	\$ 150,846	\$ 152,026	\$ 152,026	\$ 152,026	\$ 152,026	\$ 152,026
<b>Ethics Commission</b>							
General Fund.....	\$ 2,371	\$ 2,433	\$ 2,591	\$ 2,591	\$ 2,591	\$ 2,591	\$ 2,591
<b>General Services</b>							
General Fund.....	\$ 125,183	\$ 119,390	\$ 117,847	\$ 129,623	\$ 129,623	\$ 129,623	\$ 129,623
Motor License Fund.....	10,320	10,306	9,300	9,300	9,300	9,300	9,300
Department Total.....	\$ 135,503	\$ 129,696	\$ 127,147	\$ 138,923	\$ 138,923	\$ 138,923	\$ 138,923
<b>Health and Human Services</b>							
General Fund.....	\$ 11,515,910	\$ 12,206,832	\$ 12,897,192	\$ 13,546,702	\$ 13,961,443	\$ 14,373,802	\$ 14,847,687
Lottery Fund.....	309,649	308,049	806,004	810,959	810,935	818,361	825,376
Department Total.....	\$ 11,825,559	\$ 12,514,881	\$ 13,703,196	\$ 14,357,661	\$ 14,772,378	\$ 15,192,163	\$ 15,673,063
<b>Health</b>							
General Fund.....	\$ 209,029	\$ 215,493	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Drug and Alcohol Programs</b>							
General Fund.....	\$ 46,601	\$ 47,604	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Aging</b>							
Lottery Fund.....	\$ 530,693	\$ 553,787	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Health Care Cost Containment Council</b>							
General Fund.....	\$ 2,710	\$ 2,710	\$ 4,762	\$ 4,762	\$ 4,762	\$ 4,762	\$ 4,762
<b>Historical and Museum Commission</b>							
General Fund.....	\$ 21,146	\$ 21,927	\$ 19,631	\$ 19,631	\$ 19,631	\$ 21,631	\$ 21,631
<b>Insurance</b>							
General Fund.....	\$ 0	\$ 0	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
<b>Labor and Industry</b>							
General Fund.....	\$ 76,494	\$ 79,725	\$ 71,063	\$ 71,063	\$ 71,063	\$ 71,063	\$ 71,063
<b>Military and Veterans Affairs</b>							
General Fund.....	\$ 129,330	\$ 145,918	\$ 144,214	\$ 146,764	\$ 146,764	\$ 146,764	\$ 146,764
<b>Revenue</b>							
General Fund.....	\$ 170,356	\$ 178,788	\$ 186,248	\$ 185,248	\$ 185,248	\$ 185,248	\$ 185,248
Lottery Fund.....	892,767	845,742	854,835	870,570	881,996	892,537	900,754
Motor License Fund.....	42,476	46,499	49,085	49,185	49,185	49,285	49,285
Department Total.....	\$ 1,105,599	\$ 1,071,029	\$ 1,090,168	\$ 1,105,003	\$ 1,116,429	\$ 1,127,070	\$ 1,135,287



# Overview and Summaries

## Seven Year Department Summary by Fund

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>State</b>							
General Fund.....	\$ 12,335	\$ 11,781	\$ 10,529	\$ 9,002	\$ 9,029	\$ 9,012	\$ 9,029
<b>State Police</b>							
General Fund.....	\$ 245,873	\$ 256,938	\$ 243,587	\$ 242,850	\$ 242,671	\$ 272,123	\$ 277,390
Motor License Fund.....	754,614	801,739	738,513	736,303	735,765	705,530	673,461
Department Total.....	<u>\$ 1,000,487</u>	<u>\$ 1,058,677</u>	<u>\$ 982,100</u>	<u>\$ 979,153</u>	<u>\$ 978,436</u>	<u>\$ 977,653</u>	<u>\$ 950,851</u>
<b>Transportation</b>							
General Fund.....	\$ 1,553	\$ 1,506	\$ 1,625	\$ 1,625	\$ 1,625	\$ 1,625	\$ 1,625
Lottery Fund.....	181,882	178,882	178,882	178,882	178,882	178,882	178,882
Motor License Fund.....	1,870,005	1,794,091	1,934,232	1,961,684	1,990,595	2,033,251	2,109,335
Department Total.....	<u>\$ 2,053,440</u>	<u>\$ 1,974,479</u>	<u>\$ 2,114,739</u>	<u>\$ 2,142,191</u>	<u>\$ 2,171,102</u>	<u>\$ 2,213,758</u>	<u>\$ 2,289,842</u>
<b>Legislature</b>							
General Fund.....	\$ 276,535	\$ 312,989	\$ 313,499	\$ 313,499	\$ 313,499	\$ 313,499	\$ 313,499
<b>Judiciary</b>							
General Fund.....	\$ 342,431	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503
<b>Government Support Agencies</b>							
General Fund.....	\$ 48,500	\$ 51,765	\$ 51,765	\$ 51,765	\$ 51,765	\$ 51,765	\$ 51,765
<b>COMMONWEALTH TOTALS:</b>							
General Fund.....	\$ 30,127,165	\$ 31,766,153	\$ 32,337,702	\$ 33,990,960	\$ 34,991,951	\$ 35,981,807	\$ 36,938,365
Lottery Fund.....	1,914,991	1,886,460	1,839,721	1,860,411	1,871,813	1,889,780	1,905,012
Motor License Fund.....	2,766,861	2,777,704	2,855,110	2,879,872	2,908,219	2,920,700	2,964,758
<b>GRAND TOTAL.....</b>	<u><u>\$ 34,809,017</u></u>	<u><u>\$ 36,430,317</u></u>	<u><u>\$ 37,032,533</u></u>	<u><u>\$ 38,731,243</u></u>	<u><u>\$ 39,771,983</u></u>	<u><u>\$ 40,792,287</u></u>	<u><u>\$ 41,808,135</u></u>

## General and Special Funds

This table shows a summary by Commonwealth Programs of 2015-16 expenditures, the 2016-17 amounts available, the 2017-18 amounts budgeted and future year estimates for the General Fund and selected Special Funds.

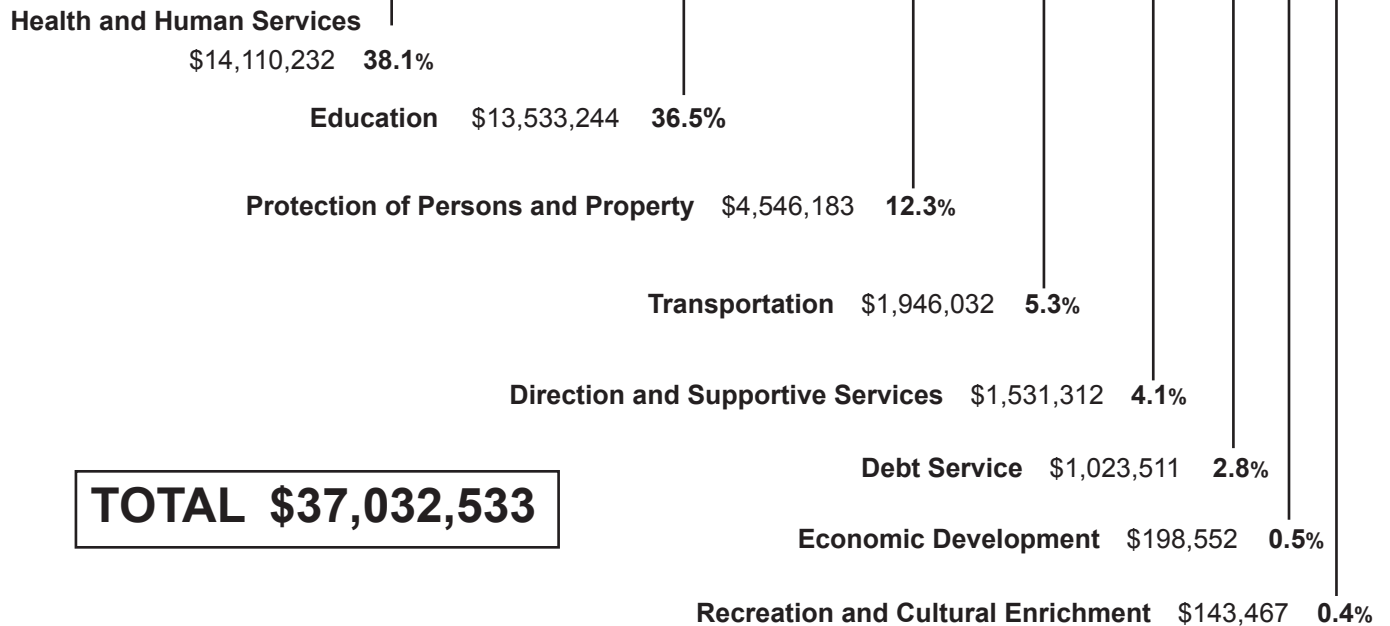
### Seven Year Commonwealth Program Summary

Commonwealth Program	(Dollar amounts in Thousands)						
	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
Direction and Supportive Services.....	\$ 1,499,704	\$ 1,498,001	\$ 1,531,312	\$ 1,598,100	\$ 1,611,926	\$ 1,624,966	\$ 1,635,284
Protection of Persons and Property.....	4,414,766	4,673,988	4,546,183	4,523,899	4,507,904	4,494,217	4,467,532
Education.....	12,372,927	13,079,201	13,533,244	14,209,908	14,788,076	15,228,988	15,658,675
Health and Human Services.....	13,011,909	13,765,738	14,110,232	14,768,647	15,180,964	15,598,449	16,077,149
Economic Development.....	287,959	212,349	198,552	198,552	198,552	198,552	198,552
Transportation .....	1,908,712	1,815,002	1,946,032	1,973,496	2,007,212	2,052,355	2,128,439
Recreation and Cultural Enrichment.....	162,917	208,567	143,467	148,467	148,467	220,057	220,057
Debt Service.....	1,150,123	1,177,471	1,023,511	1,310,174	1,328,882	1,374,703	1,422,447
<b>GENERAL FUND AND SPECIAL</b>							
<b>FUNDS TOTAL.....</b>	<b>\$ 34,809,017</b>	<b>\$ 36,430,317</b>	<b>\$ 37,032,533</b>	<b>\$ 38,731,243</b>	<b>\$ 39,771,983</b>	<b>\$ 40,792,287</b>	<b>\$ 41,808,135</b>

Distribution of the Commonwealth Dollar

**GENERAL FUND AND  
SPECIAL FUNDS**

**2017-18 Fiscal Year**  
(Dollar Amounts in Thousands)



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

## General Fund

This table shows a summary by Commonwealth Program of 2015-16 expenditures, the 2016-17 amounts available, the 2017-18 amounts budgeted and future year estimates.

### Seven Year Commonwealth Program Summary

	(Dollar amounts in Thousands)						
	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>Commonwealth Program</b>							
Direction and Supportive Services.....	\$ 799,037	\$ 858,207	\$ 854,659	\$ 907,131	\$ 907,131	\$ 907,230	\$ 907,131
Protection of Persons and Property.....	3,484,249	3,681,550	3,607,360	3,587,798	3,577,146	3,596,181	3,601,565
Education.....	12,371,827	13,078,101	13,532,144	14,208,808	14,786,976	15,227,888	15,657,575
Health and Human Services.....	11,900,367	12,614,002	13,039,528	13,691,588	14,106,329	14,518,688	14,992,573
Economic Development.....	286,886	211,276	197,479	197,479	197,479	197,479	197,479
Transportation .....	0	0	0	0	0	0	0
Recreation and Cultural Enrichment.....	155,917	201,567	136,467	141,467	141,467	213,057	213,057
Debt Service.....	1,128,882	1,121,450	970,065	1,256,689	1,275,423	1,321,284	1,368,985
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 30,127,165</b>	<b>\$ 31,766,153</b>	<b>\$ 32,337,702</b>	<b>\$ 33,990,960</b>	<b>\$ 34,991,951</b>	<b>\$ 35,981,807</b>	<b>\$ 36,938,365</b>

# GENERAL FUND

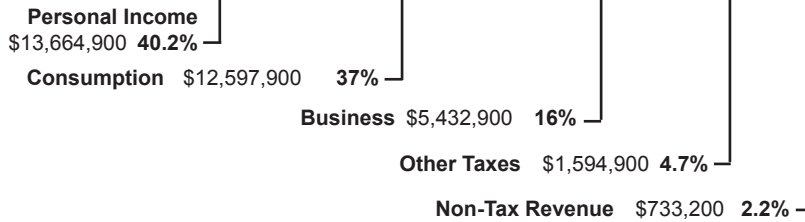
2017-18 Fiscal Year



## Income

(Dollar Amounts in Thousands)

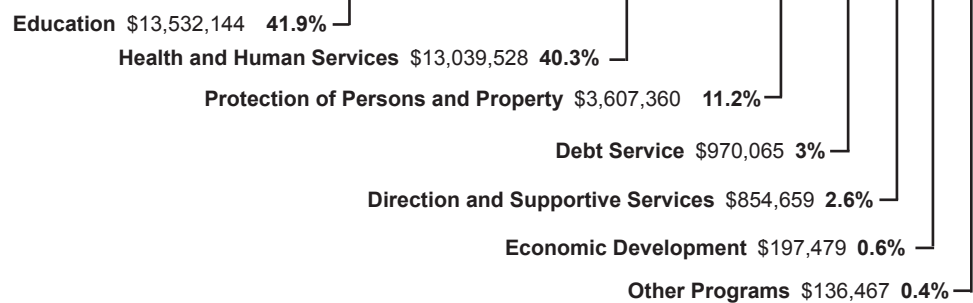
TOTAL INCOME .....	\$34,023,800
Refunds .....	-1,320,000
Beginning Balance.....	-605,572
Lapses .....	245,000
<hr/>	
TOTAL .....	\$32,343,228



## Outgo

(Dollar Amounts in Thousands)

TOTAL OUTGO .....	\$ 32,337,702
Budget Stabilization	
Reserve Fund .....	1,382
Plus Ending Surplus ....	4,144
<hr/>	
TOTAL .....	\$ 32,343,228

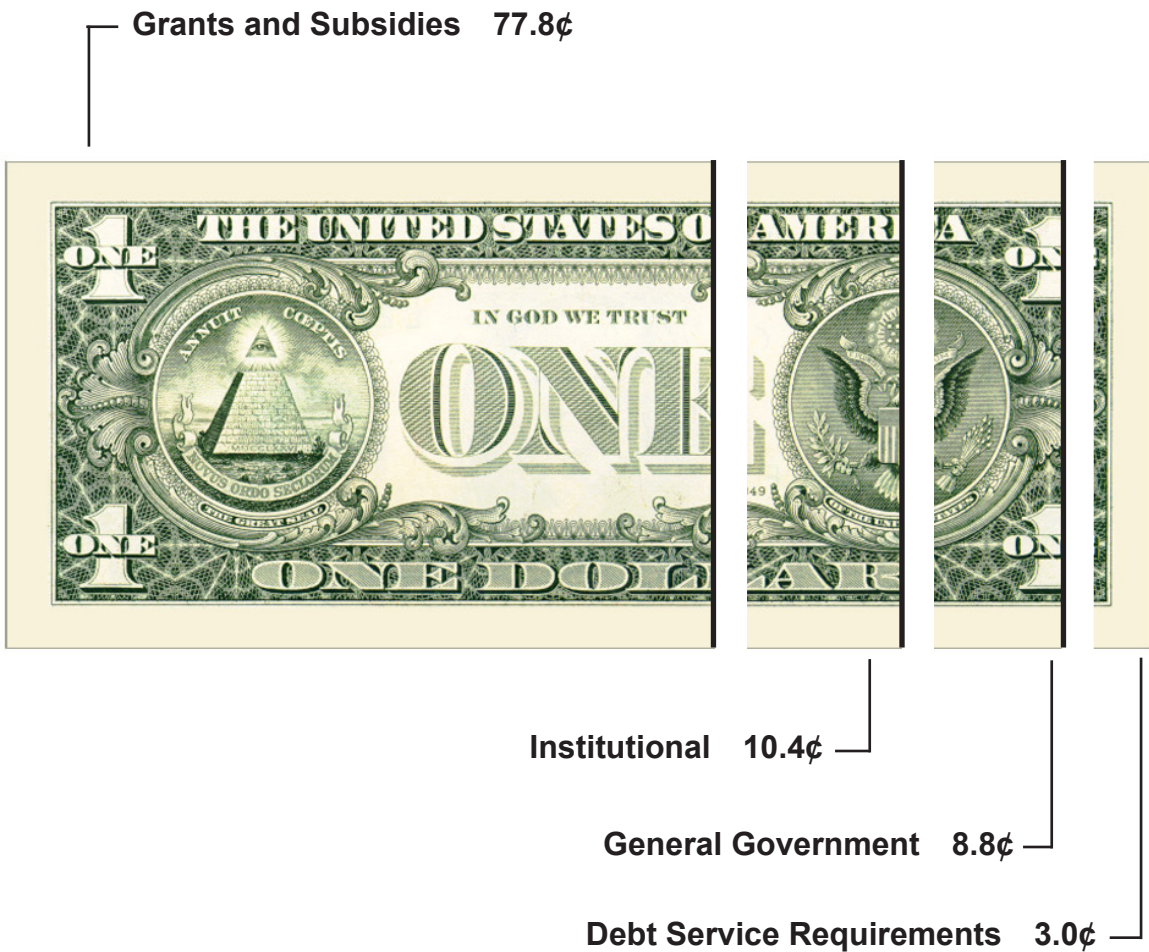


This presentation shows the amount and proportion for the major revenue sources and major program areas for the total General Fund.



# USE OF THE GENERAL FUND DOLLAR

2017-18 Fiscal Year



Over 75 cents 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 with 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.

The Anti-Drug Abuse and Workforce Innovation and Opportunity programs have also been included because the federal government provides flexibility on the activities eligible for funding.

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 2016-17 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 2017-18 is a preliminary proposal. Opportunities for public review and comment may result in modifications to the proposed distribution.

---



# Overview: Federal Block Grants

## Summary of Federal Block Grants

This table shows a summary by federal block grant of 2015-16 expenditures, 2016-17 available and 2017-18 amounts budgeted as presented in the 2017-18 Governor's Executive Budget.

(Dollar Amounts in Thousands)

	<b>2015-16 Actual Block Grant</b>	<b>2016-17 Available Block Grant</b>	<b>2017-18 Recommended Block Grant</b>
Anti-Drug Abuse.....	\$ 17,600	\$ 17,600	\$ 14,600
Child Care and Development Fund.....	399,846	392,389	388,863
Community Services.....	41,607	51,607	51,607
Low-Income Home Energy Assistance.....	396,500	396,500	396,500
Maternal and Child Health Services.....	32,539	32,539	32,539
Mental Health Services.....	18,539	20,539	20,000
Preventive Health and Health Services.....	11,236	11,561	11,409
Social Services.....	96,060	96,060	92,798
Substance Abuse.....	67,664	67,664	68,069
Temporary Assistance to Needy Families.....	606,116	638,597	644,657
Workforce Innovation and Opportunity.....	240,000	240,000	240,000
<b>TOTAL.....</b>	<b>\$ 1,927,707</b>	<b>\$ 1,965,056</b>	<b>\$ 1,961,042</b>

## Anti-Drug Abuse

The Justice Assistance Grant program provides funding for 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 Residential Substance Abuse Treatment program is intended to assist state and local governments in developing and implementing residential substance abuse treatment programs within state and local correctional facilities in which prisoners are incarcerated for a period of time sufficient to permit substance abuse treatment.

(Dollar Amounts in Thousands)

Department / Appropriation	2015-16 Actual Block Grant	2016-17 Available Block Grant	2017-18 Recommended Block Grant
<b>Executive Offices:</b>			
<i>Commission on Crime and Delinquency</i>			
Justice Assistance Grants.....	\$ 15,000	\$ 15,000	\$ 12,000
Justice Assistance Grants — Administration.....	1,300	1,300	1,300
Residential Substance Abuse Treatment Program.....	1,300	1,300	1,300
Subtotal.....	\$ 17,600	\$ 17,600	\$ 14,600
<b>Corrections and Rehabilitation:</b>			
JAG — Culinary Program (EA).....	\$ 0 <sup>a</sup>	\$ 0	\$ 0
RSAT — State Prisoners (EA).....	750 <sup>a</sup>	750 <sup>a</sup>	502 <sup>a</sup>
State Intermediate Punishment - HOPE Research (EA).....	69 <sup>a</sup>	0 <sup>a</sup>	0
Subtotal.....	\$ 0	\$ 0	\$ 0
<b>State Police:</b>			
Law Enforcement Projects (EA)	\$ 1,270 <sup>a</sup>	\$ 3,055 <sup>a</sup>	\$ 1,835 <sup>a</sup>
TOTAL.....	\$ 17,600	\$ 17,600	\$ 14,600

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

## Child Care and Development Fund

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

(Dollar Amounts in Thousands)

<u>Department / Appropriation</u>	<u>2015-16 Actual Block Grant</u>	<u>2016-17 Available Block Grant</u>	<u>2017-18 Recommended Block Grant</u>
<b>Executive Offices:</b>			
<i>Inspector General - Welfare Fraud</i>			
CCDFBG — Subsidized Day Care Fraud.....	\$ 905	\$ 905	\$ 905
<b>Health and Human Services:</b>			
CCDFBG — Administration.....	\$ 21,840	\$ 22,895	\$ 23,205
CCDFBG — Child Care Services.....	244,856	280,463	269,771
CCDFBG — School Age.....	1,260	1,260	1,260
CCDFBG — Child Care Assistance.....	130,985	86,866	93,722
Subtotal.....	\$ 398,941	\$ 391,484	\$ 387,958
TOTAL.....	<u>\$ 399,846</u>	<u>\$ 392,389</u>	<u>\$ 388,863</u>

## Community Services

This block grant provides funding 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 (CAA). 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 Community Action Association of Pennsylvania and competitive grants are awarded in the areas of employment training, job preparedness, community conservation corps, community economic development, summer employment and youth programs, emergency assistance and homeless assistance.

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

(Dollar Amounts in Thousands)

<u>Department / Appropriation</u>	<u>Actual Block Grant</u>	<u>Available Block Grant</u>	<u>Recommended Block Grant</u>
<b>Community and Economic Development:</b>			
CSBG — Administration.....	\$ 1,607	\$ 1,607	\$ 1,607
Community Services Block Grant.....	40,000	50,000	50,000
TOTAL.....	<u>\$ 41,607</u>	<u>\$ 51,607</u>	<u>\$ 51,607</u>

# Overview: Federal Block Grants

## Low-Income Home Energy Assistance

This block grant provides funding 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.

Department / Appropriation	(Dollar Amounts in Thousands)		
	2015-16 Actual Block Grant	2016-17 Available Block Grant	2017-18 Recommended Block Grant
<b>Community and Economic Development:</b>			
LIHEABG — Administration.....	\$ 1,500	\$ 1,500	\$ 1,500
LIHEABG — Weatherization Program.....	48,000	48,000	48,000
Subtotal.....	\$ 49,500	\$ 49,500	\$ 49,500
<b>Health and Human Services:</b>			
LIHEABG — Administration.....	\$ 27,000	\$ 27,000	\$ 27,000
LIHEABG — Low-Income Families and Individuals.....	320,000	320,000	320,000
Subtotal.....	\$ 347,000	\$ 347,000	\$ 347,000
TOTAL.....	\$ 396,500	\$ 396,500	\$ 396,500

## Maternal and Child Health Services

This block grant provides funding 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, such as outreach, promotional costs, laboratory supplies and help line services.

Department / Appropriation	(Dollar Amounts in Thousands)		
	2015-16 Actual Block Grant	2016-17 Available Block Grant	2017-18 Recommended Block Grant
<b>Health and Human Services:</b>			
MCHSBG — Administration.....	\$ 14,404	\$ 14,641	\$ 14,641
MCHSBG — Program Services.....	18,135	17,898	17,898
TOTAL.....	\$ 32,539	\$ 32,539	\$ 32,539

## Mental Health Services

This block grant provides funding 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)

<u>Department / Appropriation</u>	<u>2015-16 Actual Block Grant</u>	<u>2016-17 Available Block Grant</u>	<u>2017-18 Recommended Block Grant</u>
<b>Health and Human Services:</b>			
MHSBG — Administration.....	\$ 539	\$ 539	\$ 539
MHSBG — Community Mental Health Services.....	18,000	20,000	19,461
TOTAL.....	<u>\$ 18,539</u>	<u>\$ 20,539</u>	<u>\$ 20,000</u>

## Preventive Health and Health Services

This block grant provides funding for preventive health services. Programs include activities to promote improvements in health status through achievement of the National Year 2020 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 supports efforts to eliminate 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)

<u>Department / Appropriation</u>	<u>2015-16 Actual Block Grant</u>	<u>2016-17 Available Block Grant</u>	<u>2017-18 Recommended Block Grant</u>
<b>Education</b>			
Preventive Health and Health Services (EA).....	\$ 250 <sup>a</sup>	\$ 250 <sup>a</sup>	\$ 250 <sup>a</sup>
<b>Health and Human Services:</b>			
PHHSBG — Administration.....	\$ 4,456	\$ 4,561	\$ 4,409
PHHSBG — Block Program Services.....	6,780	7,000	7,000
PHHSBG — Domestic Violence (EA).....	100 <sup>a</sup>	100 <sup>a</sup>	100 <sup>a</sup>
Subtotal.....	<u>\$ 11,236</u>	<u>\$ 11,561</u>	<u>\$ 11,409</u>
TOTAL.....	<u>\$ 11,236</u>	<u>\$ 11,561</u>	<u>\$ 11,409</u>

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

# Overview: Federal Block Grants

## Social Services

This block grant provides funding 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 Health and Human Services. These federal allocations serve to augment state appropriations, thereby increasing the total level of services provided.

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

(Dollar Amounts in Thousands)

Department / Appropriation	2015-16 Actual Block Grant	2016-17 Available Block Grant	2017-18 Recommended Block Grant
<b>Health and Human Services:</b>			
SSBG — Administration.....	\$ 325	\$ 325	\$ 325
SSBG — County Assistance Offices.....	6,262	6,262	3,000
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.....	7,451	7,451	7,451
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
TOTAL.....	\$ 96,060	\$ 96,060	\$ 92,798

## Substance Abuse

This block grant provides funding 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	2015-16 Actual Block Grant	2016-17 Available Block Grant	2017-18 Recommended Block Grant
<b>Department of Criminal Justice:</b>			
SABG — Drug and Alcohol Programs (EA).....	\$ 1,965 <sup>a</sup>	\$ 1,965 <sup>a</sup>	\$ 1,965 <sup>a</sup>
<b>Health and Human Services:</b>			
SABG — Administration.....	\$ 7,858	\$ 8,193	\$ 8,617
SABG — Drug and Alcohol Services.....	59,806	59,471	59,452
SABG — Homeless Services (EA).....	1,983 <sup>a</sup>	1,983 <sup>a</sup>	1,983 <sup>a</sup>
SABG — DDAP Support Services (EA).....	364 <sup>a</sup>	391 <sup>a</sup>	0
Subtotal.....	\$ 67,664	\$ 67,664	\$ 68,069
TOTAL.....	\$ 67,664	\$ 67,664	\$ 68,069

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

## 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 program. 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, funding 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.

(Dollar Amounts in Thousands)

Department / Appropriation	2015-16 Actual Block Grant	2016-17 Available Block Grant	2017-18 Recommended Block Grant
<b>Executive Offices:</b>			
<i>Inspector General - Welfare Fraud</i>			
TANFBG — Program Accountability.....	\$ 1,500	\$ 1,500	\$ 1,500
<b>Education:</b>			
TANFBG — Teenage Parenting Ed. (EA).....	\$ 13,784 <sup>a</sup>	\$ 16,433 <sup>a</sup>	\$ 16,433 <sup>a</sup>
<b>Labor and Industry:</b>			
TANFBG — Youth Employment and Training.....	\$ 25,000	\$ 25,000	\$ 25,000
<b>Health and Human Services:</b>			
TANFBG — Administration.....	\$ 8,810	\$ 8,810	\$ 11,898
TANFBG — Information Systems.....	9,339	14,417	12,185
TANFBG — Statewide.....	1,072	1,072	1,072
TANFBG — County Assistance Offices.....	53,033	48,654	48,654
TANFBG — New Directions.....	109,522	109,522	111,275
TANFBG — Cash Grants.....	308,975	288,975	288,975
TANFBG — Alternatives to Abortion.....	1,000	1,000	1,000
TANFBG — Child Welfare.....	58,508	58,508	58,508
TANFBG — Child Care Assistance.....	29,357	81,139	84,590
Subtotal.....	\$ 579,616	\$ 612,097	\$ 618,157
TOTAL.....	\$ 606,116	\$ 638,597	\$ 644,657

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



## Workforce Innovation and Opportunity

The Workforce Innovation and Opportunity Act of 2014 supersedes the Workforce Investment Act of 1998. WIOA retains and amends the Adult Education and Family Literacy Act, the Wagner-Peyser Act, and the Rehabilitation Act of 1973. The act took effect on July 1, 2015, however current state and local plan provisions and current performance accountability systems continue to apply for the first full program year. WIOA continues the three main program components: adult, youth and dislocated workers. The adult program improves the quality of the workforce, reduces welfare dependency and enhances the productivity and competitiveness of the nation's economy by providing workforce investment activities that increase the employment, retention and earnings of participants, and increases 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 transition to careers and productive adulthood. The dislocated worker program shares the same 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.

Department / Appropriation	(Dollar Amounts in Thousands)		
	2015-16 Actual Block Grant	2016-17 Available Block Grant	2017-18 Recommended Block Grant
<b>Labor and Industry:</b>			
Workforce Innovation and Opportunity Act —	\$ 11,000	\$ 11,000	\$ 11,000
Administration.....			
WIOA — Adult Employment & Training.....	50,000	50,000	50,000
WIOA — Youth Employment & Training.....	52,000	52,000	52,000
WIOA — Statewide Activities.....	18,000	18,000	18,000
WIOA — Dislocated Workers.....	109,000	109,000	109,000
TOTAL.....	\$ 240,000	\$ 240,000	\$ 240,000

– THIS PAGE INTENTIONALLY LEFT BLANK –

## Public Information and Communications

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

	(Dollar Amounts in Thousands)	
	2016-17 Estimate	2017-18 Estimate
Governor's Office.....	\$ 910	\$ 935
Executive Offices.....	278	300
Agriculture.....	395	420
Banking and Securities.....	378	391
Civil Service Commission.....	71	74
Community and Economic Development.....	334	364
Conservation and Natural Resources.....	358	358
Criminal Justice*.....	338	701
Probation and Parole Board*.....	311	
Education.....	486	509
Emergency Management Agency.....	342	371
Environmental Protection.....	2,219	2,285
Fish and Boat Commission.....	245	245
Game Commission.....	485	513
General Services.....	133	146
Health and Human Services**.....	779	1,941
Health**.....	930	
Aging**.....	408	
Historical and Museum Commission.....	214	214
Insurance.....	347	371
Labor and Industry.....	666	607
Liquor Control Board.....	474	488
Military and Veterans Affairs.....	377	460
Milk Marketing Board.....	8	8
Public Utility Commission.....	294	311
Revenue.....	373	377
State.....	3,206	2,552
State Police.....	277	285
Transportation.....	4,822	4,905
TOTAL	<u>\$ 20,458</u>	<u>\$ 20,131</u>

\* Probation and Parole have been transferred to the Department of Criminal Justice (2017-18).

\*\* Departments of Aging and Health have been transferred to the Department of Health and Human Services (2017-18).

---- *Lottery sales promotion* - \$44 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 2017-18. These expenditures are expected to generate approximately \$4.2 billion in lottery revenues during 2017-18.

---- *Economic development* - A total of \$5.964 million is budgeted in the General Fund to promote tourism and economic development. This will contribute to an estimated \$41.2 billion in 2017-18 business and leisure travel revenues to Pennsylvania and supports the State's aggressive effort to preserve and create jobs.

– THIS PAGE INTENTIONALLY LEFT BLANK –



Commonwealth of Pennsylvania

## Governor's Executive Budget

# *PROGRAM BUDGET SUMMARY*

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.

## 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 B3 is an “all funds” seven-year summary of revenues and expenditures for the commonwealth’s operating program. This guide is intended to assist readers with interpreting and understanding the revenue and expenditure items presented on the comprehensive statement.

### Beginning 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. The General Fund and Special Funds beginning and ending balances are based on their respective financial statements found in section A2.

### Revenues

All General Fund, Special Funds, Federal Funds and Other Funds revenues contributing to the commonwealth’s 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 comprises 98 percent of annual General Fund revenue. The largest sources of non-tax revenue are profit transfers from the Pennsylvania Liquor Control Board, the escheats or “unclaimed property” program and licenses and fees charged by state agencies. General Fund revenue categories shown on the statement include Corporation Taxes, Personal Income Tax, Sales and Use Tax, and All Other Revenues/Taxes. A Less Refunds category is 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.

**Special Funds** – There are two Special Funds contributing revenue to the commonwealth operating program. Additional information on Special Fund revenue sources can be found in section C.

**Federal Funds** – All monies received from the federal government are deposited into the State Treasury and must be appropriated. The Department of Human Services 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 in section C for federal funds related to General Fund budgets and in Section E: Department Presentations in each agency’s Summary by Fund and Appropriation statement.

**Other Funds** – There are more than 150 Other Funds contributing revenue to the commonwealth’s operating program. The State Stores Fund, the Public Transportation Trust Fund and the Property Tax Relief Fund contribute significant revenues to the Other Funds revenue total. See Section H: Other Special Funds for information and financial data on these funds. Additional information on Other Funds 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 B4 and B5. More detailed expenditure breakdowns by program category and subcategory are shown on pages B6 through B14.

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) shown on the statement 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)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>BEGINNING BALANCES</b>							
General Fund .....	\$ 274,457	\$ 1,991	\$ -605,572	\$ 4,144	\$ 27,888	\$ 507,928	\$ 536,416
Adjustment to Beginning Balance.....	-17,835	-510	0	0	0	0	0
Adjusted Beginning Balance.....	<u>\$ 256,622</u>	<u>\$ 1,481</u>	<u>\$ -605,572</u>	<u>\$ 4,144</u>	<u>\$ 27,888</u>	<u>\$ 507,928</u>	<u>\$ 536,416</u>
Special Funds .....	<u>\$ 145,139</u>	<u>\$ 67,018</u>	<u>\$ 49,504</u>	<u>\$ 65,023</u>	<u>\$ 46,090</u>	<u>\$ 34,208</u>	<u>\$ 72,578</u>
<b>REVENUES</b>							
General Fund:							
Corporation Taxes.....	\$ 2,842,388	\$ 2,766,000	\$ 2,868,000	\$ 2,998,000	\$ 3,588,900	\$ 3,049,100	\$ 2,739,600
Personal Income Tax.....	12,505,964	12,897,400	13,664,900	14,282,200	14,846,300	15,611,500	16,213,200
Sales and Use Tax.....	9,795,189	9,985,500	10,825,200	11,214,200	11,596,500	11,871,500	12,150,200
All Other Revenues/Taxes.....	5,758,040	6,752,800	6,665,700	6,874,600	6,979,600	7,052,000	7,210,300
Less Refunds.....	-1,250,000	-1,300,000	-1,320,000	-1,345,000	-1,370,000	-1,395,000	-1,420,000
Total General Fund.....	<u>\$ 29,651,581</u>	<u>\$ 31,101,700</u>	<u>\$ 32,703,800</u>	<u>\$ 34,024,000</u>	<u>\$ 35,641,300</u>	<u>\$ 36,189,100</u>	<u>\$ 36,893,300</u>
Special Funds.....	4,561,266	4,556,650	4,710,350	4,746,350	4,818,150	4,848,850	4,910,150
Federal Funds.....	26,601,554	28,808,382	28,696,904	29,609,251	30,318,048	31,052,310	31,865,396
Other Funds.....	14,287,813	14,915,794	15,298,864	15,101,209	15,180,843	15,279,778	15,398,282
Total Revenues and Balances.....	<u>\$ 75,503,975</u>	<u>\$ 79,451,025</u>	<u>\$ 80,853,850</u>	<u>\$ 83,549,977</u>	<u>\$ 86,032,319</u>	<u>\$ 87,912,174</u>	<u>\$ 89,676,122</u>
<b>PROGRAM EXPENDITURES</b>							
Direction and Supportive							
Services.....	\$ 1,900,307	\$ 1,925,318	\$ 1,942,578	\$ 2,009,361	\$ 2,023,187	\$ 2,036,227	\$ 2,046,545
Protection of Persons and							
Property.....	9,304,312	9,822,516	9,761,486	9,796,426	9,852,427	9,963,507	10,010,267
Education.....	15,623,658	16,430,096	16,869,468	17,546,759	18,125,233	18,546,685	18,956,534
Health and Human Services.....	36,996,497	39,783,033	40,211,981	41,766,146	42,842,782	44,016,882	45,327,692
Economic Development.....	2,177,070	2,187,462	2,162,712	2,115,724	2,115,961	2,120,095	2,121,390
Transportation.....	7,796,744	8,058,435	8,107,171	8,146,859	8,216,776	8,282,199	8,397,055
Recreation and Cultural Enrichment.....	657,071	683,598	677,338	676,660	678,306	696,580	698,641
Debt Service.....	1,242,725	1,264,035	1,295,567	1,383,768	1,416,202	1,462,200	1,513,689
Less General Fund Lapses.....	-220,953	-57,400	-245,000	0	0	0	0
Less Special Fund Lapses.....	-42,465	-15,000	0	0	0	0	0
Total Operating Expenditures.....	<u>\$ 75,434,966</u>	<u>\$ 80,082,093</u>	<u>\$ 80,783,301</u>	<u>\$ 83,441,703</u>	<u>\$ 85,270,874</u>	<u>\$ 87,124,375</u>	<u>\$ 89,071,813</u>
Transfer to Budget Stabilization							
Reserve Fund.....	0	0	-1,382	-9,296	-169,309	-178,805	-122,838
<b>ENDING BALANCES</b>							
General Fund.....	<u>\$ 1,991</u>	<u>\$ -605,572</u>	<u>\$ 4,144</u>	<u>\$ 27,888</u>	<u>\$ 507,928</u>	<u>\$ 536,416</u>	<u>\$ 368,513</u>
Special Funds .....	<u>\$ 67,018</u>	<u>\$ 49,504</u>	<u>\$ 65,023</u>	<u>\$ 46,090</u>	<u>\$ 34,208</u>	<u>\$ 72,578</u>	<u>\$ 112,958</u>



# Program Budget Summary

## Seven Year Summary of Commonwealth Programs

The following is a summary for the seven Commonwealth Programs of 2015-16 actual expenditures, 2016-17 amounts available, 2017-18 amounts budgeted and future year estimates for all the operating funds and capital bond authorizations as presented in the 2017-18 Governor's Executive Budget. A breakdown of each Commonwealth Program by Category and Subcategory is shown on subsequent pages.

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>Direction and Supportive Services</b>							
General Fund.....	\$ 799,037	\$ 858,207	\$ 854,659	\$ 907,131	\$ 907,131	\$ 907,230	\$ 907,131
Special Funds.....	700,667	639,794	676,653	690,969	704,795	717,736	728,153
Federal Funds.....	26,117	16,219	15,931	15,931	15,931	15,931	15,931
Other Funds.....	374,486	411,098	395,335	395,330	395,330	395,330	395,330
Total Operating.....	\$ 1,900,307	\$ 1,925,318	\$ 1,942,578	\$ 2,009,361	\$ 2,023,187	\$ 2,036,227	\$ 2,046,545
<b>Protection of Persons and Property</b>							
General Fund.....	\$ 3,484,249	\$ 3,681,550	\$ 3,607,360	\$ 3,587,798	\$ 3,577,146	\$ 3,596,181	\$ 3,601,565
Special Funds.....	930,517	992,438	938,823	936,101	930,758	898,036	865,967
Federal Funds.....	818,250	875,315	769,501	760,694	750,194	750,194	750,194
Other Funds.....	4,071,296	4,273,213	4,445,802	4,511,833	4,594,329	4,719,096	4,792,541
Total Operating.....	\$ 9,304,312	\$ 9,822,516	\$ 9,761,486	\$ 9,796,426	\$ 9,852,427	\$ 9,963,507	\$ 10,010,267
<b>Education</b>							
General Fund.....	\$ 12,371,827	\$ 13,078,101	\$ 13,532,144	\$ 14,208,808	\$ 14,786,976	\$ 15,227,888	\$ 15,657,575
Special Funds.....	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Federal Funds.....	2,384,697	2,402,226	2,379,524	2,379,524	2,379,524	2,359,524	2,339,524
Other Funds.....	866,034	948,669	956,700	957,327	957,633	958,173	958,335
Total Operating.....	\$ 15,623,658	\$ 16,430,096	\$ 16,869,468	\$ 17,546,759	\$ 18,125,233	\$ 18,546,685	\$ 18,956,534
<b>Health and Human Services</b>							
General Fund.....	\$ 11,900,367	\$ 12,614,002	\$ 13,039,528	\$ 13,691,588	\$ 14,106,329	\$ 14,518,688	\$ 14,992,573
Special Funds.....	1,111,542	1,151,736	1,070,704	1,077,059	1,074,635	1,079,761	1,084,576
Federal Funds.....	20,636,829	22,501,259	22,535,283	23,447,387	24,166,684	24,920,946	25,754,032
Other Funds.....	3,347,759	3,516,036	3,566,466	3,550,112	3,495,134	3,497,487	3,496,511
Total Operating.....	\$ 36,996,497	\$ 39,783,033	\$ 40,211,981	\$ 41,766,146	\$ 42,842,782	\$ 44,016,882	\$ 45,327,692
<b>Economic Development</b>							
General Fund.....	\$ 286,886	\$ 211,276	\$ 197,479	\$ 197,479	\$ 197,479	\$ 197,479	\$ 197,479
Special Funds.....	1,073	1,073	1,073	1,073	1,073	1,073	1,073
Federal Funds.....	759,929	782,942	774,627	774,627	774,627	774,627	774,627
Other Funds.....	1,129,182	1,192,171	1,189,533	1,142,545	1,142,782	1,146,916	1,148,211
Total Operating.....	\$ 2,177,070	\$ 2,187,462	\$ 2,162,712	\$ 2,115,724	\$ 2,115,961	\$ 2,120,095	\$ 2,121,390
<b>Transportation</b>							
General Fund.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Funds.....	1,908,712	1,815,002	1,946,032	1,973,496	2,007,212	2,052,355	2,128,439
Federal Funds.....	1,914,868	2,172,045	2,172,045	2,172,045	2,172,045	2,172,045	2,172,045
Other Funds.....	3,973,164	4,071,388	3,989,094	4,001,318	4,037,519	4,057,799	4,096,571
Total Operating.....	\$ 7,796,744	\$ 8,058,435	\$ 8,107,171	\$ 8,146,859	\$ 8,216,776	\$ 8,282,199	\$ 8,397,055
<b>Recreation and Cultural Enrichment</b>							
General Fund.....	\$ 155,917	\$ 201,567	\$ 136,467	\$ 141,467	\$ 141,467	\$ 213,057	\$ 213,057
Special Funds.....	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Federal Funds.....	60,864	58,376	49,993	59,043	59,043	59,043	59,043
Other Funds.....	433,290	416,655	483,878	469,150	470,796	417,480	419,541
Total Operating.....	\$ 657,071	\$ 683,598	\$ 677,338	\$ 676,660	\$ 678,306	\$ 696,580	\$ 698,641

# Program Budget Summary

## Seven Year Summary of Commonwealth Programs

The following is a summary for the seven Commonwealth Programs of 2015-16 actual expenditures, 2016-17 amounts available, 2017-18 amounts budgeted and future year estimates for all the operating funds and capital bond authorizations as presented in the 2017-18 Governor's Executive Budget. A breakdown of each Commonwealth Program by Category and Subcategory is shown on subsequent pages.

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>Debt Service</b>							
General Fund.....	\$ 1,128,882	\$ 1,121,450	\$ 970,065	\$ 1,256,689	\$ 1,275,423	\$ 1,321,284	\$ 1,368,985
Special Funds.....	21,241	56,021	53,446	53,485	53,459	53,419	53,462
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	92,602	86,564	272,056	73,594	87,320	87,497	91,242
<b>Total Operating.....</b>	<b>\$ 1,242,725</b>	<b>\$ 1,264,035</b>	<b>\$ 1,295,567</b>	<b>\$ 1,383,768</b>	<b>\$ 1,416,202</b>	<b>\$ 1,462,200</b>	<b>\$ 1,513,689</b>
Capital Bond Authorizations...	\$ 0	\$ 0	\$ 925,300	\$ 1,110,081	\$ 1,403,084	\$ 1,807,645	\$ 2,090,541
<b>Program Total.....</b>	<b>\$ 1,242,725</b>	<b>\$ 1,264,035</b>	<b>\$ 2,220,867</b>	<b>\$ 2,493,849</b>	<b>\$ 2,819,286</b>	<b>\$ 3,269,845</b>	<b>\$ 3,604,230</b>
<b>COMMONWEALTH TOTALS</b>							
General Fund.....	\$ 30,127,165	\$ 31,766,153	\$ 32,337,702	\$ 33,990,960	\$ 34,991,951	\$ 35,981,807	\$ 36,938,365
Special Funds.....	4,681,852	4,664,164	4,694,831	4,740,283	4,780,032	4,810,480	4,869,770
Federal Funds.....	26,601,554	28,808,382	28,696,904	29,609,251	30,318,048	31,052,310	31,865,396
Other Funds.....	14,287,813	14,915,794	15,298,864	15,101,209	15,180,843	15,279,778	15,398,282
<b>Total Operating.....</b>	<b>\$ 75,698,384</b>	<b>\$ 80,154,493</b>	<b>\$ 81,028,301</b>	<b>\$ 83,441,703</b>	<b>\$ 85,270,874</b>	<b>\$ 87,124,375</b>	<b>\$ 89,071,813</b>
Capital Bond Authorizations...	\$ 0	\$ 0	\$ 925,300	\$ 1,110,081	\$ 1,403,084	\$ 1,807,645	\$ 2,090,541
<b>Program Total.....</b>	<b>\$ 75,698,384</b>	<b>\$ 80,154,493</b>	<b>\$ 81,953,601</b>	<b>\$ 84,551,784</b>	<b>\$ 86,673,958</b>	<b>\$ 88,932,020</b>	<b>\$ 91,162,354</b>

## 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 commonwealth programs can be attained. This commonwealth program supports the administration's goals to streamline state government and achieve efficiencies. The Government that Works theme in the Overview and Summaries section highlights the administration's priorities in this program area.

Centralized functions affecting all agencies comprise 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, departments of General Services and Revenue, Ethics Commission, Health Care Cost Containment Council, the State Employees' Retirement System, Government Support Agencies and the Legislature.

### Contribution by Category and Subcategory

#### General Fund and Special Funds

(Dollar Amounts in Thousands)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
<b>Administrative and Support Services.....</b>	<b>\$ 162,874</b>	<b>\$ 180,412</b>	<b>\$ 176,260</b>	<b>\$ 221,086</b>	<b>\$ 221,086</b>	<b>\$ 221,185</b>	<b>\$ 221,086</b>
Executive Direction.....	104,570	119,680	113,158	157,984	157,984	158,083	157,984
Personnel Selection.....	1	1	1	1	1	1	1
Ethics Commission.....	2,371	2,433	2,591	2,591	2,591	2,591	2,591
eHealth Partnership Authority.....	1,500	0	0	0	0	0	0
Legal Services.....	3,222	3,823	3,983	3,983	3,983	3,983	3,983
Health Care Reporting.....	2,710	2,710	4,762	4,762	4,762	4,762	4,762
Government Support Agencies.....	48,500	51,765	51,765	51,765	51,765	51,765	51,765
<b>Fiscal Management.....</b>	<b>\$ 923,767</b>	<b>\$ 873,864</b>	<b>\$ 913,346</b>	<b>\$ 923,532</b>	<b>\$ 937,358</b>	<b>\$ 950,299</b>	<b>\$ 960,716</b>
Revenue Collection and Administration.....	805,183	750,452	794,892	808,327	822,153	835,094	845,511
Disbursement.....	72,268	75,178	73,683	70,434	70,434	70,434	70,434
Auditing.....	46,316	48,234	44,771	44,771	44,771	44,771	44,771
<b>Physical Facilities and Commodities Management.....</b>	<b>\$ 135,503</b>	<b>\$ 129,696</b>	<b>\$ 127,147</b>	<b>\$ 138,923</b>	<b>\$ 138,923</b>	<b>\$ 138,923</b>	<b>\$ 138,923</b>
Facility, Property and Commodity Management.....	135,503	129,696	127,147	138,923	138,923	138,923	138,923
<b>Legislative Processes.....</b>	<b>\$ 276,535</b>	<b>\$ 312,989</b>	<b>\$ 313,499</b>	<b>\$ 313,499</b>	<b>\$ 313,499</b>	<b>\$ 313,499</b>	<b>\$ 313,499</b>
Legislature.....	276,535	312,989	313,499	313,499	313,499	313,499	313,499
<b>Interstate Relations.....</b>	<b>\$ 1,025</b>	<b>\$ 1,040</b>	<b>\$ 1,060</b>	<b>\$ 1,060</b>	<b>\$ 1,060</b>	<b>\$ 1,060</b>	<b>\$ 1,060</b>
Interstate Relations.....	1,025	1,040	1,060	1,060	1,060	1,060	1,060
<b>PROGRAM TOTAL.....</b>	<b>\$ 1,499,704</b>	<b>\$ 1,498,001</b>	<b>\$ 1,531,312</b>	<b>\$ 1,598,100</b>	<b>\$ 1,611,926</b>	<b>\$ 1,624,966</b>	<b>\$ 1,635,284</b>

## Protection of Persons and Property

The goal of this commonwealth program is to provide an environment and a social system in which the lives and 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 Government that Works 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 and Securities, Attorney General, Department of Criminal Justice, Public Utility Commission, Liquor Control Board, Pennsylvania Emergency Management Agency, the Judiciary, Milk Marketing Board, 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, Military and Veterans Affairs and Transportation 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)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
<b>General Administration and Support.....</b> \$	45,529 \$	45,092 \$	56,833 \$	56,833 \$	56,833 \$	56,833 \$	56,833
Criminal and Juvenile Justice Planning.....	29,774	28,671	41,017	41,017	41,017	41,017	41,017
Environmental Support Services.....	15,755	16,421	15,816	15,816	15,816	15,816	15,816
<b>Public Protection and Law Enforcement.....</b> \$	1,240,892 \$	1,313,737 \$	1,245,109 \$	1,242,150 \$	1,236,628 \$	1,233,358 \$	1,206,556
State Police.....	1,000,487	1,058,677	982,100	979,153	978,436	977,653	950,851
Attorney General.....	95,677	95,583	94,302	94,302	94,302	94,302	94,302
Highway Safety Administration and Licensing.....	144,728	159,477	168,707	168,695	163,890	161,403	161,403
<b>Control and Reduction of Crime.....</b> \$	2,401,821 \$	2,563,525 \$	2,520,538 \$	2,506,878 \$	2,496,378 \$	2,485,978 \$	2,486,078
Institutionalization of Offenders.....	2,234,576	2,387,437	2,356,524	2,342,864	2,332,364	2,321,964	2,322,064
Reintegration of Adult Offenders.....	167,245	176,088	164,014	164,014	164,014	164,014	164,014
<b>Juvenile Crime Prevention.....</b> \$	21,745 \$	21,807 \$	21,803 \$	21,803 \$	21,803 \$	21,803 \$	21,803
Reintegration of Juvenile Delinquents.....	21,745	21,807	21,803	21,803	21,803	21,803	21,803
<b>Adjudication of Defendants.....</b> \$	342,431 \$	355,503 \$	355,503 \$	355,503 \$	355,503 \$	355,503 \$	355,503
State Judicial System.....	342,431	355,503	355,503	355,503	355,503	355,503	355,503
<b>Public Order and Community Safety.....</b> \$	36,387 \$	35,387 \$	40,394 \$	35,194 \$	35,194 \$	35,194 \$	35,194
Emergency Management.....	14,051	11,186	16,356	11,156	11,156	11,156	11,156
State Military Readiness.....	22,336	24,201	24,038	24,038	24,038	24,038	24,038
<b>Protection From Natural Hazards and Disasters.....</b> \$	129,244 \$	134,425 \$	136,210 \$	136,210 \$	136,210 \$	136,210 \$	136,210
Environmental Protection and Management.....	129,244	134,425	136,210	136,210	136,210	136,210	136,210
<b>Consumer Protection.....</b> \$	161,334 \$	166,900 \$	138,805 \$	138,340 \$	138,367 \$	138,350 \$	138,367
Consumer Protection.....	12,335	11,781	10,529	9,002	9,029	9,012	9,029
Insurance Industry Regulation.....	0	0	7,000	7,000	7,000	7,000	7,000

# Program Budget Summary

## Protection of Persons and Property (continued)

### Contribution by Category and Subcategory

#### General Fund and Special Funds

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>Consumer Protection (Continued)</b>							
Protection and Development of Agricultural Industries.....	148,999	155,119	121,276	122,338	122,338	122,338	122,338
<b>Community and Occupational Safety and Stability..... \$</b>	<b>26,594 \$</b>	<b>28,193 \$</b>	<b>22,218 \$</b>	<b>22,218 \$</b>	<b>22,218 \$</b>	<b>22,218 \$</b>	<b>22,218</b>
Community and Occupational Safety and Stability.....	24,284	25,742	19,584	19,584	19,584	19,584	19,584
Fire Prevention and Safety.....	2,310	2,451	2,634	2,634	2,634	2,634	2,634
<b>Prevention &amp; Elimination of Discriminatory Practices. \$</b>	<b>8,789 \$</b>	<b>9,419 \$</b>	<b>8,770 \$</b>	<b>8,770 \$</b>	<b>8,770 \$</b>	<b>8,770 \$</b>	<b>8,770</b>
Prevention & Elimination of Discriminatory Practices.....	8,789	9,419	8,770	8,770	8,770	8,770	8,770
<b>PROGRAM TOTAL.....</b>	<b>\$ 4,414,766 \$</b>	<b>\$ 4,673,988 \$</b>	<b>\$ 4,546,183 \$</b>	<b>\$ 4,523,899 \$</b>	<b>\$ 4,507,904 \$</b>	<b>\$ 4,494,217 \$</b>	<b>\$ 4,467,532</b>

## 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 high-quality basic education and special education programs, and through high-quality career and technical education and higher education. 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 Schools that Teach and the Jobs that Pay themes in the Overview and Summaries section highlight 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 Health and Human Services, Revenue 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)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
<b>Educational Support Services</b> ..... \$	26,297	\$ 27,959	\$ 30,318	\$ 30,318	\$ 30,318	\$ 30,318	\$ 30,318
Education Support Services.....	26,297	27,959	30,318	30,318	30,318	30,318	30,318
<b>Basic Education</b> ..... \$	10,757,454	\$ 11,422,746	\$ 11,878,421	\$ 12,517,262	\$ 13,095,430	\$ 13,536,342	\$ 13,966,029
PreK-12 Education.....	10,740,507	11,404,951	11,860,685	12,499,526	13,077,694	13,518,606	13,948,293
Public Utility Realty Payments.....	16,947	17,795	17,736	17,736	17,736	17,736	17,736
<b>Higher Education</b> ..... \$	1,589,176	\$ 1,628,496	\$ 1,624,505	\$ 1,662,328	\$ 1,662,328	\$ 1,662,328	\$ 1,662,328
Higher Education.....	1,275,622	1,307,207	1,316,091	1,353,914	1,353,914	1,353,914	1,353,914
Financial Assistance to Students.....	286,187	293,294	293,294	293,294	293,294	293,294	293,294
Financial Assistance to Institutions.....	27,367	27,995	15,120	15,120	15,120	15,120	15,120
<b>PROGRAM TOTAL</b> ..... \$	<b>12,372,927</b>	<b>\$ 13,079,201</b>	<b>\$ 13,533,244</b>	<b>\$ 14,209,908</b>	<b>\$ 14,788,076</b>	<b>\$ 15,228,988</b>	<b>\$ 15,658,675</b>

## 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 Government that Works theme in the Overview and Summaries section highlights the administration's priorities to maintain essential health and human services.

This program addresses the following substantive areas: research; prevention and treatment of physical, mental health and intellectual disabilities; 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 Department of Health and Human Services with contributions by the departments of Agriculture, Labor and Industry, Military and Veterans Affairs and Revenue.

### Contribution by Category and Subcategory

#### General Fund and Special Funds

(Dollar Amounts in Thousands)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
<b>Health and Human Services Support.....</b>	<b>\$ 163,533</b>	<b>\$ 175,295</b>	<b>\$ 206,948</b>	<b>\$ 206,948</b>	<b>\$ 206,948</b>	<b>\$ 206,948</b>	<b>\$ 206,948</b>
Health and Human Services Support.....	163,533	175,295	206,948	206,948	206,948	206,948	206,948
<b>Social Development of Individuals.....</b>	<b>\$ 1,529,498</b>	<b>\$ 1,708,695</b>	<b>\$ 1,801,351</b>	<b>\$ 1,801,651</b>	<b>\$ 1,801,651</b>	<b>\$ 1,801,651</b>	<b>\$ 1,801,651</b>
Human Services.....	1,077,988	1,275,948	1,317,270	1,317,570	1,317,570	1,317,570	1,317,570
Child Development.....	451,510	432,747	484,081	484,081	484,081	484,081	484,081
<b>Support of Older Pennsylvanians.....</b>	<b>\$ 801,893</b>	<b>\$ 843,687</b>	<b>\$ 264,700</b>	<b>\$ 266,100</b>	<b>\$ 263,700</b>	<b>\$ 261,400</b>	<b>\$ 259,200</b>
Community Services for Older Pennsylvanians.....	355,693	368,787	0	0	0	0	0
Homeowners and Renters Assistance.....	271,200	289,900	264,700	266,100	263,700	261,400	259,200
Pharmaceutical Assistance.....	175,000	185,000	0	0	0	0	0
<b>Income Maintenance.....</b>	<b>\$ 562,877</b>	<b>\$ 600,630</b>	<b>\$ 560,767</b>	<b>\$ 575,767</b>	<b>\$ 575,767</b>	<b>\$ 575,767</b>	<b>\$ 575,767</b>
Eligibility and Self-Sufficiency.....	545,301	580,175	540,000	555,000	555,000	555,000	555,000
Workers Compensation and Assistance.....	1,316	1,089	893	893	893	893	893
Military Compensation and Assistance.....	16,260	19,366	19,874	19,874	19,874	19,874	19,874
<b>Physical Health Treatment.....</b>	<b>\$ 7,493,146</b>	<b>\$ 7,821,844</b>	<b>\$ 8,432,014</b>	<b>\$ 8,955,175</b>	<b>\$ 9,299,442</b>	<b>\$ 9,636,771</b>	<b>\$ 10,030,958</b>
Medical Assistance and Health Care Delivery.....	4,974,537	4,976,809	5,152,145	4,979,505	4,993,940	5,108,607	5,250,809
Aging and Adult Community Living.....	2,151,728	2,458,320	3,017,116	3,710,367	4,040,199	4,262,861	4,514,846
Health Treatment Services.....	14,280	14,607	0	0	0	0	0
Health Support Services.....	47,962	53,799	0	0	0	0	0
Health Research.....	12,869	14,638	0	0	0	0	0
Emergency Food Assistance.....	20,517	21,267	21,267	21,267	21,267	21,267	21,267
Prevention and Treatment of Drug and Alcohol Abuse.....	46,601	47,604	0	0	0	0	0
Preventive Health.....	133,918	132,449	0	0	0	0	0
Veterans Homes.....	90,734	102,351	100,302	102,852	102,852	102,852	102,852
Public Health.....	0	0	117,449	117,449	117,449	117,449	117,449
Health Care Quality and Licensure.....	0	0	23,735	23,735	23,735	23,735	23,735
<b>Mental Health and Substance Use Services.....</b>	<b>\$ 812,551</b>	<b>\$ 843,412</b>	<b>\$ 877,578</b>	<b>\$ 879,514</b>	<b>\$ 875,514</b>	<b>\$ 875,514</b>	<b>\$ 875,514</b>
Mental Health and Substance Use Services.....	812,551	843,412	877,578	879,514	875,514	875,514	875,514
<b>Intellectual Disabilities.....</b>	<b>\$ 1,648,411</b>	<b>\$ 1,772,175</b>	<b>\$ 1,966,874</b>	<b>\$ 2,083,492</b>	<b>\$ 2,157,942</b>	<b>\$ 2,240,398</b>	<b>\$ 2,327,111</b>
Intellectual Disabilities.....	1,648,411	1,772,175	1,966,874	2,083,492	2,157,942	2,240,398	2,327,111
<b>PROGRAM TOTAL.....</b>	<b>\$ 13,011,909</b>	<b>\$ 13,765,738</b>	<b>\$ 14,110,232</b>	<b>\$ 14,768,647</b>	<b>\$ 15,180,964</b>	<b>\$ 15,598,449</b>	<b>\$ 16,077,149</b>



## 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 Jobs that Pay 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)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>Economic Development and Job Creation</b> ..... \$	169,204	79,987	90,330	90,330	90,330	90,330	90,330
PA Job Creation, Business Growth and Attraction.....	169,204	79,987	90,330	90,330	90,330	90,330	90,330
<b>Global Economic Development</b> ..... \$	5,829	6,022	6,022	6,022	6,022	6,022	6,022
PA Worldwide.....	5,829	6,022	6,022	6,022	6,022	6,022	6,022
<b>Innovative Economic Development</b> ..... \$	15,100	15,350	14,500	14,500	14,500	14,500	14,500
PA Innovation Economy.....	15,100	15,350	14,500	14,500	14,500	14,500	14,500
<b>Workforce Investment</b> ..... \$	50,894	52,894	50,586	50,586	50,586	50,586	50,586
Workforce Development.....	2,313	2,313	0	0	0	0	0
Vocational Rehabilitation.....	48,581	50,581	50,586	50,586	50,586	50,586	50,586
<b>Commonwealth Economic Assets</b> ..... \$	9,963	12,164	10,167	10,167	10,167	10,167	10,167
PA Assets.....	9,963	12,164	10,167	10,167	10,167	10,167	10,167
<b>Community Development</b> ..... \$	36,969	45,932	26,947	26,947	26,947	26,947	26,947
PA Core Communities.....	24,700	33,050	14,107	14,107	14,107	14,107	14,107
Public Utility Realty Payments.....	12,269	12,882	12,840	12,840	12,840	12,840	12,840
<b>PROGRAM TOTAL</b> ..... \$	<b>287,959</b>	<b>212,349</b>	<b>198,552</b>	<b>198,552</b>	<b>198,552</b>	<b>198,552</b>	<b>198,552</b>

## 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 Jobs that Pay 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)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
<b>Transportation Systems and Services.....</b>	\$ 1,908,712	\$ 1,815,002	\$ 1,946,032	\$ 1,973,496	\$ 2,007,212	\$ 2,052,355	\$ 2,128,439
Transportation Support Services.....	53,739	61,086	63,421	63,421	63,421	63,421	63,421
Highways and Bridges.....	1,394,588	1,246,799	1,370,657	1,391,315	1,428,922	1,473,693	1,549,393
Local Highway and Bridge Assistance.....	278,503	328,235	333,072	339,878	335,987	336,359	336,743
Multimodal Transportation.....	181,882	178,882	178,882	178,882	178,882	178,882	178,882
<b>PROGRAM TOTAL.....</b>	<b>\$ 1,908,712</b>	<b>\$ 1,815,002</b>	<b>\$ 1,946,032</b>	<b>\$ 1,973,496</b>	<b>\$ 2,007,212</b>	<b>\$ 2,052,355</b>	<b>\$ 2,128,439</b>

## 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)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
<b>Recreation</b> ..... \$	69,349 \$	113,961 \$	60,754 \$	65,754 \$	65,754 \$	125,754 \$	125,754
Parks and Forests Management.....	69,349	113,961	60,754	65,754	65,754	125,754	125,754
<b>Cultural Enrichment</b> ..... \$	93,568 \$	94,606 \$	82,713 \$	82,713 \$	82,713 \$	94,303 \$	94,303
State Historical Preservation.....	19,146	19,927	19,631	19,631	19,631	19,631	19,631
Local Museum Assistance.....	2,000	2,000	0	0	0	2,000	2,000
Development of Artists and Audiences.....	10,482	10,554	969	969	969	10,559	10,559
State Library Services.....	61,940	62,125	62,113	62,113	62,113	62,113	62,113
<b>PROGRAM TOTAL</b> ..... \$	<b>162,917 \$</b>	<b>208,567 \$</b>	<b>143,467 \$</b>	<b>148,467 \$</b>	<b>148,467 \$</b>	<b>220,057 \$</b>	<b>220,057</b>

## 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 Treasury Department participates in this program.

### Contribution by Category and Subcategory

#### General Fund and Special Funds

(Dollar Amounts in Thousands)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
Debt Service.....	\$ 1,150,123	\$ 1,177,471	\$ 1,023,511	\$ 1,310,174	\$ 1,328,882	\$ 1,374,703	\$ 1,422,447
Debt Service.....	1,150,123	1,177,471	1,023,511	1,310,174	1,328,882	1,374,703	1,422,447
<b>PROGRAM TOTAL.....</b>	<b>\$ 1,150,123</b>	<b>\$ 1,177,471</b>	<b>\$ 1,023,511</b>	<b>\$ 1,310,174</b>	<b>\$ 1,328,882</b>	<b>\$ 1,374,703</b>	<b>\$ 1,422,447</b>



Commonwealth of Pennsylvania

Governor's Executive Budget

# *SUMMARY*

*BY*

*FUND*

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# 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.



– THIS PAGE INTENTIONALLY LEFT BLANK –

## Financial Statement

The following financial statement and accompanying notes are a summary of the General Fund revenues and expenditures for the 2015-16 actual year, 2016-17 available year and 2017-18 budget year. The financial statement excludes augmentations and Federal funds that are detailed in subsequent tables.

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Beginning Balance</b> .....	\$ 274,457	\$ 1,991	\$ -605,572
Adjustment to Beginning Balance.....	-17,835	-510	0
Adjusted Beginning Balance.....	\$ 256,622	\$ 1,481	\$ -605,572
<b>Revenue:</b>			
Revenue Receipts.....	\$ 30,901,581	\$ 32,301,700	\$ 32,867,500
Proposed Revenue Changes.....	0	0	1,006,300
Gaming Expansion.....	0	100,000	150,000
Less Refunds.....	-1,250,000	-1,300,000	-1,320,000
Total Revenue.....	\$ 29,651,581	\$ 31,101,700	\$ 32,703,800
Prior Year Lapses.....	220,953	57,400	245,000
Funds Available.....	\$ 30,129,156	\$ 31,160,581	\$ 32,343,228
<b>Expenditures:</b>			
Appropriations.....	\$ 30,127,166	\$ 31,531,722	\$ 32,103,343
Supplemental Appropriations.....	0	234,431	0
New Initiatives.....	0	0	234,359
Less Current Year Lapses.....	-1	0	0
Total State Expenditures.....	\$ 30,127,165	\$ 31,766,153	\$ 32,337,702
Preliminary Balance.....	\$ 1,991	\$ -605,572	\$ 5,526
Less Transfer to Budget Stabilization			
Reserve Fund.....	0 <sup>a</sup>	0	-1,382 <sup>b</sup>
<b>Ending Balance</b> .....	<u>\$ 1,991</u>	<u>\$ -605,572</u>	<u>\$ 4,144</u>

<sup>a</sup> Act 85 of 2016 suspended the 25% transfer to the Budget Stabilization Reserve Fund for 2015-16.

<sup>b</sup> This budget proposes the reinstatement of the 25% transfer to the Budget Stabilization Reserve Fund for 2017-18.

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

**PROPOSED TAX AND REVENUE MODIFICATIONS**

	<b>2017-18 Estimated</b>
<b>Tax Revenue:</b>	
<b>Severance Tax</b> ..... Effective July 1, 2017, a severance tax of 6.5% is proposed on natural gas extraction.	\$ 293,800
<b>Sales and Use Tax (SUT)</b> ..... Effective July 1, 2017, eliminate the SUT exemption for custom programming, design and data processing.	330,300
<b>Sales and Use Tax (SUT)</b> ..... Effective July 1, 2017, eliminate the SUT exemption for commercial storage (excluding farm product and warehousing storage, and transportation services).	153,600
<b>Sales and Use Tax (SUT)</b> ..... Effective July 1, 2017, eliminate the SUT exemption for airline purchases of catered food and non-alcoholic beverages served to passengers in connection with the airline service.	800
<b>Sales and Use Tax (SUT)</b> ..... Effective July 1, 2017, eliminate the SUT exemption for aircraft sales, use, and repair.	5,100
<b>Corporate Net Income Tax (CNIT)</b> ..... Effective January 1, 2018, cap Net Operating Losses at 30% of taxable income. Effective January 1, 2019, the CNIT rate is proposed to be reduced from 9.99% to 8.99% accompanied by mandatory combined reporting. The CNIT rate is proposed to be further reduced to 7.99% in 2020; 6.99% in 2021; 6.49% in 2022 and thereafter.	81,200
<b>Insurance Premiums Tax (IPT)</b> ..... Effective January 1, 2018, expand IPT to most previously exempt insurance entities.	141,500
<b>TOTAL PROPOSED TAX AND REVENUE MODIFICATIONS</b> .....	<b><u>\$ 1,006,300</u></b>

The following transfer occurs in 2016-17:

Act 16A of 2016 transfers \$165 million from the Worker’s Compensation Security Fund.

This budget proposes the following modifications in 2017-18:

A \$100 million reduction in the amount available for tax credits.

A total of \$54 million in revenue collection maximization.

A minimum wage increase from \$7.25 per hour to \$12.00 per hour, generating \$95 million in revenue.

**NOTES ON FINANCIAL STATEMENT**

(Dollar Amounts in Thousands)

**SUPPLEMENTAL APPROPRIATIONS**

	<b>2016-17 Available</b>
<b>STATE SUPPLEMENTALS</b>	
<b>Treasury</b>	
Cash Management Loan Interest (EA).....	\$ 10,000
<b>Health and Human Services</b>	
Supplemental Grants - Aged, Blind and Disabled.....	\$ -136
Payment to Federal Government - Medicare Drug Program.....	30,939
Medical Assistance - Fee for Service.....	59,795
Medical Assistance - Capitation.....	-146,444
Long-Term Care.....	39,244
Home and Community-Based Services.....	73,680
Intellectual Disabilities - Community Waiver Program.....	48,548
Services to Persons with Disabilities.....	49,620
Attendant Care.....	46,865
Medical Assistance - Workers with Disabilities.....	22,320
<b>Human Services Total.....</b>	<b>\$ 224,431</b>
<b>TOTAL STATE SUPPLEMENTALS.....</b>	<b>\$ 234,431</b>
 <b>FEDERAL SUPPLEMENTALS</b>	
<b>Community and Economic Development</b>	
Federal Grant Initiatives.....	\$ 3,000
<b>Health and Human Services</b>	
Medical Assistance - Home & Community-Based Services.....	\$ 48,243
Education for Children with Disabilities-Early Intervention.....	328
CCDFBG - Child Care Services.....	15,195
Family Violence Prevention Services.....	3
Medical Assistance - Services to Persons with Disabilities.....	35,015
Medical Assistance - Attendant Care.....	30,784
Medical Assistance - Workers with Disabilities .....	2,885
<b>Human Services Total.....</b>	<b>\$ 132,453</b>
<b>Health</b>	
Epidemiology & Laboratory Surveillance & Response.....	\$ 5,968
<b>Drug and Alcohol Programs</b>	
Opioid - State Targeted Response.....	\$ 26,508
<b>Aging</b>	
Medical Assistance - Attendant Care.....	\$ 1,241
<b>Insurance</b>	
Insurance Market Reform.....	\$ 805
<b>TOTAL FEDERAL SUPPLEMENTALS.....</b>	<b>\$ 169,975</b>
<b>TOTAL SUPPLEMENTALS.....</b>	<b>\$ 404,406</b>

**State Funds by Department**

The following is a summary, by department, of 2015-16 actual expenditures, the 2016-17 amounts available and the 2017-18 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	<b>2015-16 Actual</b>	<b>2016-17 Available</b>	<b>2017-18 Budget</b>
Governor's Office.....	\$ 6,484	\$ 6,887	\$ 6,607
Executive Offices.....	169,074	184,068	180,040
Lieutenant Governor's Office.....	1,623	1,755	1,726
Attorney General.....	95,677	95,583	94,302
Auditor General.....	46,316	48,234	44,771
Treasury.....	1,177,272	1,171,765	1,018,002
Agriculture.....	136,788	143,658	109,315
Civil Service Commission.....	1	1	1
Community and Economic Development .....	223,723	145,500	134,053
Conservation and Natural Resources.....	62,349	106,961	53,754
Criminal Justice*.....	2,234,576	2,387,437	2,520,538
Probation and Parole*.....	167,245	176,088	-
Education***.....	12,103,266	12,801,142	13,268,107
Higher Education Assistance Agency.....	313,554	321,289	308,414
eHealth Partnership Authority.....	1,500	-	-
Emergency Management Agency.....	16,361	13,637	18,990
Environmental Protection****.....	144,999	150,846	152,026
Ethics Commission.....	2,371	2,433	2,591
General Services.....	125,183	119,390	117,847
Health Care Cost Containment Council.....	2,710	2,710	4,762
Historical and Museum Commission.....	21,146	21,927	19,631
Health**.....	209,029	215,493	-
Health and Human Services**.....	11,515,910	12,206,832	12,897,192
Drug and Alcohol Programs**.....	46,601	47,604	-
Insurance.....	-	-	7,000
Labor and Industry.....	76,494	79,725	71,063
Military and Veterans Affairs.....	129,330	145,918	144,214
Revenue*****.....	170,356	178,788	186,248
State.....	12,335	11,781	10,529
State Police.....	245,873	256,938	243,587
Transportation.....	1,553	1,506	1,625
Legislature.....	276,535	312,989	313,499
Judiciary.....	342,431	355,503	355,503
Government Support Agencies.....	48,500	51,765	51,765
<b>GRAND TOTAL *****</b> .....	<b>\$ 30,127,165</b>	<b>\$ 31,766,153</b>	<b>\$ 32,337,702</b>

\* Probation and Parole has been transferred to the Department of Criminal Justice (2017-18).

\*\* Departments of Drug & Alcohol Programs and Health have been transferred to the Department of Health and Human Services (2017-18).

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

\*\*\*\* Includes Environmental Hearing Board.

\*\*\*\*\* Excludes refunds.

\*\*\*\*\* Available year amounts exclude current year lapses.

**Federal Funds by Department**

The following is a summary of Federal funds, by department, 2015-16 actual expenditures, the 2016-17 amounts available and the 2017-18 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	2015-16 Actual	2016-17 Available	2017-18 Budget
Executive Offices.....	\$ 106,549	\$ 147,356	\$ 149,981
Lieutenant Governor's Office.....	50	38	-
Attorney General.....	21,586	21,195	21,082
Agriculture.....	71,610	54,003	56,303
Community and Economic Development.....	232,889	247,739	251,419
Conservation and Natural Resources.....	41,324	40,875	32,517
Criminal Justice*.....	6,032	6,033	5,958
Probation and Parole*.....	392	387	-
Education.....	2,393,197	2,410,726	2,388,024
eHealth Partnership Authority.....	10,000	-	-
Emergency Management Agency.....	204,590	215,560	161,092
Environmental Protection**.....	193,050	218,228	217,900
Health and Human Services***.....	19,503,843	21,390,586	22,312,057
Health***.....	597,824	614,663	-
Drug and Alcohol Programs***.....	82,092	108,092	-
Aging***.....	229,661	167,994	-
Historical and Museum Commission.....	9,956	8,083	7,996
Infrastructure Investment Authority.....	170,535	178,591	167,500
Insurance.....	4,578	4,555	8,750
Labor and Industry.....	491,536	491,643	499,861
Military and Veterans Affairs.....	260,583	256,281	191,248
Public Utility Commission.....	3,061	2,680	5,537
State.....	14,416	12,960	10,557
State Police.....	23,519	22,199	21,437
Transportation.....	253,000	155,498	155,498
Judiciary.....	1,413	2,045	1,758
Government Support Agencies.....	1,280	1,280	1,280
<b>GRAND TOTAL.....</b>	<b>\$ 24,928,566</b>	<b>\$ 26,779,290</b>	<b>\$ 26,667,755</b>

\* Probation and Parole has been transferred to the Department of Criminal Justice (2017-18).

\*\* Includes Environmental Hearing Board.

\*\*\* Departments of Aging, Drug & Alcohol Programs and Health have been transferred to the Department of Health and Human Services (2017-18).

**Augmentations by Department**

The following is a summary of augmentations, by department, of 2015-16 actual expenditures, the 2016-17 amounts available and the 2017-18 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	2015-16	2016-17	2017-18
	Actual	Available	Budget
Executive Offices.....	\$ 117,449	\$ 123,371	\$ 120,323
Attorney General*.....	15,148	15,721	18,725
Auditor General.....	11,026	11,521	11,625
Treasury.....	13,783	7,144	208,220
Agriculture.....	7,467	6,380	7,498
Banking and Securities.....	8,005	8,500	8,500
Civil Service Commission.....	14,131	13,770	13,514
Community and Economic Development*.....	14,618	8,457	7,625
Conservation and Natural Resources.....	53,390	58,016	60,142
Criminal Justice**.....	15,114	14,147	36,882
Probation and Parole**.....	23,087	22,397	-
Education*.....	3,756	4,588	6,532
Higher Education Assistance Agency.....	135,000	97,000	97,500
Emergency Management Agency.....	520	1,050	1,050
Environmental Protection* ***.....	33,815	38,732	42,255
General Services.....	47,876	58,991	61,068
Health and Human Services* ****.....	2,383,173	2,574,940	2,669,933
Health* ****.....	33,276	37,399	-
Drug and Alcohol Programs****.....	2,502	2,503	-
Historical and Museum Commission.....	1,132	1,271	1,349
Labor and Industry*.....	2,177	2,095	9,078
Military and Veterans Affairs.....	34,095	33,537	35,416
Public Utility Commission*.....	69,640	71,947	72,766
Revenue.....	51,242	72,493	53,193
State*.....	61,196	64,166	66,936
State Police*.....	75,157	76,289	167,410
Judiciary*.....	48,645	57,048	57,048
<b>GRAND TOTAL.....</b>	<b>\$ 3,276,420</b>	<b>\$ 3,483,473</b>	<b>\$ 3,834,588</b>

\* Includes funds appropriated from restricted revenues.

\*\* Probation and Parole has been transferred to the Department of Criminal Justice (2017-18).

\*\*\* Includes Environmental Hearing Board.

\*\*\*\* Departments of Drug & Alcohol Programs and Health have been transferred to the Department of Health and Human Services (2017-18).



# 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)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>TAX REVENUE</b>							
<b>Corporation Taxes</b>							
Corporate Net Income Tax.....	\$ 2,842,388	\$ 2,766,000	\$ 2,868,000	\$ 2,998,000	\$ 3,588,900	\$ 3,049,100	\$ 2,739,600
Capital Stock and Franchise Taxes.....	150,580	30,900	0	0	0	0	0
Selective Business:							
Gross Receipt Tax.....	1,304,907	1,294,100	1,279,700	1,280,000	1,280,100	1,279,100	1,279,100
Public Utility Realty Tax.....	39,211	39,100	39,500	39,900	40,300	40,700	41,100
Insurance Premium Tax.....	464,626	460,200	569,500	596,200	614,600	630,300	664,000
Financial Institutions Taxes.....	329,997	371,000	382,400	388,800	395,300	401,300	407,600
Severance Tax.....	0	0	293,800	441,900	528,100	596,200	703,400
Total - Corporation Taxes.....	<u>\$ 5,131,709</u>	<u>\$ 4,961,300</u>	<u>\$ 5,432,900</u>	<u>\$ 5,744,800</u>	<u>\$ 6,447,300</u>	<u>\$ 5,996,700</u>	<u>\$ 5,834,800</u>
<b>Consumption Taxes</b>							
Sales and Use Tax.....	\$ 9,795,189	\$ 9,985,500	\$ 10,825,200	\$ 11,214,200	\$ 11,596,500	\$ 11,871,500	\$ 12,150,200
Cigarette Tax.....	911,512	1,244,400	1,258,400	1,218,000	1,178,800	1,141,600	1,106,100
Other Tobacco Products Tax.....	0	62,700	100,400	101,400	102,400	103,400	104,400
Malt Beverage Tax.....	24,946	24,800	24,800	24,800	24,800	24,800	24,800
Liquor Tax.....	348,056	370,900	389,100	402,300	415,500	429,100	443,100
Total - Consumption Taxes.....	<u>\$ 11,079,703</u>	<u>\$ 11,688,300</u>	<u>\$ 12,597,900</u>	<u>\$ 12,960,700</u>	<u>\$ 13,318,000</u>	<u>\$ 13,570,400</u>	<u>\$ 13,828,600</u>
<b>Other Taxes</b>							
Personal Income Tax.....	\$ 12,505,964	\$ 12,897,400	\$ 13,664,900	\$ 14,282,200	\$ 14,846,300	\$ 15,611,500	\$ 16,213,200
Realty Transfer Tax.....	481,720	495,900	506,200	523,700	531,800	548,800	554,000
Inheritance Tax.....	962,234	993,500	1,016,500	1,062,200	1,107,400	1,123,200	1,170,200
Table Games.....	100,200	120,800	126,300	133,000	117,100	117,500	119,200
Minor and Repealed Taxes.....	-3,710 <sup>a</sup>	-36,800	-54,100	-67,900	-87,000	-114,500	-137,300
Total - Other Taxes.....	<u>\$ 14,046,408</u>	<u>\$ 14,470,800</u>	<u>\$ 15,259,800</u>	<u>\$ 15,933,200</u>	<u>\$ 16,515,600</u>	<u>\$ 17,286,500</u>	<u>\$ 17,919,300</u>
<b>TOTAL TAX REVENUES.....</b>	<u><b>\$ 30,257,820</b></u>	<u><b>\$ 31,120,400</b></u>	<u><b>\$ 33,290,600</b></u>	<u><b>\$ 34,638,700</b></u>	<u><b>\$ 36,280,900</b></u>	<u><b>\$ 36,853,600</b></u>	<u><b>\$ 37,582,700</b></u>
<b>NONTAX REVENUE</b>							
State Stores Fund Transfer.....	\$ 0	\$ 216,400	\$ 185,100	\$ 185,100	\$ 185,100	\$ 185,100	\$ 185,100
Gaming Expansion.....	0	100,000	150,000	150,000	150,000	150,000	150,000
Licenses, Fees and Miscellaneous:							
Licenses and Fees.....	116,716	191,000	117,500	117,500	117,500	117,500	117,500
Miscellaneous.....	455,091	700,800	211,200	208,300	208,400	208,500	208,600
Fines, Penalties and Interest:							
Other.....	71,954	73,100	69,400	69,400	69,400	69,400	69,400
<b>TOTAL NONTAX REVENUES.....</b>	<u><b>\$ 643,761</b></u>	<u><b>\$ 1,281,300</b></u>	<u><b>\$ 733,200</b></u>	<u><b>\$ 730,300</b></u>	<u><b>\$ 730,400</b></u>	<u><b>\$ 730,500</b></u>	<u><b>\$ 730,600</b></u>
<b>GENERAL FUND TOTAL.....</b>	<u><u><b>\$ 30,901,581</b></u></u>	<u><u><b>\$ 32,401,700</b></u></u>	<u><u><b>\$ 34,023,800</b></u></u>	<u><u><b>\$ 35,369,000</b></u></u>	<u><u><b>\$ 37,011,300</b></u></u>	<u><u><b>\$ 37,584,100</b></u></u>	<u><u><b>\$ 38,313,300</b></u></u>

<sup>a</sup> This includes revenues originally collected under the Other Selective Business Taxes revenue classification.

Totals may not add due to rounding.

## Adjustments to Revenue Estimate

On July 13, 2016, the Official Estimate for fiscal year 2016-17 was certified to be \$32,776,400,000. 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 as well as tax proposals for the budget.

	(Dollar Amounts in Thousands)		
	2016-17 Official Estimate	Adjustments	2016-17 Revised Estimate
<b>TAX REVENUE</b>			
<b>Corporation Taxes</b>			
Corporate Net Income Tax.....	\$ 2,982,400	\$ -216,400	\$ 2,766,000
Capital Stock and Franchise Taxes.....	11,300	19,600	30,900
Selective Business:			
Gross Receipts Tax.....	1,288,300	5,800	1,294,100
Public Utility Realty Tax.....	39,600	-500	39,100
Insurance Premiums Tax.....	463,700	-3,500	460,200
Financial Institutions Tax.....	369,000	2,000	371,000
Other Selective Business Taxes.....	0	0	0
Total — Corporation Taxes.....	<u>\$ 5,154,300</u>	<u>\$ -193,000</u>	<u>\$ 4,961,300</u>
<b>Consumption Taxes</b>			
Sales and Use Tax.....	\$ 10,204,500	\$ -219,000	\$ 9,985,500
Cigarette Tax.....	1,314,700	-70,300	1,244,400
Other Tobacco Products Tax.....	62,700	0	62,700
Malt Beverage Tax.....	24,500	300	24,800
Liquor Tax.....	373,000	-2,100	370,900
Total — Consumption Taxes.....	<u>\$ 11,979,400</u>	<u>\$ -291,100</u>	<u>\$ 11,688,300</u>
<b>Other Taxes</b>			
Personal Income Tax.....	\$ 13,052,000	\$ -154,600	\$ 12,897,400
Realty Transfer Tax.....	554,500	-58,600	495,900
Inheritance Tax.....	1,000,300	-6,800	993,500
Table Games.....	120,800	0	120,800
Minor and Repealed Taxes.....	-70,700	33,900	-36,800
Total — Other Taxes.....	<u>\$ 14,656,900</u>	<u>\$ -186,100</u>	<u>\$ 14,470,800</u>
<b>TOTAL TAX REVENUE.....</b>	<u><b>\$ 31,790,600</b></u>	<u><b>\$ -670,200</b></u>	<u><b>\$ 31,120,400</b></u>
<b>NONTAX REVENUE</b>			
State Stores Fund Transfer.....	\$ 216,400	\$ 0	\$ 216,400
Licenses Fees and Miscellaneous:			
Licenses and Fees.....	193,100	-2,100	191,000
Miscellaneous.....	509,500	191,300	700,800
Fines, Penalties and Interest:			
Other.....	66,800	6,300	73,100
Gaming Expansion.....	0	100,000	100,000
<b>TOTAL NONTAX REVENUES.....</b>	<u><b>\$ 985,800</b></u>	<u><b>\$ 295,500</b></u>	<u><b>\$ 1,281,300</b></u>
<b>GENERAL FUND TOTAL.....</b>	<u><u><b>\$ 32,776,400</b></u></u>	<u><u><b>\$ -374,700</b></u></u>	<u><u><b>\$ 32,401,700</b></u></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 single sales factor apportionment formula for tax year 2013 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.

**Proposed Change:** The cap for net operating losses will be changed to 30% of taxable income. The base of the tax will be changed to mandatory unitary combined reporting, effective for tax years beginning January 1, 2018 and after.

A lower rate will be in effect as follows:

January 1, 2019 to December 31, 2019 .....	8.99%
January 1, 2020 to December 31, 2020 .....	7.99%
January 1, 2021 to December 31, 2021 .....	6.99%
January 1, 2020 and thereafter .....	6.49%

## 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.

<b>Tax Rates:</b> January 1, 2016 and thereafter.....	0.00 mill	The tax will be eliminated for tax years beginning on or after January 1, 2016.
January 1, 2015 through December 31, 2015 ....	0.45 mill	(including \$40 million transfer to the Hazardous Sites Cleanup Fund).
January 1, 2014 through December 31, 2014 ....	0.67 mill	(including \$40 million transfer to the Hazardous Sites Cleanup Fund).
January 1, 2013 through December 31, 2013 ....	0.89 mill	(including \$40 million transfer to the Hazardous Sites Cleanup Fund).
January 1, 2012 through December 31, 2012 ....	1.89 mills	(including \$40 million transfer to the Hazardous Sites Cleanup Fund).
January 1, 2009 through December 31, 2011 ....	2.89 mills	(including \$40 million transfer to the Hazardous Sites Cleanup Fund).
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).

# General Fund Revenue Sources

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.

<b>Tax Rates:</b> July 1, 1991 to Current .....	45 mills plus a 5 mill surtax (electric utilities pay 44 mills or a rate as adjusted by the revenue neutral reconciliation 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 was 1.6 mills. There is no surcharge for tax years 2012, 2013, or 2014.

**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.

**Proposed Change:** For tax years beginning on or after January 1, 2018, the tax will be imposed on most previously exempt insurance entities.

## 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. Act 84-2016 changed the source for income in the receipts definition from the federal tax return to the Consolidated Reports of Condition, clarified the deduction for goodwill generated from combination activity and the apportionment of receipts from investment and trading assets and activity, and changed the tax rate to 0.95 percent. Effective January 1, 2018, it provides a phased-in deduction for Edge Act corporation equity.

**Tax Rates:**

<u>Bank and Trust Company Shares Tax</u>	
January 1, 2017 and thereafter .....	0.950 percent
January 1, 2014 to December 31, 2016 .....	0.890 percent
January 1, 1990 to December 31, 2013 .....	1.250 percent
January 1, 1989 to December 31, 1989 .....	10.770 percent
January 1, 1984 to December 31, 1988 .....	1.075 percent

<u>Title Insurance Companies Shares Tax</u>	
January 1, 1990 and thereafter .....	1.250 percent
January 1, 1989 to December 31, 1989 .....	10.770 percent
January 1, 1984 to December 31, 1988 .....	1.075 percent

<u>Mutual Thrift Institution Tax</u>	
January 1, 1991 and thereafter .....	11.500 percent
January 1, 1987 to December 31, 1990 .....	12.500 percent

**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.

## Severance Tax on Natural Gas

**Proposed Change:** A new tax on the severance of natural gas within the commonwealth is proposed. The rate is 6.5% of the value of the natural gas. The proposed tax would be effective July 1, 2017. The amount paid in unconventional gas well impact fees can be taken as a credit against the severance 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.

**Proposed Change:** Sales and use tax exemptions would be eliminated for commercial storage; computer services; aircraft sales, use, and repair; and airline catering, effective July 1, 2017.

## 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 13.00 cents per cigarette. Beginning in fiscal year 2002-03, fixed annual amounts are transferred to the Children's Health Insurance Program (CHIP) and the Agricultural Conservation Easement Purchase (ACEP) Fund. The current CHIP transfer is \$30.73 million while the ACEP transfer is \$25.49 million. The revenues shown for the General Fund are net of these transfers.

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

## Other Tobacco Products Tax

---

**Tax Base:** The tax is levied on smokeless tobacco, pipe tobacco, e-cigarettes, including any liquid or substance placed in or sold for use in an e-cigarette, and any other tobacco products for chewing, ingesting or smoking, except cigars.

**Tax Rates:** The tax rate on the sale of e-cigarettes, including any liquid or substance placed in or sold for use in an e-cigarette, is 40 percent of the purchase price from the wholesaler. The rate of tax on roll-your-own, pipe tobacco and smokeless tobacco is 55 cents (\$0.55) per ounce, with a minimum tax per package of 66 cents (\$0.66).

**Reference:** Purdon's Title 72 P.S. § 8201-A 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 ( $1\phi$ ) 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. A wine excise tax of \$2.50 per gallon is imposed on direct wine shipments in lieu of the 18 percent liquor 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, including cash prizes of the Pennsylvania Lottery, 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 including 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.

# General Fund Revenue Sources

**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 was levied when the Federal estate tax credit for State death taxes exceeded a decedent's Inheritance Tax liability. As a result of the American Taxpayer Relief Act of 2012, the federal estate tax credit for State death taxes will not return.

**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 equaled 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 is 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. However, Act 84-2016 sets the tax rate at 14 percent for all licensed gaming entities for the period August 1, 2016 through June 30, 2019. 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). 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. Also included in minor and repealed is a transfer to the Neighborhood Improvement Zone Fund, as established by Act 50 of 2009, Act 26 of 2011, and Act 87 of 2012 and a transfer to the City Revitalization and Improvement Zone Fund, as established by Act 52 of 2013.

## 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 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)

	2015-16 Actual	2016-17 Estimated	2017-18 Budget
<b>TAX REVENUE</b>			
<b>Corporate Net Income Tax</b> .....	\$ 2,842,388	\$ 2,766,000	\$ 2,868,000
<b>Capital Stock and Franchise Taxes</b>			
Corporate Stock Taxes - Domestic.....	\$ 27,375	\$ 5,600	\$ 0
Franchise Taxes - Foreign.....	123,205	25,300	0
SUBTOTAL.....	\$ 150,580	\$ 30,900	\$ 0
<b>Gross Receipt Tax</b>			
Electric, Hydroelectric and Water Power.....	\$ 907,194	\$ 896,300	\$ 901,100
Telephone and Telegraph.....	399,379	394,300	375,100
Transportation.....	-1,666	3,500	3,500
SUBTOTAL.....	\$ 1,304,907	\$ 1,294,100	\$ 1,279,700
<b>Public Utility Realty Tax</b> .....	\$ 39,211	\$ 39,100	\$ 39,500
<b>Insurance Premium Tax</b>			
Domestic Casualty.....	\$ 87,696	\$ 86,900	\$ 222,300
Domestic Fire.....	20,851	20,700	19,200
Domestic Life and Previously Exempted Lines.....	73,776	73,100	68,000
Excess Insurance Brokers.....	33,825	33,500	31,200
Foreign Excess Casualty.....	10,440	10,300	9,600
Foreign Excess Fire.....	3,019	3,000	2,800
Foreign Life.....	225,872	223,700	208,100
Marine.....	353	0	0
Marine.....	0	400	300
Title Insurance.....	5,971	5,900	5,500
Unauthorized Insurance.....	2,823	2,700	2,500
SUBTOTAL.....	\$ 464,626	\$ 460,200	\$ 569,500
<b>Financial Institutions Taxes</b>			
Federal Mutual Thrift Institutions.....	\$ 10,374	\$ 11,600	\$ 12,200
National Banks.....	241,202	271,200	279,300
State Banks.....	53,420	60,100	61,900
State Mutual Thrift Institutions.....	5,672	6,400	6,700
Trust Companies.....	19,329	21,700	22,300
SUBTOTAL.....	\$ 329,997	\$ 371,000	\$ 382,400
<b>Severance Tax</b> .....	\$ 0	\$ 0	\$ 293,800
<b>Sales and Use Tax</b>			
Motor Vehicle.....	\$ 1,347,238	\$ 1,386,500	\$ 1,431,800
Non-Motor Vehicle.....	8,447,951	8,599,000	9,393,400
SUBTOTAL.....	\$ 9,795,189	\$ 9,985,500	\$ 10,825,200
<b>Cigarette Tax</b> .....	\$ 911,512	\$ 1,244,400	\$ 1,258,400
<b>Other Tobacco Products Tax</b> .....	\$ 0	\$ 62,700	\$ 100,400
<b>Malt Beverage Tax</b> .....	\$ 24,946	\$ 24,800	\$ 24,800
<b>Liquor Tax</b> .....	\$ 348,056	\$ 370,900	\$ 389,100

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Estimated	2017-18 Budget
<b>Personal Income Tax</b>			
Non-Withholding.....	\$ 3,115,354	\$ 3,214,700	\$ 3,482,100
Withholding.....	9,390,610	9,682,700	10,182,800
SUBTOTAL.....	<u>\$ 12,505,964</u>	<u>\$ 12,897,400</u>	<u>\$ 13,664,900</u>
<b>Realty Transfer Tax</b> .....	<u>\$ 481,720</u>	<u>\$ 495,900</u>	<u>\$ 506,200</u>
<b>Inheritance Tax</b>			
Nonresident Inheritance and Estate Tax.....	\$ 6,960	\$ 7,200	\$ 7,400
Resident Inheritance and Estate Tax.....	955,274	986,300	1,009,100
SUBTOTAL.....	<u>\$ 962,234</u>	<u>\$ 993,500</u>	<u>\$ 1,016,500</u>
<b>Table Games</b> .....	<u>\$ 100,200</u>	<u>\$ 120,800</u>	<u>\$ 126,300</u>
<b>Minor and Repealed Taxes</b>			
Tax on Writs, Wills and Deeds.....	\$ 1,106	\$ 1,100	\$ 1,100
Tavern Games/Small Games of Chance.....	1,691	1,400	1,400
Unallocated EFT Payments.....	-27	500	-500
Excess Vehicle Rental Tax.....	8,285	9,000	9,000
Spiritous and Vinous.....	2	0	0
Wine Excise Tax.....	0	100	2,400
Clearing of Wage Garnishment Collections.....	2,022	2,000	1,000
NIZ State Tax Transfer.....	-24,240	-50,300	-56,600
CRIZ State Tax Transfer.....	-22	-3,600	-12,500
Delinquent Notice Clear.....	1,334	1,300	0
Tax on Electric Cooperatives.....	21 a	0	0
Corporate Net Inc Tax-Agrl Cooperative Assns.....	248 a	0	0
Gross Receipts-Private Bankers.....	320 a	0	0
Loans Tax-Foreign.....	3,913 a	900	0
Corporation Taxes.....	1,848 a	800	600
Tavern Games.....	-211 a	0	0
SUBTOTAL.....	<u>\$ -3,710</u>	<u>\$ -36,800</u>	<u>\$ -54,100</u>
<b>TOTAL TAX REVENUE</b> .....	<u><u>\$ 30,257,820</u></u>	<u><u>\$ 31,120,400</u></u>	<u><u>\$ 33,290,600</u></u>
<b>NONTAX REVENUE</b>			
<b>State Stores Fund Transfer</b> .....	<u>0</u>	<u>216,400</u>	<u>185,100</u>
<b>Licenses, Fees and Miscellaneous</b>			
<b>Executive Offices</b>			
<b>MISCELLANEOUS REVENUE</b>			
Right to Know.....	\$ 1	\$ 1	\$ 1
Miscellaneous.....	-4	-4	-4
Interest Transferred To Employee Benefits.....	-2,074	-2,074	-2,074
Refunds of Expenditures Not Credited to Appropriations.....	14	14	14
SUBTOTAL.....	<u>\$ -2,063</u>	<u>\$ -2,063</u>	<u>\$ -2,063</u>
DEPARTMENT TOTAL.....	<u><u>\$ -2,063</u></u>	<u><u>\$ -2,063</u></u>	<u><u>\$ -2,063</u></u>
<b>Lieutenant Governor's Office</b>			
<b>LICENSES AND FEES</b>			
Board Of Pardons Fees.....	\$ 18	\$ 18	\$ 18

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Estimated	2017-18 Budget
Board Of Pardons - Filing Fees.....	5	5	5
SUBTOTAL.....	\$ 23	\$ 23	\$ 23
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	\$ *	\$ *	\$ *
Right to Know.....	*	*	*
SUBTOTAL.....	\$ 0	\$ 0	\$ 0
DEPARTMENT TOTAL.....	\$ 23	\$ 23	\$ 23
<b>Auditor General</b>			
<b>LICENSES AND FEES</b>			
Filing Fees - Board of Arbitration of Claims.....	\$ 2	\$ 0	\$ 0
DEPARTMENT TOTAL.....	\$ 2	\$ 0	\$ 0
<b>Attorney General</b>			
<b>MISCELLANEOUS REVENUE</b>			
Assessed Civil Penalties Payments.....	\$ 308	\$ 503	\$ 503
Miscellaneous Interest Offset for Appropriation 611.....	-202	-110	-110
Miscellaneous.....	5,136	20,040	40
Refunds of Expenditures Not Credited to Appropriations.....	17	30	30
SUBTOTAL.....	\$ 5,259	\$ 20,463	\$ 463
DEPARTMENT TOTAL.....	\$ 5,259	\$ 20,463	\$ 463
<b>Treasury Department</b>			
<b>MISCELLANEOUS REVENUE</b>			
Allocation Of Treasury Costs.....	\$ 4,529	\$ 4,100	\$ 4,000
Dividend Income Reinvested - Long Term.....	1	0	0
Interest On Average Collected Balance - WIC Program.....	17	12	12
Interest On Deposits.....	54	60	63
Interest On Securities.....	-1	1	1
Miscellaneous.....	107	100	100
Redeposit of Checks.....	-320	500	350
Treasury Invest Inc.....	9,163	10,435	10,974
Unclaimed Property - Claim Payments.....	-157,000	-150,000	-130,000
Unclaimed Property - Financial Institution Deposits.....	83,616	55,000	45,000
Unclaimed Property - Other Holder Deposits.....	324,125	278,700	230,000
Interest Transferred To Hodge Trust Fund.....	*	*	*
SUBTOTAL.....	\$ 264,291	\$ 198,908	\$ 160,500
DEPARTMENT TOTAL.....	\$ 264,291	\$ 198,908	\$ 160,500
<b>Department of Agriculture</b>			
<b>LICENSES AND FEES</b>			
Abattoir Licenses.....	\$ 1	\$ 1	\$ 1
Approved Inspectors Certificate And Registration Fees.....	3	3	3
Eating & Drinking Licenses.....	2,319	2,500	2,500
Egg Certification Fees.....	11	12	12
Garbage Feeders Licenses.....	*	*	*
Ice Cream Licenses.....	146	150	150
Lab Directors' Exam Fees.....	5	2	2
Livestock Branding Fees.....	*	*	*
Poultry Technician Licenses.....	6	6	6
Pub Weighmasters (Under Act 155).....	255	200	200
Registration Fee - Food Establishment.....	217	235	235
Rendering Plant Licenses.....	2	2	2
SUBTOTAL.....	\$ 2,965	\$ 3,111	\$ 3,111
<b>MISCELLANEOUS REVENUE</b>			
Interest Earnings Contra BA68.....	\$ -11	\$ 0	\$ 0

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Estimated	2017-18 Budget
Miscellaneous.....	*	*	*
Refunds of Expenditures Not Credited to Appropriations.....	*	*	*
Right to Know.....	*	*	*
SUBTOTAL.....	\$ -11	\$ 1	\$ 1
DEPARTMENT TOTAL.....	\$ 2,954	\$ 3,112	\$ 3,112
<b>Department of Banking and Securities</b>			
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	\$ *	\$ *	\$ *
<b>LICENSES AND FEES</b>			
Licenses and Fees.....	\$ 27,267	\$ 27,338	\$ 27,338
DEPARTMENT TOTAL.....	\$ 27,267	\$ 27,338	\$ 27,338
<b>Department of Community and Economic Development</b>			
<b>LICENSES AND FEES</b>			
Municipal Indebtedness Fees.....	\$ 254	\$ 250	\$ 250
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	\$ 1	\$ 2	\$ 2
Contract Interest.....	30	30	30
HRA/EDS Principle Repayments.....	109	9	0
HRA/EDS Interest on Loans.....	1	0	0
HRA/EDS Penalty Charges.....	1	1	1
ID/BID Principle Repayments.....	1,063	426	435
ID/BID Interest on Loans.....	115	96	85
PENNWORKS Interest on Loans.....	1,047	880	850
PENNWORKS Penalty Charges.....	1	1	1
PENNWORKS Principle Repayment.....	5,433	3,700	3,900
Refunds of Expenditures Not Credited to Appropriations.....	2	2	2
GENERAL Interest on Loans.....	0	7	7
GENERAL Principle Repayments.....	0	21	22
SUBTOTAL.....	\$ 7,803	\$ 5,175	\$ 5,335
DEPARTMENT TOTAL.....	\$ 8,057	\$ 5,425	\$ 5,585
<b>Department of Conservation and Natural Resources</b>			
<b>MISCELLANEOUS REVENUE</b>			
Camp Leases.....	\$ 760	\$ 798	\$ 798
Ground Rents.....	1	15	15
Housing Rents.....	23	24	24
Mineral Sales.....	2	2	2
Miscellaneous.....	4	5	5
Sale of DEP Water Kits.....	2	2	2
Parks Consignment Sales.....	*	*	*
Refunds of Expenditures Not Credited to Appropriations.....	*	*	*
Rights-Of-Way.....	1,061	1,000	1,000
Water Leases.....	8	18	18
SUBTOTAL.....	\$ 1,861	\$ 1,865	\$ 1,865
DEPARTMENT TOTAL.....	\$ 1,861	\$ 1,865	\$ 1,865
<b>Department of Corrections and Rehabilitation</b>			
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	\$ 48	\$ 0	\$ 0 b
Refunds of Expenditures Not Credited to Appropriations.....	5	0	0 b
Telephone Commissions.....	3,519	3,750	3,850 b
SUBTOTAL.....	\$ 3,572	\$ 3,750	\$ 3,850
DEPARTMENT TOTAL.....	\$ 3,572	\$ 3,750	\$ 3,850

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Estimated	2017-18 Budget
<b>Department of Education</b>			
<b>LICENSES AND FEES</b>			
Fees For GED Transcripts.....	\$ 49	\$ 9	\$ 0
Fees For Licensing Private Schools.....	143	148	145
PDE Fees Transcripts - Closed Private Schools.....	*	*	*
Private Academic School Teacher Certification Fees.....	38	37	37
Fees For Licensing Private Driver Training Schools.....	75	80	95
Secondary Education Evaluation Fees.....	14	9	9
Teacher Certification Fees.....	2,693	2,450	2,400
Fingerprint and FBI Background Check Fees.....	1,474	975	975
SUBTOTAL.....	<u>\$ 4,486</u>	<u>\$ 3,708</u>	<u>\$ 3,661</u>
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	\$ 287	\$ 0	\$ 0
Right to Know.....	1	0	0
Refunds of Expenditures Not Credited to Appropriations.....	*	*	*
SUBTOTAL.....	<u>\$ 288</u>	<u>\$ 0</u>	<u>\$ 0</u>
DEPARTMENT TOTAL.....	<u><u>\$ 4,774</u></u>	<u><u>\$ 3,708</u></u>	<u><u>\$ 3,661</u></u>
<b>Emergency Management Agency</b>			
<b>MISCELLANEOUS REVENUE</b>			
Interest Earnings Contra BA 31.....	\$ -2	\$ 0	\$ 0
Refunds of Expenditures Not Credited to Appropriations.....	1	0	0
SUBTOTAL.....	<u>\$ -1</u>	<u>\$ 0</u>	<u>\$ 0</u>
DEPARTMENT TOTAL.....	<u><u>\$ -1</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
<b>Department of Environmental Protection</b>			
<b>LICENSES AND FEES</b>			
Bituminous Shot Firers And Machine Runners Exam A.....	\$ 2	\$ 3	\$ 3
Blasters' Examination And Licensing Fees.....	31	31	31
Dams And Encroachment Fees.....	-488	0	0
Explosives Storage Permit Fees.....	76	74	74
Government Financed Cost Contracts.....	67	62	62
Hazardous Waste Facility Annual Permit Administration Fees.....	100	51	51
Hazardous Waste Facility Permit Application Fees.....	112	135	135
Hazardous Waste Storage-Disposal Fac-Fee.....	74	38	38
Hazardous Waste Transporter License and Fees.....	55	47	47
Infectious & Chemical Waste Transport Fees.....	15	14	14
Municipal Waste Annual Permit Administration Fees.....	281	231	231
Municipal Waste Permit Application Fees.....	104	116	116
Residual Waste Permit Administration Fees.....	215	243	243
Residual Waste Permit Application/Modification Fees.....	31	44	44
Sewage Permit Fees.....	103	99	99
Submerged Land Fees.....	58	55	55
Water Bacteriological Examination Fees.....	14	12	12
Water Power And Supply Permit Fees.....	94	93	93
SUBTOTAL.....	<u>\$ 944</u>	<u>\$ 1,348</u>	<u>\$ 1,348</u>
<b>MISCELLANEOUS REVENUE</b>			
Ground Rentals.....	\$ 10	\$ 10	\$ 10
Miscellaneous.....	15	15	15
Payment To Occupy Submerged Lands.....	1,477	1,444	1,444
Refunds of Expenditures Not Credited to Appropriations.....	6	3	3
Rights-Of-Way.....	28	17	17
Royalties to Recovery Of Materials - Schuylkill River.....	0	38	38
SUBTOTAL.....	<u>\$ 1,536</u>	<u>\$ 1,527</u>	<u>\$ 1,527</u>
DEPARTMENT TOTAL.....	<u><u>\$ 2,480</u></u>	<u><u>\$ 2,875</u></u>	<u><u>\$ 2,875</u></u>

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Estimated	2017-18 Budget
<b>Ethics Commission</b>			
MISCELLANEOUS REVENUE			
Refunds of Expenditure Not Credited to Approp.....	\$ 0	\$ 2	\$ 3
DEPARTMENT TOTAL.....	\$ 0	\$ 2	\$ 3
<b>Department of General Services</b>			
MISCELLANEOUS REVENUE			
Allocation of Purchasing Costs Job 7.....	\$ 3,673	\$ 3,764	\$ 3,859
Real Estate Services.....	353	362	371
Refunds of Expenditures Not Credited to Appropriations.....	*	*	*
Rental of State Property.....	112	75	75
Right to Know.....	3	1	1
Sale of State Property.....	2,668	2,000	2,000
Sale of Property Escrow.....	6	10	10
Reading State Office Building.....	423	434	445
Scranton State Office Building.....	455	466	478
Rebates to be Distributed.....	5	0	0
SUBTOTAL.....	\$ 7,698	\$ 7,112	\$ 7,239
DEPARTMENT TOTAL.....	\$ 7,698	\$ 7,112	\$ 7,239
<b>Department of Health</b>			
LICENSES AND FEES			
Bathing Place Program - Application Fees.....	\$ 1	\$ 1	\$ 1 c
Birth Certificate Fees.....	5,999	5,777	5,777 c
Birth Certificate Fees - Transfer.....	-3,001	-2,763	-2,763 c
Cre Certification Fees.....	23	24	24 c
Home Care Agency Licensure Fees.....	186	164	164 c
Hospice Licensing Fees.....	34	30	30 c
Immunization Service Fees.....	21	19	19 c
Miscellaneous Licensure Fees.....	235	262	220 c
Nursing Home Licenses.....	311	300	300 c
Pediatric Extended Care Licensing Fees.....	5	11	11 c
Profit Making Hospital Licenses.....	192	196	196 c
Organized Camps Program Fees.....	3	3	3 c
Registration Fees - Hearing Aid Act.....	122	122	122 c
Registration Fees - Drugs Devices and Cosmetics Act.....	498	485	485 c
Vital Statistics Fees.....	1,661	1,711	1,711 c
Wholesale Prescription Drug Distribution Licenses.....	67	69	69 c
SUBTOTAL.....	\$ 6,357	\$ 6,411	\$ 6,369
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 113	\$ 102	\$ 102 c
Refunds of Expenditures Not Credited to Appropriations.....	2	1	1 c
Unreald Rev-Hlth Registrars.....	*	*	* c
SUBTOTAL.....	\$ 115	\$ 103	\$ 103
DEPARTMENT TOTAL.....	\$ 6,472	\$ 6,514	\$ 6,472
<b>Historical and Museum Commission</b>			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 0	\$ 30	\$ 30
Refunds of Expenditures Not Credited to Appropriations.....	*	*	*
SUBTOTAL.....	\$ 0	\$ 30	\$ 30
DEPARTMENT TOTAL.....	\$ 0	\$ 30	\$ 30
<b>Insurance Department</b>			
LICENSES AND FEES			
Agents' Licenses.....	\$ 34,122	\$ 34,173	\$ 35,104

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Estimated	2017-18 Budget
Brokers' Licenses.....	11,727	11,660	12,025
Division of Companies Certification - Certificates and Filing Fees.....	1,990	2,057	2,053
Examination Fees and Expenses.....	4,704	3,731	3,888
Market Conduct Examination Fees.....	782	450	392
Miscellaneous Fees.....	532	626	640
Contra Transfers.....	-31,115	-29,114	-29,816
Valuation of Policies Fees.....	8,373	5,531	5,531
SUBTOTAL.....	<u>\$ 31,115</u>	<u>\$ 29,114</u>	<u>\$ 29,817</u>
<b>MISCELLANEOUS REVENUE</b>			
Refunds of Expenditures Not Credited to Appropriations.....	\$ *	\$ *	\$ *
Contra To Rev Code 001780-009693-102.....	*	*	*
SUBTOTAL.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
DEPARTMENT TOTAL.....	<u>\$ 31,115</u>	<u>\$ 29,114</u>	<u>\$ 29,817</u>
<b>Department of Labor and Industry</b>			
<b>LICENSES AND FEES</b>			
Accessibility.....	\$ 28	\$ 38	\$ 38
Approval Of Building Plan Fees.....	464	475	475
Approval Of Elevator Plan Fees.....	669	600	600
Bedding And Upholstery Fees.....	825	725	725
Boiler Inspections Fees.....	3,655	3,350	3,350
Boiler Plan Fees.....	59	60	60
Elevator Inspection Fees.....	653	800	800
Flammable Liquids Storage Fees.....	40	38	38
Industrial Board.....	89	80	80
Liquefied Petroleum Gas Plan Fees.....	53	50	50
Liquefied Petroleum Gas Regis Fees.....	153	85	85
Stuffed Toys Manufacturers' Registration Fees.....	59	63	63
UCC Certifications.....	78	72	65
SUBTOTAL.....	<u>\$ 6,825</u>	<u>\$ 6,436</u>	<u>\$ 6,429</u>
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	\$ 3	\$ 1	\$ 1
Interest Earnings Contra BA12.....	-7	0	0
Refunds of Expenditures Not Credited to Appropriations.....	3	0	0
SUBTOTAL.....	<u>\$ -1</u>	<u>\$ 1</u>	<u>\$ 1</u>
DEPARTMENT TOTAL.....	<u>\$ 6,824</u>	<u>\$ 6,437</u>	<u>\$ 6,430</u>
<b>Department of Human Services</b>			
<b>LICENSES AND FEES</b>			
Personal Care Facilities Licenses.....	\$ 50	\$ 50	\$ 50 c
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	\$ 205	\$ 205	\$ 205 c
Refunds of Expenditures Not Credited to Appropriations.....	7	7	8 c
SUBTOTAL.....	<u>\$ 212</u>	<u>\$ 212</u>	<u>\$ 213</u>
DEPARTMENT TOTAL.....	<u>\$ 262</u>	<u>\$ 262</u>	<u>\$ 263</u>
<b>Probation and Parole</b>			
<b>MISCELLANEOUS REVENUE</b>			
Refunds Of Expend Not Credited To Approp BA25.....	\$ *	\$ *	\$ * b
DEPARTMENT TOTAL.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Department of Revenue</b>			
<b>LICENSES AND FEES</b>			
Certification And Copy Fees.....	\$ 47	\$ 53	\$ 60
Cigarette Permit Fees.....	779	1,558	1,558



# General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Estimated	2017-18 Budget
Domestic Violence and Rape Crisis Program Fee.....	1,169	1,092	1,015
Autho Fees Act12010.....	0	24,750	0
SUBTOTAL.....	\$ 1,995	\$ 27,453	\$ 2,633
<b>MISCELLANEOUS REVENUE</b>			
Exempt Collections Per Act 1992-67.....	\$ 15,405	\$ 18,817	\$ 19,221
District Justice Costs.....	12,716	14,943	14,943
Act 64 Contra.....	-5,085	-7,312	-7,312
Miscellaneous.....	10	135	135
Distribution Due Absentee.....	137	0	0
Conscience Money.....	1	2	2
Refunds of Expenditures Not Credited to Appropriations.....	45	32	35
Misc BA 18.....	2	83	1,589
Donations.....	*	*	*
SUBTOTAL.....	\$ 23,231	\$ 26,700	\$ 28,613
DEPARTMENT TOTAL.....	\$ 25,226	\$ 54,153	\$ 31,246
<b>Department of State</b>			
<b>LICENSES AND FEES</b>			
Charities Bureau Registration Fees.....	\$ 2,637	\$ 2,652	\$ 2,705
Commission And Filing Fees - Bureau Of Elections.....	646	615	645
Commission And Filing Fees - Corporation Bureau.....	30,033	31,000	32,000
Campaign Finance Fee.....	46	65	50
Notary Public Commission Fees.....	922	950	950
SUBTOTAL.....	\$ 34,284	\$ 35,282	\$ 36,350
<b>MISCELLANEOUS REVENUE</b>			
Prof. & Occupational Affairs Credit Card Transfer.....	\$ -3,219	\$ 0	\$ 0
Interest Transferred to HAVA Program.....	-37	0	0
Refunds of Expenditures Not Credited to Appropriations.....	*	*	*
SUBTOTAL.....	\$ -3,256	\$ 0	\$ 0
DEPARTMENT TOTAL.....	\$ 31,028	\$ 35,282	\$ 36,350
<b>State Police</b>			
<b>MISCELLANEOUS REVENUE</b>			
Act 64 - Contra Miscellaneous Revenue.....	\$ -14	\$ 0	\$ 0
Miscellaneous.....	379	175	175
Refunds of Expenditures Not Credited to Appropriations.....	*	*	*
Reimbursement For Lost Property.....	0	1	1
SUBTOTAL.....	\$ 365	\$ 476	\$ 476
DEPARTMENT TOTAL.....	\$ 365	\$ 476	\$ 476
<b>Department of Transportation</b>			
<b>MISCELLANEOUS REVENUE</b>			
Right to Know.....	\$ 6	\$ 3	\$ 9
Misc BA78.....	*	*	*
Refunds Of Expend Not Credited To Approp BA67.....	*	*	*
SUBTOTAL.....	\$ 6	\$ 3	\$ 9
DEPARTMENT TOTAL.....	\$ 6	\$ 3	\$ 9
<b>Other</b>			
<b>LICENSES AND FEES</b>			
Gaming Control Board - Ancillary Table Games License Fees.....	\$ 118	\$ 468	\$ 113
Slot License Fees.....	0	50,000	0
Liquor Control Board - Small Games of Chance – License Fees.....	31	8	8
SUBTOTAL.....	\$ 149	\$ 50,476	\$ 121
<b>MISCELLANEOUS REVENUE</b>			
Payments in Lieu of Taxes - SWIF.....	\$ 4,234	\$ 3,000	\$ 3,000

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Estimated	2017-18 Budget
Insurance Contra IROC Return.....	21,870	0	0
Gaming Control Board - Refunds of Expend Not Credited to Approp.....	1	0	0
Supreme Court.....	77	35	35
Miscellaneous Revenue BA25.....	1	0	0
Transfers From Special Funds.....	118,003	433,500	0
SUBTOTAL.....	\$ 144,186	\$ 436,535	\$ 3,035
DEPARTMENT TOTAL.....	\$ 144,335	\$ 487,011	\$ 3,156
<b>Total Licenses, Fees and Miscellaneous.....</b>	<b>\$ 571,807</b>	<b>\$ 891,800</b>	<b>\$ 328,700</b>
<b>Fines, Penalties and Interest on Taxes</b>			
Corporation Net Income Tax.....	\$ 0	\$ 0	\$ 0
Exise Tax - Corporations - Penalties.....	0	0	0
Exise Tax - Corporations - Penalties.....	0	0	0
SUBTOTAL.....	\$ 0	\$ 0	\$ 0
<b>Other Fines and Penalties</b>			
<b>Department of Agriculture</b>			
Amusement Rides and Attractions - Fines.....	\$ 0	\$ 3	\$ 3
General Food Fines.....	19	18	18
Harness Racing Fines and Penalties.....	118	150	150
Horse Racing Fines and Penalties.....	78	90	90
Miscellaneous Fines.....	0	5	5
Civil Penalties - Food Establishments.....	12	5	5
Fines - Weights & Measurements Division.....	0	3	3
<b>Department of Environmental Protection</b>			
Miscellaneous Fines.....	10	10	10
<b>Department of Conservation and Natural Resources</b>			
Miscellaneous Fines.....	*	*	*
<b>Ethics Commission</b>			
Violations-Act 1978-170.....	72	60	65
Lobbying Act Civil Penalties Act 134-206.....	0	65	55
<b>Gaming Control Board</b>			
Miscellaneous Fines and Penalties.....	558	558	558
<b>Insurance Department</b>			
Miscellaneous Fines.....	1,112	1,461	1,463
Surcharge on Moving Vehicles Violations.....	33,796	30,704	28,552
<b>Department of Labor and Industry</b>			
Minor Labor Law Fines.....	*	*	*
<b>Attorney General</b>			
Criminal Restitution General Fund.....	26	45	45
<b>Department of Labor and Industry</b>			
Miscellaneous Fines.....	51	50	50
Miscellaneous Fines.....	-5	0	0
<b>Public Utility Commission</b>			
Violation of Order Fines.....	310	2,390	350
<b>Department of Revenue</b>			
Malt Liquor Fines and Penalties.....	*	*	*
Commercial Driver Fines.....	274	287	291
Act 154 - 1994 Police Pursuits.....	*	*	*
Act 64 Contra revenue code.....	-16,604	-17,138	-17,735
Vehicle Codes Fines - Lcl Police Enf.....	21,314	20,859	20,414
Vehicle Code Fines - Overweight Trucks.....	434	418	418
Vehicle Code Fines - St Police Enf.....	18,449	19,438	20,481

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Estimated	2017-18 Budget
<b>Department of Transportation</b>			
Emission Regulation Fines & Penalties.....	66	76	84
Fines - Restoration - Operating Privileges.....	9,625	10,815	10,815
Restoration of Vehicle Registration.....	2,239	2,726	3,208
SUBTOTAL.....	<u>\$ 71,954</u>	<u>\$ 73,100</u>	<u>\$ 69,400</u>
<b>Total Fines, Penalties and Interest.....</b>	<b><u>\$ 71,954</u></b>	<b><u>\$ 73,100</u></b>	<b><u>\$ 69,400</u></b>
<b>Gaming Expansion</b>			
Gaming Expansion	<u>\$ 0</u>	<u>\$ 100,000</u>	<u>\$ 150,000</u>
<b>TOTAL NONTAX REVENUES.....</b>	<b><u>\$ 643,761</u></b>	<b><u>\$ 1,281,300</u></b>	<b><u>\$ 733,200</u></b>
<b>TOTAL GENERAL FUND REVENUES.....</b>	<b><u>\$ 30,901,581</u></b>	<b><u>\$ 32,401,700</u></b>	<b><u>\$ 34,023,800</u></b>

<sup>a</sup> Revenue originally collected under the selective business revenue classification.

<sup>b</sup> These items will be consolidated into the Department of Criminal Justice.

<sup>c</sup> These items will be consolidated into the Department of Health and Human Services.

\* Less than \$500 or greater than -\$500.

Totals may not add due to rounding.

# 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)

	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
<b>TAX REVENUE</b>						
<b>Corporation Taxes</b>						
Corporate Net Income Tax.....	\$ 2,131,451	\$ 2,022,401	\$ 2,423,441	\$ 2,501,635	\$ 2,811,484	\$ 2,842,388
Capital Stock and Franchise Taxes.....	819,363	837,243	602,249	320,207	241,587	150,580
Selective Business:						
Gross Receipt Tax.....	1,225,163	1,330,023	1,306,271	1,279,229	1,261,821	1,304,907
Public Utility Realty Tax.....	34,434	28,721	43,884	37,048	38,157	39,211
Insurance Premium Tax.....	428,594	458,409	446,946	432,073	454,307	464,626
Financial Institutions Taxes.....	237,631	272,462	351,477	317,875	294,080	329,997
Total - Corporation Taxes.....	<u>\$ 4,876,636</u>	<u>\$ 4,949,259</u>	<u>\$ 5,174,268</u>	<u>\$ 4,888,067</u>	<u>\$ 5,101,436</u>	<u>\$ 5,131,709</u>
<b>Consumption Taxes</b>						
Sales and Use Tax.....	\$ 8,590,217	\$ 8,772,266	\$ 8,893,714	\$ 9,129,621	\$ 9,493,107	\$ 9,795,189
Cigarette Tax.....	1,075,366	1,069,907	1,024,081	976,908	927,205	911,512
Malt Beverage Tax.....	25,923	25,903	25,152	25,096	24,473	24,946
Liquor Tax.....	281,746	298,144	311,248	320,912	334,414	348,056
Total - Consumption Taxes.....	<u>\$ 9,973,252</u>	<u>\$ 10,166,220</u>	<u>\$ 10,254,195</u>	<u>\$ 10,452,537</u>	<u>\$ 10,779,199</u>	<u>\$ 11,079,703</u>
<b>Other Taxes</b>						
Personal Income Tax.....	\$ 10,435,706	\$ 10,800,528	\$ 11,371,245	\$ 11,437,304	\$ 12,107,377	\$ 12,505,964
Realty Transfer Tax.....	279,151	292,152	338,745	375,408	413,778	481,720
Inheritance Tax.....	805,214	827,682	845,258	877,423	1,002,259	962,234
Table Games.....	68,663	95,029	88,679	90,451	95,921	100,200
Minor and Repealed Taxes.....	21,998 <sup>a</sup>	17,659 <sup>a</sup>	-5,228 <sup>a</sup>	-23,126 <sup>a</sup>	-7,651 <sup>a</sup>	-3,710 <sup>a</sup>
Total - Other Taxes.....	<u>\$ 11,610,732</u>	<u>\$ 12,033,050</u>	<u>\$ 12,638,699</u>	<u>\$ 12,757,460</u>	<u>\$ 13,611,684</u>	<u>\$ 14,046,408</u>
<b>TOTAL TAX REVENUES.....</b>	<u>\$ 26,460,620</u>	<u>\$ 27,148,529</u>	<u>\$ 28,067,162</u>	<u>\$ 28,098,064</u>	<u>\$ 29,492,319</u>	<u>\$ 30,257,820</u>
<b>NONTAX REVENUE</b>						
State Stores Fund Transfer.....	\$ 105,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 0
Licenses, Fees and Miscellaneous:						
Licenses and Fees.....	125,747	138,822	137,010	109,287	110,082	116,716
Miscellaneous.....	790,069	244,141	307,338	248,832	839,933	455,091
Fines, Penalties and Interest:						
On Taxes.....	12,540	14,344	14,524	0	0	0
Other.....	3,240	52,164	40,911	70,969	70,167	71,954
<b>TOTAL NONTAX REVENUES.....</b>	<u>\$ 1,036,596</u>	<u>\$ 529,471</u>	<u>\$ 579,783</u>	<u>\$ 509,088</u>	<u>\$ 1,100,182</u>	<u>\$ 643,761</u>
<b>GENERAL FUND TOTAL.....</b>	<u>\$ 27,497,216</u>	<u>\$ 27,678,000</u>	<u>\$ 28,646,945</u>	<u>\$ 28,607,152</u>	<u>\$ 30,592,501</u>	<u>\$ 30,901,581</u>

<sup>a</sup> This includes revenues originally collected under the Other Selective Business Taxes revenue classification.

Totals may not add due to rounding.

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
Beginning Balance.....	\$ 130,345	\$ 40,077	\$ 32,073
Adjustment to Beginning Balance.....	<u>0</u>	<u>          </u>	<u>          </u>
Adjusted Beginning Balance.....	\$ 130,345	\$ 40,077	\$ 32,073
<b>Revenue:</b>			
Revenue Receipts.....	\$ 2,657,549	\$ 2,751,000	\$ 2,858,600
Adjustment to Official Estimate.....	0	-6,300	0
Prior Year Lapses.....	<u>19,044</u>	<u>20,000</u>	<u>0</u>
<b>Funds Available</b> .....	<u>\$ 2,806,938</u>	<u>\$ 2,804,777</u>	<u>\$ 2,890,673</u>
<b>Expenditures:</b>			
Appropriations.....	\$ 2,811,152	\$ 2,777,704	\$ 2,855,110
Less Current Year Lapses.....	<u>-44,291</u>	<u>-5,000</u>	<u>0</u>
Estimated Expenditures.....	<u>\$ -2,766,861</u>	<u>\$ -2,772,704</u>	<u>\$ -2,855,110</u>
<b>Ending Balance</b> .....	<u>\$ 40,077</u>	<u>\$ 32,073</u>	<u>\$ 35,563</u>

\* Excludes restricted revenue.

## Summary by Department

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Estimated	2017-18 Budget
<b>Executive Offices</b>			
<b>General Government</b>			
Commonwealth Technology Services.....	\$ 1,401	\$ 1,244	\$ 1,327
DEPARTMENT TOTAL.....	<u>\$ 1,401</u>	<u>\$ 1,244</u>	<u>\$ 1,327</u>
<b>Treasury Department</b>			
<b>General Government</b>			
Administration Refunding Liquid Fuels Tax.....	\$ 533	\$ 533	\$ 533
Refunding Liquid Fuels Taxes — Agricultural (EA).....	4,600	3,800	4,000
Refunding Liquid Fuels Taxes — State Share (EA).....	3,900	6,000	5,000
Refunding Liquid Fuels Taxes — Political Subdivisions (EA).....	3,800	3,600	3,800
Refunding Liquid Fuels Taxes — Volunteer Services (EA).....	600	500	500
Refunding Liquid Fuels Taxes — Snowmobiles & ATV's (EA).....	1,000	1,000	1,000
Refunding Liquid Fuels Taxes — Boat Fund (EA).....	10,470	10,470	11,973
Subtotal.....	<u>\$ 24,903</u>	<u>\$ 25,903</u>	<u>\$ 26,806</u>
<b>Debt Service Requirements</b>			
Capital Debt Transportation Projects.....	\$ 4,223	\$ 38,156	\$ 35,581
General Obligation Debt Service.....	16,968	17,815	17,815
Loan and Transfer Agent.....	50	50	50
Subtotal.....	<u>\$ 21,241</u>	<u>\$ 56,021</u>	<u>\$ 53,446</u>
<b>TOTAL STATE FUNDS</b> .....	<u><u>\$ 46,144</u></u>	<u><u>\$ 81,924</u></u>	<u><u>\$ 80,252</u></u>
Restricted Revenue.....	\$ 51,772	\$ 51,355	\$ 51,185
DEPARTMENT TOTAL.....	<u>\$ 97,916</u>	<u>\$ 133,279</u>	<u>\$ 131,437</u>
<b>Department of Agriculture</b>			
Weights and Measures Administration.....	\$ 4,728	\$ 4,728	\$ 5,228
Dirt, Gravel and Low Volume Roads.....	28,000	28,000	28,000
DEPARTMENT TOTAL.....	<u>\$ 32,728</u>	<u>\$ 32,728</u>	<u>\$ 33,228</u>
<b>Department of Community and Economic Development</b>			
Appalachian Regional Commission.....	\$ 1,073	\$ 1,073	\$ 1,073
DEPARTMENT TOTAL.....	<u>\$ 1,073</u>	<u>\$ 1,073</u>	<u>\$ 1,073</u>
<b>Department of Conservation and Natural Resources</b>			
Dirt and Gravel Roads.....	\$ 7,000	\$ 7,000	\$ 7,000
<b>TOTAL STATE FUNDS</b> .....	<u><u>\$ 7,000</u></u>	<u><u>\$ 7,000</u></u>	<u><u>\$ 7,000</u></u>
Restricted Revenue.....	\$ 8,330	\$ 11,000	\$ 11,000
DEPARTMENT TOTAL.....	<u>\$ 15,330</u>	<u>\$ 18,000</u>	<u>\$ 18,000</u>
<b>Department of Education</b>			
<b>Grants and Subsidies</b>			
Safe Driving Course.....	\$ 1,100	\$ 1,100	\$ 1,100
DEPARTMENT TOTAL.....	<u>\$ 1,100</u>	<u>\$ 1,100</u>	<u>\$ 1,100</u>
<b>Department of General Services</b>			
Tort Claims Payments.....	\$ 10,000	\$ 10,000	\$ 9,000
Harristown Rental Charges (EA).....	121	111	112
Harristown Utility and Municipal Charges (EA).....	199	195	188
DEPARTMENT TOTAL.....	<u>\$ 10,320</u>	<u>\$ 10,306</u>	<u>\$ 9,300</u>



## Summary by Department (continued)

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Estimated	2017-18 Budget
<b>Department of Revenue</b>			
<b>General Government</b>			
Collections — Liquid Fuels Tax.....	\$ 16,476	\$ 19,299	\$ 19,785
Refunding Liquid Fuels Tax (EA).....	26,000	27,200	29,300
<b>TOTAL STATE FUNDS</b> .....	<b>\$ 42,476</b>	<b>\$ 46,499</b>	<b>\$ 49,085</b>
Federal Funds.....	\$ 250	\$ 250	\$ 0
DEPARTMENT TOTAL.....	\$ 42,726	\$ 46,749	\$ 49,085
<b>State Police</b>			
<b>General Government</b>			
General Government Operations.....	\$ 687,585	\$ 724,290	\$ 648,741
Statewide Public Safety Radio System.....	18,012	26,868	39,276
Law Enforcement Information Technology.....	20,697	20,697	20,697
Municipal Police Training.....	1,256	1,744	1,828
Patrol Vehicles.....	12,000	12,000	12,000
Automated Fingerprint Identification System .....	85	85	0
Commercial Vehicle Inspections.....	9,979	11,055	10,971
Subtotal.....	\$ 749,614	\$ 796,739	\$ 733,513
<b>Grants and Subsidies</b>			
Municipal Police Training Grants.....	\$ 5,000	\$ 5,000	\$ 5,000
<b>TOTAL STATE FUNDS</b> .....	<b>\$ 754,614</b>	<b>\$ 801,739</b>	<b>\$ 738,513</b>
Augmentations.....	\$ 569	\$ 785	\$ 785
Federal Funds.....	9,295	9,295	9,602
DEPARTMENT TOTAL.....	\$ 764,478	\$ 811,819	\$ 748,900
<b>Department of Transportation</b>			
<b>General Government</b>			
General Government Operations.....	\$ 51,849	\$ 58,586	\$ 60,921
Welcome Centers.....	3,588	3,900	4,115
Highway and Safety Improvements.....	268,000	70,000	232,000
Highway Capital Projects (EA).....	220,000	220,000	230,000
Highway Maintenance.....	859,000	908,899	860,542
Reinvestment in Facilities.....	16,000	16,000	16,000
Driver and Vehicle Services.....	143,175	157,971	167,082
Refunding Collected Monies (EA).....	1,890	2,500	2,500
Subtotal.....	\$ 1,563,502	\$ 1,437,856	\$ 1,573,160
<b>Grants and Subsidies</b>			
Local Road Maintenance and Construction Payments.....	\$ 238,503	\$ 248,235	\$ 253,072
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 & Construction Payments.....	5,000	5,000	5,000
Municipal Traffic Signals.....	0	40,000	40,000
Payment to Turnpike Commission (EA).....	28,000	28,000	28,000
Subtotal.....	\$ 306,503	\$ 356,235	\$ 361,072
<b>TOTAL STATE FUNDS</b> .....	<b>\$ 1,870,005</b>	<b>\$ 1,794,091</b>	<b>\$ 1,934,232</b>
Federal Funds.....	\$ 1,663,443	\$ 2,019,547	\$ 2,019,547
Augmentations.....	258,007	283,297	75,676
Restricted Revenue.....	1,778,871	1,806,177	1,990,677
DEPARTMENT TOTAL.....	\$ 5,570,326	\$ 5,903,112	\$ 6,020,132

## Summary by Department (continued)

	(Dollar Amounts in Thousands)		
	2015-16 Actual	2016-17 Estimated	2017-18 Budget
<b>Fund Summary</b>			
State Funds — Transportation.....	\$ 1,870,005	\$ 1,794,091	\$ 1,934,232
State Funds — Other Departments.....	896,856	983,613	920,878
<b>TOTAL STATE FUNDS.....</b>	<b><u>\$ 2,766,861</u></b>	<b><u>\$ 2,777,704</u></b>	<b><u>\$ 2,855,110</u></b>
<b>Motor License Fund Total—All Funds</b>			
State Funds.....	\$ 2,766,861	\$ 2,777,704	\$ 2,855,110
Federal Funds.....	1,672,988	2,029,092	2,029,149
Augmentations.....	258,576	284,082	76,461
Restricted Revenue.....	1,838,973	1,868,532	2,052,862
<b>FUND TOTAL.....</b>	<b><u>\$ 6,537,398</u></b>	<b><u>\$ 6,959,410</u></b>	<b><u>\$ 7,013,582</u></b>

## Revenue Summary: Five Year Revenue Projections

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Estimated	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
Liquid Fuels Taxes.....	\$ 1,659,197	\$ 1,727,700	\$ 1,837,300	\$ 1,820,400	\$ 1,824,600	\$ 1,829,000	\$ 1,833,400
Motor Licenses and Fees.....	962,678	986,000	998,600	1,015,700	1,057,100	1,067,600	1,107,200
Other Motor License Fund Revenues.....	35,674	31,000	22,700	22,900	23,100	23,300	23,500
<b>TOTAL MOTOR LICENSE FUND REVENUES.....</b>	<b>\$ 2,657,549</b>	<b>\$ 2,744,700</b>	<b>\$ 2,858,600</b>	<b>\$ 2,859,000</b>	<b>\$ 2,904,800</b>	<b>\$ 2,919,900</b>	<b>\$ 2,964,100</b>
Aviation Restricted Revenues.....	\$ 7,582	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Highway Bridge Improvement Restricted Revenues.....	\$ 191,096	\$ 205,002	\$ 227,700	\$ 230,100	\$ 232,600	\$ 235,100	\$ 237,500
State Highway Transfer Restricted Revenues.....	\$ 45,888	\$ 49,800	\$ 55,800	\$ 55,900	\$ 56,000	\$ 56,100	\$ 56,200
Oil Company Franchise Tax Restricted Revenues.....	\$ 841,279	\$ 910,800	\$ 1,023,400	\$ 1,025,100	\$ 1,026,500	\$ 1,027,900	\$ 1,029,400
Supplemental Maintenance Restricted Revenues.....	\$ 588,896	\$ 637,500	\$ 716,700	\$ 717,900	\$ 718,900	\$ 719,900	\$ 720,900

## Adjustments to Revenue Estimate

On July 10, 2016 an official estimate for the 2016-17 fiscal year of \$2,751,000,000 was certified. The estimate detailed below reflects actual revenue collections through the first six months of the fiscal year and expected collections for the balance of the fiscal year.

(Dollar Amounts in Thousands)

	2016-17 Official Estimate	Adjustments	2016-17 Revised Estimate
Liquid Fuels Taxes.....	\$ 1,731,500	\$ -3,800	\$ 1,727,700
Motor Licenses and Fees.....	991,900	-5,900	986,000
Other Motor License Fund Revenues.....	27,600	3,400	31,000
<b>TOTAL.....</b>	<b>\$ 2,751,000</b>	<b>\$ -6,300</b>	<b>\$ 2,744,700</b>

## Revenue Sources

### Liquid Fuels Taxes

Actual		Estimated	
2010-11.....	\$ 1,218,635	2016-17.....	\$ 1,727,700
2011-12.....	1,223,985	2017-18.....	1,837,300
2012-13.....	1,223,141	2018-19.....	1,820,400
2013-14.....	1,294,432	2019-20.....	1,824,600
2014-15.....	1,562,431	2020-21.....	1,829,000
2015-16.....	1,659,197	2021-22.....	1,833,400

#### Tax Base and Rates:

**Liquid Fuels and Fuels Tax:** Effective January 1, 2014, Act 89 of 2013 repealed the permanent 12 cents per gallon tax imposed and assessed upon liquid fuels and fuels used or sold and delivered by registered distributors within this commonwealth.

**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 tax on a 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 equal to the Oil Company Franchise Tax described below effective January 1, 2014. 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.

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.

**International Fuel Tax Agreement:** 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 taxable liquid fuels, fuels, and alternative fuels. Act 3 of 1997 imposed a tax of 153.5 mills on all taxable liquid fuels and 208.5 mills on all taxable fuels and is imposed on a cents-per-gallon equivalent basis. Act 89 of 2013 added an additional 64 mills in 2014, 49 mills in 2015, 48 mills in 2016, 41 mills in 2017, and 39 mills in 2018 and each calendar year thereafter. Act 89 of 2013 also increased the average wholesale price in 2014 through 2016, and uncaps it in 2017 and thereafter. There is also a statutory average wholesale price floor set at \$2.99 per gallon for 2017 and each year thereafter. Prior to Act 89 of 2013, Act 32 of 1983 set minimum and maximum average wholesale prices at \$0.90 and \$1.25 per gallon, respectively. Receipts from 57 mills of the tax on liquid fuels and fuels are deposited as unrestricted Motor License Fund revenue, along with the mills added by Act 89 of 2013. However, 4.17 percent of the mills added by Act 89 of 2013 are transferred to the Liquid Fuels Tax Fund. The balance of the tax rate represents revenues restricted to certain highway activities. These dedicated and restricted revenues 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	
2010-11.....	\$ 891,522	2016-17.....	\$ 986,000
2011-12.....	892,586	2017-18.....	998,600
2012-13.....	892,517	2018-19.....	1,015,700
2013-14.....	893,886	2019-20.....	1,057,100
2014-15.....	950,807	2020-21.....	1,067,600
2015-16.....	962,678	2021-22.....	1,107,200

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 on April 1, 2014 per Act 89 of 2013. Act 89 of 2013 also redirects certain vehicle fees that had been deposited in the Motor License Fund to public transit and multimodal transportation programs and authorizes a fee option in lieu of suspension for driving without insurance. Starting January 1, 2017 it also provides the motor vehicle owner an option for biennial vehicle registration renewal rather than the current annual cycle.

### Other Motor License Fund Revenues

Actual		Estimated	
2010-11.....	\$ 411,088	2016-17.....	\$ 31,000
2011-12.....	297,644	2017-18.....	22,700
2012-13.....	300,581	2018-19.....	22,900
2013-14.....	258,447	2019-20.....	23,100
2014-15.....	98,274	2020-21.....	23,300
2015-16.....	35,674	2021-22.....	23,500

Other Motor License Fund revenues include the following sources:

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

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

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

Per Act 89 of 2013, the Motor License Fund will no longer receive payments from the Pennsylvania Turnpike Commission in accordance with Act 44 of 2007. These payments will now be redirected to the public transit and multimodal transportation programs.

## 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 accounts are not included in these amounts.

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Estimated	2017-18 Budget
<b>MOTOR FUELS TAXES</b>			
<b>Liquid Fuels Tax</b>			
Liquid Fuels Tax.....	\$ -856	\$ 100	\$ 0
Liquid Fuels Tax Interest.....	1	0	0
Liquid Fuels Tax Penalties.....	6	0	0
Subtotal.....	<u>\$ -849</u>	<u>\$ 100</u>	<u>\$ 0</u>
<b>Fuel Use Tax</b>			
Fuel Use Tax.....	\$ 49	\$ 0	\$ 0
<b>Alternative Fuel Tax</b>			
Alternative Fuel Tax.....	\$ 9,202	\$ 10,430	\$ 11,790
Alternative Fuel Tax Interest and Penalties.....	240	270	310
Subtotal.....	<u>\$ 9,442</u>	<u>\$ 10,700</u>	<u>\$ 12,100</u>
<b>Motor Carriers Road Tax — International Fuel Tax Agreement</b>			
Motor Carriers Road/IFTA — Fuels Tax.....	\$ 93,023	\$ 100,770	\$ 112,880
Motor Carriers Road/IFTA — Registration Fees, .....			
Special Permit Fees and Fines.....	2,244	2,430	2,720
Subtotal.....	<u>\$ 95,267</u>	<u>\$ 103,200</u>	<u>\$ 115,600</u>
<b>Oil Company Franchise Tax</b>			
Oil Company Franchise Tax .....	\$ 836,871	\$ 909,000	\$ 1,010,300
OCFT - Liquid Fuels.....	566,669	553,660	548,280
OCFT - Liquid Fuels Interest.....	20	20	20
OCFT - Liquid Fuels Penalties.....	1,449	1,420	1,400
OCFT - Fuel Use.....	150,279	149,600	149,600
Subtotal.....	<u>\$ 1,555,288</u>	<u>\$ 1,613,700</u>	<u>\$ 1,709,600</u>
<b>TOTAL MOTOR FUELS TAXES.....</b>	<u><u>\$ 1,659,197</u></u>	<u><u>\$ 1,727,700</u></u>	<u><u>\$ 1,837,300</u></u>
<b>MOTOR LICENSES AND FEES</b>			
Operators' Licenses.....	\$ 71,383	\$ 71,900	\$ 75,700
Other Fees Collected by Bureau of Motor Vehicles.....	14,946	17,900	18,100
Registration Fees Received from Other States/IRP.....	122,550	121,900	134,400
Special Hauling Permit Fees.....	33,401	32,600	33,800
Vehicle Registration and Titling.....	720,398	741,700	736,600
<b>TOTAL MOTOR LICENSES AND FEES.....</b>	<u><u>\$ 962,678</u></u>	<u><u>\$ 986,000</u></u>	<u><u>\$ 998,600</u></u>

## Revenue Detail (continued)

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Estimated	2017-18 Budget
<b>OTHER MOTOR LICENSE FUND REVENUES</b>			
<b>Fines and Penalties</b>			
<b>Department of Revenue</b>			
Vehicle Code Fines.....	\$ 2,699	\$ 500	\$ 500
<b>Miscellaneous Revenues</b>			
<b>Treasury Department</b>			
Interest Income Reinvested - Long Term.....	\$ 13	\$ 10	\$ 10
Interest on Securities.....	-1	0	0
Treasury Investment Income.....	14,376	13,890	14,040
Treasury Gain or Loss.....	4,553	4,400	4,450
Subtotal.....	<u>\$ 18,941</u>	<u>\$ 18,300</u>	<u>\$ 18,500</u>
<b>Department of General Services</b>			
Sale of Unserviceable Property.....	\$ 533	\$ 400	\$ 400
<b>Department of Transportation</b>			
Fees for Reclaiming Abandoned Vehicles.....	\$ 33	\$ 30	\$ 10
Highway Bridge Income.....	4	0	0
Highway Encroachment Permits.....	3,464	3,070	860
Interest Earned - Restricted Revenue.....	-480 <sup>a</sup>	-430 <sup>a</sup>	-120 <sup>a</sup>
Loan Repayments - Interest.....	157	140	40
Miscellaneous Revenues.....	4	0	0
Recovered Damages.....	-6	-10	0
Refunds of Expenditures Not Credited to			
Appropriations or Allocations.....	1	0	0
Sale of Inspection Stickers.....	10,203	8,930	2,490
Sale of Maps and Plans.....	78	70	20
Subtotal.....	<u>\$ 13,458</u>	<u>\$ 11,800</u>	<u>\$ 3,300</u>
<b>Department of Revenue</b>			
Fare Evasion.....	\$ 43	\$ 0	\$ 0
Miscellaneous.....	0	0	0
Subtotal.....	<u>\$ 43</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL OTHER MOTOR LICENSE FUND REVENUES.....</b>	<u><u>\$ 35,674</u></u>	<u><u>\$ 31,000</u></u>	<u><u>\$ 22,700</u></u>
<b>TOTAL MOTOR LICENSE FUND REVENUES.....</b>	<u><u>\$ 2,657,549</u></u>	<u><u>\$ 2,744,700</u></u>	<u><u>\$ 2,858,600</u></u>

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

## Restricted Revenues Not Included in Department Total

### Aviation Revenues

Actual		Estimated	
2010-11.....	\$ 9,507	2016-17.....	\$ 7,500
2011-12.....	7,802	2017-18.....	7,500
2012-13.....	9,027	2018-19.....	7,500
2013-14.....	8,699	2019-20.....	7,500
2014-15.....	9,756	2020-21.....	7,500
2015-16.....	7,582	2021-22.....	7,500

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, 2017, is 5.5 cents per gallon on aviation gasoline and 1.6 cents per gallon on jet fuel. Aviation restricted revenues are not included in Motor License Fund revenue totals.

	2015-16 Actual	2016-17 Estimated	2017-18 Budget
<b>AVIATION REVENUES</b>			
Aviation Liquid Fuels Tax.....	\$ 7,102	\$ 7,000	\$ 7,000
Interest.....	480	500	500
<b>TOTAL AVIATION REVENUES.....</b>	<b>\$ 7,582</b>	<b>\$ 7,500</b>	<b>\$ 7,500</b>

### Highway Bridge Improvement Revenues

Actual		Estimated	
2010-11.....	\$ 98,255	2016-17.....	\$ 205,002
2011-12.....	103,551	2017-18.....	227,700
2012-13.....	107,290	2018-19.....	230,100
2013-14.....	124,088	2019-20.....	232,600
2014-15.....	168,274	2020-21.....	235,100
2015-16.....	191,096	2021-22.....	237,500

The Highway Bridge Improvement account was created by Act 234 of 1982. The largest revenue source is the Oil Company Franchise Tax with 55 mills enacted in Act 3 of 1997 and a portion of 3 mills authorized in Act 89 of 2013. The overall Oil Company Franchise Tax average wholesale price provisions also apply to the millage designated for this restricted account. Fees are received from a portion of the registration fee for Pennsylvania based motor vehicles in classes 9-25, as well as 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. Act 89 of 2013 phases in the uncapping of the average wholesale price used to calculate the Oil Company Franchise Tax.

	2015-16 Actual	2016-17 Estimated	2017-18 Budget
<b>HIGHWAY BRIDGE IMPROVEMENT REVENUES</b>			
Registration Fee Portion-PA-Based Motor Vehicles.....	\$ 11,942	\$ 12,200	\$ 12,500
Temporary Permit Fees.....	478	500	500
Oil Company Franchise Tax.....	178,676	192,302	214,700
<b>TOTAL HIGHWAY BRIDGE REVENUES.....</b>	<b>\$ 191,096</b>	<b>\$ 205,002</b>	<b>\$ 227,700</b>



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

### State Highway Transfer Revenues

Actual		Estimated	
2010-11.....	\$ 23,949	2016-17.....	\$ 49,800
2011-12.....	24,105	2017-18.....	55,800
2012-13.....	23,430	2018-19.....	55,900
2013-14.....	28,110	2019-20.....	56,000
2014-15.....	39,339	2020-21.....	56,100
2015-16.....	45,888	2021-22.....	56,200

Act 32 of 1983 established the local highway turnback program funded by a restricted account within the Motor License Fund. The overall Oil Company Franchise Tax average wholesale price provisions also apply to the millage designated for this restricted account. This account receives 3 mills of the Oil Company Franchise Tax. Act 89 of 2013 directed that increased revenue from the act be transferred to the Highway Bridge Improvement restricted account for local bridge projects. Act 89 provides that, beginning in FY 2017-18, the 3 mills is to be equally divided between the State Highway Transfer Program and the Highway Bridge Improvement transfer.

### Oil Company Franchise Tax Revenues

Actual		Estimated	
2010-11.....	\$ 439,060	2016-17.....	\$ 910,800
2011-12.....	441,932	2017-18.....	1,023,400
2012-13.....	429,543	2018-19.....	1,025,100
2013-14.....	515,346	2019-20.....	1,026,500
2014-15.....	721,220	2020-21.....	1,027,900
2015-16.....	841,279	2021-22.....	1,029,400

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. Prior to Act 89 of 2013 revenues were 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. Act 89 of 2013 changes these percentages for maintenance and capital projects to align with the transportation investment plan as follows: 45 percent in 2013-14, 29 percent in 2014-15, 25 percent in 2015-16, and 19 percent for each fiscal year thereafter for Highway Maintenance, and 14 percent in 2013-14, 30 percent in 2014-15, 34 percent in 2015-16, and 40 percent for each fiscal year thereafter for capital projects. Act 89 of 2013 phases in the uncapping of the average wholesale price used to calculate the Oil Company Franchise Tax.

### Supplemental Maintenance Revenues

Actual		Estimated	
2010-11.....	\$ 307,342	2016-17.....	\$ 637,500
2011-12.....	309,352	2017-18.....	716,700
2012-13.....	300,681	2018-19.....	717,900
2013-14.....	360,743	2019-20.....	718,900
2014-15.....	504,854	2020-21.....	719,900
2015-16.....	588,896	2021-22.....	720,900

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. Prior to Act 89 of 2013 revenues were restricted to the following purposes: 12 percent for municipalities and 88 percent for maintenance. Act 89 of 2013 changed the percentages for maintenance to align with the transportation investment plan as follows: 68 percent in 2013-14, 49 percent in 2014-15, 40 percent each fiscal year thereafter for maintenance, and 20 percent in 2013-14, 39 percent in 2014-15, and 48 percent for each fiscal year thereafter for Expanded Highway and Bridge Maintenance. Act 89 of 2013 phases in the uncapping of the average wholesale price used to calculate the Oil Company Franchise Tax.



---

# 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 prescription drug costs.

## Financial Statement

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Beginning Balance</b> .....	\$ 14,794	\$ 26,941	\$ 17,431
Reserve from Previous Year.....	75,000	75,000	0
<b>Total Beginning Balance</b> .....	<u>\$ 89,794</u>	<u>\$ 101,941</u>	<u>\$ 17,431</u>
<b>Receipts:</b>			
Gross Ticket Sales.....	\$ 4,135,165	\$ 4,038,200	\$ 4,234,500
Less Field Paid Prizes and Commissions.....	-2,459,171	-2,412,000	-2,529,700
Loan from the General Fund.....	50,000	0	0
Transfers and Earnings.....	177,723	159,250	146,950
<b>Net Revenue Estimate</b> .....	<u>\$ 1,903,717</u>	<u>\$ 1,785,450</u>	<u>\$ 1,851,750</u>
Prior Year Lapses.....	23,421	6,500	0
<b>Total Receipts</b> .....	<u>\$ 1,927,138</u>	<u>\$ 1,791,950</u>	<u>\$ 1,851,750</u>
<b>Funds Available</b> .....	<u>\$ 2,016,932</u>	<u>\$ 1,893,891</u>	<u>\$ 1,869,181</u>
<b>Expenditures:</b>			
Appropriated.....	\$ 1,914,991	\$ 1,886,460	\$ 1,839,721
Current Year Lapses.....	0	-10,000	0
<b>Estimated Expenditures</b> .....	<u>-1,914,991</u>	<u>-1,876,460</u>	<u>-1,839,721</u>
Reserve for Current Year.....	\$ -75,000	\$ 0	\$ 0
<b>Ending Balance</b> .....	<u><u>\$ 26,941</u></u>	<u><u>\$ 17,431</u></u>	<u><u>\$ 29,460</u></u>

**NOTES ON FINANCIAL STATEMENT**

(Dollar Amounts in Thousands)

**SUPPLEMENTAL APPROPRIATIONS**

	<b>2016-17 Available</b>
<b>STATE SUPPLEMENTALS</b>	
<b>Aging</b>	
Pharmaceutical Assistance Fund.....	\$ -20,000
<b>TOTAL SUPPLEMENTALS.....</b>	<b><u>\$ -20,000</u></b>

## Summary by Department

(Dollar Amounts in Thousands)

	<u>2015-16</u> <u>Actual</u>	<u>2016-17</u> <u>Estimate</u>	<u>2017-18</u> <u>Budget</u>
<b>Department of Aging</b>			
<b>General Government</b>			
General Government Operations.....	\$ 9,058	\$ 9,272	\$ 0
<b>Grants and Subsidies</b>			
PENNCARE.....	\$ 314,282	\$ 325,246	\$ 0
Pre-Admission Assessment.....	18,000	19,916	0
Caregiver Support.....	12,103	12,103	0
Alzheimer's Outreach.....	250	250	0
Pharmaceutical Assistance Fund.....	175,000	185,000 <sup>a</sup>	0
Grants to Senior Centers.....	2,000	2,000	0
Subtotal.....	<u>\$ 521,635</u>	<u>\$ 544,515</u>	<u>\$ 0</u>
<b>TOTAL STATE FUNDS.....</b>	<b><u>\$ 530,693</u></b>	<b><u>\$ 553,787</u></b>	<b><u>\$ 0</u></b>
Augmentations.....	<u>330</u>	<u>323</u>	<u>0</u>
DEPARTMENT TOTAL.....	<u>\$ 531,023</u>	<u>\$ 554,110</u>	<u>\$ 0</u>
<b>Department of Human Services</b>			
<b>Grants and Subsidies</b>			
Medical Assistance - Long-Term Care.....	\$ 184,081	\$ 184,081	\$ 0
Home and Community-Based Services.....	120,668	120,668	0
Medical Assistance - Transportation Services.....	4,900	3,300	0
DEPARTMENT TOTAL.....	<u>\$ 309,649</u>	<u>\$ 308,049</u>	<u>\$ 0</u>
<b>Department of Health and Human Services</b>			
General Government Operations.....	\$ 0	\$ 0	\$ 8,949
<b>Grants and Subsidies</b>			
PENNCARE.....	\$ 0	\$ 0	\$ 329,537
Pre-Admission Assessment.....	0	0	19,916
Caregiver Support.....	0	0	12,103
Pharmaceutical Assistance Fund.....	0	0	125,000
Alzheimer's Outreach.....	0	0	250
Grants to Senior Centers.....	0	0	2,000
Medical Assistance - Long-Term Care.....	0	0	184,081
Home and Community-Based Services.....	0	0	120,668
Medical Assistance - Transportation Services.....	0	0	3,500
Subtotal.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 797,055</u>
<b>TOTAL STATE FUNDS.....</b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 806,004</u></b>
Augmentations.....	<u>0</u>	<u>0</u>	<u>353</u>
DEPARTMENT TOTAL.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 806,357</u>

## Summary by Department (continued)

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Estimate	2017-18 Budget
<b>Department of Revenue</b>			
<b>General Government</b>			
General Operations.....	\$ 35,060	\$ 51,625	\$ 47,824
Lottery Advertising.....	44,000	44,000	44,000
Property Tax Rent Rebate - General Operations.....	14,909	15,224	15,577
On-line Vendor Commissions.....	41,598	40,500	42,345
Instant Vendor Commissions.....	37,081	32,137	42,345
Payment of Prize Money.....	398,919	372,356	398,044
PTRR Settlement.....	0	20,000	0
Loan Repayment to General Fund.....	50,000	0	0
Subtotal.....	<u>\$ 621,567</u>	<u>\$ 575,842</u>	<u>\$ 590,135</u>
<b>Grants and Subsidies</b>			
Property Tax and Rent Assistance for Older Pennsylvanians.....	\$ 271,200	\$ 269,900	\$ 264,700
<b>TOTAL STATE FUNDS.....</b>	<u><b>\$ 892,767</b></u>	<u><b>\$ 845,742</b></u>	<u><b>\$ 854,835</b></u>
Augmentations.....	153	180	180
DEPARTMENT TOTAL.....	<u>\$ 892,920</u>	<u>\$ 845,922</u>	<u>\$ 855,015</u>
<b>Department of Transportation</b>			
<b>Grants and Subsidies</b>			
Transfer to Public Transportation Trust Fund.....	\$ 95,907	\$ 95,907	\$ 95,907
Older Pennsylvanians Shared Rides.....	85,975	82,975	82,975
DEPARTMENT TOTAL.....	<u>\$ 181,882</u>	<u>\$ 178,882</u>	<u>\$ 178,882</u>
<b>TOTAL STATE FUNDS.....</b>	<u><b>\$ 1,914,991</b></u>	<u><b>\$ 1,886,460</b></u>	<u><b>\$ 1,839,721</b></u>
Augmentations.....	483	503	533
FUND TOTAL.....	<u>\$ 1,915,474</u>	<u>\$ 1,886,963</u>	<u>\$ 1,840,254</u>

<sup>a</sup> Includes recommended negative supplemental appropriation of -\$20,000,000.

## Revenue Summary: Five Year Revenue Projections

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Estimated	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
Collections.....	\$ 1,675,994	\$ 1,626,200	\$ 1,704,800	\$ 1,742,800	\$ 1,771,100	\$ 1,788,900	\$ 1,806,000
Gaming Fund Transfers.....	166,800	148,000	145,700	143,300	141,000	138,800	138,800
Miscellaneous Revenue.....	928	11,250	1,250	1,250	1,250	1,250	1,250
<b>TOTAL LOTTERY FUND REVENUES.....</b>	<b>\$ 1,843,722</b>	<b>\$ 1,785,450</b>	<b>\$ 1,851,750</b>	<b>\$ 1,887,350</b>	<b>\$ 1,913,350</b>	<b>\$ 1,928,950</b>	<b>\$ 1,946,050</b>

## Revenue Sources

### Net Lottery Collections

(Dollar Amounts in Thousands)

Actual	Estimated
2010-11..... \$ 1,389,527	2016-17..... \$ 1,626,200
2011-12..... 1,515,432	2017-18..... 1,704,800
2012-13..... 1,591,723	2018-19..... 1,742,800
2013-14..... 1,597,972	2019-20..... 1,771,100
2014-15..... 1,558,742	2020-21..... 1,788,900
2015-16..... 1,675,994	2021-22..... 1,806,000

Net lottery collections consist of the proceeds from lottery ticket sales less commissions and field-paid prizes.

The Lottery currently offers ten terminal-based games, in addition to dozens of instant games introduced throughout the year. The Pick 3 (formerly the Daily Number) was introduced in 1977; Pick 4 (formerly Big 4) debuted in 1980; Cash 5 was created in 1992; Pennsylvania joined Powerball, the state's first multi-state mega-jackpot game, in 2002; the first Millionaire Raffle debuted in 2005; Treasure Hunt began in 2007; Pick 5 (formerly Quinto) was introduced in 2008; Match 6 lotto originally debuted in 2004 and was re-introduced in 2010 after a one-year hiatus; Pennsylvania joined Mega Millions, the Lottery's second multi-state game, in 2010; and Pick 2 and Cash4Life were introduced in 2015. **The 2017-18 budget presumes revenue growth by expanding points of distribution, optimizing the retailer network, continuing the growth of instant games, generating growth in terminal-based games by increase play value, implementing a number of modernization initiatives and the launch of lottery sales on the internet and mobile devices. This budget includes additional projected revenue for I-Lottery and the enactment of Lottery Fund margin relief. This budget proposes to reduce the dispensing fee for the PACE program from \$13 to \$4 to align with fees paid under the medical assistance program.**

Pennsylvania Lottery ticket prices range from 50 cents to \$30 each. Lottery prizes up to \$2,500 can be paid by any one of approximately 9,200 Lottery retailers, while larger prizes must be paid through Lottery area offices or headquarters.

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 net revenue amount:

(Dollar Amounts in Thousands)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Ticket Sales.....	\$ 4,135,165	\$ 4,038,200	\$ 4,234,500	\$ 4,347,100	\$ 4,456,700	\$ 4,557,400	\$ 4,636,400
Commissions.....	-206,758	-201,900	-211,700	-217,400	-222,800	-227,900	-231,800
Field Paid Prizes.....	-2,252,413	-2,210,100	-2,318,000	-2,386,900	-2,462,800	-2,540,600	-2,598,600
<b>NET LOTTERY COLLECTIONS.....</b>	<b>\$ 1,675,994</b>	<b>\$ 1,626,200</b>	<b>\$ 1,704,800</b>	<b>\$ 1,742,800</b>	<b>\$ 1,771,100</b>	<b>\$ 1,788,900</b>	<b>\$ 1,806,000</b>

## Revenue Sources (continued)

### Gaming Fund Repayments

(Dollar Amounts in Thousands)

Actual		Estimated	
2010-11.....	\$ 9,900	2016-17.....	\$ 0
2011-12.....	0	2017-18.....	0
2012-13.....	0	2018-19.....	0
2013-14.....	0	2019-20.....	0
2014-15.....	0	2020-21.....	0
2015-16.....	0	2021-22.....	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

(Dollar Amounts in Thousands)

Actual		Estimated	
2010-11.....	\$ 156,000	2016-17.....	\$ 148,000
2011-12.....	164,100	2017-18.....	145,700
2012-13.....	166,800	2018-19.....	143,300
2013-14.....	166,500	2019-20.....	141,000
2014-15.....	162,800	2020-21.....	138,800
2015-16.....	166,800	2021-22.....	138,800

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

### Miscellaneous Revenue

(Dollar Amounts in Thousands)

Actual		Estimated	
2010-11.....	\$ 6,000	2016-17.....	\$ 11,250
2011-12.....	14,067	2017-18.....	1,250
2012-13.....	16	2018-19.....	1,250
2013-14.....	1,899	2019-20.....	1,250
2014-15.....	1,678	2020-21.....	1,250
2015-16.....	10,923	2021-22.....	1,250

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



– THIS PAGE INTENTIONALLY LEFT BLANK –



Commonwealth of Pennsylvania

## Governor's Executive Budget

# *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. Proposed changes to current law tax expenditures are shown in Section C.

– THIS PAGE INTENTIONALLY LEFT BLANK –

## 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 2017-18 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 were exempted from 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, insurance companies (other than foreign fire/casualty insurance companies), and corporations doing business in Pennsylvania and subject to the corporate net income tax and the capital stock/foreign franchise tax, and pass-through entities subject to the personal income tax. Unused credits may also be sold or assigned to other taxpayers.

In order to qualify, the business entity must engage in certain assistance programs in impoverished areas or contribute to neighborhood organizations that run such programs. The programs must be approved by the Department of Community and Economic Development (DCED).

If the tax credit is not used in the period the investment was made, it may be carried over for five succeeding calendar or fiscal years. Act 55 of 2007 allowed for the sale of unused tax credits, subject to a one year holding period. Purchased tax credits must be used in the taxable year in which they were purchased. They cannot be carried back carried forward, refunded or sold.

Act 84 of 2016 amended the tax credit program to add new definitions for affordable housing, domestic violence or veterans' housing assistance. By inclusion of these amendments, tax credits may be awarded equivalent to 75 percent of the total amount contributed by business firms participating in the program.

The amount of credit awarded to a taxpayer is 55 percent of the amount contributed by a business firm, while the amount contributed to special program priorities, as defined by DCED regulations, is 75 percent. For private companies, the amount is 25 percent of the amount of qualified investment, or 35 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 to a taxpayer cannot exceed \$500,000 for contributions or investments in a single project or \$1,250,000 for contributions or investments in four or more projects.

The total amount of tax credit that can be awarded in a fiscal year has changed over the years. For fiscal year 2011-12 and forward, the total amount of credit that can be awarded is \$18 million, with \$2 million exclusively allocated for pass-through entities. Any of the \$2 million that is unused for pass-through entities is available to be awarded to other taxpayers.

The estimate for fiscal year 2015-16 reflects actual credits awarded under the program. The estimates for future fiscal years reflect the program cap.

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

# General Fund Tax Expenditures

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 17.9	\$ 18.0	\$ 18.0	\$ 18.0	\$ 18.0	\$ 18.0	\$ 18.0

*Beneficiaries:* Approximately 155 companies and 90 individuals doing business in Pennsylvania benefit from this tax expenditure.

## TAX CREDIT FOR NEW JOBS

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

*Description:* Act 84 of 2016 changed the name of this tax credit from the Job Creation Tax Credit to the Tax Credit for New Jobs.

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. The tax credit is available to an employer creating at least 25 new full-time equivalent jobs or increasing their workforce by 20 percent or more within three years from a given start date. Act 85 of 2012 created an extension of the tax credit to small businesses employing 100 or fewer employees. Additionally, small businesses can qualify for the tax credit if they increase the number of their employees by 10 percent or more within three years. Act 85 of 2012 created an additional tax credit award of \$2,500 per new job created if the newly created job is filled by an unemployed individual. Changes made by Act 85 of 2012 took effect in June 2012. Act 84 of 2016 added a provision for a tax credit award of \$2,500 per job for every veteran hired.

The tax credit 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 institutions tax, title insurance company shares tax, personal income tax, or any combination thereof.

The total amount of tax credit that can be awarded in a fiscal year has changed over the years. For fiscal year 2011-12 and forward, the total amount of credit that can be awarded is \$10.1 million.

The estimate for fiscal year 2015-16 reflects actual credits awarded under the program. The estimates for future fiscal years reflect the program cap.

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

*Administrative Costs:* Costs to administer the Job Creation Tax 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 5.0	\$ 10.1	\$ 10.1	\$ 10.1	\$ 10.1	\$ 10.1	\$ 10.1

*Beneficiaries:* Approximately 60 companies and 65 individuals 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:* Act 7 of 1997 established a Research and Development Tax Credit equal to 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 only. 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 15 taxable years, or sold or assigned to other taxpayers. The Research and Development Tax Credit was set to expire for taxable years ending before January 1, 2016. However, Act 84 of 2016 repealed this provision, therefore making the Research and Development Tax Credit a permanent part of the Tax Reform Code.

The total amount of tax credit that can be awarded in a fiscal year has changed over the years. For fiscal year 2011-12 and forward, the total amount of credit that can be awarded is \$55 million, with the small business set aside equal to \$11 million.

The estimate for fiscal year 2015-16 reflects actual credits awarded under the program. The estimates for future fiscal years reflect the program cap.

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

*Administrative Costs:* Costs to administer the Research and Development Tax 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 55.0	\$ 55.0	\$ 55.0	\$ 55.0	\$ 55.0	\$ 55.0	\$ 55.0

*Beneficiaries:* Approximately 765 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 (DCED) has designated specific areas of deteriorated property as Keystone Opportunity Zones (KOZs), Keystone Opportunity Expansion Zones (KOEZs), and Keystone Opportunity Improvement Zones (KOIZs).

Economic activity occurring in these zones is exempt from most local taxation for a period of up to 15 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.

Several acts have changed the KOZ statute over the years. The most recent act, Act 16 of 2012, allowed communities to extend benefits to unoccupied parcels for seven to ten years in existing zones. Further, Act 16 provided for the expansion of four additional undesignated KOEZs and the creation of 15 new zones for a 10 year exemption period provided the 15 new zones meet certain criteria regarding underutilization, job creation, or capital investment. Lastly, Act 16 permitted communities to expand parcels within an existing zone if the expansion is expected to increase job creation or capital investment. The benefits for expanded parcels are limited to 15 acres per zone for a period of 10 years. The extension of benefits under Act 16 became effective in calendar year 2013.

Act 84 of 2016 included a provision to allow for the designation of 12 new Keystone Opportunity Expansion Zones consisting of 375 acres each for a period of up to 10 years effective for January 1, 2017, to December 31, 2026. In addition, existing parcels can be extended up to 10 years for state tax benefits, if the applicant can meet the job creation and capital investment requirements in the enabling legislation.

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 79.3	\$ 78.0	\$ 78.6	\$ 78.7	\$ 77.9	\$ 78.5	\$ 79.1

*Beneficiaries:* Qualified businesses and residents of the designated zones within this commonwealth benefit from this tax expenditure.

## EDUCATIONAL TAX CREDITS

---

*Authorization:* Article XX-B of the Public School Code of 1949 (P.L. 30, No. 14), as amended.

*Description:* Act 194 of 2014 created the Educational Tax Credits (ETC) program by consolidating both the Educational Improvement Tax Credit (EITC) and the Educational Opportunity Scholarship Tax Credit (EOSTC) in Article XVII-F of the Tax Reform Code. Act 194 of 2014 repealed Article XVII-G.1 of the Tax Reform Code containing the EOSTC. The total tax credits awarded under the ETC program are equal to the combined total of the EITC and EOSTC. The total amount of tax credits that could be awarded in a fiscal year under the EITC was \$100 million. The total tax credits that can be awarded in a fiscal year under the EOSTC is \$50 million, for a total combined tax credits that could be awarded under the ETC program of \$150 million per fiscal year. Act 194 of 2014 made numerous administrative changes to the ETC programs in order to make the program more flexible in awarding the tax credits and how they may be utilized. The tax credits awarded under the ETC program may be applied to the personal income tax, corporate net income tax, capital stock/foreign franchise tax, bank shares tax, title insurance company shares tax, insurance premiums tax, mutual thrift institutions tax, and malt beverage tax. In addition, the tax can be distributed through more than one level of pass-through entities and can be applied to the personal income tax of a spouse filing a joint return.

Act 86 of 2016 moved the credits' authorizing statute from the Tax Reform Code to the Public School Code. The act also raised the total tax credits that can be awarded starting in fiscal year 2016-17 under the EITC to \$125 million, while the amount that can be awarded under the EOSTC remained at \$50 million per fiscal year, for a total of \$175 million that can be awarded under the ETC program starting in fiscal year 2016-17.

### Educational Improvement Tax Credit (EITC)

The Educational Improvement Tax Credit (EITC) is available to banks, thrift institutions, title insurance and trust companies, insurance companies, and corporations doing business in Pennsylvania and subject to the corporate net income tax and the capital stock/foreign franchise tax, as well as S corporations and other pass-through entities that contribute to nonprofit scholarship organizations or educational improvement organizations approved by the Department of Community and Economic Development (DCED). The tax credit is granted to business firms 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, refunded, or transferred. A tax credit equal to 90 percent of the total amount contributed is granted if the business provides a written commitment to DCED to contribute the same amount for two consecutive tax years. The annual limit per taxpayer is \$750,000 per fiscal year for contributions to scholarship organizations and educational improvement organizations. The annual limit per taxpayer is \$200,000 per fiscal year for contributions to pre-kindergarten scholarship organizations. The tax credit shall not exceed the tax liability of a business for any given taxable year.

The estimate for fiscal year 2015-16 reflects actual credits awarded under the program for that period. The estimates for future fiscal years reflect the program cap.

*Purpose:* This program encourages taxpayers to contribute to scholarship organizations, educational improvement organizations, or pre-kindergarten scholarship organizations in order to promote expanded educational opportunities for students in the commonwealth.

# General Fund Tax Expenditures

**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)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 97.7	\$ 125.0	\$ 125.0	\$ 125.0	\$ 125.0	\$ 125.0	\$ 125.0

**Beneficiaries** Approximately 2,340 companies, 3,260 individuals, and 890 scholarship organizations, educational improvement organizations, and pre-kindergarten scholarship organizations benefit from this tax expenditure.

## Educational Opportunity Scholarship Tax Credit (EOSTC)

Educational Opportunity Scholarship Tax Credit for business firms is equal to 75 percent of the amount contributed to a scholarship organization during a taxable year or 90 percent if the business firm provides a written commitment to provide the scholarship organization with the same amount of contribution for two consecutive tax years. Scholarship organizations providing financial assistance to eligible students in low-achieving schools must be approved by the Department of Community and Economic Development in order to participate in the program.

The credit may not exceed \$750,000 annually per business firm. The estimate for fiscal year 2015-16 reflects actual credits awarded under the program. The estimates for future fiscal years reflect the program cap.

**Purpose:** This program encourages taxpayers to contribute to scholarship organizations in order to promote expanded educational opportunities for students in low-achieving schools.

**Administrative Costs:** Costs to administer the Educational Opportunity Scholarship 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)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 42.1	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0

**Beneficiaries:** Approximately 430 taxpayers will benefit from this tax expenditure.

## KEYSTONE INNOVATION ZONE

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

*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 operated by a partnership of business groups and institutions of higher education. Act 84 of 2016 moved the statute authorizing Keystone Innovation Zones from Act 12 of 2004 to the Tax Reform Code.

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 credits per year. Originally, no more than \$25 million in tax credits could be awarded in any taxable year. Act 84 of 2016 lowered the program cap to \$15 million per taxable year, effective immediately.

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. Act 16 of 2012 permits the expansion of an existing KIZ if the expansion is expected to increase job creation or capital investment. Benefits for expanded parcels are limited to 15 acres for a period of 10 years.

The estimate for fiscal year 2015-16 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 84 of 2016.

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 17.9	\$ 15.0	\$ 15.0	\$ 15.0	\$ 15.0	\$ 15.0	\$ 15.0

*Beneficiaries:* Approximately 240 taxpayers will benefit from this expenditure.

## ENTERTAINMENT PRODUCTION TAX CREDIT

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

**Description:** Act 84 of 2016 created the Entertainment Production Tax Credit Program by amending Article XVII-D to encompass the current Film Production Tax Credit program and two new programs: the Concert Rehearsal and Tour Tax Credit and the Video Game Production Tax Credit.

### Film Production Tax Credit

Act 95 of 2004 created a tax credit equal to 20 percent of qualified film production expenses incurred in Pennsylvania after June 30, 2004. Under Act 95, 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. A taxpayer is eligible for an additional tax credit of five percent if the production is filmed in a qualified production facility that meets all minimum stage filming requirements. The tax credit may be used to offset capital stock/foreign franchise tax, corporate net income tax, personal income tax, bank shares tax, or insurance premiums 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; however, the Department of Community and Economic Development may waive this requirement under certain circumstances. Act 84 of 2016 expanded credit eligibility to certain postproduction expenses.

Under Act 55 of 2007, the total amount of tax credits that could be awarded in any fiscal year was \$75 million. 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. Act 26 of 2011 reduced the tax credit cap to \$60 million. Act 84 of 2016 increased the program cap to \$65 million and expanded the definition of qualified tax liability to include title insurance company shares tax and mutual thrift institutions tax. The act also authorized the reissue of unused credits from previous fiscal years.

Act 52 of 2013 made clarifications and technical changes to the program. More specifically, it clarified the term "start date," and provided that credits purchased or assigned in 2013 or 2014 could be carried forward to 2014 and 2015, respectively.

The estimate for fiscal year 2015-16 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 84 of 2016.

**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. Estimated costs total \$0.1 million.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 60.0	\$ 60.0	\$ 65.0	\$ 65.0	\$ 65.0	\$ 65.0	\$ 65.0

**Beneficiaries:** Approximately 50 film projects will benefit from this expenditure.

## Concert Rehearsal and Tour Tax Credit

Act 84 of 2016 created the Concert Rehearsal and Tour Tax Credit. The credit may be claimed by qualified concert tour promotion companies, concert tour management companies, or other concert management companies, excluding contractors or subcontractors of such companies. The tax credit may be applied against corporate net income, personal income (excluding taxes withheld by an employer from an employee), or capital stock/foreign franchise taxes.

The amount of credit awarded per taxpayer may not exceed certain percentages of qualified rehearsal and tour costs, based on the types of venues and number of performances at which the performer(s) will appear. The total amount of tax credits that can be awarded in any fiscal year will be \$4 million.

The credit may be claimed by qualified taxpayers beginning on July 1, 2017. The estimates for future fiscal years reflect the program cap.

*Purpose:* This tax credit provides an incentive for entertainers to rehearse for concert tours in Pennsylvania facilities and to perform in Pennsylvania concert venues.

*Administrative Costs:* The Department of Community and Economic Development will incur the costs of awarding, reviewing, and approving the sale or transfer of credit.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ --	\$ --	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0

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

## Video Game Production Tax Credit

Act 84 of 2016 created the Video Game Production Tax Credit. The credit may be claimed by qualified video game production companies, excluding contractors or subcontractors of such companies, for qualified Pennsylvania production expenses. The tax credit may be applied against corporate net income, personal income (excluding taxes withheld by an employer from an employee), capital stock/franchise, bank shares, title insurance company shares, insurance premiums, or mutual thrift institutions taxes.

The amount of credit awarded per taxpayer may not exceed 25 percent of the qualified production expenses incurred in the first four years of such expense and may not exceed 10 percent in years thereafter. The total amount of tax credits that can be awarded in any fiscal year will be \$1 million.

The credit may be claimed by qualified taxpayers beginning on July 1, 2017. The estimates for future fiscal years reflect the program cap.

*Purpose:* This tax credit provides an incentive for developers to produce video games 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.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ --	\$ --	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0

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

The estimates for 2015-16 reflect actual credits awarded under the program. 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

*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 tax 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.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* A nominal 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 shares tax, insurance premiums tax, and mutual thrift institutions tax. Credits for legacy sediment cannot be issued prior to July 1, 2008. Credits were first 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 2015-16 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 8.4	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0

*Beneficiaries:* Approximately 55 businesses and 210 individuals will benefit from this tax expenditure.

## KEYSTONE SPECIAL DEVELOPMENT ZONE TAX CREDIT

---

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

*Description:* Act 26 of 2011 created the Keystone Special Development Zone Tax Credit. The tax credit is available only to taxpayers with operations located on parcels of real property certified as Brownfields pursuant to the Land Recycling and Environmental Remediation Standards Act. The tax credit is equal to \$2,100 for each full-time equivalent employee working in the zone beginning in tax year 2012. The tax credit was to be available for 10 consecutive tax years during the 15 year period the tax credit was to be in existence, ending June 30, 2026. Act 84 of 2016 extended the end date for the credit to June 30, 2035. The tax credit may not exceed the qualified tax liability and may be carried forward for up to 10 years. Jobs used to claim this tax credit may not be used to claim the Keystone Opportunity Zone Tax Credit or the Job Creation Tax Credit. The tax credit can be used against personal income tax, corporate net income tax, capital stock/foreign franchise tax, bank shares tax, title insurance company shares tax, insurance premiums tax, and gross receipts tax. Unused tax credits can be sold or assigned.

*Purpose:* This tax credit is intended to encourage businesses in the commonwealth to invest in remediated industrial sites and create jobs.

*Administrative Costs:* Costs to administer the Keystone Special Development Zone Tax Credit are borne by the Department of Revenue and the Department of Community and Economic Development.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	NA	NA	NA	NA	NA	NA

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

## PENNSYLVANIA RESOURCE MANUFACTURING TAX CREDIT

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

*Description:* Act 85 of 2012 created the Pennsylvania Resource Manufacturing Tax Credit for an entity purchasing ethane for use in an ethylene manufacturing facility in the commonwealth that has made a capital investment of at least \$1 billion and created at least 2,500 full-time jobs. The tax credit is equal to \$0.05 per gallon of ethane purchased (\$2.10/barrel) for the period from January 1, 2017 to December 31, 2042. The tax credit may be used to offset 20 percent of a taxpayer's liabilities for personal income tax, corporate net income tax, capital stock/foreign franchise tax, bank shares tax, title insurance company shares tax, insurance premiums tax, gross receipts tax, and/or mutual thrift institutions tax. The tax credit may not be carried back, carried forward, or be used to obtain a refund. Within one year after the credit is approved, a taxpayer can apply to the Department of Community and Economic Development for approval to assign or sell eligible credits to another taxpayer. The eligible buyer of the credit may use the purchased credits to offset up to 50 percent of its Pennsylvania tax liabilities.

*Purpose:* This tax credit is intended to encourage the development of an ethane processing industry in the commonwealth.

*Administrative Costs:* Costs to administer the Pennsylvania Resource Manufacturing Tax Credit are borne by the Department of Revenue and the Department of Community and Economic Development.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ --	\$ --	\$ 0.0	\$ 0.0	\$ 17.1	\$ 49.6	\$ 65.0

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

## HISTORIC PRESERVATION INCENTIVE TAX CREDIT

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

*Description:* Act 85 of 2012 established the Historic Preservation Incentive Tax Credit for qualified taxpayers owning a Pennsylvania commercial building that qualifies as a certified historical structure according to the Internal Revenue Code. The tax credit is equal to 25 percent of the costs and expenses associated with a plan to rehabilitate a historic structure that is approved by the Pennsylvania Historical and Museum Commission or costs and expenses defined as qualified rehabilitation expenditures under the Internal Revenue Code. The tax credit may be applied to the personal income tax, corporate net income tax, capital stock/foreign franchise tax, bank shares tax, title insurance company shares tax, gross premiums tax, and/or mutual thrift institutions tax. The tax credit may not be carried back or used to obtain a refund, but it may be carried forward for up to seven taxable years following the first taxable year for which the taxpayer was entitled to claim the credit. A taxpayer without a qualified tax liability can apply to the Department of Community and Economic Development for approval to assign or sell eligible credits to another taxpayer. Purchasers and assignees of a tax credit must immediately claim the credit in the taxable year in which the purchase or assignment is made.

The tax credit is capped at \$3 million dollars annually and \$500,000 per taxpayer. The first and last years that the credit may be applied to are fiscal years 2013-14 and 2020-21, respectively. The estimates for future fiscal years reflect the program cap.

*Purpose:* This program encourages taxpayers to rehabilitate and preserve commercial buildings with historical value.

*Administrative Costs:* Costs to administer the Historic Preservation Incentive Tax Credit program are primarily borne by the Department of Community and Economic Development along with the Pennsylvania Historical and Museum Commission and the Department of Revenue. Estimated costs for all departments total \$0.2 million per year.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ --

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

## COMMUNITY- BASED SERVICES TAX CREDIT

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

*Description:* Act 85 of 2012 established Community-Based Services Tax Credit for contributions made by business firms to providers of community-based services for individuals with intellectual disabilities, mental illness, or drug and alcohol addiction. Providers must be a nonprofit entity that provides community-based services to individuals exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code and be approved by the Department of Community and Economic Development.

The credit is equal to 50 percent of contributions made to a provider. This amount may be increased to 75 percent for business firms that contribute to a provider in two or more successive years. The tax credit may be applied to the personal income tax, corporate net income tax, capital stock/foreign franchise tax, bank shares tax, title insurance company shares tax, insurance premiums tax, and/or mutual thrift institutions tax. Tax credits may not be carried forward, carried back, and are not refundable or transferable.

The total amount of credits per business firm cannot exceed \$100,000 annually, and the total aggregate amount of all credits approved cannot exceed \$3 million in a fiscal year. The first and last years that the credit may be applied to are fiscal years 2013-14 and 2020-21, respectively. The estimates for future fiscal years reflect the program cap.

*Purpose:* This program encourages taxpayers to contribute to providers community-based services.

*Administrative Costs:* Costs to administer the Community-Based Services Tax Credit program are primarily borne by the Department of Community and Economic Development along with the Department of Human Services and the Department of Revenue. Estimated costs for all departments total \$0.2 million per year.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ --

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

## PROMOTING EMPLOYMENT ACROSS PENNSYLVANIA PROGRAM

*Authorization:* Act 206 of October 25, 2012.

*Description:* Act 206 of October 25, 2012 created the Promoting Employment Across Pennsylvania Program (PEP) for businesses located in the commonwealth who created 250 new jobs within five years from entering into the program. PEP allowed qualified businesses to retain 95 percent of the qualified company's withholding taxes for individuals employed in the new jobs. The new employees had to be compensated at a rate equal to at least 100 percent of the county average wage, and depending on the compensation rates, the company could retain the withholding for seven to ten years. In order to qualify, a company had to offer health insurance to its employees and pay at least 50 percent of the premium. Certain industries were specifically excluded from participating in the program, including the gambling industry, religious organizations, retail trade, educational services, public administration, utilities, and food services and drinking places.

The Department of Community and Economic Development was charged with administering the program, which had an annual cap of \$5 million. The impact of the program was divided between General Fund revenues and refunds because Act 206 gave businesses the option of remitting withholding in its entirety to the Department of Revenue and then receiving the benefits under the Act as a refund. Those businesses that chose to remit all withholding to the Department of Revenue were to be assessed a \$15 fee per employee. Originally, no new businesses were permitted to enter the program after January 1, 2018.

Act 84 of 2016 repealed the program, effective December 1, 2016.

The estimate for fiscal year 2015-16 reflects actual credits awarded under the program. The estimates for future fiscal years reflect the program cap, including the program repeal.

*Purpose:* This program provided an incentive to businesses to create new jobs within the commonwealth.

*Administrative Costs:* Costs to administer the Promoting Employment Across Pennsylvania Program were borne by the Department of Community and Economic Development and the Department of Revenue.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.0	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

*Beneficiaries:* No known businesses utilized this program.

## MOBILE TELECOMMUNICATIONS BROADBAND INVESTMENT TAX CREDIT

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

*Description:* Act 52 of 2013 created the Mobile Telecommunications Broadband Investment Tax Credit. Taxpayers that are a provider of mobile communications services shall be allowed a tax credit against their corporate net income tax for investment in qualified broadband equipment placed into service in Pennsylvania.

The amount of the tax credit is five percent of the purchase price of qualified broadband equipment put into service during the taxable year. The maximum amount of approved tax credits shall not exceed \$5 million in any fiscal year, nor may they exceed 50 percent of a taxpayer's corporate net income tax liability.

Any credit claimed and not used in the taxable year may be carried forward for no more than five consecutive tax years. Affiliated shareholders, members, or partners of pass-through entities that receive unused credits from the pass-through entity are required to use the tax credit immediately. They are not allowed to carry forward, carry back, obtain a refund, or sell the tax credit.

The credit was first awarded for tax year 2014. The estimate for fiscal year 2015-16 reflects actual credits awarded. The amounts for future fiscal years reflect the program cap.

*Purpose:* The tax credit is intended to encourage investment in mobile broadband services by the mobile telecommunications industry.

*Administrative Costs:* Costs to administer the Mobile Telecommunications Broadband Investment Tax Credit are borne by the Department of Revenue.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.3	\$ 0.3	\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.0

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



## ORGAN AND BONE MARROW DONOR TAX CREDIT

---

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

**Description:** Act 193 of 2014 reestablished the Organ and Bone Marrow Donor Tax Credit as part of the Tax Reform Code retroactively for tax year 2011 and forward. Applications for tax credits must be filed by the 15<sup>th</sup> day of the fourth month following the close of the business firm's taxable year. Act 65 of 2006 created the original Organ and Bone Marrow Donor Tax Credit as a stand-alone act. It expired in 2010. The tax credit is available for business firms subject to the personal income tax, corporate net income tax, capital stock/franchise tax, bank and trust company shares tax, title insurance companies shares tax, insurance premiums 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)

<b>Estimates:</b>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

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

## EXEMPTIONS FOR OUT-OF-STATE ENTITIES DURING A DECLARED EMERGENCY

*Authorization:* Act 203 of October 31, 2014

*Description:* Act 203 of 2014 provides that out-of-state businesses responding to a disaster emergency declared by the Governor of Pennsylvania or the President of the United States would not be subject to: state or local business licensing or registration; PUC or regulatory requirements; state and local taxes/fees, such as unemployment insurance, sales and use tax, property tax on equipment brought in on a temporary basis, used or consumed in the commonwealth during the disaster emergency, and subsequently removed from the commonwealth, state or local occupational licensing fees or local service taxes; and state or local tax on or measured by, in whole or in part, net or gross income or receipts.

An out-of-state employee shall not be considered to have established residency that would require the individual or the employer to do the following: file and pay income taxes; be subjected to income tax withholding; or file and pay any other state or local tax or fee for disaster emergency-related work performed during the period designated.

These exemptions apply to an out-of-state business who performs work for a period of not more than 10 days before and not more than 60 days after the end of a declared disaster emergency period, and the business must be in compliance with all applicable regulatory and licensing requirements in its state of domicile. The exemption period may be extended by the Governor for a period of not more than 30 days for each declared disaster emergency.

*Purpose:* These exemptions encourage out-of-state individuals and businesses to respond to declared disasters in Pennsylvania by making the tax administration process simpler.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	NA	NA	NA	NA	NA	NA

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

## WATERFRONT DEVELOPMENT TAX CREDIT

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

*Description:* Act 84 of 2016 created the Waterfront Development Tax Credit. The credit is available to business firms making a donation of cash or property to a waterfront development organization to fund a waterfront development project. The credit may be claimed by qualified business firms subject to personal income, corporate net income, capital stock/foreign franchise, title insurance company shares, insurance premiums (including surplus lines), or mutual thrift institutions taxes that have made a contribution to a waterfront development organization to fund a waterfront development project.

The tax credit may not exceed 75 percent of the total contribution made by the business firm during the taxable year. Credits are available on a first come, first served basis. Total credits awarded in a fiscal year shall not exceed \$1.5 million.

The credit may be claimed beginning in fiscal year 2017-18. The estimates for future fiscal years reflect the program cap.

*Purpose:* This tax credit provides an incentive for business firms to contribute to the betterment of Pennsylvania's waterfronts.

*Administrative Costs:* The Department of Community and Economic Development will incur the costs of awarding, reviewing, and approving the sale or transfer of credit.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ --	\$ --	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.5

*Beneficiaries:* An unknown number of taxpayers will benefit from this credit program.

## COAL REFUSE ENERGY AND RECLAMATION TAX CREDIT

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

*Description:* Act 84 of 2016 created the Coal Refuse Energy and Reclamation Tax Credit. Credits may be awarded at a rate of \$4 per 2,000 pounds of qualified coal refuse, capped at 22.2 percent of the available budget allocation per fiscal year. The allocation is \$7.5 million for fiscal year 2016-17 and \$10 million each fiscal year thereafter. Credits are awarded by the Department of Community and Economic Development.

The Coal Refuse Energy and Reclamation Tax Credit may be used against personal income tax, corporate net income tax, capital stock and franchise tax, bank shares tax, title insurance company shares tax, insurance premiums tax, and mutual thrift institutions tax liabilities.

The tax credit can be carried forward for 15 years, but may not be carried back or refunded. Credits can be transferred to pass-through entities (Subchapter S corporations, Limited Liability Companies, and Partnerships) to a shareholder, member or partner.

An unused tax credit may be sold or assigned. A sold or assigned tax credit must be used by the purchaser or assignee in the tax year in which it was sold or assigned. The credit cannot be carried back, carried forward or refunded. A sold or assigned tax credit may only reduce a taxpayer's qualified liability by 75% in a given tax year.

The estimates for fiscal years 2016-17 and after reflect the program cap.

*Purpose:* This tax credit is designed to incentivize eligible facilities that generate electricity in the commonwealth to use coal refuse for power generation, control acid gasses for emission control, and use ash produced by the facility to reclaim mining-affected sites.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ --	\$ 7.5	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0

*Beneficiaries:* An unknown number of beneficiaries will benefit from this credit program.

## MANUFACTURING AND INVESTMENT TAX CREDIT

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

*Description:* Act 84 of 2016 created the Manufacturing and Investment Tax Credit, encompassing the Manufacturing Tax Credit and the Rural Jobs and Investment Tax Credit.

Manufacturing Tax Credit

Eligible taxpayers, capable of increasing their annual taxable payroll by a minimum of \$1 million through the creation of new full-time jobs can earn a tax credit equal to up to five percent of the taxpayer's increase in annual taxable payroll. Jobs must be maintained for at least five years. The budget allocation is \$4 million a year beginning in fiscal year 2017-18. Credits are awarded by the Department of Community and Economic Development.

The Manufacturing Tax Credit may be used against personal income tax, corporate net income tax, capital stock and franchise tax, bank shares tax, title insurance company shares tax, insurance premiums tax, and mutual thrift institutions tax liabilities.

The tax credit can be carried forward for 3 years, but may not be carried back or refunded. Credits can be transferred to pass-through entities (Subchapter S corporations, Limited Liability Companies, and Partnerships) to a shareholder, member or partner.

An unused tax credit may be sold or assigned. A sold or assigned tax credit must be used by the purchaser or assignee in the tax year in which it was sold or assigned. The credit cannot be carried back, carried forward, or refunded. A sold or assigned tax credit may only reduce a taxpayer's qualified liability by 50 percent in a given tax year.

The estimates for future fiscal years reflect the program cap.

*Purpose:* This tax credit is designed to support job creation and preservation with the commonwealth.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ --	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0

*Beneficiaries:* An unknown number of beneficiaries may benefit from this tax credit program.

## Rural Jobs and Investment Tax Credit

The Rural Jobs and Investment Tax Credit is based on contributions made by a business firm to a rural growth fund. Eligible business firms may be approved for up to a 90 percent equivalent tax credit per contributed dollar. The budget allocation is \$1 million a year beginning in fiscal year 2017-18, and is not to exceed \$4 million for the duration of the program. The credits are awarded by the Department of Community and Economic Development.

The Rural Jobs and Investment Tax Credit may be used against bank shares tax, title insurance company shares tax, insurance premiums tax, and mutual thrift institutions tax liabilities.

The tax credit can be carried forward for 5 years, but may not be carried back or refunded. Credits can only be sold to affiliated companies. An awarded or assigned tax credit may reduce a taxpayer's qualified liability by 100 percent in a given tax year.

The estimates for future fiscal years reflect the program cap.

*Purpose:* This tax credit is designed to stimulate growth and job creation in rural areas by providing access to capital to rural businesses from businesses supporting rural growth funds.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ --	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0

*Beneficiaries:* An unknown number of taxpayers may benefit from this tax credit program.

## BREWERS' TAX CREDIT

---

*Authorization:* Article XX, Section 2010 of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

*Description:* Act 84 of 2016 reinstated the limited tax credit, which provides manufacturers of malt or brewed beverages a maximum annual credit of \$200,000 for capital improvement expenditures. This tax credit cannot exceed the amount of qualifying capital expenditures (items of plant, equipment and machinery intended for use in the manufacture and sale of malt or brewed beverages within the Commonwealth) made during a calendar year. The tax credit applies to qualifying capital expenditures made after June 30, 2017.

The estimates for future fiscal years reflect the program cap.

*Purpose:* This credit grants a limited tax subsidy for capital improvements made by brewers. This provision could help lower the risk of business failure and subsequent loss of employment opportunities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ --	\$ --	\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.0

*Beneficiaries:* Up to 270 malt beverage taxpayers may benefit from this tax expenditure.

## MIXED-USE DEVELOPMENT TAX CREDIT

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

*Description:* Act 84 of 2016 created the Mixed-Use Development Tax Credit. The Pennsylvania Housing Finance Authority may allocate up to \$2 million per fiscal year in tax credits to be purchased by qualified purchasers. Tax credit certificates are schedule to be issued to credit purchasers beginning on July 1, 2017.

The credits may be claimed by tax credit purchasers against personal income (excluding employer withholding), corporate net income, capital stock/foreign franchise, title insurance company shares, insurance premiums, gross receipts, or mutual thrift institutions taxes. Credits may be sold or assigned and may be carried forward for up to seven taxable years.

The credit may be claimed beginning in fiscal year 2017-18. The estimates for future fiscal years reflect maximum fiscal year allocation.

*Purpose:* This tax credit encourages increased funding of affordable housing and commercial corridor development opportunities in the commonwealth through the Pennsylvania Housing Finance Authority's Mixed-Use Development Program.

*Administrative Costs:* Costs to administer the Mixed-Use Development Tax Credit will be borne by the Pennsylvania Housing Finance Authority and the Department of Revenue.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ --	\$ --	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0

*Beneficiaries:* An unknown number of taxpayers will benefit from this credit program.



## COMPUTER DATA CENTER EQUIPMENT INCENTIVE PROGRAM

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

*Description:* Act 84 of 2016 created the Computer Data Center Equipment Incentive Program, which provides sales and use tax refunds for computer data center equipment (used to outfit, operate, or benefit a computer data center and component parts, installations, refreshments, replacement, and upgrades to the equipment). Computer data centers wishing to qualify for the sales and use tax refunds must meet certain requirements relating to the size of new investment being made to the computer data center as well as a requirement as to annual compensation of its employees. The program will provide up to \$5 million in sales and use tax refunds beginning in fiscal year 2017-18.

The estimates for future fiscal years reflect the program cap.

*Purpose:* This program provides a limited sales and use tax refund program for computer data centers. This provision could help lower the risk of business failure and subsequent loss of employment opportunities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ --	\$ --	\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.0

*Beneficiaries:* Approximately 720 entities could 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 the increased complexity of such audits, as well as legal rulings, pronouncements, and bulletins. Tax expenditures also contribute significantly to the tax appeals process.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<b>Corporate Net Income Tax and Capital Stock/Foreign Franchise Tax:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 2.9	\$ 3.0	\$ 3.0	\$ 3.1	\$ 3.2	\$ 3.3	\$ 3.4
	<b>Selective Business Taxes:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 60.5	\$ 61.5	\$ 62.4	\$ 63.4	\$ 64.4	\$ 65.4	\$ 66.4

*Beneficiaries:* Approximately 2,530 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. Beginning with Act 4 of 1999, there have been several acts that have steadily increased the weighting of the sales factor in the apportionment formula. Act 85 of 2012 increased the sales factor weight to 100 percent for tax years 2013 and after. Property and payroll are no longer factors in the apportionment formula.

Act 52 of 2013 modified the sourcing of sales for calculating the apportionment of income. Sales of real property, tangible property, and services will be sourced at the location of the customer instead of the location of the “income producing activity.” The same act also established a new apportionment formula for providers of satellite television services based on the value of equipment used in generating, processing, or transmitting satellite telecommunications. Both provisions are effective January 1, 2014.

**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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 663.1	\$ 637.6	\$ 623.2	\$ 615.0	\$ 606.9	\$ 598.8	\$ 590.6

**Beneficiaries:** More than 34,600 corporations are affected by this expenditure. Of those, 7,700 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 2.8	\$ 2.8	\$ 2.9	\$ 2.9	\$ 3.0	\$ 3.1	\$ 3.2

**Beneficiaries:** Approximately 1,640 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. Beginning with Act 45 of 1998, the carryforward period has increased from three years to 20 years. Act 89 of 2002 increased the carryforward to 20 years for losses incurred in the 1998 taxable year and thereafter. Various acts have increased the annual cap on deductions. Most recently, Act 48 of 2009 amended the annual cap on deductions to \$3 million or 20 percent of taxable income, whichever is greater. Act 52 of 2013 further increased the annual amount for the cap on deductions. For tax year 2014, the annual cap on deductions is \$4 million or 25 percent of taxable income, whichever is greater. For tax year 2015 and beyond, the annual cap on deductions is \$5 million or 30 percent of taxable income, whichever is greater.

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 389.5	\$ 407.4	\$ 421.8	\$ 436.2	\$ 450.6	\$ 464.9	\$ 479.3

*Beneficiaries:* Approximately 14,800 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</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. Beginning with Act 7 of 1997, there have been several acts that have linked the Pennsylvania tax treatment of S corporations more closely with federal law.

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 845.2	\$ 847.1	\$ 842.6	\$ 837.3	\$ 834.5	\$ 832.1	\$ 827.9

*Beneficiaries:* Approximately 162,400 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. 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. Various acts through the years have clarified the tax treatment of LLCs and types of companies that can organize as LLCs.

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 553.7	\$ 557.4	\$ 556.4	\$ 554.8	\$ 554.9	\$ 555.2	\$ 554.2

*Beneficiaries:* As many as 128,800 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5

*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 \$160,000. Beginning with Act 7 of 1997, there have been several acts that have increased the valuation deduction from \$100,000 to \$160,000.

Act 89 of 2002 suspended the automatic transfer of 0.25 mills 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 77 of 2007 amended the HSCF transfer, setting it at \$40 million per fiscal year, beginning in fiscal year 2008-09.

Beginning with Act 45 of 1998, there have been various acts that have decreased the capital stock/foreign franchise rate. The most recent legislation, Act 52 of 2013 delayed elimination of the capital stock/foreign franchise tax for two years. The rate for tax year 2014 is 0.67 mills. The rate is further reduced to 0.45 mills for tax year 2015. The tax is then eliminated for all tax years beginning after December 31, 2015.

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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 2.4	\$ 0.5	\$ 0.1	Nominal	\$ --	\$ --	\$ --

*Beneficiaries:* Approximately 4,600 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	\$ --	\$ --	\$ --

*Beneficiaries:* Approximately 830 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 37.7	\$ 8.1	\$ 1.8	Nominal	\$ --	\$ --	\$ --

*Beneficiaries:* Approximately 4,600 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.

Act 52 of 2013 modified the sourcing of sales for calculating the apportionment of income. Sales of real property, tangible property, and services will be sourced at the location of the customer instead of the location of the “income producing activity.”

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 23.8	\$ 5.1	\$ 1.2	Nominal	\$ --	\$ --	\$ --

*Beneficiaries:* Approximately 8,000 corporations doing business in Pennsylvania benefit from this tax expenditure.

## POLLUTION CONTROL DEVICES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	\$ --	\$ --	\$ --

*Beneficiaries:* A nominal number of 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2020-21</u>
	\$ 8.1	\$ 1.6	\$ 0.3	Nominal	\$ --	\$ --	\$ --

*Beneficiaries:* Approximately 280,200 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 26.5	\$ 5.7	\$ 1.3	Nominal	\$ --	\$ --	\$ --

*Beneficiaries:* Approximately 490 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.1	Nominal	Nominal	Nominal	\$ --	\$ --	\$ --

*Beneficiaries:* At least 220 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 1.2	\$ 0.2	Nominal	Nominal	\$ --	\$ --	\$ --

*Beneficiaries:* Approximately 3,400 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	NA	NA	NA	\$ --	\$ --	\$ --

*Beneficiaries:* A nominal number of business trusts and other entities formed for the securitization of student loan assets benefit from this tax expenditure.

# General Fund Tax Expenditures

## 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	NA	NA	NA	\$ --	\$ --	\$ --

*Beneficiaries:* A nominal 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	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. Municipalities are entitled to exemptions.

A tax is levied at 50 mills on gross receipts from passengers, baggage, freight, and oil transported within the commonwealth; 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. Act 84 of 2016 repealed the imposition of gross receipts tax on managed care organizations, effective January 1, 2017.

## 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 11.2	\$ 11.3	\$ 11.4	\$ 11.5	\$ 11.6	\$ 11.7	\$ 11.8

*Beneficiaries:* The 35 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* One hundred thirty-five electric suppliers could potentially benefit from this tax expenditure.

## ELECTRIC COOPERATIVES

---

*Description:* Gross receipts of electric cooperatives are exempt from the tax. The figures for this expenditure are at the statutory utility gross receipts tax rates applicable to the appropriate tax year.

*Purpose:* These cooperatives are nonprofit corporations organized to engage in rural electrification and are perceived to provide public benefit. This exemption permits this service to be rendered at a reduced cost to the rate payers.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 21.0	\$ 21.2	\$ 21.4	\$ 21.7	\$ 21.9	\$ 22.1	\$ 22.3

*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 has remained 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 3.3	\$ 3.3	\$ 3.4	\$ 3.4	\$ 3.4	\$ 3.5	\$ 3.6

*Beneficiaries:* The 290 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 2.9	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.1	\$ 3.2

*Beneficiaries:* The 290 public utilities could benefit from this tax expenditure.



## RAILROAD RIGHTS-OF-WAY

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 6.8	\$ 6.9	\$ 6.9	\$ 7.0	\$ 7.1	\$ 7.1	\$ 7.2

*Beneficiaries:* The 75 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 6.0	\$ 6.0	\$ 6.1	\$ 6.2	\$ 6.2	\$ 6.3	\$ 6.4

*Beneficiaries:* The 55 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 3.7	\$ 3.7	\$ 3.8	\$ 3.8	\$ 3.8	\$ 3.9	\$ 4.0

*Beneficiaries:* The 635 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 27.0	\$ 27.3	\$ 27.5	\$ 27.7	\$ 28.0	\$ 28.2	\$ 28.4

*Beneficiaries:* The 22 electric utilities owning generating assets in Pennsylvania benefit from this tax expenditure.

## TRANSITION CREDIT

---

*Description:* During the transition years 1998 through 2001, the liability of a public utility under PURTA is limited to 250 percent of its immediate prior year's liability with any reduction in the liability capped at \$100,000 per taxable year. The cost of the transition credit in current fiscal years depends on the calculation of the compensating adjustments for the affected tax years.

*Purpose:* The PURTA transition credit provides limited relief to taxpayers having a significant increase in their PURTA tax base as a result of Act 4 of 1999.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* Approximately 60 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 two percent of gross premiums plus any retaliatory tax. A three percent rate is imposed on insurance premiums for policies written with unlicensed insurers by a surplus lines agent when the insured's home state is Pennsylvania. Marine insurance companies are subject to a five 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.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 14.3	\$ 15.4	\$ 15.8	\$ 16.3	\$ 16.8	\$ 17.4	\$ 17.9

*Beneficiaries:* Approximately 60 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.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 81.5	\$ 86.6	\$ 90.5	\$ 95.3	\$ 100.0	\$ 105.6	\$ 110.9

*Beneficiaries:* Fifteen nonprofit hospital and medical care service organizations doing business in Pennsylvania benefit from this tax expenditure.

## 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.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

*Beneficiaries:* Approximately 810 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* Approximately 430 life, accident, and health insurance companies doing business in Pennsylvania may benefit from this tax expenditure.

# General Fund Tax Expenditures

## PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION (PP&CIGA) CREDIT \_\_\_\_\_

**Description:** A tax credit is available to companies that are members of the Pennsylvania Property and Casualty Insurance Guaranty Association (PP&CIGA). Companies may claim a credit for assessments paid to the association in a calendar year that exceed one percent of gross premiums collected from policyholders. The credit must be taken proportionately over five years, beginning the year after the assessment is paid. This tax credit was enacted as part of Act 23 of 2000 to allow member companies to recoup a portion of assessments paid to the association in the form of tax credits.

**Purpose:** The Pennsylvania Property and Casualty Insurance Guaranty Association protects policyholders and claimants by providing for the payment of benefits and claims for property and casualty policies under certain circumstances. Members are assessed to provide funds to carry out the purpose of the association. This credit also provides indirect relief to property and casualty policyholders to the extent that lower premium rates are maintained.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	\$ 0.9	\$ 1.7	\$ 2.6	\$ 3.5	\$ 4.5	\$ 4.6

**Beneficiaries:** Approximately 1,070 property and casualty insurers doing business in Pennsylvania benefit from this tax expenditure.

## INNOVATE IN PA TAX CREDIT \_\_\_\_\_

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

**Description:** Act 52 of 2013 created the Innovate in PA Tax Credit. A total of \$100 million in tax credits were purchased by qualified insurance companies in 2015. The credits may be claimed beginning in calendar year 2017 against insurance premiums tax (IPT) liabilities incurred for a taxable year beginning on or after January 1, 2016. The total amount of credits applied against IPT liability by all qualified taxpayers in a fiscal year may not exceed \$20 million, nor may they exceed a taxpayer's IPT liability for that year. Credits may be sold to other qualified taxpayers and may be carried forward for any taxable year that begins prior to January 1, 2026.

The amounts shown below reflect the program cap.

**Purpose:** The tax credit encourages funding of early-stage venture capital investment through the Ben Franklin Technology Partners, the Venture Investment Program, and the Life Sciences Greenhouses.

**Administrative Costs:** Costs to administer the Innovate in PA Tax Credit are borne by the Department of Community and Economic Development and the Department of Revenue. Estimated costs total \$0.1 million per year.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ --	\$ 20.0	\$ 20.0	\$ 20.0	\$ 20.0	\$ 20.0	\$ 0.0

**Beneficiaries:** Approximately thirty taxpayers will 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.

The tax is imposed annually on the value of shares as of January 1. Beginning January 1, 2014, the taxable value of shares is computed on the most recent year-end value of an institution's total bank equity capital, adjusted to allow a deduction for United States obligations. Beginning on January 1, 2017, the tax rate on the dollar value of each taxable share of stock is increased from 0.89 to 0.95 percent.

## **GOODWILL DEDUCTION**

*Description:* Act 55 of 2007 provides for goodwill generated by a combination to be subtracted from a bank's book value of total bank equity capital when calculating its taxable shares. The Act also provides for goodwill to be subtracted from total assets when calculating the proportional deduction for United States obligations.

*Purpose:* This deduction removes from the tax base the intangible value assigned to goodwill under purchase accounting rules as the result of a combination with another bank.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 70.9	\$ 74.4	\$ 78.3	\$ 82.7	\$ 87.4	\$ 92.3	\$ 97.6

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

## **EDGE ACT DEDUCTION**

*Description:* Act 84 of 2016 provides for Edge Act subsidiary equity to be subtracted from a bank's book value of total bank equity capital when calculating its taxable shares. The deduction is phased in over 5 years, beginning January 1, 2018, allowing a 20 percent deduction that year and increasing 20 percent each year until fully phased in January 1, 2022.

*Purpose:* This deduction removes from the tax base the value of Edge Act subsidiaries for institutions which file Reports of Condition on a consolidated basis.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ --	\$ --	\$ 2.7	\$ 5.6	\$ 8.6	\$ 11.9	\$ 15.3

*Beneficiaries:* Any Pennsylvania bank which files Reports of Condition on a consolidated basis may 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

*Beneficiaries:* The 60 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 5.8	\$ 6.1	\$ 6.4	\$ 6.8	\$ 7.2	\$ 7.6	\$ 8.0

*Beneficiaries:* The 57 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 14.1	\$ 14.3	\$ 14.6	\$ 14.8	\$ 15.0	\$ 15.2	\$ 15.4

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$1,410.1	\$1,451.1	\$1,487.7	\$1,524.6	\$1,562.7	\$1,602.5	\$1,643.6

*Beneficiaries:* Virtually all 5.1 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 65.6	\$ 67.5	\$ 69.2	\$ 70.9	\$ 72.7	\$ 74.5	\$ 76.4

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 46.4	\$ 48.3	\$ 50.5	\$ 52.7	\$ 54.7	\$ 56.5	\$ 58.4

*Beneficiaries:* Virtually all 5.1 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 16.3	\$ 15.8	\$ 15.5	\$ 15.3	\$ 15.1	\$ 15.2	\$ 15.5

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

## 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 6.3	\$ 6.4	\$ 6.4	\$ 6.5	\$ 6.5	\$ 6.6	\$ 6.7

*Beneficiaries:* An unknown number of taxpayers 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2020-21</u>
	\$ 783.7	\$ 806.1	\$ 825.8	\$ 844.1	\$ 860.4	\$ 877.3	\$ 894.9

*Beneficiaries:* Virtually all 5.1 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 842.4	\$ 899.0	\$ 962.3	\$1,034.6	\$1,118.4	\$1,211.9	\$1,313.6

*Beneficiaries:* Approximately 2.8 million Pennsylvanians benefit from this tax expenditure.

## 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 116.0	\$ 124.1	\$ 133.2	\$ 143.5	\$ 155.5	\$ 168.8	\$ 183.3

*Beneficiaries:* Virtually all 5.1 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 141.7	\$ 151.5	\$ 160.4	\$ 168.8	\$ 176.6	\$ 184.4	\$ 192.6

*Beneficiaries:* Approximately 6.3 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 10.6	\$ 11.0	\$ 11.4	\$ 11.8	\$ 12.3	\$ 12.7	\$ 13.2

*Beneficiaries:* An unknown number of businesses and 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 19.5	\$ 20.3	\$ 21.2	\$ 22.1	\$ 23.0	\$ 24.0	\$ 25.0

*Beneficiaries:* As many as 128,000 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 1.5	\$ 1.5	\$ 1.6	\$ 1.6	\$ 1.7	\$ 1.7	\$ 1.8

*Beneficiaries:* An unknown number of households, 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 12.3	\$ 12.2	\$ 12.0	\$ 11.9	\$ 11.7	\$ 11.5	\$ 11.4

*Beneficiaries:* As many as 780,000 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 8.2	\$ 8.5	\$ 8.9	\$ 9.3	\$ 9.7	\$ 10.2	\$ 10.8

*Beneficiaries:* Approximately 733,000 households benefit from this tax expenditure.

## GRATUITIES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 97.4	\$ 102.8	\$ 107.8	\$ 112.8	\$ 117.5	\$ 122.3	\$ 127.3

*Beneficiaries:* Approximately 3.7 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 121.0	\$ 122.6	\$ 124.1	\$ 127.2	\$ 129.5	\$ 131.8	\$ 134.5

*Beneficiaries:* Approximately 70,000 households and an unknown 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 8.0	\$ 8.2	\$ 8.5	\$ 8.8	\$ 9.1	\$ 9.4	\$ 9.7

*Beneficiaries:* Approximately 180,000 households use wood as a primary heating source. In addition, there are approximately 700,000 households with working fireplaces. Both groups 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>	<b>Electric:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 416.9	\$ 423.3	\$ 440.3	\$ 458.4	\$ 475.6	\$ 493.4	\$ 512.0
	<b>Fuel Oil/Gas:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 153.7	\$ 152.6	\$ 159.9	\$ 168.2	\$ 174.9	\$ 179.8	\$ 184.9
	<b>Telephone:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 55.7	\$ 56.7	\$ 57.3	\$ 58.1	\$ 59.0	\$ 59.6	\$ 60.3

*Beneficiaries:* Virtually all 5.1 million households (electricity), 3.8 million households (fuel oil/gas), and 3.0 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 128.0	\$ 130.9	\$ 134.1	\$ 137.7	\$ 141.7	\$ 146.1	\$ 150.7

*Beneficiaries:* Approximately 4.5 million households and about 298,000 businesses benefit from this tax expenditure.

## GASOLINE AND MOTOR FUELS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 987.9	\$ 805.4	\$ 850.6	\$ 951.8	\$1,013.5	\$1,081.2	\$1,154.3

*Beneficiaries:* Approximately 4.8 million households and owners of more than 1.6 million heavy trucks, buses, etc., benefit from this tax expenditure.

## MOTOR VEHICLES/VESSELS

### AIRCRAFT

*Description:* An exemption is provided for the sale at retail or use of helicopters and similar rotocraft. In addition, there is an exemption for the sale at retail of repair and replacement parts for helicopters, similar rotocraft, and fixed-wing aircraft. This exemption also covers the installation of these parts as well as other service to the aircraft.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 5.1	\$ 5.4	\$ 5.6	\$ 5.8	\$ 6.0	\$ 6.2	\$ 6.4

*Beneficiaries:* Approximately 110 aircraft manufacturers and repair companies may benefit from this expenditure. In addition, an unknown number of purchasers of these products and services may benefit.

## 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 51.3	\$ 52.3	\$ 53.2	\$ 54.7	\$ 56.7	\$ 58.6	\$ 60.6

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

## COMMERCIAL VESSELS (Construction and Repair)

*Description:* The purchase or use of commercial vessels of 50 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 17.0	\$ 17.3	\$ 17.5	\$ 18.0	\$ 18.7	\$ 19.4	\$ 20.2

*Beneficiaries:* As many as 10 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 50 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 5.7	\$ 5.7	\$ 5.7	\$ 5.8	\$ 5.9	\$ 6.1	\$ 6.2

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



## MOTOR VEHICLES (Out-of-State Purchasers)

*Description:* The purchase or use of a motor vehicle by a non-resident, to be used outside Pennsylvania, and 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 21.6	\$ 21.7	\$ 21.8	\$ 21.9	\$ 21.9	\$ 22.0	\$ 22.1

*Beneficiaries:* Approximately 400 private school bus contractors and virtually all 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$1,206.1	\$1,234.1	\$1,258.3	\$1,290.2	\$1,328.8	\$1,377.9	\$1,430.0

*Beneficiaries:* Approximately 13,800 manufacturers and an unknown number of processors and remanufacturers benefit from this tax expenditure.

## 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 35.9	\$ 36.2	\$ 36.9	\$ 37.6	\$ 38.4	\$ 39.5	\$ 40.6

*Beneficiaries:* Approximately 58,800 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 96.4	\$ 95.7	\$ 96.9	\$ 97.5	\$ 98.6	\$ 100.6	\$ 102.8

*Beneficiaries:* Approximately 820 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 2.2	\$ 2.3	\$ 2.3	\$ 2.4	\$ 2.4	\$ 2.5	\$ 2.6

*Beneficiaries:* Approximately 73,500 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 47.9	\$ 50.0	\$ 52.3	\$ 54.6	\$ 57.1	\$ 59.6	\$ 62.3

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.8	\$ 0.8	\$ 0.9	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.0

*Beneficiaries:* Approximately 60 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6

*Beneficiaries:* As many as 210 vending machine operators may benefit from this tax expenditure.

## HOTEL-PERMANENT RESIDENT

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 6.1	\$ 6.3	\$ 6.5	\$ 6.7	\$ 6.9	\$ 7.2	\$ 7.4

*Beneficiaries:* Approximately 51,600 persons benefit from this tax expenditure.

## VENDOR DISCOUNT

*Description:* A licensed vendor is permitted a discount as a credit against the gross amount of tax collected provided that a tax return, with full payment due the department, is filed or postmarked on or before the due date. The discount shall be the lesser of one per cent of the amount of the tax collected and the following: \$25 for a monthly filer, \$75 for a quarterly filer, or \$150 for a semiannual filer.

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 80.6	\$ 28.8	\$ 18.3	\$ 19.0	\$ 19.6	\$ 20.8	\$ 22.2

*Beneficiaries:* Approximately 187,200 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 339.6	\$ 357.2	\$ 376.1	\$ 390.6	\$ 396.2	\$ 401.9	\$ 407.7

*Beneficiaries:* Approximately 600,000 purchasers of motor vehicles annually benefit from this tax expenditure. In addition, an unknown number of entities benefit from other trade-ins (such as boats and aircraft).

## 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 103.1	\$ 107.8	\$ 111.8	\$ 115.7	\$ 119.5	\$ 123.4	\$ 127.4

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	NA	NA	NA	NA	NA	NA

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

## 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 2.6	\$ 2.6	\$ 2.6	\$ 2.6	\$ 2.6	\$ 2.6	\$ 2.6

*Beneficiaries:* Approximately 2,000 Standard bred horse purchasers and an unknown number of purchasers of other types of horses benefit from this tax expenditure.

## YOUTH SPORTS PROGRAMS

*Description:* The purchase of food and beverages from nonprofit associations which support sports programs for participants aged 18 or younger, or for persons with physical or intellectual disabilities 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 disabled.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</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>	<b>Charitable Organizations:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 12.0	\$ 12.2	\$ 12.5	\$ 12.9	\$ 13.4	\$ 13.9	\$ 14.4
	<b>Volunteer Firemen's Organizations:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 15.5	\$ 15.7	\$ 16.0	\$ 16.6	\$ 17.2	\$ 17.9	\$ 18.6
	<b>Nonprofit Educational Institutions:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 81.8	\$ 82.5	\$ 84.1	\$ 87.3	\$ 90.7	\$ 94.3	\$ 98.1
	<b>Religious Organizations:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 8.0	\$ 8.2	\$ 8.4	\$ 8.7	\$ 9.0	\$ 9.3	\$ 9.6
	<b>Health &amp; Social Assistance Organizations:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 156.8	\$ 157.7	\$ 159.5	\$ 164.6	\$ 170.4	\$ 174.7	\$ 178.9

*Beneficiaries:* Approximately 31,300 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 360.1	\$ 372.5	\$ 387.2	\$ 402.2	\$ 417.4	\$ 432.6	\$ 449.2

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

## SUBSTITUTED TAX BASE

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 10.9	\$ 11.0	\$ 11.1	\$ 11.4	\$ 11.9	\$ 12.4	\$ 13.0

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



## 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* An unknown number of 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* An unknown number of entities 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* An unknown number of 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 182.2	\$ 185.1	\$ 188.4	\$ 193.9	\$ 200.8	\$ 211.8	\$ 227.3

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

*Beneficiaries:* As many as 860,000 residents who have difficulty ascending and descending stairs may benefit from this tax expenditure.

## 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 applies 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 3.8	\$ 4.0	\$ 4.2	\$ 4.4	\$ 4.6	\$ 4.8	\$ 5.1

*Beneficiaries:* Any of the 298,000 licensed vendors could benefit from this tax expenditure, if they extend credit or accept checks for payment.

## UNIFORM COMMERCIAL CODE FILING FEES

*Description:* Separately stated Uniform Commercial Code (UCC) filing fees, copy requests, and certification fees paid to a state or local agency are exempt from tax.

*Purpose:* UCC filing legally identifies the lien holder for personal property collateral. These fees may be perceived as incidental to the purchase or use of the tangible personal property and, as such, are exempt from tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 2.0	\$ 2.1	\$ 2.2	\$ 2.3	\$ 2.3	\$ 2.4	\$ 2.5

*Beneficiaries:* As many as 130,000 entities benefit from this tax expenditure annually.

## 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 21.6	\$ 22.4	\$ 23.0	\$ 23.6	\$ 24.2	\$ 24.8	\$ 25.3

*Beneficiaries:* Approximately 180 motion picture and video exhibition companies, 80 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 1.4	\$ 1.5	\$ 1.5	\$ 1.6	\$ 1.6	\$ 1.7	\$ 1.8

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 8.9	\$ 9.4	\$ 9.8	\$ 10.1	\$ 10.5	\$ 11.0	\$ 11.5

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 3.6	\$ 3.6	\$ 3.6	\$ 3.5	\$ 3.5	\$ 3.6	\$ 3.6

*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. Act 84 of 2016 expanded this definition to include corrugated boxes used by a person engaged in the manufacture of snack food products.

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* Approximately 58,900 retail and wholesale establishments benefit from this tax expenditure.

## CONVENTION CENTER RENTALS

*Description:* Act 84 of 2016 added an additional exclusion to the sales and use tax for the sale at retail or use of services related to the set up, tear down, or maintenance of tangible personal property rented by an authority to exhibitors at certain convention centers or public auditoriums.

*Purpose:* This exemption could promote the use of certain convention centers or public auditoriums in Pennsylvania.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

*Beneficiaries:* A minimal number of taxpayers will 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
<b>LODGING</b>							
Recreational parks, camps & campgrounds .....	\$ 13.3	\$ 13.7	\$ 14.2	\$ 14.6	\$ 15.1	\$ 15.6	\$ 16.1
<b>PERSONAL SERVICES</b>							
Dry-cleaning & laundry services .....	\$ 35.4	\$ 36.6	\$ 37.8	\$ 39.3	\$ 40.8	\$ 42.4	\$ 44.0
Personal care services.....	183.7	191.6	199.7	208.2	217.0	225.9	235.3
Funeral parlors, crematories & death care services....	56.7	59.1	61.6	64.2	66.9	69.7	72.6
Other: personal services.....	49.5	51.5	53.4	55.6	57.8	60.1	62.6
<b>BUSINESS SERVICES</b>							
Advertising, public relations, & related services.....	\$ 763.3	\$ 772.6	\$ 785.0	\$ 805.5	\$ 829.2	\$ 854.8	\$ 881.9
Services to buildings and dwellings.....	242.9	246.4	250.9	257.4	265.0	273.1	281.7
Consulting (scientific, environmental, & technical).....	346.7	349.8	354.9	363.9	373.9	384.7	396.5
Scientific research & development services .....	84.3	84.5	85.8	87.7	89.6	92.1	95.2
Information services.....	53.5	54.8	56.3	58.2	60.3	62.5	65.0
Administrative services .....	494.2	501.8	511.1	524.8	540.5	557.4	575.3
<b>COMPUTER SERVICES</b>							
Custom programming, design & data processing .....	\$ 371.8	\$ 356.8	\$ 359.9	\$ 368.2	\$ 377.7	\$ 388.3	\$ 399.8
<b>AUTOMOTIVE SERVICES</b>							
Parking lots & garages.....	\$ 49.4	\$ 51.4	\$ 53.5	\$ 55.7	\$ 58.0	\$ 60.3	\$ 62.8
<b>RECREATION SERVICES</b>							
Spectator sports admissions (excludes schools).....	\$ 71.3	\$ 73.6	\$ 76.1	\$ 79.0	\$ 82.0	\$ 85.1	\$ 88.3
Theater, dance, music & performing arts admissions .....	94.2	96.5	99.2	102.6	106.1	109.8	113.8
Amusement & recreation industries.....	334.8	348.8	363.2	378.4	393.9	410.0	426.8
Museums, historical sites, zoos & parks.....	26.2	27.3	28.5	29.7	30.9	32.2	33.5
<b>HEALTH SERVICES</b>							
Home health care, nursing care, & other ambulatory health care services.....	\$ 429.2	\$ 448.7	\$ 468.9	\$ 490.3	\$ 513.5	\$ 537.6	\$ 562.9
Hospitals.....	1,086.2	1,135.8	1,186.8	1,241.1	1,299.6	1,360.6	1,424.8
Physician & dental services.....	1,273.3	1,331.3	1,391.1	1,454.8	1,523.4	1,594.9	1,670.1
Social assistance including day care.....	146.8	153.5	160.4	167.8	175.7	183.9	192.6
<b>PROFESSIONAL SERVICES</b>							
Legal.....	\$ 623.0	\$ 638.3	\$ 655.9	\$ 677.4	\$ 700.5	\$ 725.1	\$ 751.2
Architectural, engineering, & related services.....	275.0	279.4	284.3	292.6	302.6	313.7	325.8
Accounting, auditing and bookkeeping services .....	287.3	291.7	297.4	305.8	315.1	325.1	335.7
Specialized design.....	67.2	68.5	69.8	71.8	74.0	76.4	78.9
All other professional and technical services.....	164.0	166.2	169.2	173.5	178.4	183.9	189.9
<b>TRANSPORTATION SERVICES</b>							
Transit & ground transportation.....	\$ 28.6	\$ 29.5	\$ 30.4	\$ 31.1	\$ 31.8	\$ 32.5	\$ 33.3
Air transportation.....	3.3	3.4	3.5	3.6	3.6	3.7	3.8
Truck transportation.....	18.0	18.5	19.0	19.6	20.2	20.7	21.4
Other transportation.....	13.3	13.6	13.9	14.3	14.6	15.0	15.4
<b>MISCELLANEOUS SERVICES</b>							
Basic television .....	\$ 233.5	\$ 237.4	\$ 240.1	\$ 243.9	\$ 247.6	\$ 250.9	\$ 254.2
Tuition (college, vocational training & instruction).....	796.3	830.3	865.3	902.0	939.6	978.3	1,018.8
Electrical, plumbing, heating & AC service fees.....	NA	NA	NA	NA	NA	NA	NA
Veterinary fees.....	64.0	66.8	69.6	72.5	75.6	78.7	81.9
Financial institution fees.....	199.8	211.9	224.2	237.4	250.9	264.8	279.6
Waste management and remediation services.....	159.2	162.6	166.4	171.6	177.7	184.1	190.8

*Beneficiaries:* Virtually all 5.1 million households and all 298,000 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 13 cents per cigarette, levied on the sale or possession of cigarettes in Pennsylvania. Between November 2009 and July 2016, the rate was 8 cents per cigarette. Effective November 1, 2009, the cigarette tax was also imposed on little cigars weighing no more than four 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. Act 84 of 2016 increased the transfer to the ACEP fund to \$25.485 million beginning in fiscal year 2016-17. In addition, Act 84 of 2016 created a transfer from the General Fund to the Local Cigarette Tax Fund. The transfer will occur if prior year deposits into the Local Cigarette Tax Fund fall below \$58 million. In this case the General Fund will transfer the difference between \$58 million and actual deposits to the Local Cigarette Tax Fund. This transfer is effective for fiscal years 2016-17, which means the first transfer could occur in 2017-18. The analyses below reflect only the General Fund portion of the tax expenditures.

*Administrative Costs:* Costs to administer the cigarette tax expenditures are nominal.

### STATE VETERANS' HOMES

---

*Description:* Sales to retail dealers located in state veterans' homes, for resale to residents in such homes, are exempt. Federal veterans' hospitals are exempt under federal law.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* Residents in six state veterans' homes benefit from this tax expenditure.

### UNSTAMPED CIGARETTES (200 AND UNDER)

---

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</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 0.586 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 August 1, 2016, the commission was equal to 0.87 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 8.5	\$ 8.4	\$ 8.2	\$ 8.1	\$ 8.0	\$ 7.9	\$ 7.8

*Beneficiaries:* Approximately 116 cigarette stamping agents may benefit from this tax expenditure.



## TOBACCO PRODUCTS TAX

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

The other tobacco products tax is an excise tax levied on the sale or possession of tobacco products in Pennsylvania. The tax is based on weight for tobacco products other than electronic cigarettes and is based on the purchase price charged to the retailer in the case of electronic cigarettes. The tax rate for tobacco products other than electronic cigarettes is \$0.55 per ounce. For items sold in units that weigh less than 1.2 ounces, the tax is equal to the tax on an item that weighs 1.2 ounces. Tobacco products subject to this tax include roll-your-own tobacco, periques, granulated, plug cut, crimp cut, ready rubbed and other smoking tobacco, snuff, dry snuff, snuff flour, Cavendish, plug and twist tobacco, fine-cut and other chewing tobaccos, shorts, refuse scraps, clippings, cuttings and sweepings of tobacco and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or ingesting or for smoking in a pipe or otherwise, or any combination of chewing, ingesting or smoking. The term does not include any item subject to the Cigarette Tax or cigars. The tax rate for electronic cigarettes is 40% of the purchase price charged to the retailer. Items subject to this tax include electronic oral devices that provide a vapor of nicotine or any other substance and the use of inhalation of which simulates smoking. It also includes any liquid or substance placed in or sold for use in an electronic cigarette.

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

## 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 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 2.6	\$ 2.7	\$ 2.8	\$ 2.9	\$ 2.9	\$ 3.0	\$ 3.1

## 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$2,983.6	\$3,176.1	\$3,380.9	\$3,599.0	\$3,831.1	\$4,078.1	\$4,341.1

*Beneficiaries:* As many as 2.9 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$1,106.4	\$1,156.7	\$1,211.3	\$1,267.6	\$1,327.0	\$1,387.8	\$1,448.8

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 32.7	\$ 33.7	\$ 34.7	\$ 35.8	\$ 36.8	\$ 37.9	\$ 39.1

*Beneficiaries:* Approximately 51,000 residents benefit from this tax expenditure.

## HEALTH SAVINGS ACCOUNTS/ARCHER MEDICAL SAVINGS ACCOUNTS (ARCHER MSAs)

*Description:* Act 67 of 2006 provided 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 are taxable as interest income. These changes 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 13.2	\$ 13.8	\$ 14.5	\$ 15.0	\$ 15.6	\$ 16.1	\$ 16.6

*Beneficiaries:* Individuals filing approximately 153,000 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$1,240.3	\$1,300.9	\$1,364.2	\$1,419.7	\$1,470.3	\$1,518.9	\$1,566.7

*Beneficiaries:* As many as 5.8 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 93.7	\$ 97.9	\$ 102.5	\$ 107.3	\$ 112.3	\$ 117.5	\$ 122.7

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 141.2	\$ 145.1	\$ 149.2	\$ 153.3	\$ 157.6	\$ 162.0	\$ 166.5

*Beneficiaries:* The death payment beneficiaries of approximately 189,000 life insurance policies benefit from this tax expenditure.

## SICKNESS OR DISABILITY PROCEEDS

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

*Purpose:* These payments are excluded because they do not take the place of an employee's regular wages or salary. However, sick pay in the form of regular wages or salary is taxable.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 65.0	\$ 65.9	\$ 66.6	\$ 65.4	\$ 64.2	\$ 63.1	\$ 62.0

*Beneficiaries:* Approximately 528,000 people benefit from this tax expenditure.

## WORKERS' 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 92.5	\$ 93.6	\$ 94.6	\$ 95.7	\$ 96.8	\$ 97.9	\$ 99.0

*Beneficiaries:* As many as 177,000 residents benefit from this tax expenditure.

## STRIKE BENEFITS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 5.7	\$ 5.7	\$ 5.7	\$ 5.7	\$ 5.7	\$ 5.7	\$ 5.7

*Beneficiaries:* Approximately 166,000 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 151.7	\$ 154.3	\$ 157.8	\$ 162.1	\$ 165.9	\$ 169.9	\$ 174.2

*Beneficiaries:* The owners of approximately 227,000 principal residences that are sold each year in Pennsylvania benefit from this tax expenditure.

## COMPENSATION FOR MILITARY SERVICE

*Description:* Compensation for military service by a Pennsylvania resident in a combat zone is excludable from tax. Income received for military service outside the commonwealth (whether or not it is in a combat zone) while on active duty as a member of the armed forces is excludable from compensation. Income received for active state duty for an 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 129.3	\$ 132.6	\$ 136.2	\$ 139.6	\$ 143.1	\$ 146.6	\$ 150.1

*Beneficiaries:* Approximately 56,000 residents benefit from this tax expenditure.

## SCHOLARSHIPS, GRANTS, FELLOWSHIPS, AND STIPENDS

*Description:* Scholarships, grants, fellowships, and stipends awarded on the basis of need or academic achievement for the purpose of encouraging or allowing the recipient to further 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 150.8	\$ 157.3	\$ 164.8	\$ 172.4	\$ 180.5	\$ 189.0	\$ 197.4

*Beneficiaries:* The recipients of approximately 283,000 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 4.5	\$ 4.5	\$ 4.4	\$ 4.4	\$ 4.3	\$ 4.3	\$ 4.2

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

# 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 74.3	\$ 73.9	\$ 73.6	\$ 73.2	\$ 72.9	\$ 72.5	\$ 72.2

*Beneficiaries:* Individuals filing approximately 1.1 million returns benefit from this tax expenditure.

## BUSINESS INCOME DEDUCTIONS

*Description:* Ordinary and reasonable expenses necessary to operate a business or profession may be deducted from the gross receipts of that business or profession. This expenditure does not measure the cost of sales and operations or wages and salaries deductions.

*Purpose:* Businesses and professions are taxed on "net" profits; therefore, expenses necessary to produce the income may be deducted before tax is computed.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<b><i>Depreciation:</i></b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 157.6	\$ 170.6	\$ 178.3	\$ 184.3	\$ 190.0	\$ 197.4	\$ 204.6

	<b><i>Other:</i></b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$1,979.0	\$2,142.1	\$2,238.6	\$2,313.5	\$2,384.6	\$2,476.9	\$2,566.3

*Beneficiaries:* Approximately 1.1 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1

*Beneficiaries:* The foster parents of approximately 16,300 children benefit from this tax expenditure.



## QUALIFIED TUITION PROGRAMS

*Description:* Act 67 of 2006 provided 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 32.6	\$ 36.8	\$ 41.5	\$ 47.0	\$ 53.2	\$ 60.4	\$ 68.6

*Beneficiaries:* At least 114,000 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.9	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0

*Beneficiaries:* As many as 100,900 election officials benefit from this tax expenditure.

## PENNSYLVANIA LOTTERY WINNINGS

*Description:* Act 84 of 2016 made cash prizes of the Pennsylvania Lottery subject to personal income tax, effective for tax years beginning on or after January 1, 2016. Previously, Pennsylvania Lottery prizes were not subject to the personal income tax. Pennsylvania Lottery noncash prizes remain exempt from personal income tax. Prior to fiscal year 1999-00, an amount equal to total Pennsylvania Lottery prizes paid multiplied by the respective year's PIT rate was transferred from the Lottery Fund to the General Fund. Since the General Fund was reimbursed for the exemption from taxation of Pennsylvania Lottery prizes, this transfer was considered a Lottery expenditure. Act 4 of 1999 eliminated the transfer, creating a General Fund expenditure.

*Purpose:* This provision provides an additional benefit to individuals winning noncash Pennsylvania Lottery prizes.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 16.2	\$ 1.7	\$ 1.6	\$ 1.5	\$ 1.4	\$ 1.4	\$ 1.0

*Beneficiaries:* Approximately 53,400 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 87.8	\$ 103.2	\$ 108.7	\$ 115.7	\$ 120.6	\$ 120.6	\$ 120.6

*Beneficiaries:* Approximately 283,000 Pennsylvanians benefit from this expenditure.

## START-UP BUSINESS DEDUCTION

**Description:** Beginning with tax year 2014, Pennsylvania aligned with federal rules allowing for a \$5,000 deduction from net income for business start-up costs for personal income tax purposes. Start-up costs include any amounts paid or incurred in connection with creating an active trade or business, or investigating the creation or acquisition of an active trade or business. They may include advertising, travel, surveys, consultant fees, and training.

**Purpose:** This deduction gives businesses the same opportunity they have at the federal level and will encourage small business development, attract entrepreneurs and encourage existing businesses to expand and create new jobs.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 4.4	\$ 4.1	\$ 3.8	\$ 3.4	\$ 3.1	\$ 2.7	\$ 2.4

**Beneficiaries:** Approximately 36,500 new businesses will benefit from this tax expenditure.

## INTANGIBLE DRILLING COSTS

**Description:** Effective tax year 2014, a taxpayer may recover intangible drilling costs (IDCs), as defined by Section 263(c) of the Internal Revenue Code, by using either a ten-year amortization period, or elect to immediately expense up to one-third of the allowable costs and recover the remaining costs over a 10 year period beginning in the taxable year the costs are incurred.

**Purpose:** This expenditure allows entities to deduct a larger portion of costs immediately, instead of spreading those costs over the life of the well.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 4.6	\$ 5.8	\$ 7.0	\$ 8.1	\$ 9.3	\$ 10.7	\$ 12.0

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

## ACHIEVING A BETTER LIFE EXPERIENCE (ABLE) SAVINGS PROGRAMS

**Description:** Act 17 of 2016 established the Achieving a Better Life Experience (ABLE) Savings Program. The Act exempted contributions made to an account, any increase in the value of those contributions, the retention or transfer during life or as a result of death of any legal interest in an account, and payment of qualified disability expenses of eligible individuals from an account from all taxation by the commonwealth and its political subdivisions. The Act is effective immediately.

**Purpose:** These provisions lessen the burden of tax on disabled individuals and their families.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ --	Nominal	\$ 0.1	\$ 0.2	\$ 0.4	\$ 1.0	\$ 1.3

**Beneficiaries:** An unknown number of disabled Pennsylvanians and their families will benefit from this expenditure.

## INVOLUNTARY CONVERSIONS

---

*Description:* Act 84 of 2016 provided that, effective September 11, 2016, Section 1033 of the Internal Revenue Code applies to the personal income tax. Section 1033 allows a taxpayer to acquire replacement property and make an election to defer recognition of the gain following an involuntary conversion.

*Purpose:* These provisions lessen the burden of tax on taxpayers who acquire replacement property when the original property has been destroyed, stolen, seized, requisitioned, or condemned.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* An unknown number of taxpayers will 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 2015, 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 273.4	\$ 265.2	\$ 257.3	\$ 249.6	\$ 242.1	\$ 234.8	\$ 227.8

*Beneficiaries:* Individuals filing approximately 1.3 million returns benefit from this tax expenditure.

### RESIDENT 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) may claim the lesser of the actual tax paid to the other state, or the tax calculated using Pennsylvania taxable income earned in the other state, multiplied by the current Pennsylvania tax rate as a credit against the personal income tax. Prior to Act 52 of 2013, Pennsylvania residents could also claim the resident credit for income from a foreign country.

*Purpose:* This provision prevents the double taxation of income earned by a Pennsylvania resident in another state.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 358.7	\$ 377.1	\$ 394.9	\$ 413.2	\$ 432.7	\$ 451.9	\$ 470.9

*Beneficiaries:* Individuals filing approximately 167,000 returns benefit from this tax expenditure.

## ESTIMATED TAXES

### ESTIMATED TAXES FOR FIDUCIARIES

*Description:* Act 40 of 2005 stated that fiduciaries are allowed to adopt the federal annualization rules for calculating estimated payments. This change may lower or eliminate one or more estimated payments. These provisions apply to payments made after June 30, 2006.

*Purpose:* 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 6.0	\$ 5.4	\$ 4.8	\$ 4.6	\$ 5.0	\$ 5.1	\$ 5.0

*Beneficiaries:* Approximately 48,000 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* Farmers operating approximately 58,800 farms benefit from this tax expenditure.

### ESTIMATED PAYMENTS FOR SMALL AMOUNTS

*Description:* Individuals with taxable income of \$8,000 or less not subject to withholding are not required to pay estimated taxes. The threshold was changed from \$2,500 effective January 1, 2000.

*Purpose:* These provisions reduce paperwork for the Department of Revenue and taxpayers with small amounts of income not subject to withholding.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	\$ 0.1

*Beneficiaries:* Approximately 1.4 million Pennsylvania residents benefit from this tax expenditure.

# General Fund Tax Expenditures

## ESTIMATED TAXES FOR PRIOR YEAR TAX FORGIVENESS RECIPIENTS \_\_\_\_\_

*Description:* Act 85 of 2012 allows taxpayers who make estimated tax payments equal to the amount of the taxpayer's tax liability for the preceding tax year to take into account a calculation for the special provisions for poverty (tax forgiveness). A taxpayer who received tax forgiveness during the prior tax year, but did not qualify for tax forgiveness in the current tax year and is required to make estimated payments, may avoid a penalty for underpayment of estimated taxes. This provision applies to tax years beginning on or after January 1, 2013. The estimates measure interest foregone on quarterly tax payments and from lost fees and penalties.

*Purpose:* This legislation is intended to give taxpayers who qualified for tax forgiveness a safe harbor from estimated payments.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* Taxpayers filing nearly 47,000 returns benefit from this 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 one 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. In July 2003 the transfer rate returned 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 transfer rate returned to 15 percent. Act 58 of 2015 provided for an annual transfer from the realty transfer tax to the Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund beginning in fiscal year 2015-16. The annual transfer is to be the lesser of \$25 million or 40 percent of the difference between (a) the total dollar amount of the realty transfer tax collected in the prior fiscal year and (b) the total dollar amount of the realty transfer tax official estimate for the fiscal year 2014-15 (\$447.5 million).

*Administrative Costs:* Costs to administer the realty transfer tax expenditures are approximately \$0.3 million annually.

### TRANSFERS TO GOVERNMENTAL UNITS AND VETERANS' ORGANIZATIONS \_\_\_\_\_

*Description:* A transfer to the commonwealth, the federal government or their agencies, political subdivisions, or instrumentalities, or veterans' organizations 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 4.8	\$ 5.5	\$ 5.9	\$ 6.1	\$ 6.2	\$ 6.3	\$ 6.4

*Beneficiaries:* Approximately 3,200 local governmental units and veterans' organizations 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	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, stepparent and a stepchild 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 68.2	\$ 78.1	\$ 83.9	\$ 86.6	\$ 88.7	\$ 89.8	\$ 90.8

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 1.7	\$ 1.9	\$ 2.0	\$ 2.1	\$ 2.2	\$ 2.2	\$ 2.2

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

# General Fund Tax Expenditures

## 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 2.3	\$ 2.6	\$ 2.8	\$ 2.9	\$ 3.0	\$ 3.0	\$ 3.1

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

## 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 2.1	\$ 2.4	\$ 2.6	\$ 2.7	\$ 2.7	\$ 2.8	\$ 2.8

*Beneficiaries:* Approximately 16,350 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.

Act 84 of 2016 added agricultural, conservation or historic preservation easements transferred or sold to certain dedicated conservancies, as well as government entities, as being excluded transactions

*Purpose:* This exemption encourages the preservation of realty with historic, recreational, scenic, or agricultural value.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.4	\$ 0.4	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.6

*Beneficiaries:* Approximately 80 land conservancies could benefit from this tax expenditure.

## REAL ESTATE DEVOTED TO AGRICULTURE

*Description:* A transfer of real estate devoted to the business of agriculture to a family farm business 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 business. 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 business thereby recognizing the importance of the family-owned farm.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* Approximately 4,650 family farm businesses could benefit from this tax expenditure.

## 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 or family farm business 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 businesses 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* Approximately 4,650 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* Approximately 1,350 companies may benefit from this tax expenditure.

## 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* The 290 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	NA	NA	NA	NA	NA	NA

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

## TRANSFERS TO VOLUNTEER RESCUE COMPANY

*Description:* A transfer from the commonwealth or any of its agencies, political subdivisions, or instrumentalities for no or nominal consideration to a volunteer emergency medical services agency, volunteer fire company or volunteer rescue company is an excluded transaction.

*Purpose:* This exemption provides tax relief to volunteer emergency agencies. Without the exemption, they would be required to pay the tax. The exemption should aid volunteer emergency agencies in being able to better serve their communities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* Approximately 2,020 taxpayers could benefit from this tax expenditure.

## TRANSFERS BETWEEN VOLUNTEER AGENCIES

*Description:* A transfer between two or more volunteer emergency medical services agencies, volunteer fire companies or volunteer rescue companies is an excluded transaction.

*Purpose:* This exemption provides tax relief to volunteer emergency agencies. Without the exemption, both the grantor and the grantee would be required to pay the tax. The exemption should aid volunteer emergency agencies in being able to better serve their communities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 1.7	\$ 1.9	\$ 2.0	\$ 2.1	\$ 2.2	\$ 2.2	\$ 2.3

*Beneficiaries:* Approximately 2,020 taxpayers could benefit from this tax expenditure.

## TRANSFERS TO OR FROM A LAND BANK

*Description:* A transfer of real estate to or from a land bank is an excluded transaction. The term "land bank" shall have the same meaning as given to it in 68 Pa.C.S. § 2103.

*Purpose:* This exemption provides tax relief on transfers to or from a land bank. Land banks are used by local governments to acquire problem properties and return them to productive use.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ --	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 six percent.

*Purpose:* This provision reduces the tax burden on the immediate family members of the decedent.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$1,259.3	\$1,312.2	\$1,369.3	\$1,426.6	\$1,486.2	\$1,548.8	\$1,614.1

*Beneficiaries:* Approximately 37,000 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 zero 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$1,653.2	\$1,722.7	\$1,797.7	\$1,872.8	\$1,951.1	\$2,033.2	\$2,119.0

*Beneficiaries:* Approximately 34,000 estates benefit from this tax expenditure.

## EXEMPTION FOR TRANSFERS OF PROPERTY FROM A CHILD TO PARENT

*Description:* Property passing from a child twenty-one years of age or younger to a parent is subject to a zero 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 zero 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 1.1	\$ 1.2	\$ 1.2	\$ 1.3	\$ 1.4	\$ 1.4	\$ 1.5

*Beneficiaries:* Approximately 90 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 25.9	\$ 27.0	\$ 28.2	\$ 29.3	\$ 30.6	\$ 31.9	\$ 33.2

*Beneficiaries:* Approximately 4,600 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 128.9	\$ 133.7	\$ 138.6	\$ 143.7	\$ 149.1	\$ 154.6	\$ 160.3

*Beneficiaries:* Estates of the decedents associated with approximately 99,000 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.0	\$ 0.0	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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 1.7	\$ 1.8	\$ 1.9	\$ 1.9	\$ 2.0	\$ 2.1	\$ 2.2

*Beneficiaries:* Approximately 7,900 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 7.7	\$ 8.1	\$ 8.6	\$ 9.0	\$ 9.5	\$ 10.0	\$ 10.6

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 63.9	\$ 66.5	\$ 69.4	\$ 72.3	\$ 75.3	\$ 78.5	\$ 81.8

*Beneficiaries:* Approximately 48,000 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 77.8	\$ 81.1	\$ 84.5	\$ 88.1	\$ 91.8	\$ 95.6	\$ 99.7

*Beneficiaries:* Approximately 35,800 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0

*Beneficiaries:* As many as 60,900 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* An estimated 200 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 one 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* Approximately 60,900 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</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 10 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</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 nine 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.6	\$ 0.6	\$ 0.6

*Beneficiaries:* The owners of 58,800 farms might benefit from this tax expenditure.

## AGRICULTURAL TRANSFERS TO FAMILY MEMBERS

*Description:* Effective July 1, 2012, a transfer of real estate devoted to the business of agriculture between members of the same family is exempt from inheritance tax, provided that after the transfer the real estate continues to be devoted to the business of agriculture for a period of seven years beyond the decedent's date of death and the real estate derives a yearly gross income of at least \$2,000. A transfer of an agricultural commodity, agricultural conservation easement, agricultural reserve, agricultural use property or a forest reserve to lineal descendants or siblings is also exempt from inheritance tax. Retroactive to dates of death after December 31, 2012, the language was amended to apply to a transfer of real estate devoted to the business of agriculture and to a transfer of an agricultural commodity, agricultural conservation easement, agricultural reserve, agricultural use property or a forest reserve "to or for the benefit of" a member of the same family.

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 5.2	\$ 5.5	\$ 5.6	\$ 5.9	\$ 6.1	\$ 6.4	\$ 6.7

*Beneficiaries:* The owners of 58,800 farms might benefit from this tax expenditure.

## FAMILY-OWNED BUSINESS TRANSFERS TO FAMILY MEMBERS

*Description:* Effective July 1, 2013, a transfer of a family-owned, small business interest to or for the benefit of members of the same family is exempt from inheritance tax, provided that after the transfer, the family-owned business interest continues to be owned by members of the same family or a trust whose beneficiaries are comprised solely of members of the same family for a minimum of seven years beyond the decedent's date of death. The exemption is limited to qualified family-owned business interests, defined as having fewer than 50 full-time equivalent employees, a net book value of assets less than \$5 million, and being in existence for at least five years, as of the decedent's date of death. The exemption does not apply to property transferred into the business within one year of the decedent's date of death.

*Purpose:* This provision helps to maintain family-owned, small businesses.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 7.9	\$ 8.5	\$ 8.7	\$ 9.1	\$ 9.5	\$ 9.9	\$ 10.3

*Beneficiaries:* The owners of 273,000 family-owned, small businesses 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.4	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.6

*Beneficiaries:* Approximately 3,500 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 122.6	\$ 127.7	\$ 133.1	\$ 138.8	\$ 144.6	\$ 150.7	\$ 157.1

*Beneficiaries:* An estimated 32,600 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 two 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. However, Act 84 of 2016 sets the tax rate at 14 percent for all facilities for the period August 1, 2016, through June 30, 2019, plus the additional 34 percent on fully automated electronic gaming tables.

### PROMOTIONAL ITEM DEDUCTION

*Description:* The deduction of promotional items from gross table game revenue includes the cost of personal property awarded to a player as a result of playing a table game. This deduction does not include travel expenses, food, refreshments, lodging, or services.

*Purpose:* This deduction removes from the tax base the value of prizes awarded as a result of table game play.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 2.6	\$ 3.5	\$ 3.7	\$ 2.8	\$ 2.6	\$ 2.5	\$ 2.5

*Beneficiaries:* All licensed gaming entities in Pennsylvania operating table games may benefit from this tax expenditure.

## LIQUID FUELS AND FUELS TAX

*Authorization:* Chapter 90 of Title 75 of the Pennsylvania Consolidated Statutes.

Act 89 of 2013 (HB 1060, PN 2697) eliminated the permanent trust fund tax of 12 cents per gallon established by the Act of April 17, 1997 (P.L. 1531, No. 3) on all taxable liquid fuels and fuels used or sold and delivered by distributors of the commonwealth, effective January 1, 2014. Aviation gasoline and jet fuel are also taxed under Chapter 90. However, separate tax rates are set for these fuels. Effective January 1, 2017, the tax rate for aviation gasoline is 5.5 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) 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. Act 89 of 2013 (HB 1060, PN 2697) added an additional 64 mills in 2014, 49 mills in 2015, 48 mills in 2016, 41 mills in 2017, and 39 mills in 2018 and each calendar year thereafter on all taxable liquid fuels and fuels. The oil company franchise tax is calculated annually by multiplying the average wholesale price (established by the Department of Revenue) by the millage rates above. The resulting product is the effective tax rate that is multiplied by the total taxable gallons of fuels and liquid fuels. Act 89 of 2013 set the average wholesale price at \$1.87 in 2014, \$2.49 in 2015 and 2016, and in 2017 the average wholesale price will be uncapped. There is also a statutory average wholesale price floor set at \$2.99 for 2017 and each year thereafter. Prior to Act 89, the Act of July 22, 1983 (P.L. 122, No. 32) set minimum and maximum average wholesale prices at \$0.90 and \$1.25 per gallon, respectively. The tax rate for calendar year 2017 is 58.2 cents per gallon for liquid fuels and 74.7 cents per gallon for fuels. Receipts from 57 mills of the tax on liquid fuels and fuels are deposited as unrestricted Motor License Fund revenue, along with the mills added by Act 89 of 2013. However, 4.17 percent of the mills added by Act 89 are transferred to the Liquid Fuels Tax Fund.

## 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, 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 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6



# Motor License Fund Tax Expenditures

## POLITICAL SUBDIVISIONS

*Description:* Fuels purchased by political subdivisions of the commonwealth are exempt from the tax.

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

(Dollar Amounts in Millions)

Estimates:	<b>Liquid Fuels:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	<b>Jet Fuel &amp; Aviation Gasoline:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Fuels:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	<b>Oil Company Franchise:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 47.4	\$ 50.8	\$ 55.4	\$ 55.6	\$ 56.0	\$ 56.5	\$ 56.9

*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)

Estimates:	<b>Liquid Fuels:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	<b>Jet Fuel &amp; Aviation Gasoline:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Fuels:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	<b>Oil Company Franchise:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 15.4	\$ 16.5	\$ 18.0	\$ 18.0	\$ 18.2	\$ 18.3	\$ 18.5

*Beneficiaries:* Approximately 1,800 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)

Estimates:	<b>Liquid Fuels:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	<b>Jet Fuel &amp; Aviation Gasoline:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Fuels:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	<b>Oil Company Franchise:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.4	\$ 0.4	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5

*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)

Estimates:	<b>Liquid Fuels:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	NA	NA	NA	NA	NA	NA
	<b>Jet Fuel &amp; Aviation Gasoline:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	NA	NA	NA	NA	NA	NA
	<b>Fuels:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	NA	NA	NA	NA	NA	NA
	<b>Oil Company Franchise:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</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)

Estimates:	<b>Liquid Fuels:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	<b>Jet Fuel &amp; Aviation Gasoline:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Fuels:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	<b>Oil Company Franchise:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.2	\$ 0.2	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3

*Beneficiaries:* There are 13 electric cooperatives in the commonwealth that benefit from these tax expenditures.

## AGRICULTURAL USE

*Description:* A full refund of tax paid is granted for fuel consumed in agricultural use relating to the actual production of farm products. Fuel used in farm machinery or equipment engaged in the production or harvesting of agricultural products is exempt from taxation under these provisions.

*Purpose:* This exemption allows farmers to provide agricultural products at a reduced cost.

(Dollar Amounts in Millions)

Estimates:	<b>Liquid Fuels:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	<b>Jet Fuel &amp; Aviation Gasoline:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Fuels:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	<b>Oil Company Franchise:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 4.8	\$ 5.1	\$ 5.6	\$ 5.6	\$ 5.6	\$ 5.7	\$ 5.7

*Beneficiaries:* Individuals operating approximately 58,800 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:	<b>Liquid Fuels:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	NA	NA	NA	NA	NA	NA
	<b>Fuels:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	<b>Oil Company Franchise:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 4.0	\$ 4.3	\$ 4.7	\$ 4.7	\$ 4.7	\$ 4.8	\$ 4.8

*Beneficiaries:* Approximately 380 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:	<b>Liquid Fuels:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	<b>Fuels:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	<b>Oil Company Franchise:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

*Beneficiaries:* Approximately 10 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. This will be in effect until December 31, 2013. Starting January 1, 2014 the discount is based on the gross tax due on the oil company franchise tax mills added by Act 89 of 2013. Returns and payments are generally due on or before the 20<sup>th</sup> day of each month for the preceding month's sales.

*Purpose:* This discount is intended to defray the cost of preparing and remitting the tax reports and payments.

(Dollar Amounts in Millions)

Estimates:	<b>Liquid Fuels:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	<b>Jet Fuel &amp; Aviation Gasoline:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Fuels:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	<b>Oil Company Franchise Tax:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 5.2	\$ 5.3	\$ 5.3	\$ 5.1	\$ 5.2	\$ 5.2	\$ 5.2

*Beneficiaries:* Approximately 950 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)

Estimates:	<b>Liquid Fuels:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	<b>Jet Fuel &amp; Aviation Gasoline:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	NA	NA	NA	NA	NA	NA
	<b>Fuels:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	<b>Oil Company Franchise:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.9	\$ 0.9

*Beneficiaries:* Approximately 95 bus companies benefit from this tax expenditure.

## MOTOR CARRIERS ROAD TAX / IFTA

*Authorization:* Chapter 96 of Title 75 of the Pennsylvania Consolidated Statutes.

The motor carriers road tax is equal to the current Pennsylvania oil company franchise tax or alternative fuels tax rate per gallon. 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 company 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0

## 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 33.2	\$ 34.9	\$ 39.2	\$ 39.5	\$ 40.0	\$ 40.7	\$ 41.3

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 9.4	\$ 9.9	\$ 11.1	\$ 11.2	\$ 11.3	\$ 11.5	\$ 11.7

*Beneficiaries:* Individuals operating approximately 58,800 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 17.2	\$ 18.1	\$ 20.3	\$ 20.5	\$ 20.7	\$ 21.1	\$ 21.4

*Beneficiaries:* Approximately 1,800 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* The owners of approximately 2,200 special mobile equipment vehicles benefit from this tax expenditure.

## IMPLEMENTS OF HUSBANDRY

*Description:* A vehicle designed or adapted to be used exclusively for agricultural operations is exempt from the motor carriers road tax.

*Purpose:* This exemption allows the farmer to provide agricultural products at a reduced price.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

*Beneficiaries:* The owners of approximately 200 implements of husbandry vehicles benefit from this tax expenditure.



# 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 3.2	\$ 3.3	\$ 3.7	\$ 3.8	\$ 3.8	\$ 3.9	\$ 3.9

*Beneficiaries:* Approximately 25,100 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* As many as 10,400 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 a 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* The 13 electric cooperatives in the commonwealth 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 17.8	\$ 18.6	\$ 21.0	\$ 21.1	\$ 21.4	\$ 21.7	\$ 22.1

*Beneficiaries:* Approximately 6,200 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</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>	<b>Disabled/Severely Disabled Veterans:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3

**Beneficiaries:** The owners of approximately 5,500 vehicles benefit from this tax expenditure.

### Charitable Organizations:

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 1.2	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.4	\$ 1.4	\$ 1.5

**Beneficiaries:** The owners of approximately 17,500 vehicles benefit from this tax expenditure.

### Former Prisoners of War:

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

**Beneficiaries:** The owners of approximately 260 vehicles benefit from this tax expenditure.

### Farm Trucks:

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 3.5	\$ 3.5	\$ 3.7	\$ 3.7	\$ 4.0	\$ 4.0	\$ 4.2

**Beneficiaries:** The owners of approximately 10,100 farm trucks benefit from this tax expenditure.

# Motor License Fund Tax Expenditures

## Emergency Vehicles:

<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
\$ 6.5	\$ 6.6	\$ 6.9	\$ 7.0	\$ 7.4	\$ 7.5	\$ 7.9

*Beneficiaries:* Organizations owning approximately 15,500 vehicles benefit from this tax expenditure.

## Political Subdivisions:

<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
\$ 19.6	\$ 19.8	\$ 20.8	\$ 21.0	\$ 22.3	\$ 22.5	\$ 23.7

*Beneficiaries:* Approximately 3,130 governmental units benefit from this tax expenditure.

## Older Pennsylvanians:

<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
\$ 4.7	\$ 4.9	\$ 5.4	\$ 5.7	\$ 6.3	\$ 6.6	\$ 6.9

*Beneficiaries:* Older Pennsylvanians owning approximately 130,600 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* The owners of approximately 70 carnival vehicles benefit from this tax expenditure.

## 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. All revenue generated from certificates of title will be deposited in the Multimodal Fund and the Public Transportation Trust Fund as of July 1, 2017. Therefore, the impact to the Motor License Fund will cease at that time.

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.4	\$ 0.2	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0

*Beneficiaries:* The owners of approximately 8,000 vehicles benefit from this tax expenditure.

# Motor License Fund Tax Expenditures

## 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. All revenue generated from inspection sticker fees will be deposited in the Multimodal Fund and the Public Transportation Trust Fund as of July 1, 2017. Therefore, the impact to the Motor License Fund will cease at that time.

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.9	\$ 0.4	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* As many as 3,130 political subdivisions may benefit from this tax expenditure.

## 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* As many as 3,130 political subdivisions may benefit from this tax expenditure.

# Motor License Fund Tax Expenditures

## 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	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. Act 7 of 2016, amending the Administrative Code of 1929, repealed the Race Horse Industry Reform Act (Act 135 of 1981) and replaced it with Article XXVIII-D, Race Horse Industry Reform.

*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, were subject to a reduced wagering tax rate of one percent rather than the normal 1.5 percent rate for a period of four years. Act 7 of 2016 eliminated this expenditure.

*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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	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. Act 7 of 2016 eliminated the Admissions Tax.

### DARK DAY SIMULCASTS

---

*Description:* The minimum admissions tax, which was five percent of 50 cents, was waived at events where no admission charge was levied and where simulcasts of races from other facilities were 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

*Beneficiaries:* All seven racing associations benefited 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$10,699.0	\$10,877.9	\$11,078.2	\$11,136.8	\$11,618.9	\$12,121.4	\$12,656.7

*Beneficiaries:* Pennsylvania's unemployment compensation tax system is intended to generate a sufficient amount of revenue to meet annual benefit payments. In general, under the current system, an employer with higher wage employees pays on a smaller percentage of total wages. If the taxable wage base were total wages paid to employees, the employer with the higher employee wages would have to pay a greater amount in taxes.

As of the first quarter of 2015 there were 279,823 contributory employers to the Unemployment Compensation Fund. The following is a breakdown of these employers according to major industry division<sup>1</sup>:

Natural Resources and Mining .....	3,219	Financial Activities.....	18,440
Construction .....	27,923	Professional and Business Services .....	53,108
Manufacturing .....	13,329	Education and Health Services .....	44,683
Trade.....	47,439	Leisure and Hospitality.....	26,942
Transportation, Warehousing, Utilities....	7,823	Other Services .....	28,896
Information .....	3,461	Local Government.....	1,209

<sup>1</sup>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 three 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>	<b>Motor Vehicle Leases:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	NA	NA	NA	NA	NA	NA
	<b>Motor Vehicle Rentals:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	NA	NA	NA	NA	NA	NA

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

## SCHOOL BUSES

*Description:* The lease or rental of school buses is exempt from taxation. These buses must be used exclusively for the transportation of children for school purposes. The provision is extended to persons who have contracts with school districts to transport children. For the purposes of this analysis, the majority of these contracts are assumed to be leases.

*Purpose:* The costs of transporting school children are directly borne by school districts and indirectly by state government through subsidy programs. This exemption, while limiting state Public Transportation Assistance Fund revenues, decreases state educational subsidy costs.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<b>Motor Vehicle Leases:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5
	<b>Motor Vehicle Rentals:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

*Beneficiaries:* Approximately 6,200 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>	<b>Motor Vehicle Leases:</b>						
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* The owners of approximately 416,000 motor carrier vehicles (class 4 and above) could benefit from this tax expenditure.

## 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)

*Estimates:* **Motor Vehicle Leases:**

<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
NA	NA	NA	NA	NA	NA	NA

**Motor Vehicle Rentals:**

<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* Approximately 30,000 organizations may benefit from this tax expenditure.

## EXEMPT GOVERNMENTAL UNITS

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

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

(Dollar Amounts in Millions)

*Estimates:* **Motor Vehicle Leases:**

<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.1

**Motor Vehicle Rentals:**

<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
\$ 0.4	\$ 0.4	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5

*Beneficiaries:* Approximately 3,130 political subdivisions may benefit from this tax expenditure.

## VENDOR DISCOUNT

*Description:* A licensed vendor is permitted a one percent discount as a credit against the gross amount of tax collected provided that a tax return, with full payment due the department, is filed or 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 motor vehicle lease tax and motor vehicle rental fee.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.2

*Beneficiaries:* Approximately 1,200 vendors 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>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* Approximately 3,130 political subdivisions may benefit from this tax expenditure.

## VENDOR DISCOUNT

*Description:* A licensed vendor is permitted a one percent discount as a credit against the gross amount of tax collected provided that a tax return, with full payment due the department, is filed or 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 tire fee.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

*Beneficiaries:* Approximately 4,500 vendors may benefit from this tax expenditure.



Commonwealth of Pennsylvania

## Governor's Executive Budget

# *DEPARTMENT PRESENTATIONS*

This section provides detailed expenditure information by agency, program and funding source. Each department presentation includes a Summary by Fund and Appropriation, Program Funding Summary, program subcategory information and Program Measures.

The Summary by Fund and Appropriation presentation is organized by fund, character of expenditures, state appropriation and the federal funds, augmentations and other funds that supplement the activities funded by each state appropriation. Three fiscal years are displayed. The Program Funding Summary presents general, special, federal and other funding organized by program subcategory. Each program subcategory includes a program objective, a narrative describing program activities and services, funding recommendations that identify increases or decreases over available year funding, and a list of state appropriations that support the activities within the program. Program Measures is the last section in the agency presentation and is a seven-year presentation of performance measures that identify program activities and outcomes and the impact the proposed budget is expected to have on those activities and outcomes.

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# GOVERNOR'S OFFICE

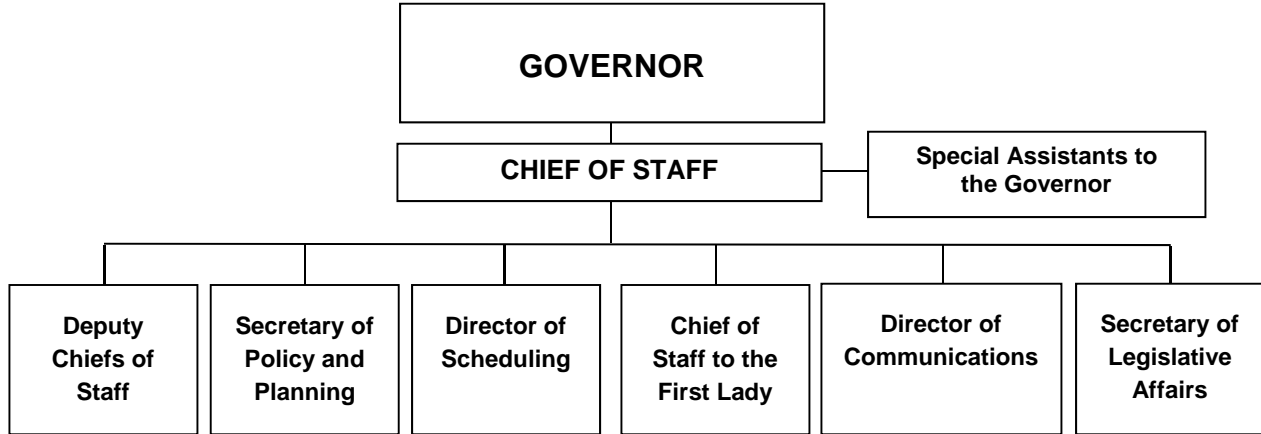
The governor directs and coordinates the work of state government and guides the programs of the agencies in the direction that ensures compliance with existing law, definable needs and administration goals.

## Programs and Goals

**Executive Direction:** *To provide an effective administrative system through which the substantive program goals of the commonwealth can be accomplished.*



# Organization Overview



- **Deputy Chiefs of Staff** are senior advisors on policy and operations; partner with state agencies to coordinate cohesive strategies that reflect the governor's initiatives; and work with citizens and stakeholders on advancing sound policies in the commonwealth.
- **Secretary of Policy and Planning** coordinates program planning and policy development among the executive branch agencies, and directs and coordinates efforts of the policy offices of the various executive branch agencies.
- **Director of Scheduling** works closely with the governor to develop and implement the governor's daily schedule; manages all invitations; and advances and staffs each event to ensure that all logistical arrangements are appropriately handled.
- **Chief of Staff to the First Lady** oversees the management of the first lady's personal initiatives, public events and outreach projects with governmental agencies and community organizations across the state.
- **Director of Communications** articulates the governor's agenda and actions to the people of Pennsylvania, while responding to inquiries about the executive branch of state government from news-gathering organizations and from the public. The director oversees the planning and management of the governor's many public undertakings and directs and supervises the communications offices in each of the executive branch agencies.
- **Secretary of Legislative Affairs** serves as the principal representative of the Office of the Governor in all issues and activities related to the legislative process of the General Assembly. The secretary also serves as a senior policy advisor to the governor.

## Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
66	68	68	68	68

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b><u>GENERAL FUND:</u></b>			
<i>General Government:</i>			
Governor's Office.....	\$ 6,484	\$ 6,887	\$ 6,607

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>EXECUTIVE DIRECTION</b>							
GENERAL FUND.....	\$ 6,484	\$ 6,887	\$ 6,607	\$ 6,607	\$ 6,607	\$ 6,607	\$ 6,607
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 6,484</b>	<b>\$ 6,887</b>	<b>\$ 6,607</b>	<b>\$ 6,607</b>	<b>\$ 6,607</b>	<b>\$ 6,607</b>	<b>\$ 6,607</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 6,484	\$ 6,887	\$ 6,607	\$ 6,607	\$ 6,607	\$ 6,607	\$ 6,607
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 6,484</b>	<b>\$ 6,887</b>	<b>\$ 6,607</b>	<b>\$ 6,607</b>	<b>\$ 6,607</b>	<b>\$ 6,607</b>	<b>\$ 6,607</b>

**Program: Executive Direction**

*Goal: To provide an effective administrative system through which the substantive program goals of the commonwealth can be accomplished.*

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 is available as 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)

\$ -280 **Governor's Office**  
 —Initiative—to implement complement savings.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Governor's Office .....	\$ 6,484	\$ 6,887	\$ 6,607	\$ 6,607	\$ 6,607	\$ 6,607	\$ 6,607

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# EXECUTIVE OFFICES

*The mission of the Executive Offices is to assist the governor in the administration of state government.*

The Office of Administration performs central management duties and provides coordinated information technology strategies. The Office of the Budget performs central financial management duties, prepares the annual Governor's Executive Budget and provides comptroller services for all commonwealth agencies. The Office of General Counsel provides legal counsel for state agencies. The Inspector General investigates suspected improper use of state resources and recovers funds disbursed as a result of welfare benefits fraud or overpayment. The Human Relations Commission promotes equal opportunities in employment, housing, public accommodations and education. The Council on the Arts promotes the development of the arts in Pennsylvania. The Commission on Crime and Delinquency provides criminal justice system planning and technical assistance and financial assistance to crime victims. The Juvenile Court Judges' Commission provides technical and financial assistance to county court juvenile probation programs.

## Programs and Goals

**Executive Direction:** *To provide an effective administrative system through which the substantive programs of the commonwealth can be executed.*

**Legal Services:** *To provide legal advice to the governor and the cabinet, and to supervise, coordinate and administer legal services for the commonwealth.*

**Prevention and Elimination of Discriminatory Practices:** *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.*

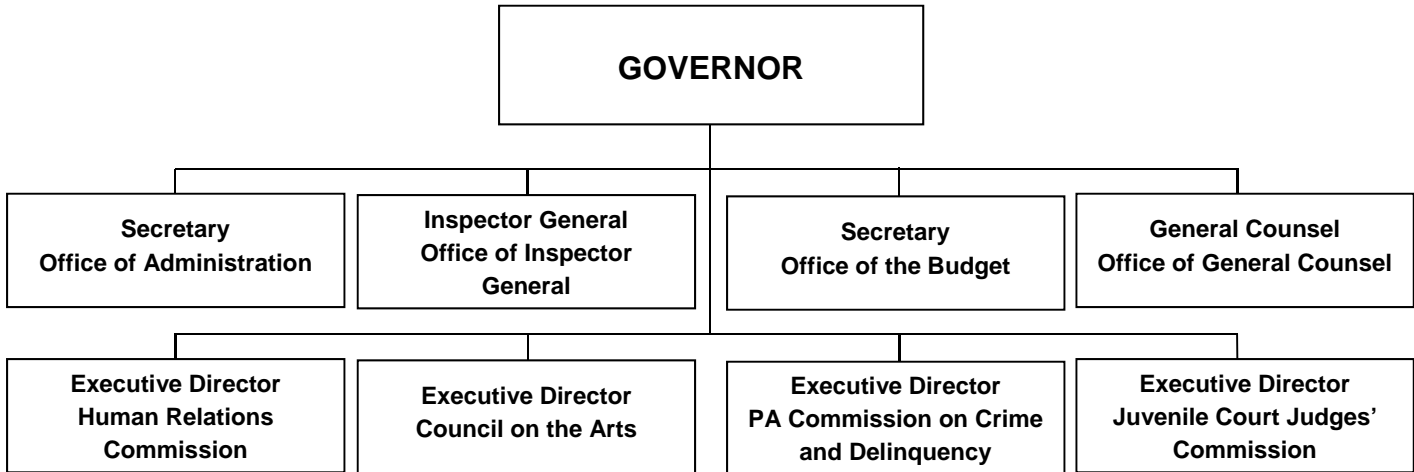
**Development of Artists and Audiences:** *To increase public exposure to quality artistic and cultural programs and to stimulate a climate that offers opportunities and encouragement to artists.*

**Criminal and Juvenile Justice Planning and Coordination:** *To provide criminal and juvenile justice system policy analysis, coordination and planning to improve criminal justice programs.*

**Reintegration of Juvenile Delinquents:** *To reduce the recurrence of juvenile delinquency through replacement of criminal behavior with socially acceptable behavior.*

---

## Organization Overview



- **Office of Administration** directs the commonwealth’s deployment of technology, human resources for employees, and the planning and coordination among state agencies to ensure critical government services continue during emergencies.
- **Inspector General** oversees the prevention, investigation, and eradication of fraud, waste, abuse and misconduct in the programs, operations, and contracting of executive agencies under the governor’s jurisdiction.
- **Office of the Budget** oversees the preparation and implementation of the state budget, and the commonwealth’s uniform accounting, payroll and financial reporting systems.
- **General Counsel** oversees the legal representation of 36 executive and independent agencies across the commonwealth.
- **Human Relations Commission** is responsible for enforcing state laws that prohibit discrimination.
- **Council on the Arts** oversees the administration of the council’s funding programs, partnerships, initiatives and provides assistance to the commonwealth’s arts organizations, art programs and individual artists as well as the general public.
- **PA Commission on Crime and Delinquency** oversees the commission’s efforts to initiate, validate, and financially support justice-related programs put forth by practitioners and experts in the justice system.
- **Juvenile Court Judges’ Commission** oversees the development and improvement of juvenile probation services throughout the commonwealth.

### Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
2,042	1,887	1,789	1,733	1,743

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<b>General Government:</b>			
Office of Administration.....	\$ 8,176	\$ 8,670	\$ 9,931
Subtotal.....	\$ 8,176	\$ 8,670	\$ 9,931
(F)Homeland Security Grant Program.....	0	134	134
Subtotal.....	\$ 0	\$ 134	\$ 134
(A)Benefit Administration.....	675	779	760
(A)Classification and Pay Services.....	2,888	2,888	2,888
(A)Workplace Support Division (SEAP).....	2,910	2,910	2,933
(A)Temporary Clerical Pool.....	4,380	4,380	4,497
(A)Enterprise Services.....	2,178	2,206	2,283
(A)CDL Drug and Alcohol Testing.....	244	310	310
(A)Labor Relations.....	2,064	1,864	1,924
(A)Managing for Government Responsiveness Training.....	63	325	325
(A)Group Life Insurance Program Commissions.....	100	100	100
(A)Leadership Development Institute.....	80	80	80
(A)HR Shared Services Center.....	8,729	9,046	9,455
(A)PHMC Personnel Services.....	100	100	100
(A)OHR Personnel Services.....	275	79	350
(A)BEAS Personnel Services.....	101	274	329
Subtotal.....	\$ 24,787	\$ 25,341	\$ 26,334
<b>Medicare Part B Penalties.....</b>	<b>175</b>	<b>175</b>	<b>175</b>
<b>Commonwealth Technology Services.....</b>	<b>53,018</b>	<b>61,444</b>	<b>56,850</b>
(F)NSTIC Grant.....	225	225	225
(F)Information Sharing Initiative.....	246	246	246
(F)JNET MARIS Federated Person Search (EA).....	209	218	218
(F)JNET Inter-County Case Transfer (EA).....	102	87	87
(F)JNET Electronic Reporting Improvements (EA).....	150	136	136
(A)Integrated Enterprise System.....	40,200	39,204	35,904
(A)Project Management Resources.....	2	25	25
(A)Shared Service Delivery.....	222	2,046	2,046
Subtotal.....	\$ 94,374	\$ 103,631	\$ 95,737
<b>Office of Inspector General.....</b>	<b>3,998</b>	<b>4,334</b>	<b>4,109</b>
(A)Reimbursements for Special Fund Investigations.....	1,111	1,111	1,111
Subtotal.....	\$ 5,109	\$ 5,445	\$ 5,220
<b>Inspector General - Welfare Fraud.....</b>	<b>12,003</b>	<b>12,268</b>	<b>11,440</b>
(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.....	4,200	4,200	4,200
(F)CCDFBG - Subsidized Day Care Fraud.....	905	905	905
Subtotal.....	\$ 25,608	\$ 25,873	\$ 25,045
<b>Office of the Budget.....</b>	<b>17,692</b>	<b>19,103</b>	<b>17,894</b>
(A)Support for Commonwealth Payroll Operations.....	6,411	6,558	6,886
(A)BOA - Single Audit.....	670	670	703
(A)Comptroller Single Audit.....	2,875	2,675	2,809
(A)Support for PLCB Comptroller's Office.....	5,419	5,419	5,690
(A)Support for Comptroller Services.....	32,002	33,034	34,686
(A)OAS Support Services.....	63	40	80
Subtotal.....	\$ 65,132	\$ 67,499	\$ 68,748
<b>Audit of the Auditor General.....</b>	<b>0</b>	<b>0</b>	<b>99</b>
<b>Law Enforcement Activities.....</b>	<b>0</b>	<b>3,800</b>	<b>3,000</b>
<b>Office of General Counsel.....</b>	<b>3,222</b>	<b>3,823</b>	<b>3,983</b>
(A)CLE Registration Fees.....	121	121	121
(A)USTIF Settlement.....	388	59	0



**Summary by Fund and Appropriation**

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
Subtotal.....	\$ 3,731	\$ 4,003	\$ 4,104
<b>Human Relations Commission.....</b>	<b>8,789</b>	<b>9,419</b>	<b>8,770</b>
(F)EEOC - Special Project Grant.....	1,562	1,100	1,000
(F)HUD - Special Project Grant.....	1,046	800	600
(A)Miscellaneous Revenues.....	7	0	0
Subtotal.....	\$ 11,404	\$ 11,319	\$ 10,370
<b>Council on the Arts.....</b>	<b>892</b>	<b>964</b>	<b>969</b>
(F)NEA - Grants to the Arts - Administration.....	936	563	980
Subtotal.....	\$ 1,828	\$ 1,527	\$ 1,949
<b>Juvenile Court Judges Commission.....</b>	<b>2,800</b>	<b>2,862</b>	<b>2,858</b>
Subtotal.....	\$ 2,800	\$ 2,862	\$ 2,858
<b>Commission on Crime and Delinquency.....</b>	<b>4,433</b>	<b>4,635</b>	<b>17,681</b>
(F)Plan for Juvenile Justice.....	150	150	150
(F)Justice Assistance Grants.....	15,000	15,000	12,000
(F)Justice Assistance Grants - Administration.....	1,300	1,300	1,300
(F)Statistical Analysis Center.....	150	150	200
(F)Criminal Identification Technology.....	1,000	1,000	1,500
(F)Crime Victims Compensation Services.....	8,500	8,500	8,500
(F)Crime Victims Assistance.....	40,000	80,000	85,000
(F)Violence Against Women.....	6,000	6,000	7,000
(F)Violence Against Women - Administration.....	600	600	600
(F)Residential Substance Abuse Treatment Program.....	1,300	1,300	1,300
(F)Crime Victims Assistance (VOCA) - Admin/Operations.....	2,000	4,000	4,000
(F)Assault Services Program.....	500	500	600
(F)Second Chance Act - Juvenile Offender Reentry.....	1,000	1,000	1,000
(F)Juvenile Accountability Incentive Program.....	500	500	200
(F)Juvenile Accountability Incentive Program - Administration.....	50	0	0
(F)Combat Underage Drinking Program.....	100	0	0
(F)Juvenile Justice and Delinquency Prevention.....	3,000	3,000	3,000
(F)Project Safe Neighborhoods.....	700	1,000	0
(F)Forensic Science Program.....	1,000	1,000	1,000
(F)Adam Walsh Implementation Support.....	400	500	750
(F)Byrne Competitive Program.....	2,000	1,500	2,000
(F)Justice and Mental Health Collaboration.....	240	240	250
(F)Vision 21 State Technology.....	250	0	0
(F)Prosecutor and Defender Incentives.....	350	200	0
(F)Sex Offender Registration and Notification.....	1,000	0	0
(F)Children's Justice Act (EA).....	149	243	250
(F)Justice Reinvestment Initiative.....	1,000	1,000	1,000
(F)PA Youth Survey - DDAP (EA).....	50	50	50
(F)VOCA Training.....	0	1,000	900
(F)Substance Abuse Prevention - DDAP (EA).....	31	154	200
(A)External Grants Non-governmental.....	17	0	0
(A)Interagency MOUs.....	667	2,622	778
Subtotal.....	\$ 93,437	\$ 137,144	\$ 151,209
<b>Victims of Juvenile Offenders.....</b>	<b>1,300</b>	<b>1,300</b>	<b>1,300</b>
<b>Child Advocacy Centers.....</b>	<b>1,000</b>	<b>0</b>	<b>0</b>
<b>Delinquency Prevention Programs.....</b>	<b>4,874</b>	<b>4,569</b>	<b>3,869</b>
(A)Interagency MOUs.....	2,487	4,446	3,150
Subtotal.....	\$ 7,361	\$ 9,015	\$ 7,019
Subtotal - State Funds.....	\$ 122,372	\$ 137,366	\$ 142,928
Subtotal - Federal Funds.....	106,401	147,001	149,981
Subtotal - Augmentations.....	117,449	123,371	120,323
Total - General Government.....	\$ 346,222	\$ 407,738	\$ 413,232

**Grants and Subsidies:**

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>Intermediate Punishment Treatment Programs</b> .....	\$ 18,167	\$ 18,167	\$ 18,167
<b>Juvenile Probation Services</b> .....	18,945	18,945	18,945
<b>Grants to the Arts</b> .....	9,590	9,590	0 <sup>a</sup>
(F)NEA - Grants to the Arts.....	148	355	0
Subtotal.....	<u>\$ 9,738</u>	<u>\$ 9,945</u>	<u>\$ 0</u>
Subtotal - State Funds.....	\$ 46,702	\$ 46,702	\$ 37,112
Subtotal - Federal Funds.....	148	355	0
Total - Grants and Subsidies.....	<u>\$ 46,850</u>	<u>\$ 47,057</u>	<u>\$ 37,112</u>
STATE FUNDS.....	\$ 169,074	\$ 184,068	\$ 180,040
FEDERAL FUNDS.....	106,549	147,356	149,981
AUGMENTATIONS.....	117,449	123,371	120,323
<b>GENERAL FUND TOTAL</b> .....	<u><b>\$ 393,072</b></u>	<u><b>\$ 454,795</b></u>	<u><b>\$ 450,344</b></u>
<b>MOTOR LICENSE FUND:</b>			
<i>General Government:</i>			
Commonwealth Technology Services.....	<u>\$ 1,401</u>	<u>\$ 1,244</u>	<u>\$ 1,327</u>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Victim/Witness Services.....	\$ 5,369	\$ 6,335	\$ 6,000
Crime Victims Reimbursements.....	11,273	13,170	10,657
Constables Education and Training Account.....	2,758	2,375	2,495
Luzerne County Youth Settlement.....	104	75	0
Sheriff & Deputy Sheriff Education and Training Account.....	6,851	5,089	6,000
Children's Advocacy Centers.....	370	2,000	2,000
GENERAL FUND TOTAL.....	<u>\$ 26,725</u>	<u>\$ 29,044</u>	<u>\$ 27,152</u>
<b>JUSTICE REINVESTMENT FUND:</b>			
Victim Services.....	\$ 1,000	\$ 1,000	\$ 1,021
Innovative Policing Grants.....	668	3,537	3,828
County Probation Grants.....	404	2,138	2,315
JUSTICE REINVESTMENT FUND TOTAL.....	<u>\$ 2,072</u>	<u>\$ 6,675</u>	<u>\$ 7,164</u>
<b>MEDICAL MARIJUANA PROGRAM FUND:</b>			
Enforcement Costs (EA).....	\$ 0	\$ 0	\$ 288
<b>MONETARY PENALTY ENDOWMENTS TRUST FUND:</b>			
NCAA-Penn State Settlement (EA).....	\$ 4,800	\$ 4,800	\$ 4,800
<b>SUBSTANCE ABUSE EDUCATION AND DEMAND REDUCTION FUND:</b>			
Substance Abuse Education & Demand Reduction Programs (EA).....	\$ 8,000	\$ 10,000	\$ 8,000
Substance Abuse Education & Demand Reduction - Admin (EA).....	300	300	300
SUBSTANCE ABUSE EDUCATION AND DEMAND REDUCTION FUND TOTAL.....	<u>\$ 8,300</u>	<u>\$ 10,300</u>	<u>\$ 8,300</u>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 169,074	\$ 184,068	\$ 180,040
SPECIAL FUNDS.....	1,401	1,244	1,327
FEDERAL FUNDS.....	106,549	147,356	149,981
AUGMENTATIONS.....	117,449	123,371	120,323
OTHER FUNDS.....	41,897	50,819	47,704
<b>TOTAL ALL FUNDS</b> .....	<u><b>\$ 436,370</b></u>	<u><b>\$ 506,858</b></u>	<u><b>\$ 499,375</b></u>

<sup>a</sup> Proposed to be funded in 2017-18 by the Pennsylvania Economic Revitalization Fund (PERF) bond program. For more information, please refer to the PERF financial statement in the Other Special Funds Appendix.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>EXECUTIVE DIRECTION</b>							
GENERAL FUND.....	\$ 95,062	\$ 109,794	\$ 103,498	\$ 148,324	\$ 148,324	\$ 148,423	\$ 148,324
SPECIAL FUNDS.....	1,401	1,244	1,327	1,327	1,327	1,327	1,327
FEDERAL FUNDS.....	14,537	14,651	14,651	14,651	14,651	14,651	14,651
OTHER FUNDS.....	113,762	116,123	116,274	116,274	116,274	116,274	116,274
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 224,762</b>	<b>\$ 241,812</b>	<b>\$ 235,750</b>	<b>\$ 280,576</b>	<b>\$ 280,576</b>	<b>\$ 280,675</b>	<b>\$ 280,576</b>
<b>LEGAL SERVICES</b>							
GENERAL FUND.....	\$ 3,222	\$ 3,823	\$ 3,983	\$ 3,983	\$ 3,983	\$ 3,983	\$ 3,983
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	509	180	121	121	121	121	121
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 3,731</b>	<b>\$ 4,003</b>	<b>\$ 4,104</b>	<b>\$ 4,104</b>	<b>\$ 4,104</b>	<b>\$ 4,104</b>	<b>\$ 4,104</b>
<b>PREVENTION AND ELIMINATION OF DISCRIMINATORY PRACTICES</b>							
GENERAL FUND.....	\$ 8,789	\$ 9,419	\$ 8,770	\$ 8,770	\$ 8,770	\$ 8,770	\$ 8,770
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,608	1,900	1,600	1,600	1,600	1,600	1,600
OTHER FUNDS.....	7	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 11,404</b>	<b>\$ 11,319</b>	<b>\$ 10,370</b>	<b>\$ 10,370</b>	<b>\$ 10,370</b>	<b>\$ 10,370</b>	<b>\$ 10,370</b>
<b>DEVELOPMENT OF ARTISTS AND AUDIENCES</b>							
GENERAL FUND.....	\$ 10,482	\$ 10,554	\$ 969	\$ 969	\$ 969	\$ 10,559	\$ 10,559
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,084	918	980	980	980	980	980
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 11,566</b>	<b>\$ 11,472</b>	<b>\$ 1,949</b>	<b>\$ 1,949</b>	<b>\$ 1,949</b>	<b>\$ 11,539</b>	<b>\$ 11,539</b>
<b>CRIMINAL AND JUVENILE JUSTICE PLANNING AND COORDINATION</b>							
GENERAL FUND.....	\$ 29,774	\$ 28,671	\$ 41,017	\$ 41,017	\$ 41,017	\$ 41,017	\$ 41,017
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	88,320	129,887	132,750	132,750	132,750	132,750	132,750
OTHER FUNDS.....	45,068	57,887	51,632	47,875	54,224	64,298	64,299
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 163,162</b>	<b>\$ 216,445</b>	<b>\$ 225,399</b>	<b>\$ 221,642</b>	<b>\$ 227,991</b>	<b>\$ 238,065</b>	<b>\$ 238,066</b>
<b>REINTEGRATION OF JUVENILE DELINQUENTS</b>							
GENERAL FUND.....	\$ 21,745	\$ 21,807	\$ 21,803	\$ 21,803	\$ 21,803	\$ 21,803	\$ 21,803
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 21,745</b>	<b>\$ 21,807</b>	<b>\$ 21,803</b>	<b>\$ 21,803</b>	<b>\$ 21,803</b>	<b>\$ 21,803</b>	<b>\$ 21,803</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 169,074	\$ 184,068	\$ 180,040	\$ 224,866	\$ 224,866	\$ 234,555	\$ 234,456
SPECIAL FUNDS.....	1,401	1,244	1,327	1,327	1,327	1,327	1,327
FEDERAL FUNDS.....	106,549	147,356	149,981	149,981	149,981	149,981	149,981
OTHER FUNDS.....	159,346	174,190	168,027	164,270	170,619	180,693	180,694
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 436,370</b>	<b>\$ 506,858</b>	<b>\$ 499,375</b>	<b>\$ 540,444</b>	<b>\$ 546,793</b>	<b>\$ 566,556</b>	<b>\$ 566,458</b>

## Program: Executive Direction

*Goal: To provide an effective administrative system through which the substantive programs of the commonwealth can be executed.*

The Executive Direction program provides administrative support and policy direction for implementing, maintaining and monitoring the substantive programs of the commonwealth.

### **Program Element: Administration**

The Office of Administration (OA) was established within the Governor's Office in 1955. OA provides policy direction and support to all commonwealth agencies for human resources, information technology, data and digital technology, continuity of government, records/directives management, diversity management and strategic enhancements to help improve results, reduce costs and enhance customer service of all agencies under the governor's jurisdiction.

The Office of Human Resource Management provides policy direction and support for centralized human resource services ensuring equity by maintaining classification, pay, benefits, workers compensation systems, negotiating and administering bargaining agreements, recruiting, training in management and supervisory skills and administering equal employment opportunity programs for all agencies under the governor's jurisdiction.

The Governor's Office of Transformation, Innovation, Management and Efficiency (GO-TIME) leverages inter-agency coordination and collaboration to maximize efficiency and modernize state government operations.

The Office of Continuity and Records Information Management provides guidance for the continuance of essential government services during or shortly after a disruption or emergency. It serves as a liaison to independent agencies, the legislature and the judiciary. The office also provides comprehensive statements of policy and procedures on matters that affect agencies and employees of the executive branch.

The Office for Data and Digital Technology works with commonwealth agencies to transform the collection and use of data to better serve citizens.

### **Program Element: Information Technology**

The Office for Information Technology is responsible for developing and administering statewide policies and standards governing the commonwealth's information technology resources and supporting several enterprise shared services.

The Enterprise Technology Services Office is responsible for overseeing the enterprise data center as well as overseeing the enterprise help desk, the state telecommunications infrastructure. The Enterprise Information Security Office oversees the commonwealth's security program.

The Bureau of Application Management and the Bureau of Integrated Enterprise Services builds and maintains enterprise applications, develops web-based applications, provides enterprise application shared services, and maintains the commonwealth's enterprise web portal. The group manages the Integrated Enterprise System (IES) which provides core budget, finance, human resources, payroll, procurement and reporting functionality to commonwealth agencies.

The Pennsylvania Justice Network (JNET) Office provides an online environment for authorized users to access public safety and criminal justice information. JNET is the commonwealth's primary public safety and criminal justice information broker providing an integrated, secure justice portal to the criminal justice community.

The Office of Strategy and Management is responsible for reviewing investments in current and future technology and managing the IT service management processes within the agency.

The Bureau of IT Procurement oversees IT purchasing within the commonwealth and works with agencies to meet their IT procurement needs.

### **Program Element: Fraud Detection and Prevention**

The Office of Inspector General (OIG) is responsible 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. During 2015-16, the OIG received 547 complaints and investigative requests, which resulted in 76 investigations into possible fraud, waste, abuse and misconduct in commonwealth agencies. The OIG also conducted 283 pre-employment background investigations for individuals being considered for employment or promotion within the commonwealth. This OIG also conducts investigations into suspected welfare fraud and abuse for welfare programs administered by the Department of Health and Human Services. The office conducts field investigations on applicants and recipients to aid in the correct determination of eligibility for welfare benefits. In 2015-16, the OIG conducted 25,756 field investigations which resulted in cost savings in excess of \$87.6 million based on ineligibility determinations. Through a fraud investigation program, the OIG investigates overpaid benefits to determine if welfare fraud occurred. In 2015-16, the OIG conducted 6,512 fraud investigations which resulted in \$4.6 million in restitution for both criminal prosecution cases and

## Program: Executive Direction (continued)

administrative disqualification hearings. This also resulted in cost savings of \$2.5 million based on resulting client disqualifications. The OIG conducts collection activities which involve the recovery of overpaid benefits provided to clients due to omissions or inaccurate information supplied by clients, administrative errors, and in the case of Medical Assistance, charges for services exceeding allowable amounts. In addition, OIG recovers the cost of benefits provided to recipients while they are awaiting receipt of Supplemental Security Income, tort recoveries, unemployment compensation, workers' compensation and veterans' benefits. The recovery for all collection activities during 2015-16 is in excess of \$23 million. The cost benefit analysis for the investigation of welfare fraud is a return on investment of \$11.75 in cost savings and collections for every dollar spent on investigative activities.

## 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 office establishes authorized complement levels for agencies under the governor's jurisdiction. The office also prepares fiscal notes and reviews proposed regulations.

In addition, Comptroller Operations within the Office of the Budget is a shared service organization that performs professional accounting and financial reporting services – including accounts payable, accounts receivable, payroll and employee travel – quality assurance and process improvements, internal audits, service contract reviews and other financial functions for agencies under the governor's jurisdiction and other independent agencies, boards and commissions.

## Program Recommendations:

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

<b>GENERAL FUND</b>			
	<b>Office of Administration</b>		<b>Office of Budget</b>
\$	1,807	—to continue current program.	\$ 743
	-535	—Initiative—to implement complement savings.	-683
	-11	—Initiative—cost savings realized through consolidation of administrative functions.	-8
			-1,261
\$	1,261	<i>Appropriation Increase</i>	
			\$ -1,209
			<i>Appropriation Decrease</i>
	<b>Commonwealth Technology Services</b>		
\$	-1,300	—Initiative—cost savings from software streamlining GO-TIME project.	
	-2,991	—Initiative—to implement complement savings.	\$ 99
	-47	—Initiative—cost savings realized through consolidation of administrative functions.	
	-256	—Initiative—to modernize operations.	
\$	-4,594	<i>Appropriation Decrease</i>	
	<b>Office of Inspector General</b>		
\$	-225	—Initiative—to implement complement savings.	
	<b>Inspector General - Welfare Fraud</b>		
\$	198	—to continue current program.	
	-927	—Initiative—to implement complement savings.	
	-84	—Initiative—cost savings realized through consolidation of administrative functions.	
	-15	—Initiative—to modernize operations.	
\$	-828	<i>Appropriation Decrease</i>	
			<b>MOTOR LICENSE FUND</b>
			<b>Commonwealth Technology Services</b>
			—to continue current program.
			\$ 83

Medicare Part B Penalties appropriation is recommended at the current year funding level.

As part of GO-TIME efforts on behalf of all agencies, the Office of Administration implemented re-designed elements of the commonwealth's active employee health plan, saving an additional \$4.4 million in 2017-18, and the retiree health, saving an additional \$21 million in 2017-18. Savings from these projects are reflected in personnel costs across agencies and funds. The Office of Administration has also instituted a program of automating and consolidating benefit forms that are estimated to avoid \$244,000 in costs across participating agencies.

**Program: Executive Direction (continued)**

**Appropriations within this Program:**

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Office of Administration.....	\$ 8,176	\$ 8,670	\$ 9,931	\$ 9,931	\$ 9,931	\$ 9,931	\$ 9,931
Medicare Part B Penalties .....	175	175	175	175	175	175	175
Commonwealth Technology Services.....	53,018	61,444	56,850	56,850	56,850	56,850	56,850
Office of Inspector General.....	3,998	4,334	4,109	4,109	4,109	4,109	4,109
Inspector General - Welfare Fraud .....	12,003	12,268	11,440	11,440	11,440	11,440	11,440
Office of the Budget.....	17,692	19,103	17,894	17,894	17,894	17,894	17,894
Audit of the Auditor General .....	0	0	99	0	0	99	0
Law Enforcement Activities.....	0	3,800	3,000	3,000	3,000	3,000	3,000
Joint Underwriting Association Loan Payment.....	0	0	0	44,925	44,925	44,925	44,925
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 95,062</b>	<b>\$ 109,794</b>	<b>\$ 103,498</b>	<b>\$ 148,324</b>	<b>\$ 148,324</b>	<b>\$ 148,423</b>	<b>\$ 148,324</b>
<b>MOTOR LICENSE FUND:</b>							
Commonwealth Technology Services.....	\$ 1,401	\$ 1,244	\$ 1,327	\$ 1,327	\$ 1,327	\$ 1,327	\$ 1,327

**Program: Legal Services**

*Goal: To provide legal advice to the governor and the cabinet, and to supervise, coordinate and administer legal services for the commonwealth.*

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.

OGC 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)

		<b>Office of General Counsel</b>
\$	405	—to continue current program.
	<u>-245</u>	—Initiative—to implement complement savings.
\$	160	<i>Appropriation Increase</i>

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Office of General Counsel .....	\$ 3,222	\$ 3,823	\$ 3,983	\$ 3,983	\$ 3,983	\$ 3,983	\$ 3,983



**Program: Prevention and Elimination of Discriminatory Practices**

*Goal: 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.*

The Pennsylvania Human Relations Commission (PHRC) is a law enforcement agency 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 commission uses two principal methods to secure compliance with these laws. First is by investigating complaints of discrimination that might result in legal proceedings. Second is by providing educational and technical assistance to schools, police organizations, businesses, governmental bodies and individuals. The educational and technical assistance is intended to inform the public of their statutory protections, promote voluntary compliance with the laws and prevent civil tensions. While processing formal complaints have historically been PHRC’s major focus, since 2014 PHRC has been striving to redirect limited staff resources to provide educational and technical assistance to the public.

The commission’s Education and Outreach Services Division focuses on ensuring all students have equal access to education by eliminating the disparities that exist in schools that are based on race, color, national origin and disabilities. In 2016-17, an education committee was

formed to more closely focus and guide the unit’s activities. Beginning in 2017-18 the unit will gather and communicate education equity best practices to Pennsylvania school districts. The unit will also work with another six school districts (for a cumulative total of 20 since 2014-15) in conjunction with the PA Department of Education to improve the educational achievement of minority and disadvantaged students. The commission is also involved with major outreach programs to provide information to community leaders and public officials regarding their civil rights, the value of a diverse workforce, and preventing cyberbullying and hate crimes.

Finally, federal funds are received for investigating certain complaints that are dual filed with the commission and the Equal Employment Opportunity Commission or the U.S. Department of Housing and Urban Development. The commission utilizes a proven, re-engineered process to fast-track cases to bring relief to victims of discrimination and those unjustly accused. To protect more Pennsylvanians from unlawful discrimination, PHRC will proactively monitor statewide trends and when warranted, initiate investigations of systemic discrimination.

**Program Recommendations:**

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

		<b>Human Relations Commission</b>
\$	697	—to continue current program.
	-250	—program reduction.
	-1,096	—Initiative—to implement complement savings.
\$	-649	<i>Appropriation Decrease</i>

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Human Relations Commission .....	\$ 8,789	\$ 9,419	\$ 8,770	\$ 8,770	\$ 8,770	\$ 8,770	\$ 8,770



## Program: Development of Artists and Audiences

*Goal: To increase public exposure to quality artistic and cultural programs and to stimulate a climate that offers opportunities and encouragement to artists.*

The commonwealth promotes access to the arts and cultural development for all its citizens through the Pennsylvania Council on the Arts (PCA). Now in its fiftieth year, the PCA supports arts and cultural programs and services – particularly for school-aged children – through responsive funding and the provision of information, resources and initiatives for arts organizations, arts programs and projects, educational and community organizations, artists and schools.

The PCA strives to ensure:

- Jobs that Pay, by supporting more than 82,000 FTE positions in Pennsylvania’s arts and cultural sector;
- Schools that Teach, through its work with regional partners to place artists in schools across the commonwealth. PCA teaching artists work with educators to foster educational excellence, engage students of all abilities and learning styles, and illuminate the world’s interconnections; and
- Government that Works, leveraging the work of a small agency staff to reach every county in Pennsylvania via more than 1,250 grants per year. Thirty-plus regional partner organizations help deliver localized grantmaking backed by on-the-ground knowledge of the people and organizations over every region.

The PCA supports and assists access to the arts in the commonwealth in several specific areas:

- Grants program that responds to applications for funding and program initiatives either directly or through a decentralized network of regional funding partners;
- Partnerships and initiatives developed to 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 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, theaters and festivals.

The PCA has a nationally-recognized funding process that uses an advisory review process whereby citizens review applications and make recommendations for funding by region.

Through the PCA’s Arts in Education Partnership, Pennsylvania Partners in the Arts and Preserving Diverse Cultures Division, diverse and rural organizations, artists, ensembles, families and youth audiences are encouraged to participate in and contribute to the arts. Additionally, the PCA plays a significant role in community revitalization by advising and assisting such projects as the development of county-wide cultural plans.

### Program Recommendations:

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

<p><b>Council on the Arts</b></p> <p>\$ 218 —to continue current program.</p> <p>–130 —Initiative—cost savings from eGrants GO-TIME project.</p> <p>–83 —Initiative—to implement complement savings.</p> <hr/> <p>\$ 5 <i>Appropriation Increase</i></p>	<p><b>Grants to the Arts</b></p> <p>\$ –9,590 —Initiative—to support grants to the arts in Pennsylvania through bond funding.</p>
--	---

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Council on the Arts .....	\$ 892	\$ 964	\$ 969	\$ 969	\$ 969	\$ 969	\$ 969
Grants to the Arts.....	9,590	9,590	0	0	0	9,590	9,590
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 10,482</b>	<b>\$ 10,554</b>	<b>\$ 969</b>	<b>\$ 969</b>	<b>\$ 969</b>	<b>\$ 10,559</b>	<b>\$ 10,559</b>

## Program: Criminal and Juvenile Justice Planning and Coordination

*Goal: To provide criminal and juvenile justice system policy analysis, coordination and planning to improve criminal justice programs.*

Established by the General Assembly in 1978, the Pennsylvania Commission on Crime and Delinquency (PCCD) is currently composed of a 49-member board whose mission is to enhance the quality and coordination of criminal and juvenile justice systems, to facilitate the delivery of services to victims of crime and to increase the safety of our communities. Several statutory and commission-created advisory committees, task forces, planning groups, boards and PCCD staff assist the commission in its duties.

One of the larger programs the commission administers is the Intermediate Punishment (IP) program, which provides an alternative to incarceration for low-risk, non-violent offenders at the county level. This program demonstrates significant positive results in saving jail/prison days and improving offender outcomes. Research has found that offenders who participate in this program have significantly lower rates of re-arrest than those receiving sentences that include only probation, county jail or state prison.

PCCD works with local leadership to improve county justice and local law enforcement systems. The commission has been responsible for institutionalizing County Criminal Justice Advisory Boards (CJABs), which consist of top-level county officials who address criminal justice issues from a systemic and policy level perspective, study best practices in the administration and delivery of criminal justice, engage in strategic planning, make recommendations and establish consensus among the members to improve the effectiveness and efficiency of the county's criminal justice system. Currently, there are 65 county CJAB's that are recognized by PCCD.

PCCD plays a central role in furthering collaborative juvenile justice and delinquency prevention system enhancement initiatives with the Department of Health and Human Services, the Juvenile Court Judges' Commission, the Council of Chief Juvenile Probation Officers, the Department of Education and other agencies. Its Violence Prevention Program supports the implementation of evidence-based delinquency and violence prevention and intervention initiatives and supports the Communities That Care (CTC) risk-focused prevention initiative. These types of initiatives have been shown to yield a \$4 return for every dollar invested.

In addition, PCCD develops best practices and researches emerging criminal and juvenile justice trends to ensure federal and state grant funds are allocated to the most effective initiatives. The commission compiles crime, corrections, and sentencing data; develops unified

population projections for sentencing, corrections, and probation and parole; provides objective, independent and comprehensive policy-relevant analysis; and responds to special justice research and data requests from federal, state and local agencies, as well as from the general public.

PCCD oversees several justice training programs, including the legislatively mandated basic and continuing education training of sheriffs, deputy sheriffs and constables and deputy constables. The commission provides quality, relevant and current job-related training for local justice practitioners.

### **Program Element: Victim Services**

PCCD's Victims Services has three components: the Victims Compensation Assistance Program (VCAP), the Victims Services Program (VSP) and the Children's Advocacy Center (CAC) initiative.

VCAP 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, reimbursements from victims who are awarded civil settlements and federal Victims of Crime Act funds. In fiscal year 2015-16, VCAP paid on 7,965 claims for a total of approximately \$12.4 million.

PCCD's VSP administers a variety of state and federal funds designed to assist victims of crime. These funds support procedural services such as; courtroom accompaniment, victim rights notification, and assistance with victim impact statements, to nearly 180,000 victims and witnesses in 2015. Funding is provided in support of services such as crisis intervention, shelter, counseling and other emergency services, which on average provide assistance to over 160,000 Pennsylvania crime victims each year.

Finally, PCCD administers a program to increase the availability of localized CAC services. CACs provide state-of-the-art treatment for the victims of child sexual abuse and child abuse. They coordinate medical care, treatment and other social services for victims while gathering evidence, through age-appropriate forensic interviewing and other methods employed by multi-disciplinary investigative teams, to build an effective case against the alleged offender. By bringing medical professionals, social workers, prosecutors and police, who specialize in child sexual abuse, together under one roof, CACs are the most effective way to bring a perpetrator to justice. There are currently 31 National Children's Alliance (NCA) accredited and associate CAC's in Pennsylvania.

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

### Program Recommendations:

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

	<b>Commission On Crime and Delinquency</b>		<b>Delinquency Prevention Programs</b>
\$ 808	—to continue current program.	\$ -700	—program reduction.
-885	—program reduction.		
-232	—Initiative—to implement complement savings.		
-20	—Initiative—cost savings realized through consolidation of administrative functions.		
10,000	—Initiative—Combating the Opioid Epidemic. To expand access to naloxone for first responders.		
3,375	—Initiative—Combating the Opioid Epidemic. To implement and expand drug courts and expedite the accreditation process.		
\$ 13,046	<i>Appropriation Increase</i>		

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

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Commission on Crime and Delinquency ...	\$ 4,433	\$ 4,635	\$ 17,681	\$ 17,681	\$ 17,681	\$ 17,681	\$ 17,681
Victims of Juvenile Offenders .....	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Child Advocacy Centers .....	1,000	0	0	0	0	0	0
Delinquency Prevention Programs .....	4,874	4,569	3,869	3,869	3,869	3,869	3,869
Intermediate Punishment Treatment Programs .....	18,167	18,167	18,167	18,167	18,167	18,167	18,167
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 29,774</b>	<b>\$ 28,671</b>	<b>\$ 41,017</b>	<b>\$ 41,017</b>	<b>\$ 41,017</b>	<b>\$ 41,017</b>	<b>\$ 41,017</b>

**Program: Reintegration of Juvenile Delinquents**

*Goal: To reduce the recurrence of juvenile delinquency through replacement of criminal behavior with socially acceptable behavior.*

The Juvenile Court Judges’ Commission (JCJC) is statutorily responsible for advising juvenile court judges regarding 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, the development and implementation of evidence based practices and a statewide quality assurance initiative have significantly improved the commonwealth’s juvenile justice system. This is evident by the percentage of juveniles successfully completing juvenile court supervision without committing a new offense, 83.8 percent in 2015, as well as the percentage of juvenile offenders who are in school, employed or engaged in a vocational activity at case closing, 84.4 percent in 2015.

The JCJC is coordinating ongoing development and implementation of Pennsylvania’s Juvenile Justice System Enhancement Strategy (JJSES), which is designed to enhance the capacity of Pennsylvania’s juvenile justice system to achieve its balanced and restorative justice mission by employing evidence-based practices, with fidelity, at every stage of the juvenile justice process; collecting and analyzing the data necessary to measure the results of these efforts; and, with this knowledge, striving to continuously improve the quality of decisions, services and programs. Research has demonstrated that

the proper implementation of evidence-based practices can lead to significant reductions in juvenile delinquency and recidivism. The development of statewide and county-specific baseline recidivism rates are an important benchmark against which the impact of JJSES can be measured. Recidivism is defined as a subsequent adjudication of delinquency, or conviction in criminal court, for a misdemeanor or felony offense within two years of release from probation supervision. Using this definition, statewide recidivism rates have decreased from 22 percent in cases closed from 2007-2010 to 19 percent in cases closed in 2012. It should be noted that as the definition of recidivism requires a case to be closed for two years, the most recent data available reflects cases closed in 2012.

The JCJC has conditioned eligibility for all county Juvenile Probation Services grant funding upon implementation of evidence-based practices including:

- Implementation of the Youth Level of Service (YLS) risk/need assessment instrument;
- Development of recommendations to the court based on the YLS results, including the identified risks and needs of each juvenile; and,
- Development and implementation of case plans which target services to meet the identified risks and needs of each juvenile.

Sixty-six counties are currently participating in the Juvenile Probation Services grant program. The Youth Level of Service risk/need assessment instrument utilization has increased from a total of 5,591 assessments in 2010 to a total of 25,599 in 2015.

**Program Recommendations:**

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

	\$	341	Juvenile Court Judges Commission
		-159	—to continue current program.
			—Initiative—to implement complement savings.
		-186	—Initiative—cost savings realized through consolidation of administrative functions.
		\$ -4	Appropriation Decrease

Juvenile Probation Services is recommended at the current year funding level.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

		2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>								
Juvenile Court Judges Commission .....	\$	2,800	\$ 2,862	\$ 2,858	\$ 2,858	\$ 2,858	\$ 2,858	\$ 2,858
Juvenile Probation Services .....		18,945	18,945	18,945	18,945	18,945	18,945	18,945
<b>TOTAL GENERAL FUND .....</b>	<b>\$</b>	<b>21,745</b>	<b>\$ 21,807</b>	<b>\$ 21,803</b>	<b>\$ 21,803</b>	<b>4 21,803</b>	<b>\$ 21,803</b>	<b>\$ 21,803</b>

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
--	---------	---------	---------	---------	---------	---------	---------

**Program: Executive Direction****Objective: Maintain a highly trained state workforce by increasing training course completion rates.****Office of Administration - Human Resources**

Completion rate for mandatory Enterprise Learning Management System courses	73%	75%	75%	75%	75%	75%	75%
---	-----	-----	-----	-----	-----	-----	-----

**Objective: Maintain and expand the delivery of cost effective, high quality human resource services to employees and agencies through the centralized Human Resource Service Center.****Office of Administration - Human Resources**

Days required to review and approve requests for classification actions on vacant positions	12	12	12	12	12	12	12
Days required to process requests for clerks from the temporary clerical pool	13	9	9	9	9	9	9
Days required to process requests for typists from the temporary clerical pool	12	9	9	9	9	9	9
Percentage of HR agency services that met established response time goals	99%	99%	99%	99%	99%	99%	99%
HR Service Centers' customer satisfaction rating (scale of 1 to 4, low to high)	4	3.50	3.50	3.50	3.50	4	4

**Objective: Reduce the number of work related accidents.****Office of Administration - Human Resources**

Workers' compensation claims filed and accepted	4,219	4,170	4,150	4,130	4,120	4,100	4,080
---	-------	-------	-------	-------	-------	-------	-------

**Objective: Maintain and expand knowledge and application of records retention and records management industry standards on an enterprise wide level.****Office of Administration - Office of Enterprise Records Management**

Training sessions, workshops and agency information meetings conducted to increase program awareness and compliance	20	20	20	20	20	20	20
---	----	----	----	----	----	----	----

**Objective: Improve the commonwealth's accounting and financial reporting system.****Office of the Budget**

Agency/Purchasing/Corporate credit card rebates earned	\$4,360,420	\$5,100,000	\$5,350,000	\$5,450,000	\$5,550,000	\$5,640,000	\$5,640,000
Percentage of electronic invoices	22%	23%	25%	27%	29%	32%	34%

**Objective: Increase government agencies' awareness of the investigative services and resources available from the Office of Inspector General.****Office of Inspector General**

General investigations	359	359	359	359	359	359	359
Pre-employment background investigations	283	285	285	285	285	285	285

## Program Measures

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

**Objective: Hold accountable those individuals who fraudulently obtain public benefits and recover all overpaid benefits.**

### Office of Inspector General - Welfare Fund

Amount of overpaid benefits collected through various means	\$23,104,989	\$23,000,000	\$23,000,000	\$23,000,000	\$23,000,000	\$23,000,000	\$23,000,000
Amount of cost savings and collections for every dollar spent on investigative activities	\$12	\$12	\$12	\$12	\$12	\$12	\$12
Prosecutions: Resulting cost savings	\$1,521,232	\$1,530,000	\$1,530,000	\$1,530,000	\$1,530,000	\$1,530,000	\$1,530,000
Administrative Disqualification Hearings: Resulting cost savings	\$986,230	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000
Long Term Care Sanctions: Resulting cost savings	\$2,711,709	\$2,720,000	\$2,720,000	\$2,720,000	\$2,720,000	\$2,720,000	\$2,720,000

**Objective: Prevent, detect and deter fraud prior to an agency's authorization of an individual for program benefits.**

### Office of Inspector General - Welfare Fund

Average amount of cost savings per Welfare Fraud Investigator	\$1,240,483	\$1,240,500	\$1,240,500	\$1,240,500	\$1,240,500	\$1,240,500	\$1,240,500
Amount of cost savings based on ineligibility determinations	\$90,555,235	\$90,600,000	\$90,600,000	\$90,600,000	\$90,600,000	\$90,600,000	\$90,600,000

### Program: Prevention and Elimination of Discriminatory Practices

**Objective: Reduce case processing time to conclude investigations and resolve cases more quickly.**

#### Human Relations Commission

Rate cases completed:

Percentage of cases that are still under investigation that are more than two years old	7%	7%	6%	5%	4%	3%	2%
Percentage of cases closed within one year	48%	50%	52%	52%	53%	54%	55%
Average case age statewide (in days)	496	426	426	400	380	365	364

**Objective: Reduce case processing time in housing discrimination investigations to resolve cases faster whenever possible.**

Number of housing discrimination cases dually filed with HUD that are closed within 100 days	47	47	47	47	47	47	47
--	----	----	----	----	----	----	----

**Objective: Increase case settlement rate in comparison to other state Fair Employment Practice Agencies and the Equal Employment Opportunity Commission.**

#### Human Relations Commission

Rate cases completed:

Predetermination case settlement rate	38%	40%	41%	42%	43%	44%	45%
Number of community meetings and outreach events	90	95	100	105	110	115	120



## Program Measures

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

### Program: Development of Artists and Audiences

**Objective: Increase participation in the arts and cultural programs.**

#### Council on the Arts

Grant applications received/reviewed	1,350	1,350	1,350	1,350	1,350	1,350	1,350
Grant awards made	1,218	1,250	1,250	1,250	1,250	1,250	1,250

### Program: Criminal and Juvenile Justice Planning and Coordination

**Objective: Promote the appropriate use and measure the effectiveness of promising approaches and dispositional alternatives.**

#### Pennsylvania Commission on Crime and Delinquency

Planning and Coordination: Adult:

Percent of individuals who successfully completed their Intermediate Punishment sentence during the fiscal year	85%	85%	88%	90%	91%	91%	91%
---	-----	-----	-----	-----	-----	-----	-----

Planning and Coordination: Youth:

Percentage of youth participating in research-based programs with a demonstrated improvement related to the program's targeted behavioral outcome	52%	55%	55%	58%	58%	60%	60%
Percentage of youth with improved school attendance after participating in intensive evidence-based programs	67%	70%	70%	70%	70%	70%	70%

Victim Services:

Percentage of victims who are satisfied with the services provided by the Victims Compensation Assistance program	88%	86%	86%	86%	86%	88%	89%
Number of victims served by victim service programs throughout Pennsylvania through the utilization of RASA funds	149,887	190,000	210,000	220,000	230,000	240,000	240,000

### Program: Reintegration of Juvenile Delinquents

**Objective: Increase the percentage of juveniles who successfully complete supervision without committing a new offense.**

#### Juvenile Court Judges' Commission

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	8,718	8,487	8,317	8,151	7,988	7,828	7,672
---	-------	-------	-------	-------	-------	-------	-------

## Program Measures

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

**Objective: Increase the percentage of juvenile offenders who are in school, are employed or are engaged in a vocational activity at the time of case closing.**

### Juvenile Court Judges' Commission

Percentage employed or engaged in an educational/vocational activity at case closing	84.40%	85%	85%	85%	85%	85%	85%
Children referred to court	24,139	24,556	24,064	23,583	23,111	22,649	22,395
Commitments as a percentage of referrals	7.10%	8%	8%	8%	8%	8%	8%
Juvenile arrested for violent crime	2,908	3,092	3,031	2,970	2,911	2,852	2,795
Juvenile cases closed that received probation or other services	10,408	10,174	9,970	9,771	9,575	9,384	9,197



– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# LIEUTENANT GOVERNOR

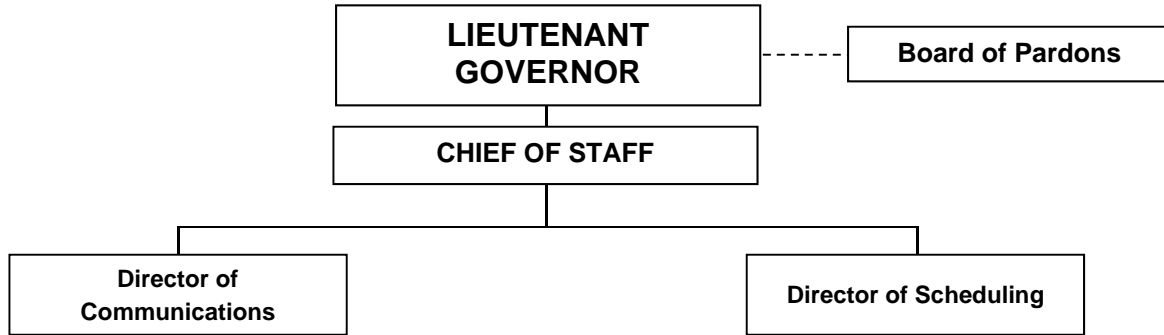
*The mission of the lieutenant governor is to perform legislative and administrative functions as delegated by the Pennsylvania Constitution and the governor.*

The lieutenant governor serves as President of the Senate and Chairman of the Board of Pardons. In case of the death, conviction on 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.

## **Programs and Goals**

**Executive Direction:** *To provide an effective administrative system through which substantive programs of the agency can be accomplished.*

## Organization Overview



- **Board of Pardons** exercises exclusive jurisdiction over all requests for executive clemency; any applicant seeking a pardon or commutation of a sentence from the governor must first secure a favorable recommendation from the board before the governor may consider the request.
- **Director of Communications** articulates the lieutenant governor's agenda and actions to the people of Pennsylvania, and oversees the planning and management of the lieutenant governor's many public undertakings.
- **Director of Scheduling** works closely with the lieutenant governor to develop and implement the lieutenant governor's daily schedule; manages all invitations; and ensures that all logistical arrangements are appropriately handled at each event.

### Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
13	13	13	13	13

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
Lieutenant Governor's Office.....	\$ 980	\$ 1,037	\$ 1,008
Board of Pardons.....	643	718	718
(F)PA Board of Pardons Website Upgrade (EA).....	50	38	0
Subtotal - State Funds.....	\$ 1,623	\$ 1,755	\$ 1,726
Subtotal - Federal Funds.....	50	38	0
Total - General Government.....	<u>\$ 1,673</u>	<u>\$ 1,793</u>	<u>\$ 1,726</u>
STATE FUNDS.....	\$ 1,623	\$ 1,755	\$ 1,726
FEDERAL FUNDS.....	50	38	0
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 1,673</u></b>	<b><u>\$ 1,793</u></b>	<b><u>\$ 1,726</u></b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>EXECUTIVE DIRECTION</b>							
GENERAL FUND.....	\$ 1,623	\$ 1,755	\$ 1,726	\$ 1,726	\$ 1,726	\$ 1,726	\$ 1,726
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	50	38	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,673</b>	<b>\$ 1,793</b>	<b>\$ 1,726</b>	<b>\$ 1,726</b>	<b>\$ 1,726</b>	<b>\$ 1,726</b>	<b>\$ 1,726</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 1,623	\$ 1,755	\$ 1,726	\$ 1,726	\$ 1,726	\$ 1,726	\$ 1,726
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	50	38	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 1,673</b>	<b>\$ 1,793</b>	<b>\$ 1,726</b>	<b>\$ 1,726</b>	<b>\$ 1,726</b>	<b>\$ 1,726</b>	<b>\$ 1,726</b>

## Program: Executive Direction

*Goal: To provide an effective administrative system through which substantive programs of the agency can be accomplished.*

This program provides for the execution of duties relating to the Office of Lieutenant Governor. These duties as prescribed by the state constitution, include presiding over the Senate; assuming the Office of Governor for the remainder of governor's term, if necessary, as a result of the death, conviction on 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 a member of the Military Base Community Enhancement Commission, and has been elected by his fellow commissioners as the chairman. Also, under statute, the Lieutenant Governor serves as chairman of the Local Government Advisory Committee, which advises the Center for Local Government Services in the Department of Community and Economic Development and the governor's administration on the needs and concerns of local government entities.

### Program Recommendations:

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

\$ -29 **Lieutenant Governor**  
—Initiative—to implement complement savings.

The Board of Pardons appropriation is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Lieutenant Governor's Office.....	\$ 980	\$ 1,037	\$ 1,008	\$ 1,008	\$ 1,008	\$ 1,008	\$ 1,008
Board of Pardons.....	643	718	718	718	718	718	718
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 1,623</b>	<b>\$ 1,755</b>	<b>\$ 1,726</b>	<b>\$ 1,726</b>	<b>\$ 1,726</b>	<b>\$ 1,726</b>	<b>\$ 1,726</b>

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# 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.

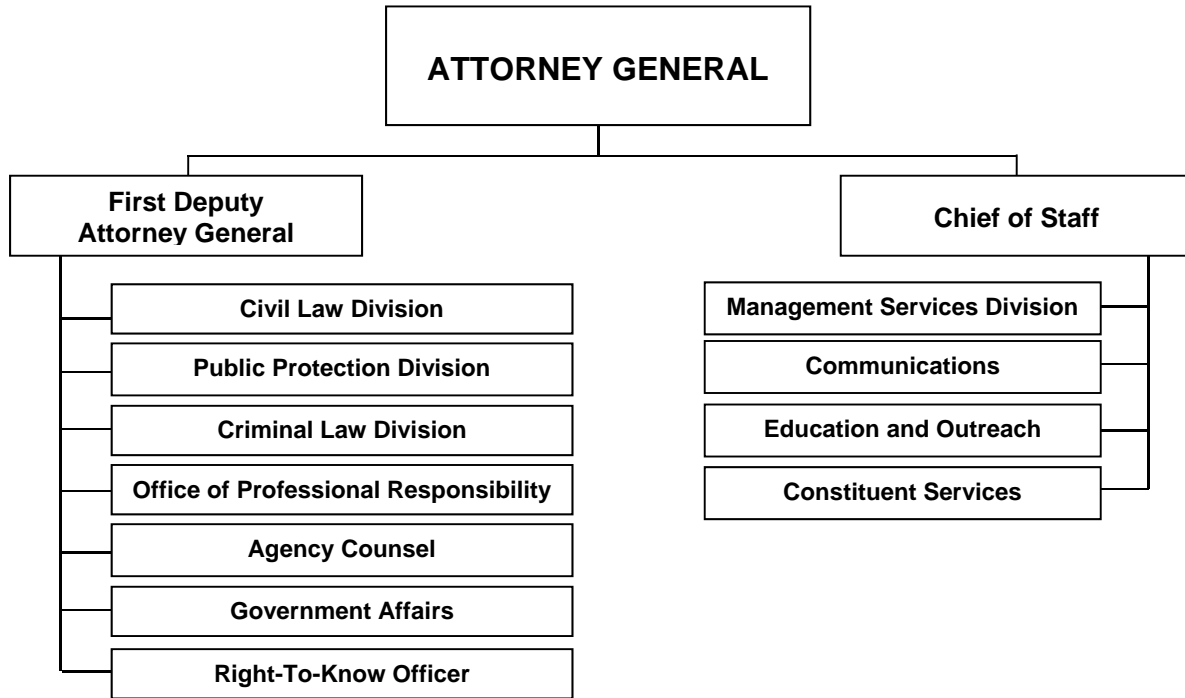
## **Programs and Goals**

**Public Protection and Law Enforcement:** *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.*

---



## Organization Overview



- **Civil Law Division** includes the Litigation Section; Legal Review Section; Financial Enforcement and Tax Litigation Section; Torts Litigation Section; and Appellate Litigation Section.
- **Public Protection Division** includes the Bureau of Consumer Protection; Health Care Section; Antitrust Section; Charitable Trust and Organizations Section; Special Litigation and Civil Rights Enforcement Section; Tobacco Enforcement Section; and the Office of Consumer Advocate.
- **Criminal Law Division** includes the Bureau of Criminal Investigations; Bureau of Narcotics Investigation and Drug Control; Bureau of Special Investigations; Appeals and Legal Services Section; Asset Forfeiture and Money Laundering Section; Criminal Prosecutions Section; Child Predator Section; Drug Strike Force Section; Insurance Fraud Section; Medicaid Fraud Control Section; and the Special Litigation Section and Capital Appeals.
- **Management Services Division** includes the Human Resources Section; Budget and Finance Section; Comptroller Section; Office Services Section; Litigation Support Section; and the Information Technology Section.

### Reported Complement

(Independent Agency – Complement Not Under the Governor’s Jurisdiction/Control)

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
806	798	822	830	828

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 43,197</b>	<b>\$ 42,752</b>	<b>\$ 37,554</b>
(F)Medicaid Fraud.....	8,455	7,908	7,795
(F)MAGLOCLEN.....	7,851	7,979	7,979
(A)Reimbursements.....	25	20	21
(A)Miscellaneous.....	9	6	5
(A)Fee for Delinquent Collections.....	0	0	2,500
Subtotal.....	<u>\$ 59,537</u>	<u>\$ 58,665</u>	<u>\$ 55,854</u>
(R)Office of Consumer Advocate.....	5,268	5,492	5,686
(R)Home Improvement Consumer Protection.....	2,042	2,053	2,363
<b>Drug Law Enforcement.....</b>	<b>26,792</b>	<b>26,849</b>	<b>28,966</b>
(F)High Intensity Drug Trafficking Areas.....	5,280	5,308	5,308
(A)Recovery of Narcotics Investigation Overtime Costs.....	169	50	50
(A)Miscellaneous.....	4	0	0
Subtotal.....	<u>\$ 32,245</u>	<u>\$ 32,207</u>	<u>\$ 34,324</u>
<b>Local Drug Task Forces.....</b>	<b>12,234</b>	<b>12,327</b>	<b>12,975</b>
<b>Joint Local-State Firearm Task Force.....</b>	<b>3,839</b>	<b>3,882</b>	<b>4,040</b>
<b>Witness Relocation.....</b>	<b>1,215</b>	<b>1,215</b>	<b>1,215</b>
<b>Child Predator Interception.....</b>	<b>4,274</b>	<b>4,408</b>	<b>4,767</b>
<b>Tobacco Law Enforcement.....</b>	<b>1,364</b>	<b>1,950</b>	<b>2,057</b>
<b>Mobile Street Crimes.....</b>	<b>2,562</b>	<b>2,000</b>	<b>2,528</b>
Subtotal - State Funds.....	\$ 95,477	\$ 95,383	\$ 94,102
Subtotal - Federal Funds.....	21,586	21,195	21,082
Subtotal - Augmentations.....	207	76	2,576
Subtotal - Restricted Revenues.....	7,310	7,545	8,049
Total - General Government.....	<u>\$ 124,580</u>	<u>\$ 124,199</u>	<u>\$ 125,809</u>
<i>Grants and Subsidies:</i>			
<b>County Trial Reimbursement.....</b>	<b>\$ 200</b>	<b>\$ 200</b>	<b>\$ 200</b>
(R)Reimbursement to Counties - Full Time District Attorney (EA).....	7,631	8,100	8,100
Subtotal - State Funds.....	\$ 200	\$ 200	\$ 200
Subtotal - Restricted Revenues.....	7,631	8,100	8,100
Total - Grants and Subsidies.....	<u>\$ 7,831</u>	<u>\$ 8,300</u>	<u>\$ 8,300</u>
STATE FUNDS.....	\$ 95,677	\$ 95,583	\$ 94,302
FEDERAL FUNDS.....	21,586	21,195	21,082
AUGMENTATIONS.....	207	76	2,576
RESTRICTED REVENUES.....	14,941	15,645	16,149
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 132,411</u></b>	<b><u>\$ 132,499</u></b>	<b><u>\$ 134,109</u></b>

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Seized/Forfeited Property - State Court Awarded.....	\$ 7,710	\$ 9,282	\$ 9,710
Seized/Forfeited Property - U.S. Department of Justice.....	156	1,770	1,765
Seized/Forfeited Property - U.S. Treasury Department.....	27	70	100
Seized/Forfeited Property - U.S. Homeland Security.....	69	540	540
Investigative Funds - Outside Sources.....	6,898	8,203	8,674
Public Protection Law Enforcement.....	8,418	10,845	13,918
Community Drug Abuse Prevention Program.....	240	840	840
Coroner's Education Board.....	82	0	85
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 23,600</b>	<b>\$ 31,550</b>	<b>\$ 35,632</b>
<b>CIGARETTE FIRE SAFETY AND FIREFIGHTER PROTECTION ACT FUND:</b>			
Cigarette Fire Safety & Firefighter Protection Enforcement.....	\$ 50	\$ 50	\$ 250
<b>HOMEOWNER ASSISTANCE SETTLEMENT FUND:</b>			
Housing Consumer Protection.....	\$ 600	\$ 337	\$ 0
<b>STATE GAMING FUND:</b>			
(R)Gaming Enforcement.....	\$ 1,192	\$ 1,223	\$ 1,300
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 95,677	\$ 95,583	\$ 94,302
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	21,586	21,195	21,082
AUGMENTATIONS.....	207	76	2,576
RESTRICTED.....	14,941	15,645	16,149
OTHER FUNDS.....	25,442	33,160	37,182
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 157,853</b>	<b>\$ 165,659</b>	<b>\$ 171,291</b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>PUBLIC PROTECTION AND LAW ENFORCEMENT</b>							
GENERAL FUND.....	\$ 95,677	\$ 95,583	\$ 94,302	\$ 94,302	\$ 94,302	\$ 94,302	\$ 94,302
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	21,586	21,195	21,082	21,082	21,082	21,082	21,082
OTHER FUNDS.....	40,590	48,881	55,907	55,707	55,707	55,707	55,707
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 157,853</b>	<b>\$ 165,659</b>	<b>\$ 171,291</b>	<b>\$ 171,091</b>	<b>\$ 171,091</b>	<b>\$ 171,091</b>	<b>\$ 171,091</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 95,677	\$ 95,583	\$ 94,302	\$ 94,302	\$ 94,302	\$ 94,302	\$ 94,302
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	21,586	21,195	21,082	21,082	21,082	21,082	21,082
OTHER FUNDS.....	40,590	48,881	55,907	55,707	55,707	55,707	55,707
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 157,853</b>	<b>\$ 165,659</b>	<b>\$ 171,291</b>	<b>\$ 171,091</b>	<b>\$ 171,091</b>	<b>\$ 171,091</b>	<b>\$ 171,091</b>

## Program: Public Protection and Law Enforcement

*Goal: 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.*

The Attorney General, as the chief law enforcement officer of the commonwealth, is charged with the responsibility of investigating and prosecuting organized crime and public corruption. The agency investigates and prosecutes criminal activity and uses statewide investigative grand juries as appropriate. Approximately 115 cases are presented each year to the Statewide Investigating Grand Jury. The Office of Attorney General works with the State Police to curtail drug abuse in the commonwealth by apprehending illegal drug traffickers. The Office of Attorney General also prosecutes and investigates insurance fraud and is responsible for 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 program activities involve decreasing the incidence of fraud and deceptive business practices as well as 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 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.

The Office of the Attorney General represents the commonwealth in any action brought by or against the commonwealth or its agencies, particularly tort claims. The agency protects the children of Pennsylvania against

predators by identifying, investigating and capturing online child predators using proactive, undercover operations. The agency enforces the Tobacco Settlement Agreement Act, defends enforcement in arbitration proceedings, and polices the Master Settlement Agreement fully and aggressively.

The County Code provides for full-time district attorneys under certain conditions. The annual salary to be paid the full-time district attorney is set at \$1,000 less than a common pleas court judge in that county. The commonwealth reimburses counties for 65 percent of the salary for the full-time district attorney through court document surcharge revenues deposited into the Criminal Justice Enhancement Account.

The Joint Local-State Firearm Task Force comprised of the Philadelphia District Attorney's Office, the Philadelphia Police Department and the Office of Attorney General was established to fight gun violence in the Philadelphia area. Mobile Street Crimes provides deployment of resources and experience in combating organized drug trafficking and drug related violent crimes from targeted neighborhoods and municipalities.

The Municipal Drug Task Force program contributes to Pennsylvania's efforts in combating both local and widespread drug trafficking operations. Municipal police officers are trained in drug enforcement procedures and benefit from the expertise provided by the Bureau of Narcotics Investigations.

The Home Improvement Consumer Protection Act requires home improvement contractors to register with the Bureau of Consumer Protection. The agency investigates alleged violations regarding home improvement contractors. The Homeowner Assistance Settlement Act authorizes the agency to provide housing consumer protection programs.

### Program Recommendations:

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

<b>GENERAL FUND</b>		<b>Drug Law Enforcement</b>	
<b>General Government Operations</b>		<b>—to continue current program.</b>	
\$ 3,300	—to continue current program.	\$ 2,170	—to continue current program.
-498	—complement control.	-53	—Initiative—to implement complement savings.
-2,500	—Initiative—new fee for delinquent collections.	<hr/>	
-5,500	—Initiative—broaden allowable use and increase receipts in restricted accounts.	\$ 2,117	<i>Appropriation Increase</i>
<hr/>			
\$ -5,198	<i>Appropriation Decrease</i>		

## Program: Public Protection and Law Enforcement (continued)

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

\$	648	<b>Local Drug Task Forces</b> —to continue current program.			
\$	158	<b>Joint Local-State Firearm Task Force</b> —to continue current program.	\$	194	<b>Office of Consumer Advocate</b> —to continue current program.
\$	359	<b>Child Predator Interception</b> —to continue current program.	\$	310	<b>Home Improvement Consumer Protection</b> —to continue current program.
\$	107	<b>Tobacco Law Enforcement</b> —to continue current program.	The Reimbursement to Counties – Full Time District Attorney (EA) is recommended at the current year funding level.		
\$	528	<b>Mobile Street Crimes</b> —to continue current program.			

Witness Relocation and County Trial Reimbursement appropriations are recommended at the current year funding levels.

This budget also recommends the following from restricted accounts in the General Fund.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 43,197	\$ 42,752	\$ 37,554	\$ 37,554	\$ 37,554	\$ 37,554	\$ 37,554
Drug Law Enforcement.....	26,792	26,849	28,966	28,966	28,966	28,966	28,966
Local Drug Task Forces.....	12,234	12,327	12,975	12,975	12,975	12,975	12,975
Joint Local-State Firearm Task Force.....	3,839	3,882	4,040	4,040	4,040	4,040	4,040
Witness Relocation.....	1,215	1,215	1,215	1,215	1,215	1,215	1,215
Child Predator Interception.....	4,274	4,408	4,767	4,767	4,767	4,767	4,767
Tobacco Law Enforcement .....	1,364	1,950	2,057	2,057	2,057	2,057	2,057
Mobile Street Crimes.....	2,562	2,000	2,528	2,528	2,528	2,528	2,528
County Trial Reimbursement.....	200	200	200	200	200	200	200
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 95,677</b>	<b>\$ 95,583</b>	<b>\$ 94,302</b>	<b>\$ 94,302</b>	<b>\$ 94,302</b>	<b>\$ 94,302</b>	<b>\$ 94,302</b>

## Program Measures

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

**Program: Public Protection and Law Enforcement**

**Objective: Utilize statewide investigative grand juries as appropriate to investigate and prosecute organized crime and public corruption.**

Cases presented to the Statewide Investigating Grand Jury	115	115	115	115	115	115	115
---	-----	-----	-----	-----	-----	-----	-----

**Objective: Curtail drug abuse in the commonwealth by apprehending illegal drug traffickers.**

Local drug task force arrests	7,008	7,900	7,900	7,900	7,900	7,900	7,900
Drug arrests resulting from Grand Jury presentments	202	202	202	202	202	202	202

**Objective: Increase compliance by estates, charities, nonprofits and health care conversions with established rules and regulations.**

Review of estates, charities, nonprofits, and health care conversions for compliance with rules and regulations	2,205	2,400	2,400	2,400	2,400	2,400	2,400
---	-------	-------	-------	-------	-------	-------	-------

**Objective: Decrease incidence of fraud and deceptive business practices and secure the recovery of damages to the commonwealth and its citizens.**

Consumer complaints concerning business practices investigated and mediated	20,736	20,736	20,736	20,736	20,736	20,736	20,736
Dollar value of recoupment to consumers regarding business practices (in thousands)	\$2,940	\$2,940	\$2,940	\$2,940	\$2,940	\$2,940	\$2,940
Consumer complaints concerning business practices - health care industry	2,153	2,153	2,153	2,153	2,153	2,153	2,153
Dollar value of recoupment to consumers regarding business practices - health care industry (in thousands)	\$1,825	\$1,825	\$1,825	\$1,825	\$1,825	\$1,825	\$1,825



---

# AUDITOR GENERAL

*The mission of the Auditor General is to post-audit 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.

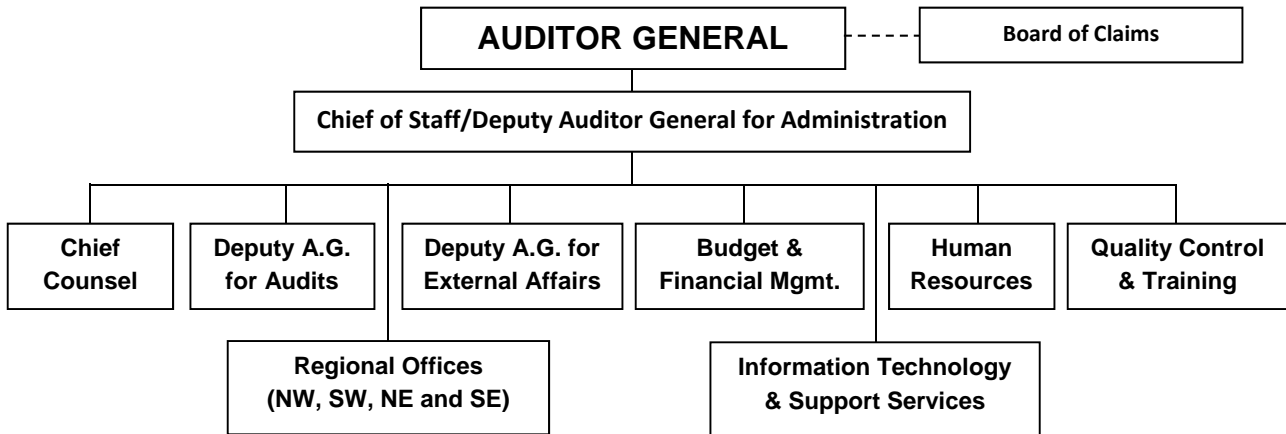
## **Programs and Goals**

**Auditing:** *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.*

**Municipal Pension Systems:** *To assist municipal pension systems through review and audit of their pension funds.*



# Organization Overview



- **Board of Claims** arbitrates claims against the commonwealth arising from contracts entered into by the commonwealth and adjusts and settles certain other claims by or against the commonwealth.
- **Office of Chief of Staff/Administration Deputate** provides leadership and direction to the Chief Counsel, Deputy Auditor General for Audits, Deputy Auditor General for External Affairs, and Regional Directors and also to the Directors of Budget & Fiscal Management, Human Resources, Quality Control & Training, and Information Technology & Support Services.
- **Office of Chief Counsel** provides legal advice and support to the Auditor General, Deputy Auditor Generals and the bureaus within the department.
- **Deputate for Audits** manages eight bureaus that perform audits to improve overall government accountability, transparency, and the effective use of taxpayer dollars. Audits include Financial and Performance audits, and Attestation engagements to ensure that all monies spent by the commonwealth are spent legally and efficiently to serve the Pennsylvania taxpayers.
- **Regional Offices** are located in Northwest, Southwest, Northeast and Southeast Pennsylvania.
- **Deputate for External Affairs** oversees the department’s communications and media, as well as its work with the legislature, citizens, and groups and organizations interested in the department’s work.
- **Office of Budget and Financial Management** provides operational support including budgeting, accounting, payroll, and accounts payable. The office also manages the Municipal Pension State Aid and Volunteer Firefighters’ Relief Association State Aid Programs and provides budgetary and administrative support to the Board of Claims.
- **Office of Information Technology and Support Services** manages the IT network infrastructure, including telecommunications; develops and supports systems applications and databases; processes all procurements; and manages the vehicle fleet, archives, internal storeroom, mailroom and physical facilities.
- **Office of Human Resources** administers all employment-related activities from pre-hire to retirement and assists with the development, implementation, and administration of personnel policies, rules and programs.
- **Office of Quality Control and Training** oversees the maintenance of the department’s system of quality control in accordance with *Generally Accepted Government Auditing Standards (GAGAS)* issued by the Comptroller General of the United States and conducts the required internal monitoring efforts. The office also oversees the various training activities to ensure compliance with GAGAS continuing professional education requirements.

## Reported Complement

(Independent Agency – Complement Not Under the Governor’s Jurisdiction/Control)

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
609	575	496	491	480

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
Auditor General's Office.....	\$ 42,720	\$ 43,404	\$ 42,926
(A)Reimbursement Auditing Services.....	11,026	11,521	11,625
Information Technology Modernization.....	1,750	3,000	0
Subtotal.....	\$ 55,496	\$ 57,925	\$ 54,551
Board of Claims.....	1,846	1,830	1,845
Subtotal - State Funds.....	\$ 46,316	\$ 48,234	\$ 44,771
Subtotal - Augmentations.....	11,026	11,521	11,625
Total - General Government.....	\$ 57,342	\$ 59,755	\$ 56,396
STATE FUNDS.....	\$ 46,316	\$ 48,234	\$ 44,771
AUGMENTATIONS.....	11,026	11,521	11,625
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 57,342</b>	<b>\$ 59,755</b>	<b>\$ 56,396</b>
<b>OTHER FUNDS:</b>			
<b>MUNICIPAL PENSION AID FUND:</b>			
Municipal Pension Aid.....	\$ 264,534	\$ 276,868	\$ 279,637
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 46,316	\$ 48,234	\$ 44,771
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	0	0	0
AUGMENTATIONS.....	11,026	11,521	11,625
OTHER FUNDS.....	264,534	276,868	279,637
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 321,876</b>	<b>\$ 336,623</b>	<b>\$ 336,033</b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>AUDITING</b>							
GENERAL FUND.....	\$ 46,316	\$ 48,234	\$ 44,771	\$ 44,771	\$ 44,771	\$ 44,771	\$ 44,771
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	11,026	11,521	11,625	11,625	11,625	11,625	11,625
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 57,342</b>	<b>\$ 59,755</b>	<b>\$ 56,396</b>	<b>\$ 56,396</b>	<b>\$ 56,396</b>	<b>\$ 56,396</b>	<b>\$ 56,396</b>
<b>MUNICIPAL PENSION SYSTEMS</b>							
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.....	264,534	276,868	279,637	279,637	279,637	279,637	279,637
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 264,534</b>	<b>\$ 276,868</b>	<b>\$ 279,637</b>	<b>\$ 279,637</b>	<b>\$ 279,637</b>	<b>\$ 279,637</b>	<b>\$ 279,637</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 46,316	\$ 48,234	\$ 44,771	\$ 44,771	\$ 44,771	\$ 44,771	\$ 44,771
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	275,560	288,389	291,262	291,262	291,262	291,262	291,262
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 321,876</b>	<b>\$ 336,623</b>	<b>\$ 336,033</b>	<b>\$ 336,033</b>	<b>\$ 336,033</b>	<b>\$ 336,033</b>	<b>\$ 336,033</b>

## Program: Auditing

*Goal: 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.*

The Department of the Auditor General is provided authority through the Fiscal Code to audit the financial affairs of state government and certain local government entities. The Department of the Auditor General is also authorized 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 performance audits of commonwealth agencies, boards, commissions, and state institutions, such as state higher education and correctional facilities, to ensure money is disbursed legally and properly. The department also examines and audits accounts of revenue collecting agents, including local government officials such as those in the magisterial district courts and county row offices, to assure that all funds due to the commonwealth have been reported and transmitted properly and that the commonwealth's financial statements conform to Generally Accepted Accounting Principles. Finally, the department conducts audits of public entities that receive state funds, including local educational agencies, municipal pension plans, and volunteer firefighters' relief associations.

The Single Audit, which is a single financial/compliance audit of the commonwealth's federal aid programs and the commonwealth's Comprehensive Annual Financial Report, is jointly performed each year by the Department

of the Auditor General and an independent certified public accounting firm.

In accordance with Section 402 of the Fiscal Code, special audits, including performance audits, may be made at any time when, in the Auditor General's judgment, they appear to be necessary. Special audits must also be conducted by the Auditor General at the Governor's request.

The Auditor General has a variety of other responsibilities imposed by law. For example, the Auditor General is a signatory, along with the Governor and State Treasurer, for approval of short-term and long-term borrowing by state government. The Department of the Auditor General also provides administrative services for the Board of Claims, an independent administrative agency discussed later in this document. The Auditor General is also a statutory member of the Pennsylvania Higher Educational Facilities Authority, the State Public School Building Authority, the Delaware River Port Authority, the Local Government Records Committee, and the Joint Interstate Bridge Commission.

The Department also provides administrative services for the Board of Claims. 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)

	<b>Auditor General's Office</b>		<b>Board of Claims</b>
\$ 882	—to continue current program.	\$ 54	—to continue current program.
-1,360	—Initiative—to implement complement savings.	-39	—Initiative—to implement complement savings.
<u>\$ -478</u>	<i>Appropriation Decrease</i>	<u>\$ 15</u>	<i>Appropriation Increase</i>
\$ -3,000	<b>Information Technology Modernization</b> —non-recurring cost.		

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Auditor General's Office .....	\$ 42,720	\$ 43,404	\$ 42,926	\$ 42,926	\$ 42,926	\$ 42,926	\$ 42,926
Information Technology Modernization .....	1,750	3,000	0	0	0	0	0
Board of Claims .....	1,846	1,830	1,845	1,845	1,845	1,845	1,845
<b>TOTAL GENERAL FUND .....</b>	<u>\$ 46,316</u>	<u>\$ 48,234</u>	<u>\$ 44,771</u>	<u>\$ 44,771</u>	<u>\$ 44,771</u>	<u>\$ 44,771</u>	<u>\$ 44,771</u>

## Program: Municipal Pension Systems

*Goal: To assist municipal pension systems through review and audit of their pension funds.*

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 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 2,600 governing units with approximately 3,300 municipal pension plans, for both uniformed and non-uniformed 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 Premiums Tax and a portion of the Foreign Fire Insurance Premiums Tax.

The Auditor General is also responsible for distributing proceeds from the 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.

In 2016, the Auditor General absorbed the duties relating to municipal pension reporting and analysis under Act 205 of 1984 and Act 293 of 1972 that were formerly conducted by the Public Employee Retirement Commission (PERC), which was abolished by Act 100 of 2016. Effective August 1, 2016, the duties were fully transitioned to the newly created Municipal Pension Reporting Program (MPRP) within the Department of the Auditor General's Office of Budget and Financial Management.

### Program Recommendations:

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

**MUNICIPAL PENSION AID FUND**  
**Municipal Pension Aid**  
 \$ 2,769 —to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>MUNICIPAL PENSION AID FUND:</b>							
Municipal Pension Aid .....	\$ 264,534	\$ 276,868	\$ 279,637	\$ 279,637	\$ 279,637	\$ 279,637	\$ 279,637



---

# 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 pre-auditing all requisitions for the expenditures of funds and for disbursement of all state monies upon proper authorization to those entitled to receive payment.

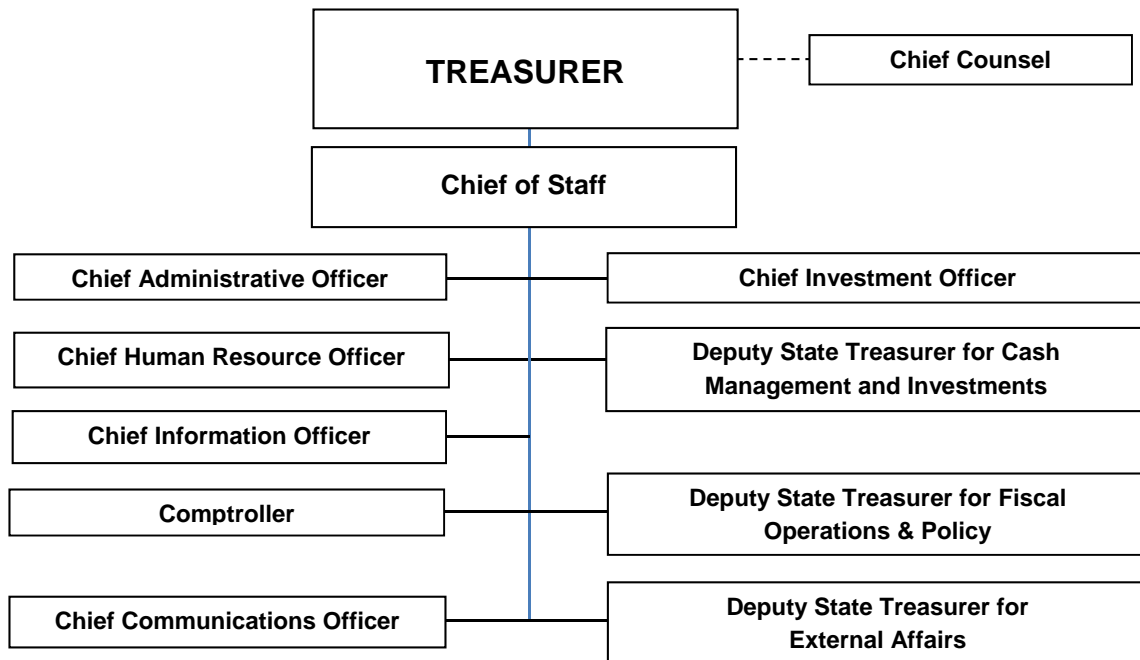
## Programs and Goals

**Disbursement:** *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.*

**Interstate Relations:** *To promote interstate cooperation and progress through participation in various associations, commissions and organizations both regionally and nationally.*

**Debt Service:** *To provide for interest and principal requirements of notes and bonds issued by the commonwealth and other expenses related to debt service.*

## Organization Overview



- **Deputy State Treasurer for External Affairs** acts as a liaison to outside entities, such as the legislature, constituency groups and other state agencies. The deputy also sets policies and goals for public-facing bureaus managing the PA 529 and unclaimed property programs.
- **Senior Advisor to the State Treasurer/Director of Human Resources** manages the Bureau of Human Resources, advises the Treasurer on personnel matters and acts as a liaison to labor unions.
- **Deputy State Treasurer for Fiscal Operations/Senior Advisor for Policy** oversees the bureaus of Fiscal Review and Unemployment Compensation Disbursements, and advises the Treasurer on specific strategic policy matters.

## Reported Complement

(Independent Agency – Complement Not Under the Governor’s Jurisdiction/Control)

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
355	347	333	317	305

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2015-16	2016-17	2017-18
	ACTUAL	AVAILABLE	BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
General Government Operations.....	\$ 36,992	\$ 36,757	\$ 37,766
(A)Unemployment Compensation Service Reimbursements.....	5,542	4,511	6,545
(A)Administrative Service Fees.....	1,262	1,375	1,175
(A)Unclaimed Property Service Fees.....	6,979	1,258	500
Subtotal.....	\$ 50,775	\$ 43,901	\$ 45,986
Board of Finance and Revenue.....	2,715	2,967	2,978
Divestiture Reimbursement.....	68	2,551	23
Publishing Monthly Statements.....	15	15	15
Intergovernmental Organizations.....	1,025	1,040	1,060
Information Technology Modernization.....	3,000	3,000	2,000
Subtotal - State Funds.....	\$ 43,815	\$ 46,330	\$ 43,842
Subtotal - Augmentations.....	13,783	7,144	8,220
Total - General Government.....	\$ 57,598	\$ 53,474	\$ 52,062
<i>Grants and Subsidies:</i>			
Law Enforcement & Emergency Response Personnel Death Benefit.....	\$ 4,590	\$ 2,500	\$ 2,980
Transfer to ABLE Fund.....	0	1,500	1,130
Total - Grants and Subsidies.....	\$ 4,590	\$ 4,000	\$ 4,110
<i>Debt Service:</i>			
Loan and Transfer Agents.....	\$ 50	\$ 50	\$ 50
Cash Management Loan Interest (EA).....	1,317	10,000 <sup>a</sup>	10,000
General Obligation Debt Service.....	1,127,500	1,111,385	960,000
(A)Leased Assets.....	0	0	200,000
Subtotal - State Funds.....	\$ 1,128,867	\$ 1,121,435	\$ 970,050
Subtotal - Augmentations.....	0	0	200,000
Total - Debt Service.....	\$ 1,128,867	\$ 1,121,435	\$ 1,170,050
STATE FUNDS.....	\$ 1,177,272	\$ 1,171,765	\$ 1,018,002
AUGMENTATIONS.....	13,783	7,144	208,220
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 1,191,055</b>	<b>\$ 1,178,909</b>	<b>\$ 1,226,222</b>
<b>MOTOR LICENSE FUND:</b>			
<i>General Government:</i>			
Administration Refunding Liquid Fuels Tax.....	\$ 533	\$ 533	\$ 533
<i>Refunds:</i>			
Refunding Liquid Fuels Taxes - State Share (EA).....	\$ 3,900	\$ 6,000	\$ 5,000
Refunding Liquid Fuels Taxes - Agriculture (EA).....	4,600	3,800	4,000
Refunding Liquid Fuels Taxes - Political Subdivisions (EA).....	3,800	3,600	3,800
Refunding Liquid Fuels Taxes - Volunteer Services (EA).....	600	500	500
Refunding Liquid Fuels Taxes - Snowmobiles & ATV's (EA).....	1,000	1,000	1,000
Refunding Liquid Fuels Taxes - Boat Fund (EA).....	10,470	10,470	11,973
Total - Refunds.....	\$ 24,370	\$ 25,370	\$ 26,273



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>Debt Service:</b>			
Capital Debt Transportation Projects.....	\$ 4,223	\$ 38,156	\$ 35,581
General Obligation Debt Service.....	16,968	17,815	17,815
(R)Capital Bridge Debt Service (EA).....	51,772	51,355	51,185
Loan and Transfer Agent.....	50	50	50
Subtotal - State Funds.....	\$ 21,241	\$ 56,021	\$ 53,446
Subtotal - Restricted Revenues.....	51,772	51,355	51,185
Total - Debt Service.....	\$ 73,013	\$ 107,376	\$ 104,631
STATE FUNDS.....	\$ 46,144	\$ 81,924	\$ 80,252
RESTRICTED REVENUES.....	51,772	51,355	51,185
<b>MOTOR LICENSE FUND TOTAL.....</b>	<b>\$ 97,916</b>	<b>\$ 133,279</b>	<b>\$ 131,437</b>
<b>OTHER FUNDS:</b>			
<b>ACHIEVING A BETTER LIFE EXPERIENCE FUND:</b>			
General Operations.....	\$ 0	\$ 1,500	\$ 1,130
<b>ENVIRONMENTAL STEWARDSHIP FUND:</b>			
Debt Service for Growing Greener (EA).....	\$ 40,830	\$ 35,209	\$ 20,871
<b>LIQUID FUELS TAX FUND:</b>			
Refunding Liquid Fuels Taxes - Boat Fund (EA).....	\$ 100	\$ 100	\$ 108
<b>TUITION ACCOUNT GUARANTEED SAVINGS PROGRAM FUND:</b>			
Tuition Account Program Bureau.....	\$ 3,188	\$ 3,220	\$ 3,220
(A)Application Fees.....	1,492	1,270	1,268
<b>TUITION ACCOUNT GUARANTEED SAVINGS PROGRAM FUND TOTAL.....</b>	<b>\$ 4,680</b>	<b>\$ 4,490</b>	<b>\$ 4,488</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 1,177,272	\$ 1,171,765	\$ 1,018,002
SPECIAL FUNDS.....	46,144	81,924	80,252
FEDERAL FUNDS.....	0	0	0
AUGMENTATIONS.....	13,783	7,144	208,220
RESTRICTED.....	51,772	51,355	51,185
OTHER FUNDS.....	45,610	41,299	26,597
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 1,334,581</b>	<b>\$ 1,353,487</b>	<b>\$ 1,384,256</b>

<sup>a</sup> Includes recommended supplemental executive authorization of \$10,000,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>DISBURSEMENT</b>							
GENERAL FUND.....	\$ 47,365	\$ 49,275	\$ 46,877	\$ 43,747	\$ 43,747	\$ 43,747	\$ 43,747
SPECIAL FUNDS.....	24,903	25,903	26,806	26,687	26,687	26,687	26,687
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	18,563	13,234	13,946	13,941	13,941	13,941	13,941
SUBCATEGORY TOTAL.....	<u>\$ 90,831</u>	<u>\$ 88,412</u>	<u>\$ 87,629</u>	<u>\$ 84,375</u>	<u>\$ 84,375</u>	<u>\$ 84,375</u>	<u>\$ 84,375</u>
<b>INTERSTATE RELATIONS</b>							
GENERAL FUND.....	\$ 1,025	\$ 1,040	\$ 1,060	\$ 1,060	\$ 1,060	\$ 1,060	\$ 1,060
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.....	<u>\$ 1,025</u>	<u>\$ 1,040</u>	<u>\$ 1,060</u>	<u>\$ 1,060</u>	<u>\$ 1,060</u>	<u>\$ 1,060</u>	<u>\$ 1,060</u>
<b>DEBT SERVICE</b>							
GENERAL FUND.....	\$ 1,128,882	\$ 1,121,450	\$ 970,065	\$ 1,256,689	\$ 1,275,423	\$ 1,321,284	\$ 1,368,985
SPECIAL FUNDS.....	21,241	56,021	53,446	53,485	53,459	53,419	53,462
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	92,602	86,564	272,056	73,594	87,320	87,497	91,242
SUBCATEGORY TOTAL.....	<u>\$ 1,242,725</u>	<u>\$ 1,264,035</u>	<u>\$ 1,295,567</u>	<u>\$ 1,383,768</u>	<u>\$ 1,416,202</u>	<u>\$ 1,462,200</u>	<u>\$ 1,513,689</u>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 1,177,272	\$ 1,171,765	\$ 1,018,002	\$ 1,301,496	\$ 1,320,230	\$ 1,366,091	\$ 1,413,792
SPECIAL FUNDS.....	46,144	81,924	80,252	80,172	80,146	80,106	80,149
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	111,165	99,798	286,002	87,535	101,261	101,438	105,183
DEPARTMENT TOTAL.....	<u><u>\$ 1,334,581</u></u>	<u><u>\$ 1,353,487</u></u>	<u><u>\$ 1,384,256</u></u>	<u><u>\$ 1,469,203</u></u>	<u><u>\$ 1,501,637</u></u>	<u><u>\$ 1,547,635</u></u>	<u><u>\$ 1,599,124</u></u>

## Program: Disbursement

*Goal: 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.*

The Treasury Department is required by the Fiscal Code to receive and deposit all monies of the commonwealth, to invest 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 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 maintains accounting controls and disburses all checks to recipients of public assistance. Thousands of disbursements are processed each working day for distribution to recipients. This processing includes pre-auditing, printing and mailing the checks to individual recipients and banks. Deposits are kept in approximately 50 financial institutions throughout Pennsylvania, including approximately 13 banks that also function as active depositories from which thousands of payments are issued daily.

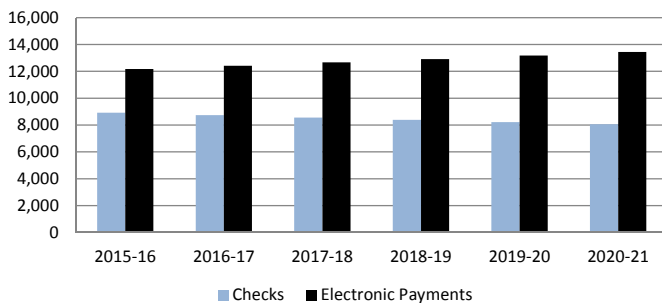
The State Treasurer is Chairman of the Board of Finance and Revenue which is charged with reviewing and deciding tax appeals concerning settlements made between the commonwealth and persons, associations and corporations. The board also administers the program for refunding liquid fuels taxes to groups exempt by legislation from these taxes.

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 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.

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 three 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 are deposited directly to the General Fund.

**Treasury Disbursements**  
(in thousands)



### Program Recommendations:

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

<p><b>GENERAL FUND</b></p> <p><b>General Government Operations</b> —to continue current program.</p> <p>\$ 1,009</p> <p><b>Board of Finance and Revenue</b> —to continue current program.</p> <p>\$ 11</p> <p><b>Divestiture Reimbursement</b> —decrease in program requirements.</p> <p>\$ -2,528</p>	<p><b>Information Technology Modernization</b> —to continue current project.</p> <p>\$ -1,000</p> <p><b>Law Enforcement &amp; Emergency Response Personnel Death Benefit</b> —to continue current program.</p> <p>\$ 480</p> <p><b>Transfer to ABLÉ Fund</b> —decrease in start-up costs.</p> <p>\$ -370</p>
--	--

## Program: Disbursement (continued)

### Program Recommendations: (continued)

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

<b>MOTOR LICENSE FUND</b>					
	<b>Refunding Liquid Fuels Taxes - State Share (EA)</b>			<b>Refunding Liquid Fuels Taxes - Political Subdivisions (EA)</b>	
\$	-1,000	—based on most recent projection of program requirements.	\$	200	—based on most recent projection of program requirements.
	<b>Refunding Liquid Fuels Taxes - Agriculture (EA)</b>			<b>Refunding Liquid Fuels Taxes - Boat Fund (EA)</b>	
\$	200	—based on most recent projection of program requirements.	\$	1,503	—based on most recent projection of program requirements.

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

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 36,992	\$ 36,757	\$ 37,766	\$ 37,766	\$ 37,766	\$ 37,766	\$ 37,766
Board of Finance and Revenue .....	2,715	2,967	2,978	2,978	2,978	2,978	2,978
Divestiture Reimbursement .....	68	2,551	23	23	23	23	23
Information Technology Modernization .....	3,000	3,000	2,000	0	0	0	0
Law Enforcement & Emergency							
Response Personnel Death Benefit .....	4,590	2,500	2,980	2,980	2,980	2,980	2,980
Transfer to ABLE Fund .....	0	1,500	1,130	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 47,365</b>	<b>\$ 49,275</b>	<b>\$ 46,877</b>	<b>\$ 43,747</b>	<b>\$ 43,747</b>	<b>\$ 43,747</b>	<b>\$ 43,747</b>
<b>MOTOR LICENSE FUND:</b>							
Administration Refunding Liquid Fuels Tax	\$ 533	\$ 533	\$ 533	\$ 533	\$ 533	\$ 533	\$ 533
Refunding Liquid Fuels Taxes - State Share (EA) .....	3,900	6,000	5,000	5,000	5,000	5,000	5,000
Refunding Liquid Fuels Taxes - Agriculture (EA) .....	4,600	3,800	4,000	4,000	4,000	4,000	4,000
Refunding Liquid Fuels Taxes - Political Subdivisions (EA) .....	3,800	3,600	3,800	3,800	3,800	3,800	3,800
Refunding Liquid Fuels Taxes - Volunteer Services (EA) .....	600	500	500	500	500	500	500
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) .....	10,470	10,470	11,973	11,854	11,854	11,854	11,854
<b>TOTAL MOTOR LICENSE FUND .....</b>	<b>\$ 24,903</b>	<b>\$ 25,903</b>	<b>\$ 26,806</b>	<b>\$ 26,687</b>	<b>\$ 26,687</b>	<b>\$ 26,687</b>	<b>\$ 26,687</b>

## Program: Interstate Relations

*Goal: To promote interstate cooperation and progress through participation in various associations, commissions and organizations both regionally and nationally.*

Pennsylvania promotes interstate cooperation and progress through participation in various associations, commissions and organizations with other states and units of government. As a member of the Council of State Governments, 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, Congress and the federal Executive Branch.

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)

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

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Intergovernmental Organizations .....	\$ 1,025	\$ 1,040	\$ 1,060	\$ 1,060	\$ 1,060	\$ 1,060	\$ 1,060

## Program: Debt Service

*Goal: To provide for interest and principal requirements of notes and bonds issued by the commonwealth and other expenses related to 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 finance the cost of public improvements that represent a heavy financial burden which cannot be funded through current revenues. These bond issues provide funds for the acquisition and development of public recreation and historic sites and facilities; economic revitalization efforts; low-cost loans for water supply and sewage treatment

improvements; 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 interest on debt service 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)

<b>GENERAL FUND</b>		<b>MOTOR LICENSE FUND</b>	
\$ 77,347	—the net effect on principal and interest requirements and other costs relating to General Fund debt service.	\$ -2,575	—the net effect on principal and interest requirements and other costs relating to Motor License Fund debt service.
-200,000	—Initiative—lease-leaseback arrangement for the Pennsylvania Farm Show Complex & Expo Center.		
-28,732	—Initiative—cost savings from GO-TIME projects.	\$ -14,338	<b>ENVIRONMENTAL STEWARDSHIP FUND</b>
			—the net effect on principal and interest requirements and other costs relating to Environmental Stewardship Fund debt service.
<u>\$ -151,385</u>	<i>Appropriation Decrease</i>		

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Publishing Monthly Statements .....	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15
Loan and Transfer Agents .....	50	50	50	50	50	50	50
Cash Management Loan Interest (EA) .....	1,317	10,000	10,000	10,000	10,000	10,000	10,000
General Obligation Debt Service .....	1,127,500	1,111,385	960,000	1,246,624	1,265,358	1,311,219	1,358,920
<b>TOTAL GENERAL FUND .....</b>	<u>\$ 1,128,882</u>	<u>\$ 1,121,450</u>	<u>\$ 970,065</u>	<u>\$ 1,256,689</u>	<u>\$ 1,275,423</u>	<u>\$ 1,321,284</u>	<u>\$ 1,368,985</u>
<b>MOTOR LICENSE FUND:</b>							
Capital Debt Transportation Projects .....	\$ 4,223	\$ 38,156	\$ 35,581	\$ 35,620	\$ 35,661	\$ 35,736	\$ 35,779
General Obligation Debt Service .....	16,968	17,815	17,815	17,815	17,748	17,633	17,633
Loan and Transfer Agent .....	50	50	50	50	50	50	50
<b>TOTAL MOTOR LICENSE FUND .....</b>	<u>\$ 21,241</u>	<u>\$ 56,021</u>	<u>\$ 53,446</u>	<u>\$ 53,485</u>	<u>\$ 53,459</u>	<u>\$ 53,419</u>	<u>\$ 53,462</u>
<b>ENVIRONMENTAL STEWARDSHIP FUND:</b>							
Debt Service for Growing Greener (EA) ....	\$ 40,830	\$ 35,209	\$ 20,871	\$ 22,480	\$ 21,480	\$ 21,534	\$ 16,069

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# 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 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.

## **Programs and Goals**

**Protection and Development of Agricultural Industries:** *To strengthen the agricultural economy and related enterprises.*

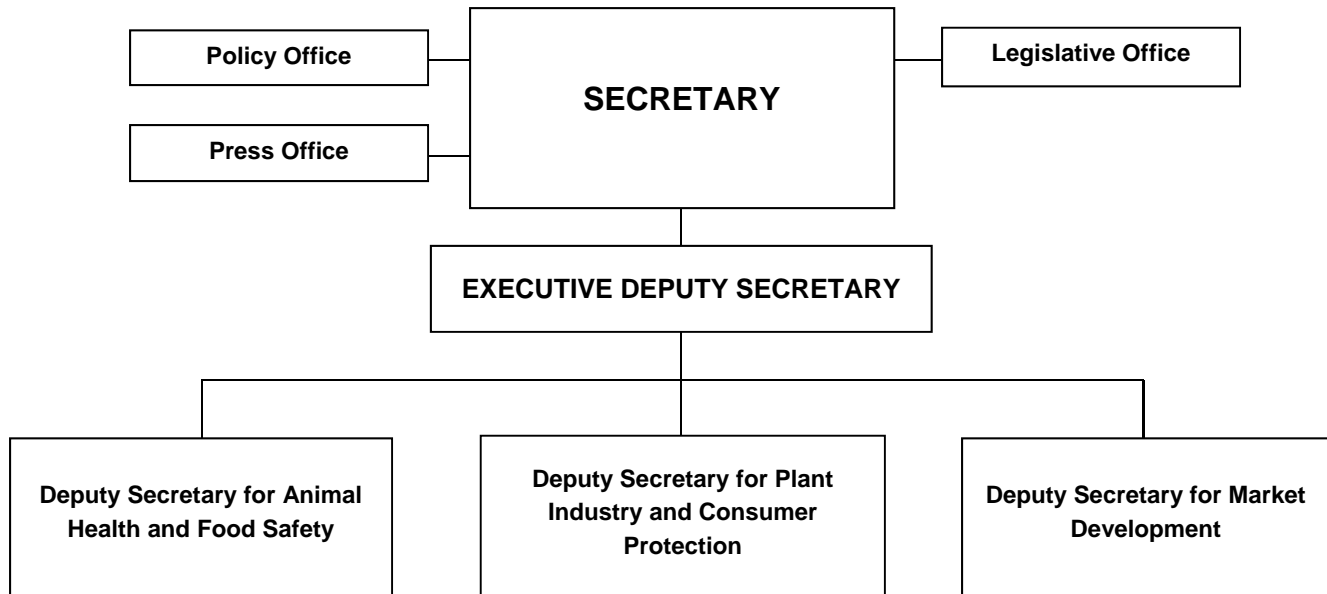
**Horse Racing Regulation:** *To prevent consumer fraud in the racing industry.*

**Emergency Food Assistance:** *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.*

---



## Organization Overview



- **Executive Deputy Secretary** is responsible for providing direction and oversight of activities in all deputates, the Bureau of Administrative Services, and the Information Technology Office.
- **Deputy Secretary for Animal Health and Food Safety** is responsible for the Bureau of Animal Health, Animal Health and Diagnostic Commission, the Bureau of Food Safety and Laboratory Services, and the Bureau of Dog Law Enforcement.
- **Deputy Secretary for Plant Industry and Consumer Protection** is responsible for the Bureau of Ride and Measurement Standards, Bureau of Plant Industry, the Hardwoods Development Council and the Office of Horse Racing.
- **Deputy Secretary for Market Development** is responsible for the Bureau of Market Development, Bureau of Farmland Preservation, the Bureau of Farm Show and the Bureau of Food Distribution.

### Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
596	594	592	590	604

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 27,640</b>	<b>\$ 29,379</b>	<b>\$ 31,612</b>
(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) Biofuel Infrastructure Partnership.....	7,000	7,000	7,000
(F) Pesticide Control.....	1,000	1,000	1,000
(F) Agricultural Risk Protection.....	1,000	1,000	1,000
(F) Commodity Supplemental Food.....	3,000	3,000	3,000
(F) Organic Cost Distribution.....	350	650	650
(F) Animal Disease Control.....	2,000	2,000	4,000
(F) Food Establishment Inspections.....	1,500	3,500	3,500
(F) Integrated Pest Management.....	250	250	250
(F) Johnes Disease Herd Project.....	2,000	2,000	2,000
(F) Avian Influenza Surveillance.....	25,000	2,000	2,000
(F) Oral Rabies Vaccine.....	100	100	0
(F) Exotic Newcastle Disease Control.....	300	300	0
(F) Scrapie Disease Control.....	60	60	60
(F) Foot and Mouth Disease Monitoring.....	150	150	150
(F) Wildlife Services.....	800	800	0
(F) Innovative Nutrient and Sediment Reduction.....	0	750	750
(F) Animal Identification.....	2,000	2,000	2,000
(F) Specialty Crops.....	1,500	1,500	2,500
(F) Emerald Ash Borer Mitigation.....	800	800	800
(F) Mediation Grant.....	200	200	200
(F) Farmland Protection.....	6,000	6,000	6,000
(F) Crop Insurance.....	2,000	2,000	2,000
(F) Invasive Plant Suppression (EA).....	0	60	60
(F) Food Contamination Investigation (EA).....	0	283	283
(F) Spotted Lanternfly.....	1,500	1,500	2,000
(F) Animal Feed Regulatory Program.....	0	2,000	2,000
(A) Lime Control Fees.....	31	33	33
(A) Commercial Feed Inspections.....	698	675	675
(A) Milk Plant Inspections.....	24	24	24
(A) Administrative Services.....	3,967	2,798	3,891
(A) Pesticide Regulation.....	669	700	700
(A) Training Rides and Attractions.....	42	40	40
(A) Food Site Inspection.....	107	107	107
(A) Apiary Registration and Fees.....	20	15	15
(A) Transfer from Fertilizer Account.....	16	25	25
(A) Consumer Fireworks License.....	375	375	375
(A) Aquaculture.....	4	0	0
(A) Taxidermy Permit Registrations.....	119	115	115
(A) Transfer from Motor License Fund.....	0 <sup>a</sup>	0 <sup>a</sup>	0 <sup>a</sup>
(A) Transfer from Other State Agencies.....	253	427	427
(A) Conference Registration Fees.....	14	0	0
(A) Vet Lab Diagnostic Fees.....	770	750	775
(A) Domestic Animal Dealer License.....	53	53	53
(A) Food Site Inspection, License and Registration Fees.....	32	25	25
(A) Transfer from Environmental Stewardship Fund.....	273	218	218
Subtotal.....	<b>\$ 100,767</b>	<b>\$ 83,812</b>	<b>\$ 89,463</b>
<b>Avian Flu Preparedness and Response.....</b>	<b>0</b>	<b>2,000</b>	<b>0</b>
<b>Agricultural Excellence.....</b>	<b>1,100</b>	<b>1,210</b>	<b>0</b>
<b>Farmers' Market Food Coupons.....</b>	<b>2,079</b>	<b>2,079</b>	<b>2,079</b>
(F) Farmers' Market Food Coupons.....	3,500	3,500	3,500
(F) Senior Farmers' Market Nutrition.....	2,200	2,200	2,200
<b>Agricultural Research.....</b>	<b>1,587</b>	<b>1,687</b>	<b>0</b>
<b>Agricultural Promotion, Education and Exports.....</b>	<b>250</b>	<b>275</b>	<b>0</b>
<b>Hardwoods Research and Promotion.....</b>	<b>350</b>	<b>385</b>	<b>0</b>

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
Subtotal - State Funds.....	\$ 33,006	\$ 37,015	\$ 33,691
Subtotal - Federal Funds.....	71,360	53,753	56,053
Subtotal - Augmentations.....	7,467	6,380	7,498
<b>Total - General Government.....</b>	<b>\$ 111,833</b>	<b>\$ 97,148</b>	<b>\$ 97,242</b>
<b>Grants and Subsidies:</b>			
Livestock Show.....	\$ 177	\$ 195	\$ 0
Open Dairy Show.....	177	195	0
Youth Shows.....	140	154	154
State Food Purchase.....	18,438	19,188	19,188
Food Marketing and Research.....	494	494	0
(F)Market Improvement.....	250	250	250
Transfer to Nutrient Management Fund.....	2,714	2,714	2,714
Transfer to Conservation District Fund.....	869	869	869
Transfer to Agricultural College Land Scrip Fund.....	50,549	51,813	51,813
PA Preferred Program Trademark Licensing.....	550	605	605
University of Pennsylvania - Veterinary Activities.....	29,400	30,135	0
University of Pennsylvania - Center for Infectious Disease.....	274	281	281
Subtotal - State Funds.....	\$ 103,782	\$ 106,643	\$ 75,624
Subtotal - Federal Funds.....	250	250	250
<b>Total - Grants and Subsidies.....</b>	<b>\$ 104,032</b>	<b>\$ 106,893</b>	<b>\$ 75,874</b>
STATE FUNDS.....	\$ 136,788	\$ 143,658	\$ 109,315
FEDERAL FUNDS.....	71,610	54,003	56,303
AUGMENTATIONS.....	7,467	6,380	7,498
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 215,865</b>	<b>\$ 204,041</b>	<b>\$ 173,116</b>
<b>MOTOR LICENSE FUND:</b>			
<b>General Government:</b>			
Weights & Measures Administration.....	\$ 4,728	\$ 4,728	\$ 5,228
<b>Grants and Subsidies:</b>			
Dirt, Gravel and Low Volume Roads.....	\$ 28,000	\$ 28,000	\$ 28,000
<b>MOTOR LICENSE FUND TOTAL.....</b>	<b>\$ 32,728</b>	<b>\$ 32,728</b>	<b>\$ 33,228</b>
<b>OTHER FUNDS:</b>			
<b>FARM PRODUCTS SHOW FUND:</b>			
General Operations (EA).....	\$ 11,851	\$ 12,639	\$ 12,798
<b>RACING FUND:</b>			
State Racing Commissions (EA).....	\$ 12,974	\$ 0	\$ 0
State Racing Commissions.....	0	7,467	8,434
Equine Toxicology and Research Laboratory (EA).....	4,890	0	0
Equine Toxicology and Research Laboratory.....	0	10,149	11,720
(A) Reimbursements - Out of State Testing.....	13	15	15
Pennsylvania Fairs - Administration (EA).....	320	0	0
Pennsylvania Fairs - Administration.....	0	207	207
Horse Racing Promotion.....	0	2,393	2,393
(R)Sire Stakes Fund.....	10,214	9,000	9,500
(R)Breeders' Fund.....	15,548	17,300	17,300
(R)PA Standardbred Breeders Development Fund.....	5,644	8,200	8,200
<b>RACING FUND TOTAL.....</b>	<b>\$ 49,603</b>	<b>\$ 54,731</b>	<b>\$ 57,769</b>

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2015-16	2016-17	2017-18
	ACTUAL	AVAILABLE	BUDGET
<b>GENERAL FUND:</b>			
Agriculture Farm Operations.....	\$ 916	\$ 712	\$ 712
Dog Law Administration.....	8,039	7,172	9,135
Pesticide Regulation.....	5,968	4,500	4,500
Plant Pest Management.....	373	465	465
National School Lunch.....	21	60	60
Agronomic Regulatory Account.....	343	319	379
Fruit and Vegetable Inspection and Grading.....	372	370	389
Cervidae Livestock Operations.....	22	50	50
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 16,054</b>	<b>\$ 13,648</b>	<b>\$ 15,690</b>
<b>AGRICULTURAL COLLEGE LAND SCRIP FUND:</b>			
Agricultural Research Programs and Extension Services.....	\$ 0 <sup>b</sup>	\$ 0 <sup>b</sup>	\$ 0 <sup>b</sup>
<b>AGRICULTURAL CONSERVATION EASEMENT PURCHASE FUND:</b>			
Purchase of County Easements (EA).....	\$ 30,000	\$ 32,000	\$ 40,000
<b>CONSERVATION DISTRICT FUND:</b>			
Conservation District Grants (EA).....	\$ 3,057	\$ 3,275	\$ 2,851
<b>ENVIRONMENTAL STEWARDSHIP FUND:</b>			
Transfer to Agricultural Conservation Easement Program (EA).....	\$ 13,032	\$ 9,582	\$ 9,893
<b>NUTRIENT MANAGEMENT FUND:</b>			
Planning, Loans, Grants and Technical Assistance (EA).....	\$ 375	\$ 365	\$ 370
Nutrient Management - Administration (EA).....	679	698	726
<b>NUTRIENT MANAGEMENT FUND TOTAL.....</b>	<b>\$ 1,054</b>	<b>\$ 1,063</b>	<b>\$ 1,096</b>
<b>PA RACE HORSE DEVELOPMENT FUND:</b>			
(R)Animal Health and Diagnostic Commission.....	\$ 5,350	\$ 5,350	\$ 5,350
(R)Payments to Pennsylvania Fairs.....	4,000	4,000	4,000
(R)Pennsylvania Veterinary Lab.....	5,309	5,309	5,309
(R)Transfer to State Farm Products Show Fund.....	5,000	5,000	5,000
<b>PA RACE HORSE DEVELOPMENT FUND TOTAL.....</b>	<b>\$ 19,659</b>	<b>\$ 19,659</b>	<b>\$ 19,659</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 136,788	\$ 143,658	\$ 109,315
SPECIAL FUNDS.....	32,728	32,728	33,228
FEDERAL FUNDS.....	71,610	54,003	56,303
AUGMENTATIONS.....	7,467	6,380	7,498
OTHER FUNDS.....	144,310	146,597	159,756
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 392,903</b>	<b>\$ 383,366</b>	<b>\$ 366,100</b>

<sup>a</sup> Not added to avoid double counting. See Motor License Fund section of this summary for dollar amount.

<sup>b</sup> Not added to the total to avoid double counting. 2015-16 Actual is \$50,549,000, 2016-17 Available is \$51,813,000, 2017-18 Budget is \$51,813,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>PROTECTION AND DEVELOPMENT OF AGRICULTURAL INDUSTRIES</b>							
GENERAL FUND.....	\$ 116,271	\$ 122,391	\$ 88,048	\$ 89,610	\$ 89,610	\$ 89,610	\$ 89,610
SPECIAL FUNDS.....	32,728	32,728	33,228	32,728	32,728	32,728	32,728
FEDERAL FUNDS.....	56,050	37,693	40,793	40,793	40,793	40,793	40,793
OTHER FUNDS.....	102,174	98,246	109,485	109,617	109,765	112,347	113,156
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 307,223</b>	<b>\$ 291,058</b>	<b>\$ 271,554</b>	<b>\$ 272,748</b>	<b>\$ 272,896</b>	<b>\$ 275,478</b>	<b>\$ 276,287</b>
<b>HORSE RACING REGULATION</b>							
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.....	49,603	54,731	57,769	57,769	57,769	57,769	57,769
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 49,603</b>	<b>\$ 54,731</b>	<b>\$ 57,769</b>	<b>\$ 57,769</b>	<b>\$ 57,769</b>	<b>\$ 57,769</b>	<b>\$ 57,769</b>
<b>EMERGENCY FOOD ASSISTANCE</b>							
GENERAL FUND.....	\$ 20,517	\$ 21,267	\$ 21,267	\$ 21,267	\$ 21,267	\$ 21,267	\$ 21,267
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	15,560	16,310	15,510	15,510	15,510	15,510	15,510
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 36,077</b>	<b>\$ 37,577</b>	<b>\$ 36,777</b>	<b>\$ 36,777</b>	<b>\$ 36,777</b>	<b>\$ 36,777</b>	<b>\$ 36,777</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 136,788	\$ 143,658	\$ 109,315	\$ 110,877	\$ 110,877	\$ 110,877	\$ 110,877
SPECIAL FUNDS.....	32,728	32,728	33,228	32,728	32,728	32,728	32,728
FEDERAL FUNDS.....	71,610	54,003	56,303	56,303	56,303	56,303	56,303
OTHER FUNDS.....	151,777	152,977	167,254	167,386	167,534	170,116	170,925
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 392,903</b>	<b>\$ 383,366</b>	<b>\$ 366,100</b>	<b>\$ 367,294</b>	<b>\$ 367,442</b>	<b>\$ 370,024</b>	<b>\$ 370,833</b>

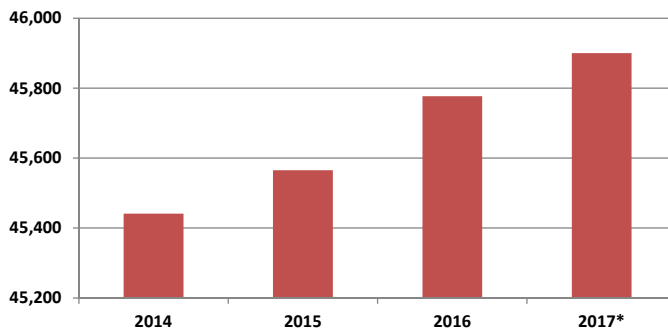
## Program: Protection and Development of Agricultural Industries

*Goal: To strengthen the agricultural economy and related enterprises.*

### Program: Consumer Protection

The Department of Agriculture is responsible for a number of areas critical to protecting consumers by ensuring a safe food supply from the production line to the point of sale, including inspection of more than 45,000 facilities – a number that continues to grow each year as municipalities elect to eliminate their local programs, thereby transferring responsibility to the commonwealth.

#### Number of Facilities to Inspect



\* Estimated

Similarly, the department has seen a significant increase in its regulatory responsibility to verify the accuracy of scales and meters at locations such as grocery stores and gas stations. While the number of licensees has increased, municipal governments are eliminating their local programs at the same time. The department is working to partner with certified professionals from the private sector to ensure the weights and volumes of products consumers purchase are accurate. In addition, the department has implemented updates and enhancements in the use of mobile technology to improve productivity as a GO-TIME initiative.

#### Consumer Protection Inspections and Certifications

	2013-14	2014-15	2015-16	2016-17
Weights and Measures Devices and Systems	148,975	153,559	153,559	153,600*
Amusement Rides	9,000	9,300	9,300	9,300*
Fuel Dispenser Meters Certified	79,875	82,464	82,464	82,500*

\* Estimated

The department is also on the leading edge of protecting agriculture and the state's nurseries and greenhouses against potentially devastating plant pests and diseases, including invasive species, such as the Spotted Lanternfly and Brown Marmorated Stink Bug. These and other new pests represent threats to Pennsylvania's ecological systems and agricultural production. Additionally, the department further works to protect consumers and public health by overseeing the sale, use and handling of pesticides.

### Program: Stewardship

Farmers are some of the original stewards of the land and water resources. Healthy, viable farms depend on access to clean water and fertile land with healthy soils. Conversely, the health of Pennsylvania soils, the preservation of open space, and the quality of streams and rivers depends on healthy and viable farms. It is a symbiotic and mutually beneficial relationship that the department is committed to protecting in many ways.

Pennsylvania is the national leader in farmland preservation. The state leads all others in number of farms and number of acres preserved, with totals surpassing 5,000 farms and 527,000 acres, respectively. The department is responsible for protecting this land and future farms from the threat of development, keeping these operations in production agriculture for perpetuity. To that end, the department is working to ensure preserved farm owners have plans in place to transition these operations to new owners or the next generation of the family.

The department also maintains administrative responsibility for the State Conservation Commission. The commission is a departmental administrative commission under the concurrent authority of the PA Department of Environmental Protection and the Department of Agriculture. The commission's primary mission is to ensure the wise use of Pennsylvania's natural resources and to protect and restore the natural environment through the conservation of its soil, water and related resources. The commission provides support and oversight to the state's 66 county conservation districts for the implementation of conservation programs in an efficient and responsible manner.

### Program: Promotion and Market Development

The health of the economy and the future viability of agriculture are tied to the industry's ability to produce products efficiently, reach new markets, and expand existing markets. It is also critically important that consumers understand agriculture and how the food they enjoy makes its way from farm to fork.

The department works aggressively to help farmers, food processors, food manufacturers and other agribusinesses access capital for investing in their operations, build brand awareness with new and established customers, and reach international market opportunities. For example, the PA Preferred program now boasts nearly 2,000 members. In 2015-16, exports of food and agricultural products again broke the \$2 billion threshold. With hardwood exports included, total exports exceeded \$3.2 billion. In 2015, the Next Generation Farmer Loan Program provided 18 loans that qualified for tax exempt status, totaling more than \$7.7 million. This, in turn, generated an additional \$7 million in

## Program: Protection and Development of Agricultural Industries (continued)

private and federal funding for projects. These 18 loans secured the transfer of between 1,800 to 2,000 acres to new and beginning farmers in 2015.

The Department of Agriculture also supports Pennsylvania's 109 county and community fairs, and it operates the Pennsylvania Farm Show Complex and Exposition Center. The complex hosts the state's three sponsored shows: the annual Pennsylvania Farm Show, the All-American Dairy Show and the Keystone International Livestock Exposition. With other events held throughout the year, the facility helps connect people to agriculture, and it provides an estimated \$260 million economic impact to central Pennsylvania with just the top 25 events of the hundreds it hosts annually. The facility generates nearly \$500 million in total economic impact annually. Fairs add another \$126 million in statewide economic impact. The department also distributes funding to 4-H programs in more than 60 counties and FFA chapters in 40 counties.

### Program: Laboratory Services, Research and Extension

Expanding knowledge and the science of everything from the epidemiology of animal diseases to minimizing the spread of invasive pests requires ongoing research. The department's budget supports a number of critically important research components, as well as resources to disseminate that research among practitioners. The three-part Pennsylvania Animal Diagnostic Laboratory System (PADLS) and the Animal Health and Diagnostic

Commission works to detect, identify, contain and eradicate livestock and poultry diseases. PADLS includes the Pennsylvania Veterinary Laboratory, which is part of a nationwide network of state and federal laboratories that provide rapid and accurate diagnostic services to clients, maintain a bio-secure environment, and offer state-of-the-art testing methods for surveillance and detection. Important partners in this work include the Pennsylvania State University, as well as the University of Pennsylvania's School of Veterinary Medicine. Both academic institutions are partners in PADLS. The department also supports Penn State's Cooperative Extension service through the Agricultural College Land Scrip Fund to share research with those in the field and the general public.

### Laboratory Services and Inspections

	2013-14	2014-15	2015-16	2016-17
Samples Tested in the Animal Health and Diagnostic Laboratory System	580,000	580,000	630,000	630,000*
Avian Influenza Samples	100,000	150,000	200,000	200,000*
Rabies Testing	2,000	2,000	2,000	2,000*
Chronic Wasting Disease	10,000	10,000	10,000	10,000*
Animal Health Inspections	8,000	8,000	8,800	8,800*

\* Estimated

### Program Recommendations:

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

<b>GENERAL FUND</b>			
	<b>General Government Operations</b>		<b>Livestock Show</b>
\$ 3,523	—to continue current program.	\$ -195	—program elimination.
-250	—program elimination.		
-831	—Initiative—to implement complement savings.	\$ -195	<b>Open Dairy Show</b>
-169	—Initiative—cost savings realized through consolidation of administrative functions.		—program elimination.
<u>-40</u>	—Initiative—to modernize operations.	\$ -494	<b>Food Marketing and Research</b>
\$ 2,233	<i>Appropriation Increase</i>		— program elimination.
	<b>Avian Flu Preparedness</b>		<b>University of Pennsylvania - Veterinary Activities</b>
\$ -2,000	—program reduction.	\$ -30,135	—Initiative—elimination of state subsidies for the private University of Pennsylvania Veterinary College.
	<b>Agricultural Excellence</b>		
\$ -1,210	—program elimination.		<b>MOTOR LICENSE FUND</b>
	<b>Agricultural Research</b>		<b>Weights &amp; Measures Administration</b>
\$ -1,687	—program elimination.	\$ 500	—to purchase inspection vehicles
	<b>Agricultural Promotion, Education and Exports</b>		Dirt, Gravel and Low-Volume Roads is recommended at the current year funding levels.
\$ -275	—program elimination.		
	<b>Hardwoods Research and Promotion</b>		
\$ -385	—program elimination.		



## Program: Protection and Development of Agricultural Industries (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 27,640	\$ 29,379	\$ 31,612	\$ 31,612	\$ 31,612	\$ 31,612	\$ 31,612
Avian Flu Preparedness and Response .....	0	2,000	0	0	0	0	0
Agricultural Excellence .....	1,100	1,210	0	0	0	0	0
Agricultural Research .....	1,587	1,687	0	0	0	0	0
Agricultural Promotion, Education and Exports.....	250	275	0	0	0	0	0
Hardwoods Research and Promotion.....	350	385	0	0	0	0	0
Livestock Show.....	177	195	0	0	0	0	0
Open Dairy Show .....	177	195	0	0	0	0	0
Youth Shows.....	140	154	154	154	154	154	154
Food Marketing and Research .....	494	494	0	0	0	0	0
Transfer to Nutrient Management Fund ....	2,714	2,714	2,714	2,714	2,714	2,714	2,714
Transfer to Conservation District Fund .....	869	869	869	869	869	869	869
Transfer to Agricultural College Land Scrip Fund.....	50,549	51,813	51,813	53,367	53,367	53,367	53,367
PA Preferred Program Trademark Licensing.....	550	605	605	605	605	605	605
University of Pennsylvania - Veterinary Activities.....	29,400	30,135	0	0	0	0	0
University of Pennsylvania - Center for Infectious Disease.....	274	281	281	289	289	289	289
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 116,271</b>	<b>\$ 122,391</b>	<b>\$ 88,048</b>	<b>\$ 89,610</b>	<b>\$ 89,610</b>	<b>\$ 89,610</b>	<b>\$ 89,610</b>
<b>FARM PRODUCTS SHOW FUND:</b>							
General Operations (EA).....	\$ 11,851	\$ 12,639	\$ 12,798	\$ 12,798	\$ 12,798	\$ 12,798	\$ 12,798
<b>MOTOR LICENSE FUND:</b>							
Weights & Measures Administration .....	\$ 4,728	\$ 4,728	\$ 5,228	\$ 4,728	\$ 4,728	\$ 4,728	\$ 4,728
Dirt, Gravel and Low Volume Roads .....	28,000	28,000	28,000	28,000	28,000	28,000	28,000
<b>TOTAL MOTOR LICENSE FUND.....</b>	<b>\$ 32,728</b>	<b>\$ 32,728</b>	<b>\$ 33,228</b>	<b>\$ 32,728</b>	<b>\$ 32,728</b>	<b>\$ 32,728</b>	<b>\$ 32,728</b>



## Program: Horse Racing Regulation

*Goal: To prevent consumer fraud in the racing industry.*

The department maintains administrative responsibilities for the State Horse Racing Commission making it responsible for maintaining the integrity of horse racing in Pennsylvania. Emphasis is placed on protecting those engaged in equine racing and those who wager on it. The oversight of equine racing at Pennsylvania's six horse and harness racing tracks is financed by the State Racing Fund. Revenues to the Racing Fund are provided by pari-mutuel tax from wagering on horse races, license fees, and transfers from the Pennsylvania Race Horse Development Fund. Due to year over year declines in wagering and the rising costs of race horse testing, this budget maintains significant transfers from the Pennsylvania Race Horse Development Fund. The racing commission maintains the Pennsylvania Equine Toxicology and Research Laboratory. This lab performs equine blood and urine testing to ensure that no foreign, performance-enhancing substances have undermined the legitimacy of race results or threatened the health of the racing Thoroughbreds or Standardbreds.

In 2016, Governor Wolf signed Act 7, which began a historic reform of the racing industry, modernized operations, and strengthened the state's governance of

the race horse industry. Additionally, while Act 7 provides a longer period of financial stability for the State Racing Fund, it does not provide an indefinite solution to the Fund's solvency issues. Comprehensive studies required by Act 7 are expected to lead to a long-term, permanent solution for horse racing and other gaming activities in the Commonwealth.

Horse and Harness Racing Regulation	2013-14	2014-15	2015-16	2016-17
Licenses Issued by the Horse and Harness Racing Commissions	11,975	12,382	11,511	11,600*
Compliance Investigations	8,712	7,275	5,712	6,000*
Licenses Suspended	394	328	389	400*
Samples Processed at the Pennsylvania Equine Lab	33,000	41,000	35,000	35,000*

\* Estimated

### Program Recommendations:

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

**RACING FUND**  
**State Racing Commissions**  
 \$ 967 —to continue current program.

**Equine Toxicology and Research Laboratory**  
 \$ 1,571 —to continue current program.

Pennsylvania Fairs Administration and Horse Racing Promotion are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>RACING FUND:</b>							
State Racing Commissions (EA) .....	\$ 12,974	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Racing Commissions .....	0	7,467	8,434	8,434	8,434	8,434	8,434
Equine Toxicology and Research Laboratory (EA).....	4,890	0	0	0	0	0	0
Equine Toxicology and Research Laboratory.....	0	10,149	11,720	11,720	11,720	11,720	11,720
(A) Reimbursements - Out of State Testing	13	15	15	15	15	15	15
Pennsylvania Fairs - Administration (EA) ..	320	0	0	0	0	0	0
Pennsylvania Fairs - Administration .....	0	207	207	207	207	207	207
Horse Racing Promotion .....	0	2,393	2,393	2,393	2,393	2,393	2,393
(R)Sire Stakes Fund.....	10,214	9,000	9,500	9,500	9,500	9,500	9,500
(R)Breeders' Fund.....	15,548	17,300	17,300	17,300	17,300	17,300	17,300
(R)PA Standardbred Breeders Development Fund.....	5,644	8,200	8,200	8,200	8,200	8,200	8,200
<b>TOTAL RACING FUND .....</b>	<b>\$ 49,603</b>	<b>\$ 54,731</b>	<b>\$ 57,769</b>	<b>\$ 57,769</b>	<b>\$ 57,769</b>	<b>\$ 57,769</b>	<b>\$ 57,769</b>

## Program: Emergency Food Assistance

*Goal: 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.*

With such an abundant supply of food in Pennsylvania, the challenge of addressing hunger should not be insurmountable. According to research, hunger touches every county in Pennsylvania, and one in seven of the state's residents is at risk of hunger, including more than half a million children. The department administers a number of programs to address the hunger challenge, including the State Food Purchase Program, the Emergency Food Assistance Program, and the Farmers Market Nutrition Program.

The department is working to expand Pennsylvania's hunger safety net by ensuring available programs reach eligible citizens and the programs function as efficiently and effectively as possible. That includes increasing redemption rates for programs, and doing more to help at-risk children get a good healthy meal at school and during the summer months. It also includes turning quality surplus agricultural products that would otherwise be discarded, into donations to the charitable food system through the Pennsylvania Agricultural Surplus System (PASS). PASS was most recently funded through the 2015-16 state

budget. Additional funding was identified in 2016-17. Since April 2016, more than 2.2 million pounds of food have been distributed in the form of 39 different products sourced from 64 farmers, processors and growers across the commonwealth.

Food Assistance	2013-14	2014-15	2015-16	2016-17
Dollar Value of Commodities Distributed ( <i>in millions</i> )	66.3	62.4	62.4	68*
State Food Purchase Program Individuals Served ( <i>in millions</i> )	2	2	2	2*
Emergency Food Assistance Program Individuals Served ( <i>in millions</i> )	7.5	8.0	8.0	8.0*
Redemption Rate for WIC Participants-Farmers Market Nutrition Program	53%	52%	50%	51%*
Redemption Rate for Senior Participants-Farmers Market Nutrition Program	87%	86%	85%	86%*

\* Estimated

### Program Recommendations:

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

All appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Farmers' Market Food Coupons.....	\$ 2,079	\$ 2,079	\$ 2,079	\$ 2,079	\$ 2,079	\$ 2,079	\$ 2,079
State Food Purchase.....	18,438	19,188	19,188	19,188	19,188	19,188	19,188
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 20,517</b>	<b>\$ 21,267</b>	<b>\$ 21,267</b>	<b>\$ 21,267</b>	<b>\$ 21,267</b>	<b>\$ 21,267</b>	<b>\$ 21,267</b>

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
--	---------	---------	---------	---------	---------	---------	---------

**Program: Protection and Development of Agricultural Industries**

**Objective: Conserve Pennsylvania's natural resources.**

**Development of Pennsylvania's Agriculture Industry**

Number of Dirt, Gravel and Low Volume Road program contracts to achieve nitrogen, phosphorous and sediment reduction	315	185	195	205	215	215	215
Dirt, Gravel and Low Volume Environmentally Sensitive Maintenance worksites (project miles) completed	137	680	680	600	600	600	600
Inspect 1,000 farms annually for compliance with nutrient management plans	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Farm acreage preserved	14,160	17,500	17,500	17,500	17,500	17,500	17,500

**Objective: Increase awareness and consumption of food and fiber grown, harvested, processed and produced in Pennsylvania.**

**Development of Pennsylvania's Agriculture Industry**

Dollar value of food and agricultural exports excluding hardwoods (in millions)	\$2,200	\$2,250	\$2,300	\$2,300	\$2,350	\$2,400	\$2,400
Dollar value of Pennsylvania hardwood exports (in millions)	\$1,265	\$1,350	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400
Occupancy rate at the Pennsylvania Farm Show Complex and Expo Center	81.40%	79%	80%	80%	80%	80%	80%

**Objective: Increase access to capital for Pennsylvania farmers, processors, farm markets and agribusinesses through expansion of agricultural loan opportunities.**

**Development of Pennsylvania's Agriculture Industry**

Value of the loan portfolio for the PAgrows Program (in thousands)	\$6,519	\$7,000	\$7,000	\$8,000	\$8,000	\$9,000	\$9,000
--	---------	---------	---------	---------	---------	---------	---------

**Objective: Decrease potential financial losses to farmers from natural disasters and market catastrophes.**

**Development of Pennsylvania's Agriculture Industry**

Value of crop insurance protection policies (in millions)	\$580	\$580	\$580	\$582	\$582	\$584	\$584
---	-------	-------	-------	-------	-------	-------	-------

**Objective: Improve profitability and maintain dairy farms, dairy herd size and total milk production in Pennsylvania.**

**Development of Pennsylvania's Agriculture Industry**

Number of farms participating in dairy on-farm resource teams	450	475	525	550	575	600	600
---	-----	-----	-----	-----	-----	-----	-----

## Program Measures

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

**Objective: Decrease nutrient runoff and conserve Pennsylvania's natural resources through increased opportunities and incentives in addition to Best Management Practices.**

### Nutrient Management

Number of farm acres covered by approved Nutrient Management Plans (in thousands)	474	495	500	505	510	510	512
Nutrient management plans approved	644	650	650	650	650	650	650
Nutrient Balance Sheets approved	500	515	515	515	515	515	520
Number of farm acres covered by approved Nutrient Balance Sheets (in thousands)	67	67	68	68	68	68	69

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

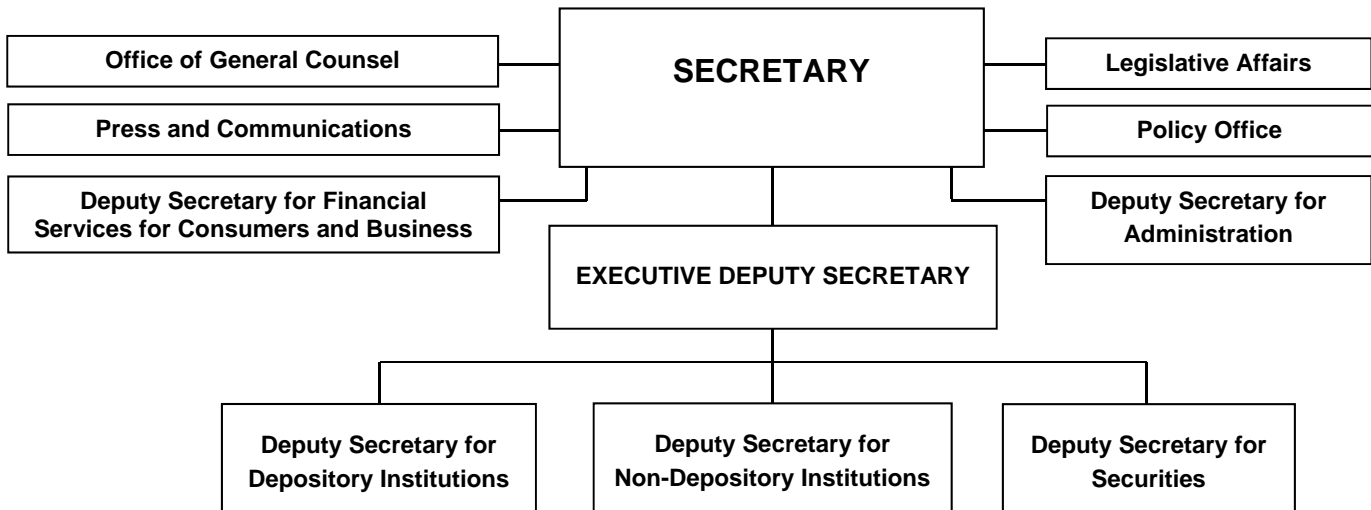
# DEPARTMENT OF BANKING AND SECURITIES

*The mission of the Department of Banking and Securities is to regulate financial services and work to ensure consumers and businesses are well-informed about the marketplace.*

## **Programs and Goals**

**Financial Services Industry Regulation:** *To ensure the maintenance of an economically sound and competitive system of state-chartered financial institutions, to protect consumers in the financial marketplace and to protect investors engaged in securities transactions.*

## Organization Overview



- **Deputy Secretary for Depository Institutions** oversees the safety and soundness of examinations conducted on more than 200 Pennsylvania state-chartered banks, credit unions, and non-depository trust companies. The deputy oversees the Bureau of Bank Supervision and the Bureau of Credit Union & Trust Supervision and Corporate Applications.
- **Deputy Secretary for Non-Depository Institutions** oversees the licensing, examination, and compliance functions for over 22,000 non-bank financial services institutions and professionals doing business in Pennsylvania. These companies include residential mortgage lenders and brokers, check cashers, auto sales finance companies, pawnbrokers, debt management companies, debt settlement companies, and money transmitters. The deputy oversees the Licensing Office, the Bureau of Non-Depository Examination and the Compliance Office.
- **Deputy Secretary for Securities** oversees the licensing/registration, examination, and compliance functions for over 200,000 securities entities conducting business in Pennsylvania. These entities include broker-dealers, broker-dealer agents, investment advisers, investment adviser representatives, and investment adviser notice filers. The deputy oversees the Chief Accountant Office, the Corporation Finance Office, the Securities Licensing Office and the Bureau of Securities Compliance and Examinations.
- **Deputy Secretary for Financial Services for Consumers and Business** oversees the Consumers Services Office, Business Services Office and Financial Education, Protection and Outreach Office. The deputate promotes market transparency and effective services for consumers through financial education, protection and outreach.
- **Deputy Secretary for Administration** oversees the Administrative Services Office, the Fiscal and Support Services Office, the Information Systems Office and human resources functions. The deputate oversees all the administrative support functions for the department.

### Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
280	251	243	234	233

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>OTHER FUNDS:</b>			
<b>BANKING FUND:</b>			
General Government Operations.....	\$ 23,178	\$ 23,235	\$ 23,235
Transfer to Institution Resolution Account (EA).....	2,000	2,000	2,000
<b>BANKING FUND TOTAL.....</b>	<b>\$ 25,178</b>	<b>\$ 25,235</b>	<b>\$ 25,235</b>
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
(R)Securities Operations.....	\$ 8,005	\$ 8,500	\$ 8,500
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	0	0	0
AUGMENTATIONS.....	0	0	0
RESTRICTED.....	8,005	8,500	8,500
OTHER FUNDS.....	25,178	25,235	25,235
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 33,183</b>	<b>\$ 33,735</b>	<b>\$ 33,735</b>



## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>FINANCIAL SERVICES INDUSTRY</b>							
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.....	33,183	33,735	33,735	33,735	33,735	33,735	33,735
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 33,183</b>	<b>\$ 33,735</b>	<b>\$ 33,735</b>	<b>\$ 33,735</b>	<b>\$ 33,735</b>	<b>\$ 33,735</b>	<b>\$ 33,735</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	33,183	33,735	33,735	33,735	33,735	33,735	33,735
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 33,183</b>	<b>\$ 33,735</b>	<b>\$ 33,735</b>	<b>\$ 33,735</b>	<b>\$ 33,735</b>	<b>\$ 33,735</b>	<b>\$ 33,735</b>

## Program: Financial Services Industry Regulation

*Goal: To ensure the maintenance of an economically sound and competitive system of state-chartered financial institutions, to protect consumers in the financial marketplace and to protect investors engaged in securities transactions.*

The Department of Banking and Securities fosters a strong economy for Pennsylvania by ensuring the safety and soundness of financial institutions, encouraging capital formation, regulating financial services providers, and protecting consumers and investors.

This program regulates financial services and works to ensure consumers and businesses are well-informed about the marketplace. The program achieves these goals through regulatory, registration, licensing and enforcement policies and practices, including the examination of the records, filings, accounts, policies and practices of financial services institutions and professionals.

The department oversees state-chartered banks, bank and trust companies, trust companies, bank holding

companies, savings banks, credit unions, consumer discount companies, sales finance companies, installment sellers, money transmitters, collector-repossessors, pawnbrokers and check cashers. The department also oversees debt management companies, debt settlement companies, mortgage bankers, mortgage brokers, loan originators and correspondents, securities agents, broker-dealers, investment advisers and notice filers, and investment adviser representatives.

The department fielded and resolved more than 5,200 inquiries and complaints from Pennsylvania citizens during the 2015-16 fiscal year. As of June 30, 2016 the department provided regulation and oversight for the following:

Financial Institutions		Non-Depository Licensees		Securities Industry	
Credit unions	55	Mortgage originators	14,533	Securities agents	197,133
Commercial banks	48	Installment sellers	2,925	Investment adviser representatives	20,009
Savings banks	46	Mortgage lenders	1,956	Investment adviser and notice filers	3,230
Bank and trust companies	40	Sales finance companies	1,060	Broker-dealers	2,084
Non-depository trust companies	14	Check cashers	799	<b>Total Securities Industry Regulation</b>	<b>222,456</b>
Private banks	1	Mortgage brokers	446		
<b>Total Financial Institutions</b>	<b>203</b>	Debt management services	198		
		Mortgage discount companies	104		
		Other licensees	825		
		<b>Total Non-Depository Licensees</b>	<b>22,846</b>		

### Program Recommendations:

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

#### BANKING FUND

##### General Government Operations

The General Government Operations appropriation is recommended at the current year funding level.

In addition, \$8,500,000 for Securities Operations is provided for securities regulation.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>BANKING FUND:</b>							
General Government Operations .....	\$ 23,178	\$ 23,235	\$ 23,235	\$ 23,235	\$ 23,235	\$ 23,235	\$ 23,235
Transfer to Institution Resolution Account (EA) .....	2,000	2,000	2,000	2,000	2,000	2,000	2,000
<b>TOTAL BANKING FUND .....</b>	<b>\$ 25,178</b>	<b>\$ 25,235</b>	<b>\$ 25,235</b>	<b>\$ 25,235</b>	<b>\$ 25,235</b>	<b>\$ 25,235</b>	<b>\$ 25,235</b>

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Program: Financial Services Industry Regulation</b>							
<b>Objective: Complete independent depository examinations in a timely manner.</b>							
Average number of days for turnaround of independent depository institution examinations	29.46	30	30	30	30	30	30
<b>Objective: Develop an expert depository examination staff.</b>							
Percentage of depository examiners with the highest certification available for their level of experience	100%	90%	90%	90%	90%	90%	90%
<b>Objective: Examine non-depository licensees on a regular basis.</b>							
Percentage of all Non-Depository licensees examined	22.40%	20%	20%	20%	20%	20%	20%
<b>Objective: Respond to consumer complaints in a timely and fair manner.</b>							
Average number of days to respond to consumer complaints	4.73	10	10	10	10	10	10
<b>Objective: Increase the number of securities compliance examinations conducted.</b>							
Securities compliance examinations conducted	171	150	150	150	150	150	150
<b>Objective: Process securities notice, registration and exemption filings promptly.</b>							
Securities notice filings received and docketed	6,849	6,500	6,500	6,500	6,500	6,500	6,500
<b>Objective: Work proactively to educate, protect and provide financial services outreach to consumers and businesses through key partnerships.</b>							
Number of investor education, financial education and outreach events held	402	300	300	300	300	300	300



---

# CIVIL SERVICE COMMISSION

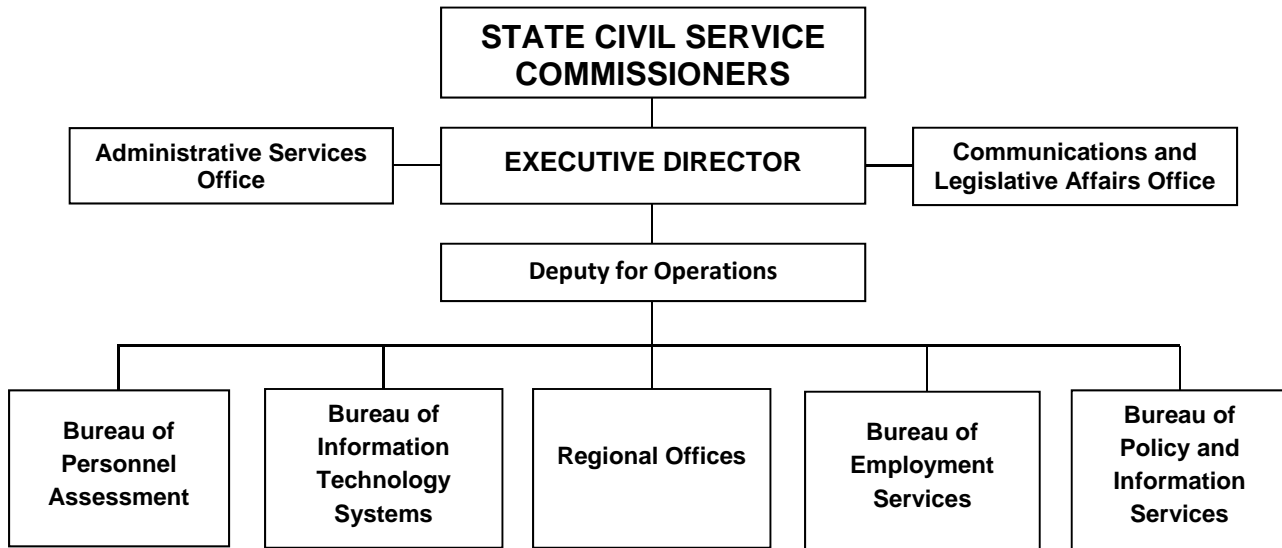
*The mission of the Civil Service Commission is to attract qualified individuals and verifying that they are appointed and promoted on the basis of merit.*

The 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; certification of eligible candidates to the appointing agencies; and processing appeals and conducting hearings resulting from adverse human resource actions.

## **Programs and Goals**

**Personnel Selection:** *To provide a sufficient number of qualified, available persons to meet agency merit system staffing needs.*

## Organization Overview



- **Director of the Bureau of Personnel Assessment** is responsible for the Test Administration Division, Test Development Division and the Research Division.
- **Director of the Bureau of Information Technology Systems** is responsible for the Network Enterprise and Technical Support Division, Enterprise Governance and Program Management Division and the Application Development Division.
- **Regional Offices** include the Eastern Regional Office in Philadelphia and the Western Regional Office in Pittsburgh.
- **Director of the Bureau of Employment Services** is responsible for the Recruitment and Workforce Diversity Division and the Counseling and Testing Division.
- **Director of the Bureau of Policy and Information Services** is responsible for the Policy Assistance and Audit Division, Veterans' Preference and Certification Division and the Investigations and Information Services Division.

### Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
137	131	121	108	108

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
General Government Operations.....	\$ 1	\$ 1	\$ 1
(A) Fees From Agencies.....	13,283	12,944	12,885
(A) Special Merit System Services.....	848	826	629
Subtotal - State Funds.....	\$ 1	\$ 1	\$ 1
Subtotal - Augmentations.....	14,131	13,770	13,514
Total - General Government.....	<u>\$ 14,132</u>	<u>\$ 13,771</u>	<u>\$ 13,515</u>
STATE FUNDS.....	\$ 1	\$ 1	\$ 1
AUGMENTATIONS.....	14,131	13,770	13,514
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 14,132</u></b>	<b><u>\$ 13,771</u></b>	<b><u>\$ 13,515</u></b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>PERSONNEL SELECTION</b>							
GENERAL FUND.....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	14,131	13,770	13,514	13,514	13,514	13,514	13,514
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 14,132</b>	<b>\$ 13,771</b>	<b>\$ 13,515</b>	<b>\$ 13,515</b>	<b>\$ 13,515</b>	<b>\$ 13,515</b>	<b>\$ 13,515</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	14,131	13,770	13,514	13,514	13,514	13,514	13,514
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 14,132</b>	<b>\$ 13,771</b>	<b>\$ 13,515</b>	<b>\$ 13,515</b>	<b>\$ 13,515</b>	<b>\$ 13,515</b>	<b>\$ 13,515</b>

## Program: Personnel Selection

*Goal: To provide a sufficient number of qualified, available persons to meet agency merit system staffing needs.*

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 evaluations; 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.

During 2015-16, 142,000 candidates scheduled examinations, 82,000 candidates took examinations and 131,000 eligible candidates were included on employment and promotion lists. Also, 11,000 certifications of eligible individuals for merit service jobs were audited. The commission conducts investigations, holds public hearings, renders decisions on appeals and records its findings. Nearly 400 appeal requests are received and processed annually.

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)

		<b>General Government Operations</b>
\$	710	—to continue current program.
	-966	—Initiative—to implement complement savings.
\$	-256	<i>Appropriation Decrease</i>

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1



## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
--	---------	---------	---------	---------	---------	---------	---------

**Program: Personnel Selection**

**Objective: To provide a sufficient number of qualified, available persons to meet agency merit system staffing needs.**

Persons taking examinations	81,755	82,000	82,000	82,000	82,000	82,000	82,000
Appeal requests received and processed	375	375	375	375	375	375	375
Annual cost of merit system per covered employee	\$229	\$231	\$231	\$231	\$231	\$231	\$231



---

# DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

*The mission of the Department of Community and Economic Development is to foster opportunities for businesses to grow and for communities to succeed and thrive in a global economy. The department strives to improve the quality of life for Pennsylvania citizens while assuring transparency and accountability in the expenditure of public funds.*

## **Programs and Goals**

**PA Job Creation, Business Growth and Attraction:** *To support and promote initiatives that grow Pennsylvania's economy by partnering with the private sector to create and retain jobs; to ensure that capital for the creation, location, retention and expansion of private business is available at each step of the business life cycle; and to make possible lower capital costs to attract businesses to invest in Pennsylvania.*

**PA Innovation Economy:** *To catalyze growth and competitiveness for Pennsylvania companies and universities by growing venture capital investments to support early stage and emerging technology firms; accelerating technology transfer to commercialize new products and services; and revitalizing Pennsylvania's manufacturing economy.*

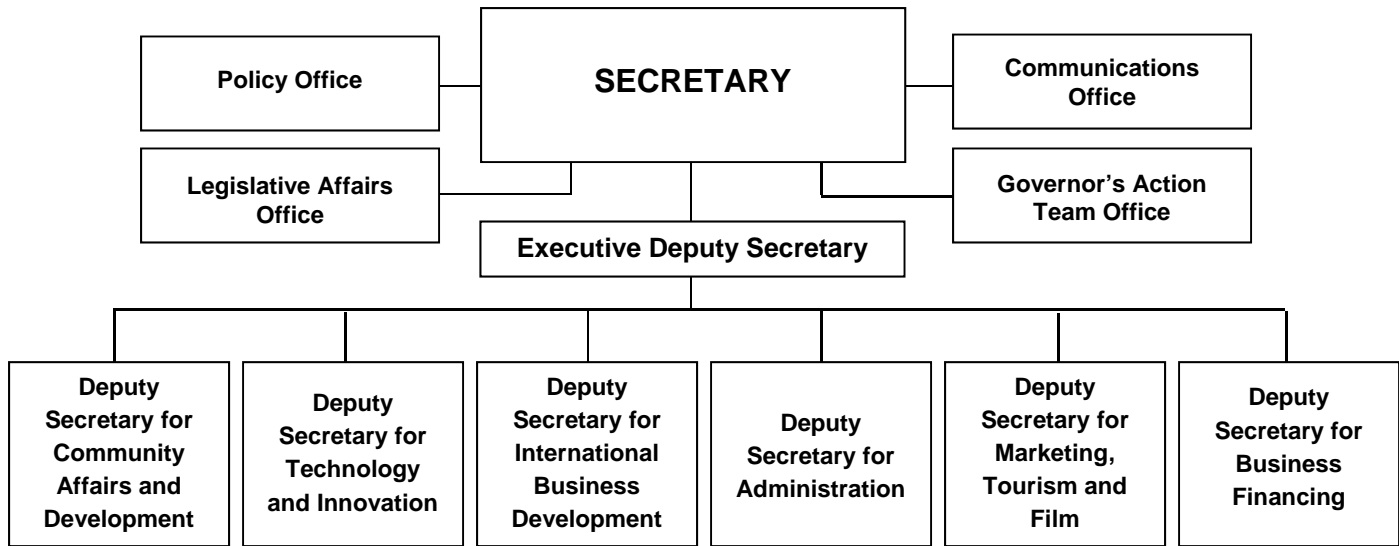
**International Business Development:** *To contribute to the growth and strength of the commonwealth's economy by attracting foreign direct capital investments to Pennsylvania and providing value-added business development services to Pennsylvania companies to facilitate increased exports from the commonwealth.*

**PA Assets:** *To ensure economic competitiveness and job creation; to increase domestic and international leisure travel to the commonwealth in order to grow the tourism industry's economic impact and position Pennsylvania as a top tourism destination for both domestic and international visitors; and to maximize Pennsylvania's energy resources, including coal, natural gas, water, oil and timber.*

**PA Core Communities:** *To attain more effective delivery of housing and community development services; to provide resources and technical assistance that enhance the performance and quality of local governments, including fiscal stability; and to effectively create attractive, livable communities by revitalizing downtowns and surrounding neighborhoods, while promoting sound land-use practices.*

---

## Organization Overview



- **Deputy Secretary for Community Affairs and Development** oversees the Center for Community Development Operations, Center for Community Services, Center for Monitoring Compliance and Training, the Governor's Center for Local Government Services and the State Tax Equalization Board.
- **Deputy Secretary for Technology and Innovation** leads the commonwealth's efforts to create family-sustaining jobs through advancing technology and innovation, and supporting business growth.
- **Deputy Secretary for International Business Development** leads a professional team of international economic development specialists that contribute to the growth and strength of the commonwealth's economy by attracting foreign investment to the state and providing value-added international trade services to Pennsylvania's businesses.
- **Deputy Secretary for Administration** is responsible for the agency's human resources, information technology, financial, customer and administrative services. Leads the workforce development activities supporting the needs of Pennsylvania businesses.
- **Deputy Secretary for Marketing, Tourism and Film** leads a team of marketing professionals responsible for developing and implementing targeted marketing initiatives to promote Pennsylvania as a great place to live, work, and do business while enticing visitors and filmmakers to explore the commonwealth.
- **Deputy Secretary for Business Financing** leads a professional team of economic development specialists that contribute to the growth and strength of the commonwealth's economy by providing loans, guarantees, tax credits, and grants to business partners and providing value-added services to Pennsylvania's businesses.

## Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
309	315	307	302	309

# Community and Economic Development

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<b>General Government:</b>			
<b>General Government Operations.....</b>	<b>\$ 14,937</b>	<b>\$ 17,888</b>	<b>\$ 17,807</b>
(F)ARC - Technical Assistance.....	225	225	225
(F)DOE - Weatherization Administration.....	1,300	1,300	1,300
(F)SCDBG - Administration.....	4,000	4,000	4,000
(F)SCDBG - Neighborhood Stabilization Administration.....	800	800	800
(F)CSBG - Administration.....	1,607	1,607	1,607
(F)LIHEABG - Administration.....	1,500	1,500	1,500
(F)State Small Business Credit Initiative Administration.....	487	487	487
(F)EMG Solutions Administration.....	1,000	1,000	1,000
(F)EDA - Emergency Management.....	450	0	0
(F)Economic Adjustment Assistance.....	5,000	5,000	9,000
(F)SCDBG - Disaster Recovery Administration.....	1,500	1,500	1,500
(F)Emergency Shelter for the Homeless.....	0	2,000	2,000
(F)SCDBG - HUD Disaster Recovery.....	2,000	2,000	2,000
(F)Federal Grant Initiatives.....	0	3,000 <sup>a</sup>	3,000
(F)Council of the Arts eGrant Program.....	0	200	0
(A)Pennsylvania Industrial Development Authority.....	1,552	1,500	1,600
(A)Pennsylvania Economic Development Financing Authority.....	547	515	515
(A)Community Development Bank.....	50	50	50
(A)Commonwealth Financing Authority.....	3,307	3,249	3,249
(A)Local Match.....	81	75	75
(A)Transfer Between Governments.....	172	1,058	411
(R)Small Business Advocate - Utilities.....	1,306	1,470	1,615
<b>Center for Local Government Services.....</b>	<b>8,394</b>	<b>4,140</b>	<b>4,255</b>
(F)State Energy Program.....	120	120	0
(A)Local Government Training.....	566	382	0
(A)Reimbursement from Commonwealth Agencies.....	55	48	0
<b>Office of Open Records.....</b>	<b>2,426</b>	<b>2,526</b>	<b>2,727</b>
<b>Office of International Business Development.....</b>	<b>5,829<sup>b</sup></b>	<b>6,022</b>	<b>6,022</b>
(F)SBA State Trade and Export Promotion (STEP).....	950	950	950
<b>Marketing to Attract Tourists.....</b>	<b>9,413</b>	<b>11,414</b>	<b>10,167</b>
(A)Reimbursement for Travel Advertisements.....	60	60	60
(A)Film Tax Credit App.....	112	50	50
<b>Marketing to Attract Business.....</b>	<b>2,005</b>	<b>2,005</b>	<b>2,029</b>
<b>Base Realignment and Closure.....</b>	<b>0</b>	<b>798</b>	<b>819</b>
<b>Regional Events Security and Support.....</b>	<b>5,000</b>	<b>10,000</b>	<b>0</b>
Subtotal - State Funds.....	\$ 48,004	\$ 54,793	\$ 43,826
Subtotal - Federal Funds.....	20,939	25,689	29,369
Subtotal - Augmentations.....	6,502	6,987	6,010
Subtotal - Restricted Revenues.....	1,306	1,470	1,615
<b>Total - General Government.....</b>	<b>\$ 76,751</b>	<b>\$ 88,939</b>	<b>\$ 80,820</b>
<b>Grants and Subsidies:</b>			
<b>Local Municipal Emergency Relief.....</b>	<b>\$ 0</b>	<b>\$ 3,000</b>	<b>\$ 0</b>
<b>Transfer to Municipalities Financial Recovery Revolving Fund.....</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>
<b>Transfer to Ben Franklin Tech. Development Authority Fund.....</b>	<b>14,500</b>	<b>14,500</b>	<b>14,500</b>
<b>Transfer to Commonwealth Financing Authority.....</b>	<b>88,812</b>	<b>0</b>	<b>0</b>
(A)Transfer From the Department of Environmental Protection.....	6,810	0	0
<b>Intergovernmental Cooperation Authority-2nd Class Cities.....</b>	<b>250</b>	<b>250</b>	<b>250</b>
<b>Pennsylvania First.....</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>Municipal Assistance Program.....</b>	<b>642</b>	<b>642</b>	<b>642</b>
(F)FEMA Technical Assistance.....	350	350	350
(F)FEMA - Mapping.....	100	200	200
<b>Keystone Communities.....</b>	<b>12,850</b>	<b>12,200</b>	<b>6,357</b>
(F)DOE - Weatherization.....	18,000	18,000	18,000
(F)LIHEABG - Weatherization Program.....	48,000	48,000	48,000
(F)SCDBG - Neighborhood Stabilization Program.....	17,000	17,000	17,000
(F)Assets for Independence.....	500	500	500
(F)EMG Solutions Program.....	12,000	12,000	12,000
(F)SCDBG - Disaster Recovery Grant.....	56,000	56,000	56,000

# Community and Economic Development

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
(F)Community Services Block Grant.....	40,000	50,000	50,000
<b>Partnerships for Regional Economic Performance.....</b>	<b>11,880</b>	<b>11,880</b>	<b>9,880</b>
(F)State Small Business Credit Initiative.....	20,000	20,000	20,000
<b>Manufacturing PA.....</b>	<b>0</b>	<b>0</b>	<b>12,000</b>
<b>Industry Partnerships.....</b>	<b>0</b>	<b>0</b>	<b>1,813<sup>c</sup></b>
<b>Tourism - Accredited Zoos.....</b>	<b>550</b>	<b>750</b>	<b>0</b>
<b>Rural Leadership Training.....</b>	<b>100</b>	<b>100</b>	<b>0</b>
<b>Super Computer Center.....</b>	<b>500</b>	<b>500</b>	<b>0</b>
<b>Infrastructure Technology Assistance Program.....</b>	<b>1,750</b>	<b>1,750</b>	<b>0</b>
<b>Early Intervention for Distressed Municipalities.....</b>	<b>1,785</b>	<b>2,785</b>	<b>2,785</b>
<b>Powdered Metals.....</b>	<b>100</b>	<b>100</b>	<b>0</b>
<b>Infrastructure and Facilities Improvement Grants.....</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000</b>
<b>Public Television Technology.....</b>	<b>0</b>	<b>250</b>	<b>0</b>
Subtotal - State Funds.....	\$ 175,719	\$ 90,707	\$ 90,227
Subtotal - Federal Funds.....	211,950	222,050	222,050
Subtotal - Augmentations.....	6,810	0	0
Total - Grants and Subsidies.....	<u>\$ 394,479</u>	<u>\$ 312,757</u>	<u>\$ 312,277</u>
STATE FUNDS.....	\$ 223,723	\$ 145,500	\$ 134,053
FEDERAL FUNDS.....	232,889	247,739	251,419
AUGMENTATIONS.....	13,312	6,987	6,010
RESTRICTED REVENUES.....	1,306	1,470	1,615
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 471,230</b>	<b>\$ 401,696</b>	<b>\$ 393,097</b>
<b>MOTOR LICENSE FUND:</b>			
<i>General Government:</i>			
Appalachian Regional Commission.....	\$ 1,073	\$ 1,073	\$ 1,073
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Industrial Sites Environmental Assessment Fund.....	\$ 1,105	\$ 3,000	\$ 3,000
Industrialized Housing.....	408	600	475
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 1,513</b>	<b>\$ 3,600</b>	<b>\$ 3,475</b>
<b>BEN FRANKLIN TECHNOLOGY DEVELOPMENT AUTHORITY FUND:</b>			
Ben Franklin Technology.....	\$ 19,000	\$ 19,000	\$ 19,000
<b>BROADBAND OUTREACH AND AGGREGATION FUND:</b>			
Broadband Outreach Administration (EA).....	\$ 201	\$ 0	\$ 0
Broadband Outreach Grants (EA).....	3,633	0	0
<b>BROADBAND OUTREACH AND AGGREGATION FUND TOTAL.....</b>	<b>\$ 3,834</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>HOME INVESTMENT TRUST FUND:</b>			
Affordable Housing Act Administration (F).....	\$ 3,000	\$ 3,000	\$ 3,500
<b>HOMEOWNER ASSISTANCE SETTLEMENT FUND:</b>			
Homeowner's Emergency Mortgage Assistance.....	\$ 10,800 <sup>d</sup>	\$ 6,068 <sup>d</sup>	\$ 0 <sup>d</sup>
<b>HOUSING AFFORDABILITY AND REHABILITATION ENHANCEMENT FUND:</b>			
Housing Affordability and Rehabilitation Program.....	\$ 6,533 <sup>d</sup>	\$ 18,401 <sup>d</sup>	\$ 24,451 <sup>d</sup>
<b>INDUSTRIAL SITES CLEANUP FUND:</b>			
Industrial Sites Cleanup - Administration (EA).....	\$ 314	\$ 314	\$ 314
Industrial Sites Cleanup - Projects (EA).....	5,300	5,300	5,300
<b>INDUSTRIAL SITES CLEANUP FUND TOTAL.....</b>	<b>\$ 5,614</b>	<b>\$ 5,614</b>	<b>\$ 5,614</b>
<b>LOCAL GOVERNMENT CAPITAL PROJECT LOAN FUND:</b>			
Local Government Capital Project Loans (EA).....	\$ 1,000	\$ 1,000	\$ 1,000

# Community and Economic Development

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>MACHINERY AND EQUIPMENT LOAN FUND:</b>			
General Operations (EA).....	\$ 778	\$ 778	\$ 778
Machinery and Equipment Loans (EA).....	15,000	11,000	11,000
<b>MACHINERY AND EQUIPMENT LOAN FUND TOTAL.....</b>	<b>\$ 15,778</b>	<b>\$ 11,778</b>	<b>\$ 11,778</b>
<b>MINORITY BUSINESS DEVELOPMENT FUND:</b>			
General Operations (EA).....	\$ 330	\$ 330	\$ 330
Minority Business Development Loans (EA).....	2,000	1,000	1,000
<b>MINORITY BUSINESS DEVELOPMENT FUND TOTAL.....</b>	<b>\$ 2,330</b>	<b>\$ 1,330</b>	<b>\$ 1,330</b>
<b>MUNICIPALITIES FINANCIAL RECOVERY REVOLVING AID FUND:</b>			
Distressed Community Assistance (EA).....	\$ 9,000	\$ 9,000	\$ 9,000
<b>PA ECONOMIC REVITALIZATION FUND:</b>			
Transfer to the General Fund.....	\$ 3,000	\$ 0	\$ 0 <sup>e</sup>
<b>SMALL BUSINESS FIRST FUND:</b>			
Administration (EA).....	\$ 1,958	\$ 1,958	\$ 1,958
Loans (EA).....	20,000	10,042	10,042
Community Economic Development Loans (EA).....	3,000	3,000	3,000
<b>SMALL BUSINESS FIRST FUND TOTAL.....</b>	<b>\$ 24,958</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>
<b>TOBACCO SETTLEMENT FUND:</b>			
Life Sciences Greenhouses.....	\$ 3,000	\$ 3,000	\$ 3,000
<b>WORKMEN'S COMPENSATION ADMINISTRATION FUND:</b>			
Small Business Advocate - Workers' Compensation (R).....	\$ 194	\$ 274	\$ 275
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 223,723	\$ 145,500	\$ 134,053
SPECIAL FUNDS.....	1,073	1,073	1,073
FEDERAL FUNDS.....	232,889	247,739	251,419
AUGMENTATIONS.....	13,312	6,987	6,010
RESTRICTED.....	1,306	1,470	1,615
OTHER FUNDS.....	109,554	97,065	97,423
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 581,857</b>	<b>\$ 499,834</b>	<b>\$ 491,593</b>

<sup>a</sup> Includes recommended supplemental appropriation of \$3,000,000.

<sup>b</sup> Appropriated as World Trade PA.

<sup>c</sup> This budget moves the Industry Partnerships appropriation from the Department of Labor & Industry to the Department of Community and Economic Development.

<sup>d</sup> Presented previously under the Pennsylvania Housing Finance Agency.

<sup>e</sup> For information on the proposed Pennsylvania Economic Revitalization Fund (PERF) bond program, please refer to the PERF financial statement in the Other Special Funds Appendix.

# Community and Economic Development

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>PA JOB CREATION, BUSINESS GROWTH AND ATTRACTION</b>							
GENERAL FUND.....	\$ 169,204	\$ 79,987	\$ 90,330	\$ 90,330	\$ 90,330	\$ 90,330	\$ 90,330
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	37,869	40,619	44,419	44,419	44,419	44,419	44,419
OTHER FUNDS.....	81,703	69,764	68,963	68,763	68,763	68,763	68,763
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 288,776</b>	<b>\$ 190,370</b>	<b>\$ 203,712</b>	<b>\$ 203,512</b>	<b>\$ 203,512</b>	<b>\$ 203,512</b>	<b>\$ 203,512</b>
<b>PA INNOVATION ECONOMY</b>							
GENERAL FUND.....	\$ 15,100	\$ 15,350	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	25,834	22,000	22,000	22,000	22,000	22,000	22,000
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 40,934</b>	<b>\$ 37,350</b>	<b>\$ 36,500</b>	<b>\$ 36,500</b>	<b>\$ 36,500</b>	<b>\$ 36,500</b>	<b>\$ 36,500</b>
<b>PA WORLDWIDE</b>							
GENERAL FUND.....	\$ 5,829	\$ 6,022	\$ 6,022	\$ 6,022	\$ 6,022	\$ 6,022	\$ 6,022
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	950	950	950	950	950	950	950
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 6,779</b>	<b>\$ 6,972</b>	<b>\$ 6,972</b>	<b>\$ 6,972</b>	<b>\$ 6,972</b>	<b>\$ 6,972</b>	<b>\$ 6,972</b>
<b>PA ASSETS</b>							
GENERAL FUND.....	\$ 9,963	\$ 12,164	\$ 10,167	\$ 10,167	\$ 10,167	\$ 10,167	\$ 10,167
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	172	110	110	110	110	110	110
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 10,135</b>	<b>\$ 12,274</b>	<b>\$ 10,277</b>	<b>\$ 10,277</b>	<b>\$ 10,277</b>	<b>\$ 10,277</b>	<b>\$ 10,277</b>
<b>PA CORE COMMUNITIES</b>							
GENERAL FUND.....	\$ 23,627	\$ 31,977	\$ 13,034	\$ 13,034	\$ 13,034	\$ 13,034	\$ 13,034
SPECIAL FUNDS.....	1,073	1,073	1,073	1,073	1,073	1,073	1,073
FEDERAL FUNDS.....	194,070	206,170	206,050	206,050	206,050	206,050	206,050
OTHER FUNDS.....	16,463	13,648	13,975	13,975	13,975	13,975	13,975
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 235,233</b>	<b>\$ 252,868</b>	<b>\$ 234,132</b>	<b>\$ 234,132</b>	<b>\$ 234,132</b>	<b>\$ 234,132</b>	<b>\$ 234,132</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 223,723	\$ 145,500	\$ 134,053	\$ 134,053	\$ 134,053	\$ 134,053	\$ 134,053
SPECIAL FUNDS.....	1,073	1,073	1,073	1,073	1,073	1,073	1,073
FEDERAL FUNDS.....	232,889	247,739	251,419	251,419	251,419	251,419	251,419
OTHER FUNDS.....	124,172	105,522	105,048	104,848	104,848	104,848	104,848
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 581,857</b>	<b>\$ 499,834</b>	<b>\$ 491,593</b>	<b>\$ 491,393</b>	<b>\$ 491,393</b>	<b>\$ 491,393</b>	<b>\$ 491,393</b>

## Program: PA Job Creation, Business Growth and Attraction

*Goal: To support and promote initiatives that grow Pennsylvania's economy by partnering with the private sector to create and retain jobs; to ensure that capital for the creation, location, retention and expansion of private business is available at each step of the business life cycle; and to make possible lower capital costs to attract businesses to invest in Pennsylvania.*

In 2017-18, and in each year thereafter, DCED business financing investments are projected to create and retain over 100,000 jobs, leverage over \$4 billion in private investments, assist over 5,000 businesses, and train over 80,000 PA workers.

### **Program Element: PA First**

PA First is a comprehensive program that offers grants for job creation and retention, infrastructure projects and workforce development. PA First provides the flexibility necessary for the commonwealth to rapidly respond to companies' needs, thus facilitating increased investment in the state and enabling Pennsylvania to compete more effectively with neighboring and competitor states.

PA First leverages private dollars, stimulates job creation and encourages development of critical infrastructure projects. Additionally, the program advances workforce development efforts through WEDnet, a network which provides training to Pennsylvania workers. PA First secures 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 can be found by visiting the agency website [dced.pa.gov](http://dced.pa.gov).

### **Program Element: Infrastructure and Facilities Improvement Program**

The Infrastructure and Facilities Improvement Program 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.

### **Program Element: Partnership for Regional Economic Performance**

Historically, Pennsylvania's economic development efforts have been supported by a number of core service providers, including Industrial Resource Centers, industrial development organizations, Local Development Districts, and Small Business Development Centers. Partnerships for Regional Economic Performance, known as PREP, integrates these networks by encouraging regional coordination of economic development efforts, which will yield superior customer service to the business community and a comprehensive, efficient, statewide economic development delivery strategy.

### **Program Element: Marketing to Attract Business**

Pennsylvania's key strengths must be regularly and effectively communicated to the national and global business community. Pennsylvania's Marketing to Attract Business program funds the department's economic development marketing plan, which includes public relations, social media, industry trade shows and direct support of the department and the Governor's Action Team for one-to-one marketing efforts.

### **Program Element: Tax Credits**

Tax credits are established for the purpose of securing job-creating economic development opportunities and fostering the growth and development of economic development prospects to the commonwealth. Information on credit programs can be found in the General Fund Tax Expenditures section of the Governor's Executive Budget.

### **Program Recommendations:**

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

<b>GENERAL FUND</b>				<b>Center for Local Government Services</b>	
<b>General Government Operations</b>				<b>—to continue current program.</b>	
\$	-400	—program reduction.		\$	262
	984	—to continue current program.			-147
	-560	—Initiative—to implement complement savings.			—Initiative—to implement complement savings.
	-105	—Initiative—Cost savings realized through consolidation of administrative functions.		\$	115
	<hr/>				<hr/>
\$	-81	<i>Appropriation Decrease</i>			<i>Appropriation Increase</i>



# Community and Economic Development

## Program: PA Job Creation, Business Growth and Attraction (continued)

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

<p>\$ 237 —to continue current program.</p> <p>—36 —Initiative—to implement complement savings.</p> <hr/> <p>\$ 201 <i>Appropriation Increase</i></p>	<p><b>Office of Open Records</b></p> <p><b>Marketing to Attract Business</b></p> <p>\$ 69 —to continue current program.</p> <p>—33 —Initiative—to implement complement savings.</p> <p>—12 —Initiative—Cost savings realized through consolidation of administrative functions.</p> <hr/> <p>\$ 24 <i>Appropriation Increase</i></p>	<p>\$ -2,000</p> <p>\$ 12,000</p> <p>\$ 1,813</p> <p>\$ -1,750</p>	<p><b>Partnerships for Regional Economic Performance</b></p> <p>—program reduction.</p> <p><b>Manufacturing PA</b></p> <p>—Initiative—to advance manufacturing technology and commercialization.</p> <p><b>Industry Partnerships</b></p> <p>—this budget moves the Industry Partnerships appropriation from the Department of Labor &amp; Industry to DCED in order to consolidate job training programs.</p> <p><b>Infrastructure Technology Assistance Program</b></p> <p>—program elimination.</p>
---	--	--	---

The Small Business Advocate appropriation is increased by \$145,000 to a total of \$1,615,000. All other appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 14,937	\$ 17,888	\$ 17,807	\$ 17,807	\$ 17,807	\$ 17,807	\$ 17,807
Center for Local Government Services .....	8,394	4,140	4,255	4,255	4,255	4,255	4,255
Office of Open Records .....	2,426	2,526	2,727	2,727	2,727	2,727	2,727
Marketing to Attract Business .....	2,005	2,005	2,029	2,029	2,029	2,029	2,029
Base Realignment and Closure .....	0	798	819	819	819	819	819
Transfer to Commonwealth Financing Authority .....	88,812	0	0	0	0	0	0
Pennsylvania First .....	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Partnerships for Regional Economic Performance .....	11,880	11,880	9,880	9,880	9,880	9,880	9,880
Manufacturing PA .....	0	0	12,000	12,000	12,000	12,000	12,000
Industry Partnerships .....	0	0	1,813	1,813	1,813	1,813	1,813
Infrastructure Technology Assistance Program .....	1,750	1,750	0	0	0	0	0
Infrastructure and Facilities Improvement Grants .....	19,000	19,000	19,000	19,000	19,000	19,000	19,000
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 169,204</b>	<b>\$ 79,987</b>	<b>\$ 90,330</b>	<b>\$ 90,330</b>	<b>\$ 90,330</b>	<b>\$ 90,330</b>	<b>\$ 90,330</b>

## Program: PA Innovation Economy

*Goal: To catalyze growth and competitiveness for Pennsylvania companies and universities by growing venture capital investments to support early stage and emerging technology firms; accelerating technology transfer to commercialize new products and services; and revitalizing Pennsylvania's manufacturing economy.*

In 2017-18, and in each year thereafter, DCED technology investments are projected to create and retain over 6,000 jobs, leverage over \$1.5 billion in private investments, and assist over 17,000 businesses.

### **Program Element: Ben Franklin Technology Development Authority**

The Ben Franklin Technology Development Authority ensures that Pennsylvania companies and entrepreneurs have the necessary tools to build their businesses. The authority has promoted advanced technology in traditional and emerging industries, as well as small business, through a series of programs that are flexible and dynamic and are built to proactively meet changes in markets and key industry sectors. These initiatives are also tailored to meet companies' needs throughout the business lifecycle, providing support and making services available at each step of the process. The authority also provides vehicles for investment for university-based and entrepreneurial innovation through the following programs:

- Ben Franklin Technology Partners, which are strategically located throughout the commonwealth to support business innovation
- Venture Investment, which provides risk capital to venture partnerships that invest in Pennsylvania companies

### **Program Element: Keystone Innovation Zones**

In Fiscal Year 2015-16, the Keystone Innovation Zone (KIZ) Program created 957 jobs, retained 1,961 jobs and helped to establish 59 new technology companies.

KIZ Tax credits are available to those companies who meet the statutory definition of a qualified KIZ company: 1) are less than 8 years of age; 2) operate in specific targeted industry sector including but not limited to, information

technology, advanced manufacturing, life sciences and enabling technologies; and 3) are located within the geographic boundaries of a designated Keystone Innovation Zone. Tax credits are awarded based on revenues derived from operations in the KIZ for the two years prior to application deadline of September 15 (i.e. 2013 is the base year, 2014 serves as the comparable year and 2015 is when the award is made to the company). The tax credit shall not exceed \$100,000 per year per company; there are \$15,000,000 in tax credit annually. Recipient companies may use the tax credits for up to five years or they may sell or assign them if the original company awarded the credits has no tax liability in the year in which the tax credits are awarded. KIZ companies often sell the tax credits using a third-party broker in an attempt to ensure the highest rate of return, often in excess of 90 cents on the dollar.

### **Program Element: The Pennsylvania Life Sciences Greenhouse Initiative**

The Pennsylvania Life Sciences Greenhouse Initiative supports early-stage risk capital and serves as a catalyst for development and creation of new life-science-related products and companies. Three regionally based organizations in Central Pennsylvania, Pittsburgh and Philadelphia aggressively focus on increasing formation and growth of life sciences companies in the commonwealth.

Over the course of the past decade, this initiative has established a national reputation and is cited by the Battelle Technology Partnership as one of only two university/industry funding programs in the U.S. to focus solely on life sciences. The initiative has quickly become a national model for state funding of early stage risk capital in life sciences.

## Program Recommendations:

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

**GENERAL FUND**  
**Super Computer Center**  
 \$ -500 —program elimination.

**Powdered Metals**  
 \$ -100 —program elimination.

**Public Television Technology**  
 \$ -250 —program elimination.

**TOBACCO SETTLEMENT FUND:**  
 The Life Sciences Greenhouses appropriation is recommended at the current year funding level.

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

# Community and Economic Development

## Program: PA Innovation Economy (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Transfer to Ben Franklin Technology							
Development Authority Fund.....	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500
Super Computer Center .....	500	500	0	0	0	0	0
Powdered Metals.....	100	100	0	0	0	0	0
Public Television Technology.....	0	250	0	0	0	0	0
<b>TOTAL GENERAL FUND.....</b>	<b>\$ 15,100</b>	<b>\$ 15,350</b>	<b>\$ 14,500</b>	<b>\$ 14,500</b>	<b>\$ 14,500</b>	<b>\$ 14,500</b>	<b>\$ 14,500</b>
<b>TOBACCO SETTLEMENT FUND:</b>							
Life Sciences Greenhouses.....	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000

# Community and Economic Development

## Program: International Business Development

*Goal: To contribute to the growth and strength of the commonwealth's economy by attracting foreign direct capital investments to Pennsylvania and providing value-added business development services to Pennsylvania companies to facilitate increased exports from the commonwealth.*

### **Program Element: International Business Development**

In 2017-18 and each year thereafter, DCED is projected to assist over 1,100 businesses, facilitate over \$600 million in Export Sales, and attract over \$36 million in Foreign Direct Investments.

In today's increasingly complex global economy, international trade is not simply a trend, but a competitive necessity. The International Business Development program works to promote Pennsylvania exports in key international markets and to attract foreign investment to Pennsylvania by ensuring that international companies are adequately informed and familiar with Pennsylvania's strengths – leading universities and research institutions; manufacturing, energy and life science industries; competitive business environment; and a skilled workforce.

The department will continue to build on PA's success as the nation's largest and best-performing international program, and the only department program with a unique, performance-based metrics and compensation system for its international contractors and regional partners. By increasing export capacity and establishing new connections between Pennsylvania companies, universities and partners worldwide, Pennsylvania businesses will continue to become more competitive in the global marketplace. At the same time, Pennsylvania communities will become increasingly successful in competing for international investment projects that support existing and new jobs across the commonwealth. This will help Pennsylvania remain a leading state for international business development.

### **Program Recommendations:**

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

The Office of International Business Development appropriation is recommended at the current year funding level.

### **Appropriations within this Program:**

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Office of International Business							
Development.....	\$ 5,829	\$ 6,022	\$ 6,022	\$ 6,022	\$ 6,022	\$ 6,022	\$ 6,022

## Program: PA Assets

*Goal: To ensure economic competitiveness and job creation; to increase domestic and international leisure travel to the commonwealth in order to grow the tourism industry's economic impact and position Pennsylvania as a top tourism destination for both domestic and international visitors; and to maximize Pennsylvania's energy resources, including coal, natural gas, water, oil and timber.*

### Program Element: Marketing to Attract Tourists

Tourism is a key industry for Pennsylvania, injecting an estimated \$40 billion annually into the commonwealth's economy and generating nearly \$4 billion in tax revenues each year. Pennsylvania has invested in tourism marketing for decades in recognition of the industry's substantial contributions to the state's economy, most notably in jobs the industry provides commonwealth residents and tax revenues the industry generates for the state and local governments, which support a host of essential government programs and services. The Pennsylvania Tourism Office's marketing activities provide exposure to out-of-state markets for the many small Pennsylvania tourism businesses that lack the resources to advertise beyond their local area.

Marketing to Attract Tourists has enabled the commonwealth to provide a domestic and international tourism marketing program that helps to attract more than 192 million travelers annually. The funding supports a comprehensive and effective marketing agenda including the popular visitPA.com website, various print and online publications, and paid digital advertising. The tourism office will also continue to leverage online marketing platforms including Twitter, Facebook, YouTube, Instagram, and Pinterest, among others to provide highly customized, personalized and targeted information directly to travelers in an authentic and real-time medium, extending the reach of the office's traditional marketing efforts.

### Program Element: Alternative Energy

The Alternate Energy Investment Act of 2008 was signed into law and is comprised of several components administered in the Departments of Environmental Protection, Health and Human Services and Community

and Economic Development. The Commonwealth Financing Authority manages programs and funds administered within the Department of Community and Economic Development's Office for Business Financing. Funding includes grants to businesses, non-profit economic development organizations and political subdivisions for clean and alternative energy projects. These projects include buildings, equipment and land development activities. In addition, loans and grants are provided for energy-efficient building projects, for geothermal and wind energy projects and for alternative energy production projects involving solar technologies.

### Program Element: PIPE Program

The Pipeline Investment Program (PIPE) provides grants to construct the last few miles of natural gas distribution lines to business parks, existing manufacturing and industrial enterprises, which will result in the creation of new economic base jobs in the commonwealth while providing access to natural gas for residents. Funds may be used for acquisition, construction, and site preparation costs associated with extending natural gas pipelines to serve eligible applicants.

### Program Element: Marcellus Legacy Fund Act 13

The Marcellus Legacy Fund was created by Act 13 of 2012 to provide for the distribution of unconventional gas well impact fees to counties, municipalities and commonwealth agencies. Pursuant to Section 2315 (a) (6) (i) of the Act, a portion of the fee revenue is transferred to the Commonwealth Financing Authority for statewide initiatives that will include abandoned mine drainage abatement; abandoned well plugging; sewage treatment; greenways, trails and recreation; baseline water quality data; watershed restoration; and flood control.

## Program Recommendations:

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

GENERAL FUND:		Tourism - Accredited Zoos	
Marketing to Attract Tourists		\$	—program elimination.
\$	—non-recurring projects.		
	117 —to continue current program.		
	—14 —Initiative—cost savings realized through consolidation of administrative functions.		
	6,100 —Initiative—to expand Pennsylvania's tourism market share through advertising and strategic media placement.		
	<hr/>		
\$	—1,247 <i>Appropriation Decrease</i>	\$	—750

# Community and Economic Development

Program: PA Assets (continued)

## Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Marketing to Attract Tourists .....	\$ 9,413	\$ 11,414	\$ 10,167	\$ 10,167	\$ 10,167	\$ 10,167	\$ 10,167
Tourism - Accredited Zoos .....	550	750	0	0	0	0	0
TOTAL GENERAL FUND .....	<u>\$ 9,963</u>	<u>\$ 12,164</u>	<u>\$ 10,167</u>	<u>\$ 10,167</u>	<u>\$ 10,167</u>	<u>\$ 10,167</u>	<u>\$ 10,167</u>

# Community and Economic Development

## Program: PA Core Communities

*Goal: To attain more effective delivery of housing and community development services; to provide resources and technical assistance that enhance the performance and quality of local governments, including fiscal stability; and to effectively create attractive, livable communities by revitalizing downtowns and surrounding neighborhoods, while promoting sound land-use practices.*

### Program Element: Keystone Communities

The Keystone Communities program is designed to encourage the creation of partnerships between the public and private sectors in communities to support joint local initiatives that foster growth and stability in neighborhoods and communities, social and economic diversity and a strong and secure quality of life. The program offers designation opportunities and financial resources to assist communities in achieving revitalization goals and provides for physical improvements that support the commonwealth's core communities.

The department strongly encourages community-based organizations, public agencies, business leaders, private developers, financial institutions and private citizens to work in partnership with local governments to develop a comprehensive approach to address community development and housing needs. These partnerships can and will create more attractive places to live, and will encourage business and job expansion and retention in Pennsylvania.

### Program Element: Municipal Assistance Program

The Municipal Assistance Program was created to help local governments plan for and effectively implement a variety of services, improvements and soundly-managed development. The program provides funding for three groups of activities; shared service activities, community planning and floodplain management. Any municipality may apply for program funding. Applicants may also be a public or quasi-public body duly authorized to act on behalf of one or more municipalities.

### Program Element: Early Intervention Program

In order to assist municipalities experiencing fiscal difficulties, the Early Intervention program provides grants to municipal and county governments to develop and

implement a five-year financial management plan and undergo a departmental operational review. The plans supply governments with both short-term and long-term strategies to address fiscal difficulties before they reach a crisis point. The ultimate goal is to avert an Act 47 Municipality Financial Recovery Program filing.

### Program Element: Municipalities Financial Recovery Program – Act 47

When local governments are facing potential financial insolvency, the Municipalities Financial Recovery program – Act 47, empowers the department to issue a distress declaration and assist in the recovery through grants and no-interest loans, as well as extensive technical assistance through the preparation and implementation of comprehensive recovery plans. Act 47 also empowers the governor to issue a declaration of fiscal emergency to enable the department to prepare an emergency action plan and to appoint a receiver to prepare a recovery plan to be confirmed by Commonwealth Court.

### Program Element: Weatherization Assistance Program

In order to help low-income Pennsylvanians reduce energy costs, the Weatherization Assistance program makes homes more energy efficient, saving money and keeping homes warmer. 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 and the U.S. Department of Health and Human Services also support home weatherization efforts in addition to a heating crisis program that operates during the winter in coordination with the Pennsylvania Department of Human Service's Low- Income Home Energy Assistance program.

## Program Recommendations:

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

<p><b>GENERAL FUND</b></p> <p><b>Regional Events Security and Support</b> —program elimination.</p> <p>\$ -10,000</p> <p><b>Local Municipal Emergency Relief</b> —program elimination.</p> <p>\$ -3,000</p> <p><b>Keystone Communities</b> —program reduction. —to continue current program.</p> <p>\$ -5,850 7</p> <p>\$ -5,843 <i>Appropriation Decrease</i></p>	<p><b>Rural Leadership Training</b> —program elimination.</p> <p>\$ -100</p> <p><b>MOTOR LICENSE FUND</b> The Appalachian Regional Commission appropriation is recommended at the current year funding level.</p>
--	---

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



# Community and Economic Development

## Program: PA Core Communities (continued)

### Appropriations within this Program:

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Regional Events Security and Support.....	\$ 5,000	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Local Municipal Emergency Relief .....	0	3,000	0	0	0	0	0
Transfer to Municipalities Financial Recovery Revolving Fund.....	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Intergovernmental Cooperation							
Authority-2nd Class Cities.....	250	250	250	250	250	250	250
Municipal Assistance Program .....	642	642	642	642	642	642	642
Keystone Communities.....	12,850	12,200	6,357	6,357	6,357	6,357	6,357
Rural Leadership Training .....	100	100	0	0	0	0	0
Early Intervention for Distressed Municipalities .....	1,785	2,785	2,785	2,785	2,785	2,785	2,785
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 23,627</b>	<b>\$ 31,977</b>	<b>\$ 13,034</b>	<b>\$ 13,034</b>	<b>\$ 13,034</b>	<b>\$ 13,034</b>	<b>\$ 13,034</b>
<b>MOTOR LICENSE FUND:</b>							
Appalachian Regional Commission.....	\$ 1,073	\$ 1,073	\$ 1,073	\$ 1,073	\$ 1,073	\$ 1,073	\$ 1,073



# Community and Economic Development

## Program Measures

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

### Program: PA Job Creation, Business Growth and Attraction

**Objective: Support business growth through strategic business retention, expansion, and attraction programs and targeted workforce development and training.**

Jobs pledged to be created	50,033	50,370	51,377	51,377	51,377	52,405	52,405
Jobs pledged to be retained	50,888	51,230	52,255	52,255	52,255	53,300	53,300
Number of businesses assisted	4,796	4,828	4,925	4,925	4,925	5,023	5,023
Private funds leveraged (in thousands)	\$4,015,413	\$4,042,437	\$4,123,285	\$4,123,285	\$4,123,285	\$4,205,751	\$4,205,751
Public funds leveraged (in thousands)	\$792,127	\$797,428	\$813,407	\$813,407	\$813,407	\$829,675	\$829,675
Brownfield redevelopment projects assisted	40	41	42	42	42	43	43
Number of jobs pledged to be created and retained that pay at least 80% of the average wage in the county in which the jobs are located	16,246	60,000	65,000	70,000	75,000	75,000	75,000
Number of training to PA workers (WEDNet, PREP, LGTP and CSBG)	107,369	109,000	110,000	111,000	112,000	113,000	114,000

### Program: PA Innovation Economy

**Objective: Increase the number of successful, innovative technology companies in Pennsylvania.**

Jobs Created	2,350	2,397	1,917	1,800	1,100	1,100	1,100
Jobs Retained	5,373	5,480	4,384	4,110	4,110	4,110	4,110
New Technology Companies Established	130	130	104	98	98	98	98
Private Funds Leveraged (\$Thousands)	\$1,948,731	\$1,987,705	\$1,590,164	\$1,490,778	\$1,490,778	\$1,490,778	\$1,490,778
Public Funds Leveraged (\$Thousands)	\$122,792	\$125,247	\$100,197	\$93,935	\$93,935	\$93,935	\$93,935
Businesses Assisted	18,227	18,443	17,354	17,082	17,082	17,082	17,082

### Program: International Business Development

**Objective: Increase DCED-Export Sales Facilitated and Foreign Direct Investments.**

Estimated state and local tax revenues generated (in thousands)	\$89,779	\$91,963	\$91,962	\$91,962	\$91,962	\$91,962	\$91,962
Municipal Assistance Program: Number of Local Governments Assisted	349	200	200	200	200	200	200
Amount of export sales facilitated (in thousands)	\$613,026	\$627,937	\$627,937	\$627,937	\$627,937	\$627,937	\$627,937
Foreign Direct Investments (FDI): Capital Investments Facilitated (in thousands)	\$34,475	\$35,314	\$36,173	\$37,052	\$37,954	\$37,954	\$37,954
Foreign direct investments (FDI): Projects completed	12	14	16	18	20	20	20
Businesses assisted	1,118	1,145	1,145	1,145	1,145	1,145	1,145

# Community and Economic Development

## Program Measures

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

### Program: PA Assets

**Objective: Increase domestic and international leisure travel to Pennsylvania to grow the tourism industry's economic impact; and develop a comprehensive strategy to market Pennsylvania as a top location for starting and growing a business.**

Number of hotel rooms sold (in thousands)	30,605	30,911	31,220	31,533	31,848	32,166	32,488
Travelers' expenditures (in thousands)	\$40,411,110	\$40,815,221	\$41,223,373	\$41,635,607	\$42,051,963	\$42,472,483	\$42,897,208
Tax revenues generated (in thousands)	\$4,250,000	\$4,292,500	\$4,335,425	\$4,378,779	\$4,422,567	\$4,466,793	\$4,511,461

### Program: PA Core Communities

**Objective: Provide resources and technical assistance that enhance the performance and quality of Pennsylvania's local governments and core communities.**

Keystone Communities Projects	23	50	27	27	27	27	27
Municipal Assistance Program: Number of Local Governments Assisted	349	200	200	200	200	200	200
Number of designated distressed communities in Act 47	21	18	17	16	15	14	14
Homes weatherized	880	1,600	1,600	1,600	1,600	1,600	1,600
Number of persons participating in job training and human services	577,876	500,000	500,000	500,000	500,000	500,000	500,000

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

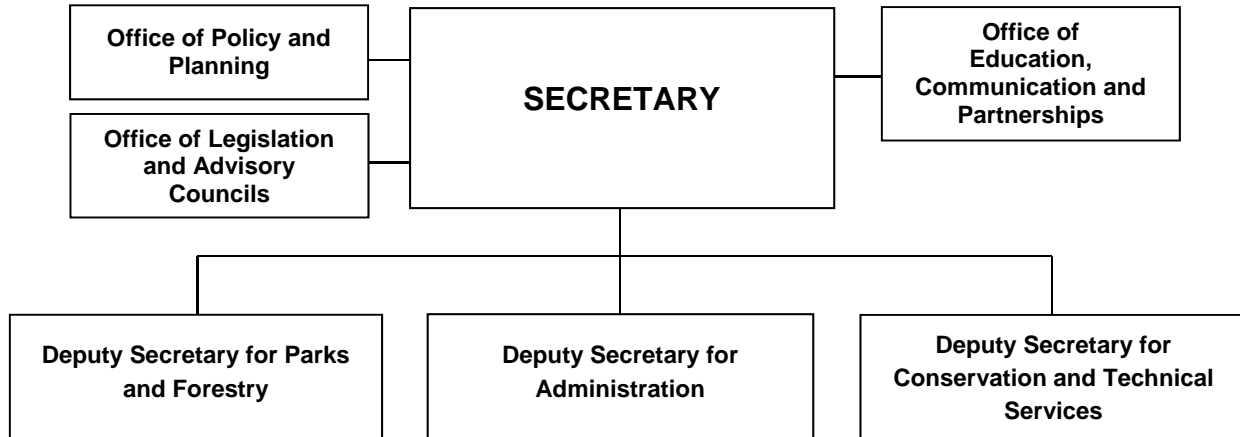
# DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

*The mission of the Department of Conservation and Natural Resources is to maintain, improve and preserve state parks; to manage state forest lands to assure their long-term health, sustainability and economic use; to provide information on ecological and geologic resources; and to administer grant and technical assistance programs that will benefit river conservation, trails and greenways, local recreation, regional heritage conservation and environmental education programs across the commonwealth.*

## Programs and Goals

**Parks and Forests Management:** *to manage state park and forest lands for their long-term use and enjoyment; to provide the resources and expertise to help conserve and protect all the commonwealth's natural resources; and help create and sustain economically vibrant communities through quality recreational resources and investments.*

## Organization Overview



- **Deputy Secretary for Parks and Forestry** is responsible for managing and directing the operations of the bureaus of Facility Design and Construction, State Parks and Forestry.
- **Deputy Secretary for Administration** is responsible for managing and directing the operations of the human resources, administrative services and information technology bureaus.
- **Deputy Secretary for Conservation and Technical Services** is responsible for managing and directing the operations of the bureaus of Topographic and Geologic Survey and Recreation and Conservation.

### Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
1,389	1,383	1,403	1,406	1,426

# Conservation and Natural Resources

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 12,313</b>	<b>\$ 19,375</b>	<b>\$ 20,538</b>
(F)Topographic and Geologic Survey Grants.....	500	500	500
(F)Bituminous Coal Resources.....	25	0	0
(F)Land and Water Conservation Fund.....	12,000	12,000	9,000
(F)Highlands Conservation Program.....	2,000	2,000	4,500
(F)Cooperative Endangered Species.....	28	28	28
(F)Intermodal Surface Transportation (EA).....	5,000	5,000	0
(A)Payment for Department Services.....	1,803	1,824	1,881
(A)Water Well Drillers.....	39	38	38
(A)Keystone Recreation, Park and Conservation Fund.....	2,356	2,894	2,894
(A)Internet Record Imaging System.....	139	200	200
(A)Environmental Stewardship Fund Admin.....	113	0	0
Subtotal.....	<b>\$ 36,316</b>	<b>\$ 43,859</b>	<b>\$ 39,579</b>
<b>State Parks Operations.....</b>	<b>33,297</b>	<b>54,450</b>	<b>14,934</b>
(F)PA Recreation Trails (EA).....	7,000	7,000	7,000
(F)Lake Erie Lakeside Management (EA).....	25	0	0
(F)Summer 2011 Storm Disaster Relief - Parks (EA).....	100	0	0
(F)Disaster Relief (F).....	0	1,808	0
(F)Coastal Zone Management Special Projects (EA).....	50	50	50
(F)DEP-DCNR Special Projects (EA).....	2,000	0	0
(F)FBC-DCNR Special Projects (EA).....	57	0	0
(A)State Parks User Fees.....	21,991	24,800	24,800
(A)Reimbursement for Services.....	2,781	2,786	2,795
(A)Vehicle Sale.....	71	47	82
Subtotal.....	<b>\$ 67,372</b>	<b>\$ 90,941</b>	<b>\$ 49,661</b>
<b>State Forests Operations.....</b>	<b>11,195</b>	<b>27,104</b>	<b>7,723</b>
(F)Forest Fire Protection and Control.....	2,000	2,000	2,000
(F)Forestry Incentives and Agriculture Conservation.....	175	75	75
(F)Forest Management and Processing.....	3,800	3,800	3,800
(F)Great Lakes Restoration.....	900	900	0
(F)Aid to Volunteer Fire Companies.....	750	750	750
(F)Natural Resource Conservation Service.....	264	264	264
(F)Forest Insect and Disease Control.....	4,000	4,000	4,000
(F)Wetland Protection Fund.....	300	300	300
(F)Environmental Education Local Grants Program.....	0	150	0
(F)Summer 2011 Storm Disaster Relief - Forest (EA).....	100	0	0
(F)Wetlands Program Development (EA).....	250	250	250
(A)Reimbursement for Services.....	1,772	2,000	3,600
(A)Reimbursement - Forest Fires.....	2,232	525	750
(A)Sale of Vehicles - Forests.....	130	100	100
(A)Timber Sales.....	19,957	22,800	23,000
(A)Miscellaneous Tickets and Fines.....	6	2	2
Subtotal.....	<b>\$ 47,831</b>	<b>\$ 65,020</b>	<b>\$ 46,614</b>
Subtotal - State Funds.....	<b>\$ 56,805</b>	<b>\$ 100,929</b>	<b>\$ 43,195</b>
Subtotal - Federal Funds.....	<b>41,324</b>	<b>40,875</b>	<b>32,517</b>
Subtotal - Augmentations.....	<b>53,390</b>	<b>58,016</b>	<b>60,142</b>
Total - General Government.....	<b>\$ 151,519</b>	<b>\$ 199,820</b>	<b>\$ 135,854</b>

# Conservation and Natural Resources

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>Grants and Subsidies:</b>			
Heritage and Other Parks.....	\$ 2,402	\$ 2,875	\$ 2,250
Annual Fixed Charges - Flood Lands.....	65	65	65
Annual Fixed Charges - Project 70.....	40	40	88
Annual Fixed Charges - Forest Lands.....	2,612	2,627	7,731
Annual Fixed Charges - Park Lands.....	425	425	425
Total - Grants and Subsidies.....	\$ 5,544	\$ 6,032	\$ 10,559
STATE FUNDS.....	\$ 62,349	\$ 106,961	\$ 53,754
FEDERAL FUNDS.....	41,324	40,875	32,517
AUGMENTATIONS.....	53,390	58,016	60,142
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 157,063</b>	<b>\$ 205,852</b>	<b>\$ 146,413</b>
<b>MOTOR LICENSE FUND:</b>			
<b>General Government:</b>			
Dirt and Gravel Roads.....	\$ 7,000	\$ 7,000	\$ 7,000
<b>Grants and Subsidies:</b>			
(R)Forestry Bridges - Excise Tax (EA).....	\$ 8,330	\$ 11,000	\$ 11,000
STATE FUNDS.....	\$ 7,000	\$ 7,000	\$ 7,000
RESTRICTED REVENUES.....	8,330	11,000	11,000
<b>MOTOR LICENSE FUND TOTAL.....</b>	<b>\$ 15,330</b>	<b>\$ 18,000</b>	<b>\$ 18,000</b>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Snowmobile & ATV Regulation.....	\$ 4,721	\$ 4,300	\$ 0
ATV Management.....	0	0	3,825
Snowmobile Management.....	0	0	675
Forest Regeneration.....	3,784	2,480	2,280
Forestry Research.....	99	250	250
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 8,604</b>	<b>\$ 7,030</b>	<b>\$ 7,030</b>
<b>ENVIRONMENTAL EDUCATION FUND:</b>			
General Operations (EA).....	\$ 134	\$ 317	\$ 221
<b>ENVIRONMENTAL STEWARDSHIP FUND:</b>			
Parks & Forest Facility Rehabilitation (EA).....	\$ 13,211	\$ 9,943	\$ 12,810
Community Conservation Grants (EA).....	4,174	4,000	3,000
Natural Diversity Conservation Grants (EA).....	366	300	300
<b>ENVIRONMENTAL STEWARDSHIP FUND TOTAL.....</b>	<b>\$ 17,751</b>	<b>\$ 14,243</b>	<b>\$ 16,110</b>
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>			
Park & Forest Facility Rehabilitation (EA).....	\$ 25,491	\$ 26,726	\$ 28,511
Grants for Local Recreation (EA).....	21,243	22,272	23,758
Grants to Land Trusts (EA).....	8,497	8,909	9,503
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....</b>	<b>\$ 55,231</b>	<b>\$ 57,907</b>	<b>\$ 61,772</b>
<b>OIL AND GAS LEASE FUND:</b>			
State Parks Operations.....	\$ 21,413	\$ 0	\$ 43,588
General Government Operations.....	5,087	0	0
General Operations (EA).....	50,000	50,000	50,000
State Forests Operations.....	10,519	0	21,412
Transfer to Marcellus Legacy Fund (EA).....	0 <sup>a</sup>	0 <sup>a</sup>	0 <sup>a</sup>
<b>OIL AND GAS LEASE FUND TOTAL.....</b>	<b>\$ 87,019</b>	<b>\$ 50,000</b>	<b>\$ 115,000</b>
<b>STATE GAMING FUND:</b>			
Payments in Lieu of Taxes (EA).....	\$ 5,146	\$ 5,261	\$ 5,261

# Conservation and Natural Resources

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>WILD RESOURCE CONSERVATION FUND:</b>			
General Operations (EA).....	\$ 143	\$ 143	\$ 143
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 62,349	\$ 106,961	\$ 53,754
SPECIAL FUNDS.....	7,000	7,000	7,000
FEDERAL FUNDS.....	41,324	40,875	32,517
AUGMENTATIONS.....	53,390	58,016	60,142
RESTRICTED.....	8,330	11,000	11,000
OTHER FUNDS.....	174,028	134,901	205,537
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 346,421</b>	<b>\$ 358,753</b>	<b>\$ 369,950</b>

<sup>a</sup> Not added to the total to avoid double counting with the program expenditures from the Environmental Stewardship Fund and the Hazardous Sites Cleanup Fund shown in various agencies. Environmental Stewardship Fund: 2015-16 Actual is \$20,000,000, 2016-17 Available is \$20,000,000 and 2017-18 Budget is \$0. Hazardous Sites Cleanup Fund: 2015-16 Actual is \$5,000,000, 2016-17 Available is \$5,000,000 and 2017-18 Budget is \$15,000,000.



## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>PARKS AND FORESTS MANAGEMENT</b>							
GENERAL FUND.....	\$ 62,349	\$ 106,961	\$ 53,754	\$ 58,754	\$ 58,754	\$ 118,754	\$ 118,754
SPECIAL FUNDS.....	7,000	7,000	7,000	7,000	7,000	7,000	7,000
FEDERAL FUNDS.....	41,324	40,875	32,517	41,567	41,567	41,567	41,567
OTHER FUNDS.....	235,748	203,917	276,679	272,298	273,644	219,799	221,701
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 346,421</b>	<b>\$ 358,753</b>	<b>\$ 369,950</b>	<b>\$ 379,619</b>	<b>\$ 380,965</b>	<b>\$ 387,120</b>	<b>\$ 389,022</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 62,349	\$ 106,961	\$ 53,754	\$ 58,754	\$ 58,754	\$ 118,754	\$ 118,754
SPECIAL FUNDS.....	7,000	7,000	7,000	7,000	7,000	7,000	7,000
FEDERAL FUNDS.....	41,324	40,875	32,517	41,567	41,567	41,567	41,567
OTHER FUNDS.....	235,748	203,917	276,679	272,298	273,644	219,799	221,701
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 346,421</b>	<b>\$ 358,753</b>	<b>\$ 369,950</b>	<b>\$ 379,619</b>	<b>\$ 380,965</b>	<b>\$ 387,120</b>	<b>\$ 389,022</b>

## Program: Parks and Forests Management

*Goal: To manage state park and forest lands for their long-term use and enjoyment; to provide the resources and expertise to help conserve and protect all the commonwealth's natural resources; and help create and sustain economically vibrant communities through quality recreational resources and investments.*

### **Pursue Excellence in the Management of State Park and Forest Lands**

The 2.2 million acres of certified sustainable state forests help to keep Pennsylvania clean and beautiful by protecting drinking water and air, sequestering carbon, abating floods, absorbing sediment and pollutants and protecting wildlife. In addition, forests provide the playground for many outdoor adventure seekers and support the forest products industry through its robust hardwood growing stock. The 121 state parks protect many natural, aesthetic, geologic, scenic and historical treasures that make the commonwealth so unique and diverse. About 38 million people visit state parks annually to participate in a variety of outdoor recreation, environmental education and overnight accommodation opportunities. A 2011 Penn State study found that every \$1 invested in state parks generates more than \$12 in economic value, contributing sizable collateral benefits for surrounding businesses and communities.

Key to maintaining these assets and ensuring a high-quality visitor experience on these lands is the responsible maintenance of the extensive system of infrastructure that supports them. As the department makes improvements, it will incorporate sustainable building practices into construction and renovation of facilities. With 13 LEED-certified buildings and several renewable energy demonstration projects providing a strong foundation for this work, the department will aim to increase this number to 20 through building construction and renovations.

The department aims to use its parks and forests to inspire the future stewards of natural resources. Children without a connection to the outdoors will be less inclined as adults to appreciate the values our natural resources provide, and therefore would be less likely to advocate for their protection. The department will strive to create better public access to nature and recreation and develop pathways for employment in environmental fields.

### **Promote Responsible Stewardship of the Commonwealth's Natural Resources**

Statewide forest, land and water conservation is multifaceted and includes developing greenway connectors between conserved lands and communities, protecting public forests and ecologically and geologically significant lands, supporting Pennsylvania's private forest resources, and encouraging more environmentally sensitive growth in developing areas. The stewardship of Pennsylvania's natural resources is the collective responsibility of local communities, counties, state and federal agencies, businesses, nonprofit conservation organizations, private

landowners and every citizen. As the commonwealth's leading advocate for all natural resources, the department provides leadership and guidance to these entities by providing technical assistance, ecological and geologic information, grant funding for research, planning, project development and land acquisition. The department's conservation science programs and topographic and geologic resources — including digital maps, data and geographic information systems — help communities make wise land use decisions that support sustainable development, such as identifying where unique plant or animal species should be protected or where possible sinkholes might affect a development site choice. The department also provides management assistance to private forest landowners, who possess three-quarters of all forest land in the state. The department's goal is to reduce forest fragmentation and loss by conserving an additional 25,000 acres and planting 2,725,000 trees over the next 5 years. In partnership with other state agencies and private industry, the department will launch a short-term forestry task force to develop an action plan to conserve our forests while creating and sustaining forest-related jobs.

### **Improve Communities Through Access to Conservation and Recreation Resources**

One of the department's primary goals is to enhance and promote community conservation and economic opportunity throughout Pennsylvania by investing in communities' natural and recreational resources. The Community Conservation Partnerships Program provides staff-level technical assistance and matching grants for community parks and trails, snowmobile and ATV trails and parks, land conservation, river conservation and rail-trails. These grants, which have assisted every Pennsylvania county and reached more than 50 percent of the commonwealth's communities, are in great demand. Economic studies show strong community investment and health benefits from the presence and expansion of trails, parks and green spaces. These investments often have strong public-private participation and create and support new jobs.

The department will prioritize its grant programs to encourage and support projects that develop sustainable practices, with an emphasis on natural areas for stormwater management, native plantings and green construction. It will also look for connections to the state Outdoor Recreation Plan 2014-18, the blueprint for the commonwealth's outdoor recreation work.

# Conservation and Natural Resources

## Program: Parks and Forests Management (continued)

### Program Recommendation:

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

<p><b>General Government Operations</b></p> <p>\$ 2,229 —to continue current program.</p> <p>–1,055 —Initiative—to implement complement savings.</p> <p>–11 —Initiative—cost savings realized through consolidation of administrative functions.</p> <hr/> <p>\$ 1,163 <i>Appropriation Increase</i></p> <p><b>State Parks Operations</b></p> <p>\$ 5,861 —to continue current program.</p> <p>–1,789 —Initiative—to implement complement savings.</p> <p>–43,588 —to provide for a shift in current operating costs to the Oil and Gas Lease Fund.</p> <hr/> <p>\$ –39,516 <i>Appropriation Decrease</i></p> <p><b>State Forests Operations</b></p> <p>\$ 2,833 —to continue current program.</p> <p>–802 —Initiative—to implement complement savings.</p> <p>–21,412 —to provide for a shift in current operating costs to the Oil and Gas Lease Fund.</p> <hr/> <p>\$ –19,381 <i>Appropriation Decrease</i></p>	<p><b>Heritage and Other Parks</b></p> <p>\$ –625 —funding reduction.</p> <p><b>Annual Fixed Charges – Project 70</b></p> <p>\$ 48 —for increased in lieu of tax payments in accordance with Act 85 of 2016.</p> <p><b>Annual Fixed Charges – Forest Lands</b></p> <p>\$ 5,104 —for increased in lieu of tax payments in accordance with Act 85 of 2016.</p>
--	--

All other appropriations are recommended at the current funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 12,313	\$ 19,375	\$ 20,538	\$ 20,538	\$ 20,538	\$ 20,538	\$ 20,538
State Parks Operations .....	33,297	54,450	14,934	18,287	18,287	58,522	58,522
State Forests Operations.....	11,195	27,104	7,723	9,370	9,370	29,135	29,135
Heritage and Other Parks.....	2,402	2,875	2,250	2,250	2,250	2,250	2,250
Annual Fixed Charges - Flood Lands.....	65	65	65	65	65	65	65
Annual Fixed Charges - Project 70.....	40	40	88	88	88	88	88
Annual Fixed Charges - Forest Lands.....	2,612	2,627	7,731	7,731	7,731	7,731	7,731
Annual Fixed Charges - Park Lands.....	425	425	425	425	425	425	425
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 62,349</b>	<b>\$ 106,961</b>	<b>\$ 53,754</b>	<b>\$ 58,754</b>	<b>\$ 58,754</b>	<b>\$ 118,754</b>	<b>\$ 118,754</b>
<b>MOTOR LICENSE FUND:</b>							
Dirt and Gravel Roads.....	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000

# Conservation and Natural Resources

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
--	---------	---------	---------	---------	---------	---------	---------

### Program: Parks and Forests Management

**Objective: Land Conservation: Reduce forest loss and fragmentation by conserving land and planting trees in urban and suburban communities.**

#### Promote Responsible Stewardship of the Commonwealth's Natural Resources

Land conservation through acquisition and easement (acres) - includes additions to parks, forests, and grants to communities	5,636	8,000	8,000	8,000	8,000	8,000	8,000
TreeVitalize - total trees planted (cumulative)	446,000	466,000	486,000	506,000	526,000	546,000	566,000
Total carbon sequestered in state forest timber resources (million standard tons, annual accumulation)	5	5	5	5	5	6	6
Number of volunteer hours	173,289	174,942	176,631	178,337	180,059	181,798	183,498

**Objective: Promote outdoor recreation opportunities by increasing public use of state and local parks and recreational trails.**

#### Pursue Excellence in the Management of State Parks and Forest Lands

State park annual attendance	40,500,000	39,000,000	39,100,000	39,200,000	39,300,000	39,400,000	39,500,000
Environmental and recreation program attendance in state parks and forests	454,035	456,175	457,675	459,175	460,675	462,175	463,675

#### Improve Communities Through Access to Conservation and Recreational Resources

Miles of new trails developed	41.50	75	75	75	75	75	75
Total Community Conservation Partnerships Program funds awarded	\$36,000,000	\$37,500,000	\$37,500,000	\$37,500,000	\$37,500,000	\$37,500,000	\$37,500,000

**Objective: Demonstrate the energy efficiency and design elements of high-performing green buildings through design, building and grants.**

#### Operate More Effectively and Efficiently

Number of LEED certified buildings in state parks and forests	13	15	15	17	18	19	19
Number of funded C2P2 grants with "green" or energy efficient elements	109	70	70	70	70	70	70

**Objective: Expand the use of social media and technology to inform and engage new recreation users.**

#### Improve Communities Through Access to Conservation and Recreational Resources

Social media subscribers (cumulative)	410,470	460,000	525,000	575,000	625,000	675,000	725,000
---------------------------------------	---------	---------	---------	---------	---------	---------	---------

#### Land Use Planning and Technical Assistance

Geologic mapping (square miles)	256	340	170	170	170	170	170
---------------------------------	-----	-----	-----	-----	-----	-----	-----

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# DEPARTMENT OF CRIMINAL JUSTICE

*The mission of the Department of Criminal Justice is to reduce recidivism and promote public safety by providing individualized treatment and education to offenders, utilizing sound decision making practices that include evidence-based approaches, employing effective methods to aid offenders in reentering society, addressing the needs of crime victims and improving county adult probation and parole services.*

The department maintains a state system for the custody and rehabilitation of convicted criminals. Included within this system are residential programs to provide inmates with supervision, counseling and treatment, enabling them to satisfactorily adjust to society. The department further supervises persons on probation or parole, helping them to continue to reintegrate within society. The Pennsylvania Board of Probation and Parole ensures citizen safety through careful selection of offenders to be paroled. The Office of the Victim Advocate administers the victim service programs by representing rights and interests of crime victims. The Sexual Offenders Assessment Board is responsible for the review of registration of sexual offenders and conducting assessments of convicted sex offenders.

## **Programs and Goals**

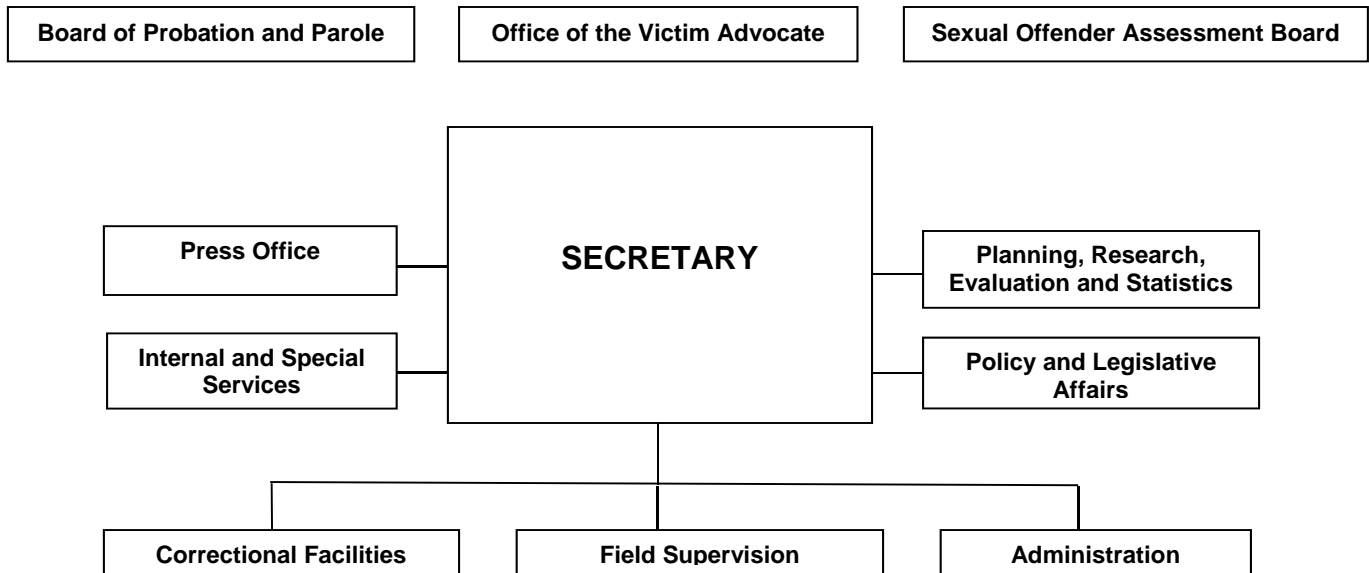
**Institutionalization of Offenders:** *To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.*

**Reintegration of the Adult Offender:** *To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.*

---

# Organization Overview

This budget proposes to merge the Department of Corrections and the Pennsylvania Board of Probation and Parole to form the Department of Criminal Justice.



- **Correctional Facilities** confine offenders for a period of time specified by the courts or the Board of Probation and Parole, and prepare offenders for release and reintegration into the community.
- **Field Supervision** is responsible for providing initial support and guidance to paroled offenders as well as ongoing supervision of the total parolee population.
- **Administration** is responsible for Correctional Industries, health care services, administration, human resources and operations.
- **Board of Probation and Parole** independently decides which offenders should be paroled.
- **Office of the Victim Advocate** represents the interests of crime victims before the board or the Department of Criminal Justice.
- **Sexual Offenders Assessment Board** independently conducts assessments for convicted sexual offenders.

## Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
17,385	17,209	17,189	17,259	17,519

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>Institutional:</i>			
<b>Medical Care</b> .....	\$ 244,978	\$ 256,855	\$ 253,814
(A)AIDS SPBP Rebates.....	13,500	12,000	12,000
(A)Medical Reimbursements.....	379	482	482
Subtotal.....	\$ 258,857	\$ 269,337	\$ 266,296
<b>Inmate Education and Training</b> .....	42,502	44,880	39,766
(F)Correctional Education.....	727	725	750
(F)Improving Reentry Education.....	326	552	650
Subtotal.....	\$ 43,555	\$ 46,157	\$ 41,166
<b>State Correctional Institutions</b> .....	1,908,927	2,039,872	2,004,067
(F)SABG - Drug and Alcohol Programs (EA).....	1,965	1,965	1,965
(F)Reimbursement for Alien Inmates.....	1,600	1,800	1,900
(F)Changing Offender Behavior.....	255	50	25
(F)Volunteer Support.....	50	25	0
(F)RSAT - State Prisoners (EA).....	750	750	502
(F)State Intermediate Punishment - HOPE Research (EA).....	69	0	0
(F)PREA Compliance (EA).....	290	166	166
(A)Community Service Centers.....	589	739	739
(A)Institutional Reimbursements.....	295	382	382
(A)Social Security.....	164	264	264
Subtotal.....	\$ 1,914,954	\$ 2,046,013	\$ 2,010,010
Subtotal - State Funds.....	\$ 2,196,407	\$ 2,341,607	\$ 2,297,647
Subtotal - Federal Funds.....	6,032	6,033	5,958
Subtotal - Augmentations.....	14,927	13,867	13,867
Total - Institutional.....	\$ 2,217,366	\$ 2,361,507	\$ 2,317,472
<i>General Government:</i>			
<b>General Government Operations</b> .....	\$ 35,216	\$ 36,216	\$ 48,667
(A)County Training.....	184	256	175
(A)Miscellaneous.....	3	24	19
Subtotal.....	\$ 35,403	\$ 36,496	\$ 48,861
<b>State Field Supervision</b> .....	0	0	126,811
(A)State Parole Supervision Fees.....	0	0	4,100
(A)Interstate Supervision Fees.....	0	0	90
Subtotal.....	\$ 0	\$ 0	\$ 131,001
<b>Board of Probation and Parole</b> .....	0	0	12,046
<b>Office of Victim Advocate</b> .....	0	0	2,371
<b>Sexual Offenders Assessment Board</b> .....	0	0	6,564
<b>Transfer to Justice Reinvestment Fund (EA)</b> .....	2,953	9,614	10,210
Subtotal - State Funds.....	\$ 38,169	\$ 45,830	\$ 206,669
Subtotal - Augmentations.....	187	280	4,384
Total - General Government.....	\$ 38,356	\$ 46,110	\$ 211,053



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2015-16	2016-17	2017-18
	ACTUAL	AVAILABLE	BUDGET
<b>Grants and Subsidies:</b>			
Improvement of Adult Probation Services.....	\$ 0	\$ 0	\$ 16,222
(R)County Parole Supervision Fees.....	0	0	18,631
Subtotal - State Funds.....	\$ 0	\$ 0	\$ 16,222
Subtotal - Restricted Revenues.....	0	0	18,631
Total - Grants and Subsidies.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 34,853</u>
STATE FUNDS.....	\$ 2,234,576	\$ 2,387,437	\$ 2,520,538
FEDERAL FUNDS.....	6,032	6,033	5,958
AUGMENTATIONS.....	15,114	14,147	18,251
RESTRICTED REVENUES.....	0	0	18,631
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 2,255,722</u></b>	<b><u>\$ 2,407,617</u></b>	<b><u>\$ 2,563,378</u></b>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Firearms Education and Training Commission.....	\$ 0	\$ 0	\$ 586
<b>MANUFACTURING FUND:</b>			
General Operations (EA).....	\$ 79,057	\$ 80,401	\$ 83,945
<b>JUSTICE REINVESTMENT FUND:</b>			
Medium and Short Minimum Offender Diversion.....	\$ 326	\$ 1,727	\$ 2,195
Coordinated Community Reentry.....	62	329	418
Streamline State Parole Process.....	0	0	534
<b>JUSTICE REINVESTMENT FUND TOTAL.....</b>	<b><u>\$ 388</u></b>	<b><u>\$ 2,056</u></b>	<b><u>\$ 3,147</u></b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 2,234,576	\$ 2,387,437	\$ 2,520,538
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	6,032	6,033	5,958
AUGMENTATIONS.....	15,114	14,147	18,251
RESTRICTED.....	0	0	18,631
OTHER FUNDS.....	79,445	82,457	87,678
<b>TOTAL ALL FUNDS.....</b>	<b><u>\$ 2,335,167</u></b>	<b><u>\$ 2,490,074</u></b>	<b><u>\$ 2,651,056</u></b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>INSTITUTIONALIZATION OF OFFENDERS</b>							
GENERAL FUND.....	\$ 2,234,576	\$ 2,387,437	\$ 2,356,524	\$ 2,342,864	\$ 2,332,364	\$ 2,321,964	\$ 2,322,064
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	6,032	6,033	5,958	5,958	5,958	5,958	5,958
OTHER FUNDS.....	94,559	96,604	100,619	98,006	98,006	98,006	98,006
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 2,335,167</b>	<b>\$ 2,490,074</b>	<b>\$ 2,463,101</b>	<b>\$ 2,446,828</b>	<b>\$ 2,436,328</b>	<b>\$ 2,425,928</b>	<b>\$ 2,426,028</b>
<b>REINTEGRATION OF THE ADULT OFFENDER</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 164,014	\$ 164,014	\$ 164,014	\$ 164,014	\$ 164,014
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	23,941	23,407	23,407	23,407	23,407
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 187,955</b>	<b>\$ 187,421</b>	<b>\$ 187,421</b>	<b>\$ 187,421</b>	<b>\$ 187,421</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 2,234,576	\$ 2,387,437	\$ 2,520,538	\$ 2,506,878	\$ 2,496,378	\$ 2,485,978	\$ 2,486,078
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	6,032	6,033	5,958	5,958	5,958	5,958	5,958
OTHER FUNDS.....	94,559	96,604	124,560	121,413	121,413	121,413	121,413
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 2,335,167</b>	<b>\$ 2,490,074</b>	<b>\$ 2,651,056</b>	<b>\$ 2,634,249</b>	<b>\$ 2,623,749</b>	<b>\$ 2,613,349</b>	<b>\$ 2,613,449</b>

## Program: Institutionalization of Offenders

*Goal: To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.*

The department 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. The department is charged with maintaining safe and humane prisons while 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 emphasizes programs that prepare inmates for responsible, crime free community living. These reentry 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 state-administered correctional system includes correctional institutions, state-operated or contracted community corrections centers and a motivational boot camp. There were 49,301 inmates in the state system at the end of December 2016.

### **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 institutions. The department is fully accredited by the American Correctional Association. 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 randomly testing positive for drug and alcohol use while in prison is 0.66 percent, which is one of the lowest rates in the country for state correctional systems. All inmates undergo a diagnostic and classification process to determine the inmate's appropriate security classification, medical needs and programs needed for reentry 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 inmates an opportunity to learn a trade, while constructively occupying their time. Another large support service is health care. A combination of staff and contractors provide health care services. Renal dialysis, geriatric services, infectious care treatment and other necessary services are offered. Approximately 29 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 Reentry**

The department released approximately 22,500 offenders in 2016 with about 74 percent exiting to parole supervision. Legislative changes and a series of savings initiatives halted the rising incarceration rates in 2014, and the department expects to see continued population reductions in the upcoming years. 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 to enhance inmate participation in treatment programs to reduce recidivism and growth of the nonviolent inmate population. Research has shown that inmate participation in appropriately structured interventions can reduce recidivism. In order to increase public safety, changes have been implemented in parole procedures, particularly affecting inmates classified as violent. Secure parole violator centers are used 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.

Preparation for reentry begins when an offender enters the department's diagnostic and classification center. The center conducts a comprehensive assessment of the individual's risk or probability of reoffending 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 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.

Another treatment option is the 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 program evaluations show a significant reduction in recidivism and drug relapse for offenders who have completed these programs.

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

**Program: Institutionalization of Offenders (continued)**

protection. All facilities provide alcohol and other drug treatment programs. Approximately 10,000 inmates are recommended to receive alcohol and other drug treatment upon entry into the state prison system each year, and approximately 12,800 inmates received treatment services in 2015 in both state correctional institutions and community correction centers. Therapeutic communities provide more intensive alcohol and other drug programming, which is more effective in changing behavior. Approximately 2,100 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 without a high school diploma or GED are required to attend classes.

Vocational training is dedicated to the development of marketable job skills so inmates are more employable upon release. A variety of vocational programs are offered, including plumbing, auto mechanics, barbering, carpentry and welding training. The department works with the Department of Labor and Industry to match its vocational offerings to jobs available in the community. Approximately 97 percent of the vocational training programs offered in institutions provide inmates who complete the program and pass examinations with industry recognized credentials

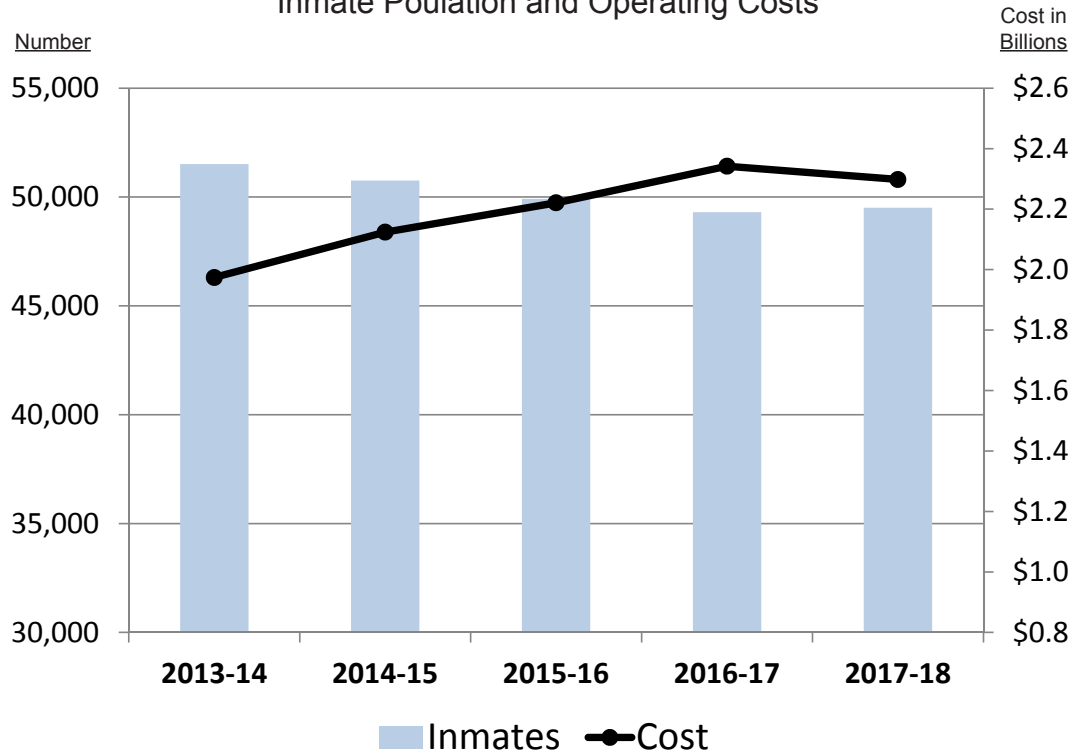
Work is another component of inmate programming. The department is continuing its efforts to have inmates perform meaningful work. Employment in institutional jobs and correctional industries provide inmates with the opportunity to learn responsibility, good work habits and skills that can be used to find employment after release. Approximately 77 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 reentry 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, reentrants receive 24-hour supervision and can utilize counseling services while working or attending school. These centers provide programming reinforcement during the reentrant'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. The Justice Reinvestment Initiative eliminated inmate pre-release into community corrections centers, although inmates placed into the State Intermediate Punishment (SIP) program can still be housed in these centers. Currently, most community corrections center space houses parolees, including those classified as technical parole violators or part of the state's halfway back program as an alternative to a return to prison.

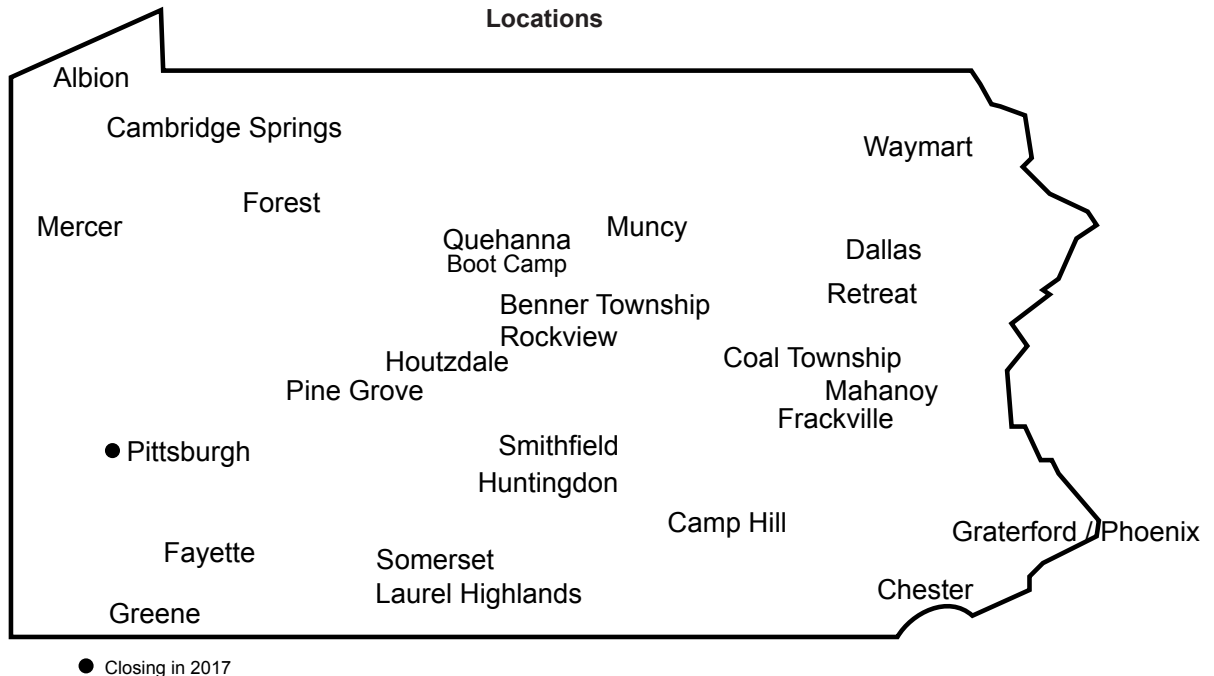
Program: Institutionalization of Offenders (continued)

## State Correctional Institutions Inmate Population and Operating Costs



The cost of operating the state correctional institution system has increased from nearly \$1.97 billion in 2013-14 to \$2.3 billion in 2017-18. During this timeframe, the inmate population has declined from 51,512 to 49,508 due to recent legislative changes and recidivism reduction initiatives.

## State Correctional Institutions Locations



Program: Institutionalization of Offenders (continued)

<b>Population by Institution</b>	<b>Population</b>	<b>Population</b>	<b>Estimated</b>
<b>Institutions</b>	<b>Dec 2015</b>	<b>Dec 2016</b>	<b>Population</b>
			<b>Dec 2017</b>
Albion.....	2,242	2,286	2,345
Benner Township.....	2,050	2,088	2,142
Cambridge Springs.....	1,151	1,202	1,233
Camp Hill.....	3,525	2,519	3,488
Chester.....	1,216	1,283	1,316
Coal Township.....	2,269	2,283	2,342
Dallas.....	2,140	2,116	2,170
Fayette.....	2,019	2,095	2,149
Forest.....	2,278	2,361	2,422
Frackville.....	1,135	1,172	1,202
Graterford/Phoenix.....	3,150	3,228	3,311
Greene.....	1,746	1,727	1,771
Houtzdale.....	2,505	2,482	2,546
Huntingdon.....	2,161	2,137	2,192
Laurel Highlands.....	1,379	1,573	1,613
Mahanoy.....	2,463	2,420	2,482
Mercer.....	1,465	1,427	1,464
Muncy.....	1,399	1,396	1,432
Pine Grove.....	943	949	973
Pittsburgh.....	1,640	1,876	0
Quehanna Boot Camp.....	447	498	511
Retreat.....	1,129	1,136	1,165
Rockview.....	2,398	2,391	2,452
Smithfield.....	1,344	1,350	1,385
Somerset.....	2,407	2,390	2,451
Waymart.....	1,362	1,365	1,400
Community Centers.....	960	1,017	1,017
Other Jurisdictions.....	991	534	534
<b>Total.....</b>	<b>49,914</b>	<b>49,301*</b>	<b>49,508</b>

Other jurisdictions capacity includes contract county jail beds and federal beds.  
 \* Currently 508 inmates below official population projection of 49,809.  
 December 2017 official population projection is expected to decline.

## Program: Institutionalization of Offenders (continued)

### Expenditures by Institution: (Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget		2015-16 Actual	2016-17 Available	2017-18 Budget
<b>Albion</b>				<b>Graterford/Phoenix</b>			
State Funds.....	\$ 74,075	\$ 80,971	\$ 83,727	State Funds.....	\$ 134,878	\$ 158,310	\$ 166,171
Federal Funds.....	82	82	82	Federal Funds.....	82	82	82
Augmentations.....	28	31	31	Augmentations.....	10,041	10,077	8,077
TOTAL.....	<u>\$ 74,185</u>	<u>\$ 81,084</u>	<u>\$ 83,840</u>	TOTAL.....	<u>\$ 145,001</u>	<u>\$ 168,469</u>	<u>\$ 174,330</u>
<b>Benner Township</b>				<b>Greene</b>			
State Funds.....	\$ 70,464	\$ 74,477	\$ 76,822	State Funds.....	\$ 90,441	\$ 96,018	\$ 100,084
Federal Funds.....	82	82	82	Federal Funds.....	82	82	82
Augmentations.....	30	41	41	Augmentations.....	15	23	23
TOTAL.....	<u>\$ 70,576</u>	<u>\$ 74,600</u>	<u>\$ 76,945</u>	TOTAL.....	<u>\$ 90,538</u>	<u>\$ 96,123</u>	<u>\$ 100,189</u>
<b>Cambridge Springs</b>				<b>Houtzdale</b>			
State Funds.....	\$ 43,183	\$ 47,477	\$ 49,085	State Funds.....	\$ 77,769	\$ 81,615	\$ 84,603
Federal Funds.....	173	174	179	Federal Funds.....	188	186	190
Augmentations.....	38	39	39	Augmentations.....	27	37	37
TOTAL.....	<u>\$ 43,394</u>	<u>\$ 47,690</u>	<u>\$ 49,303</u>	TOTAL.....	<u>\$ 77,984</u>	<u>\$ 81,838</u>	<u>\$ 84,830</u>
<b>Camp Hill</b>				<b>Huntingdon</b>			
State Funds.....	\$ 122,200	\$ 137,402	\$ 162,118	State Funds.....	\$ 84,224	\$ 89,100	\$ 92,611
Federal Funds.....	97	100	100	Federal Funds.....	82	82	82
Augmentations.....	3,544	2,317	4,088	Augmentations.....	24	34	34
TOTAL.....	<u>\$ 125,841</u>	<u>\$ 139,819</u>	<u>\$ 166,306</u>	TOTAL.....	<u>\$ 84,330</u>	<u>\$ 89,216</u>	<u>\$ 92,727</u>
<b>Chester</b>				<b>Laurel Highlands</b>			
State Funds.....	\$ 52,178	\$ 58,494	\$ 60,127	State Funds.....	\$ 82,163	\$ 84,933	\$ 86,678
Federal Funds.....	0	0	0	Federal Funds.....	82	82	82
Augmentations.....	30	32	32	Augmentations.....	22	33	33
TOTAL.....	<u>\$ 52,208</u>	<u>\$ 58,526</u>	<u>\$ 60,159</u>	TOTAL.....	<u>\$ 82,267</u>	<u>\$ 85,048</u>	<u>\$ 86,793</u>
<b>Coal Township</b>				<b>Mahanoy</b>			
State Funds.....	\$ 73,068	\$ 78,476	\$ 80,108	State Funds.....	\$ 78,563	\$ 83,788	\$ 86,668
Federal Funds.....	211	216	223	Federal Funds.....	82	82	82
Augmentations.....	31	44	44	Augmentations.....	28	40	40
TOTAL.....	<u>\$ 73,310</u>	<u>\$ 78,736</u>	<u>\$ 80,375</u>	TOTAL.....	<u>\$ 78,673</u>	<u>\$ 83,910</u>	<u>\$ 86,790</u>
<b>Dallas</b>				<b>Mercer</b>			
State Funds.....	\$ 87,128	\$ 93,908	\$ 97,800	State Funds.....	\$ 54,224	\$ 54,889	\$ 56,395
Federal Funds.....	88	89	89	Federal Funds.....	82	82	82
Augmentations.....	30	38	38	Augmentations.....	27	25	25
TOTAL.....	<u>\$ 87,246</u>	<u>\$ 94,035</u>	<u>\$ 97,927</u>	TOTAL.....	<u>\$ 54,333</u>	<u>\$ 54,996</u>	<u>\$ 56,502</u>
<b>Fayette</b>				<b>Muncy</b>			
State Funds.....	\$ 88,067	\$ 91,759	\$ 94,886	State Funds.....	\$ 77,260	\$ 83,171	\$ 85,811
Federal Funds.....	82	82	82	Federal Funds.....	90	91	91
Augmentations.....	23	29	29	Augmentations.....	33	34	34
TOTAL.....	<u>\$ 88,172</u>	<u>\$ 91,870</u>	<u>\$ 94,997</u>	TOTAL.....	<u>\$ 77,383</u>	<u>\$ 83,296</u>	<u>\$ 85,936</u>
<b>Forest</b>				<b>Pine Grove</b>			
State Funds.....	\$ 83,066	\$ 89,448	\$ 92,339	State Funds.....	\$ 59,439	\$ 63,419	\$ 65,509
Federal Funds.....	94	96	96	Federal Funds.....	15	18	18
Augmentations.....	23	23	23	Augmentations.....	9	13	13
TOTAL.....	<u>\$ 83,183</u>	<u>\$ 89,567</u>	<u>\$ 92,458</u>	TOTAL.....	<u>\$ 59,463</u>	<u>\$ 63,450</u>	<u>\$ 65,540</u>
<b>Frackville</b>				<b>Pittsburgh</b>			
State Funds.....	\$ 51,325	\$ 56,497	\$ 57,591	State Funds.....	\$ 87,866	\$ 98,839	\$ 0
Federal Funds.....	82	82	82	Federal Funds.....	0	0	0
Augmentations.....	13	17	17	Augmentations.....	29	34	0
TOTAL.....	<u>\$ 51,420</u>	<u>\$ 56,596</u>	<u>\$ 57,690</u>	TOTAL.....	<u>\$ 87,895</u>	<u>\$ 98,873</u>	<u>\$ 0</u>

## Program: Institutionalization of Offenders (continued)

### Expenditures by Institution: (Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget		2015-16 Actual	2016-17 Available	2017-18 Budget
<b>Quehanna Boot Camp</b>				<b>Waymart</b>			
State Funds.....	\$ 24,638	\$ 27,540	\$ 28,381	State Funds.....	\$ 87,134	\$ 93,187	\$ 95,915
Federal Funds.....	143	128	129	Federal Funds.....	172	173	177
Augmentations.....	8	13	13	Augmentations.....	20	25	25
<b>TOTAL.....</b>	<b>\$ 24,789</b>	<b>\$ 27,681</b>	<b>\$ 28,523</b>	<b>TOTAL.....</b>	<b>\$ 87,326</b>	<b>\$ 93,385</b>	<b>\$ 96,117</b>
<b>Retreat</b>				<b>Community Centers</b>			
State Funds.....	\$ 51,319	\$ 54,886	\$ 56,647	State Funds.....	\$ 127,247	\$ 122,450	\$ 97,615
Federal Funds.....	88	89	89	Federal Funds.....	82	82	82
Augmentations.....	15	16	16	Augmentations.....	589	739	739
<b>TOTAL.....</b>	<b>\$ 51,422</b>	<b>\$ 54,991</b>	<b>\$ 56,752</b>	<b>TOTAL.....</b>	<b>\$ 127,918</b>	<b>\$ 123,271</b>	<b>\$ 98,436</b>
<b>Rockview</b>				<b>Training Academy</b>			
State Funds.....	\$ 91,613	\$ 95,547	\$ 97,447	State Funds.....	\$ 1,743	\$ 2,212	\$ 2,067
Federal Funds.....	198	201	207	Federal Funds.....	0	0	0
Augmentations.....	49	57	57	Augmentations.....	0	0	0
<b>TOTAL.....</b>	<b>\$ 91,860</b>	<b>\$ 95,805</b>	<b>\$ 97,711</b>	<b>TOTAL.....</b>	<b>\$ 1,743</b>	<b>\$ 2,212</b>	<b>\$ 2,067</b>
<b>Smithfield</b>				<b>Central Office</b>			
State Funds.....	\$ 64,058	\$ 70,939	\$ 73,064	State Funds.....	\$ 79,729 <sup>a</sup>	\$ 77,752 <sup>a</sup>	\$ 70,184 <sup>a</sup>
Federal Funds.....	82	82	82	Federal Funds.....	2,647	2,756	2,922
Augmentations.....	9	17	17	Augmentations.....	167	0	263
<b>TOTAL.....</b>	<b>\$ 64,149</b>	<b>\$ 71,038</b>	<b>\$ 73,163</b>	<b>TOTAL.....</b>	<b>\$ 82,543</b>	<b>\$ 80,508</b>	<b>\$ 73,369</b>
<b>Somerset</b>				<b>Other Jurisdictions</b>			
State Funds.....	\$ 74,597	\$ 77,226	\$ 79,649	State Funds.....	\$ 22,748	\$ 16,877	\$ 17,545
Federal Funds.....	94	95	95	Federal Funds.....	750	637	369
Augmentations.....	25	39	39	Augmentations.....	0	0	0
<b>TOTAL.....</b>	<b>\$ 74,716</b>	<b>\$ 77,360</b>	<b>\$ 79,783</b>	<b>TOTAL.....</b>	<b>\$ 23,498</b>	<b>\$ 17,514</b>	<b>\$ 17,914</b>

<sup>a</sup> Expenditures include annual maintenance costs for closed institutions.

### Program Recommendations:

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

<p><b>General Government Operations</b></p> <p>\$ 20,973 —to continue current program. Reflects administrative consolidation.</p> <p>–1,849 —Initiative—to implement complement savings.</p> <p>–6,536 —Initiative—cost savings realized through elimination of duplicative services.</p> <p>–137 —Initiative—to modernize operations.</p> <hr/> <p>\$ 12,451 <i>Appropriation Increase</i></p> <p><b>Medical Care</b></p> <p>\$ 14,027 —to continue current program.</p> <p>–13,107 —Initiative—cost savings realized through institution closure.</p> <p>–3,961 —Initiative—cost savings from GO-TIME projects.</p> <hr/> <p>\$ –3,041 <i>Appropriation Decrease</i></p>	<p><b>Inmate Education and Training</b></p> <p>\$ –2,619 —Initiative—to implement complement savings.</p> <p>–2,495 —Initiative—cost savings realized through institution closure and agency consolidation.</p> <hr/> <p>\$ –5,114 <i>Appropriation Decrease</i></p> <p><b>State Correctional Institutions</b></p> <p>\$ 95,837 —to continue current program.</p> <p>–6,782 —Initiative—cost savings from GO-TIME projects.</p> <p>–12,428 —Initiative—to implement complement savings.</p> <p>–8,272 —Initiative—cost savings realized through elimination of duplicative services.</p> <p>–67,160 —Initiative—cost savings realized through institution closure.</p> <p>–37,000 —Initiative—to modernize and optimize operations.</p> <hr/> <p>\$ –35,805 <i>Appropriation Decrease</i></p>
--	---



## Program: Institutionalization of Offenders (continued)

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

\$ 596 **Transfer to Justice Reinvestment Fund**  
 —to distribute prior year savings from the  
 Justice Reinvestment Initiative.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Medical Care .....	\$ 244,978	\$ 256,855	\$ 253,814	\$ 265,814	\$ 265,814	\$ 265,814	\$ 265,814
Inmate Education and Training.....	42,502	44,880	39,766	39,766	39,766	39,766	39,766
State Correctional Institutions.....	1,908,927	2,039,872	2,004,067	1,985,367	1,967,867	1,947,467	1,947,567
General Government Operations .....	35,216	36,216	48,667	48,667	48,667	48,667	48,667
Transfer to Justice Reinvestment Fund (EA).....	2,953	9,614	10,210	3,250	10,250	20,250	20,250
<b>GENERAL FUND TOTAL .....</b>	<b>\$ 2,234,576</b>	<b>\$ 2,387,437</b>	<b>\$ 2,356,524</b>	<b>\$ 2,342,864</b>	<b>\$ 2,332,364</b>	<b>\$ 2,321,964</b>	<b>\$ 2,322,064</b>

## Program: Reintegration of the Adult Offender

*Goal: To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.*

The primary goal is to protect the safety of the public through effective parole decisions and proper supervision of offenders returning to their communities. Successful reentry of offenders can reduce the likelihood they will victimize anyone else and return to prison.

This includes making parole decisions and supervising adult parolees with a maximum sentence of two years or more; revoking the parole of technical parole violators who continue to violate parole conditions; revoking the parole of violators convicted of new crimes; and discharging parolees who have fulfilled their sentences in compliance with the conditions of parole. The parole population includes offenders from the state correctional system, special county probation, and parole cases and offenders transferring 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. Offenders sentenced to a term of two years or more, but less than five years, may be confined in county jail if the chief administrator certifies the jail has sufficient capacity. The judge retains paroling authority.

### **Program Element: Parole Decisions**

Offenders must serve their minimum sentence before they become eligible for parole. To prepare offenders for reentry while incarcerated, the department develops 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. The board offers victims the opportunity to provide testimony in person to board members as part of the decisional process.

### **Program Element: Reentry Preparation**

To fulfill the mission of community safety, the department 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 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 given assistance with the basics of job search preparation. Upon release, an offender's needs are reassessed

every six months or more frequently, if necessary. The department facilitates cognitive behavioral programs in areas such as life skills, drug and alcohol relapse prevention, and anger management. Drug and alcohol treatment, sex offender treatment and other specialized treatment or programming needs are available through referrals to individual county programs, or while under supervision at a community corrections center.

### **Program Element: Supervision and Case Management**

The reentry of an offender into the community requires effective parole supervision, which includes a balance of monitoring and enforcement of parole conditions coupled with effective case management. As part of the department's responsibility to public safety, parole agents use problem-solving case management and other evidence-based strategies to reduce the offender's risk to reoffend. Parole staff also helps the offender with challenges regarding their 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. These secure centers immediately address issues causing the offender to struggle with their adjustment to life outside of prison with the goal of reducing the number of technical parole violators returned to prison. A violent offender management protocol has been implemented, including a curfew and violence prevention aftercare program. Anger management and life skills programming are also provided. These actions were developed and initiated to aid in reducing offender recidivism.

### **Program Element: County Probation**

In addition to operating the state parole system, a grant program is administered to support county adult probation personnel and services. Counties are reimbursed up to 80 percent of the personnel costs for pre-sentence investigations and for improved probation supervision and programs.

### **Program Element: Other Probation and Parole Programs**

The Office of Victim Advocate represents the interests of crime victims before the board or the department.

The Sexual Offenders Assessment Board is responsible for conducting court-ordered assessments of convicted sexual offenders. The assessments are provided to district attorneys and assist in determining those offenders who

## Program: Reintegration of the Adult Offender (continued)

may be found by the court to be sexually violent predators. All sex offenders are now classified into three classes, or tiers, based on the severity of the sex crimes for which they have been convicted. The Adam Walsh Act also added additional sex offenses that require registration, increasing the number of individuals whose assessments

will ultimately be under the purview of the Sexual Offenders Assessment Board.

The board's role relating to sex offenders includes updating and verifying the registry information for any offenders under board supervision.

### Program Recommendations:

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

<p>\$ 128,041</p> <p style="text-align: right;">-1,230</p> <hr style="width: 50%; margin-left: 0;"/> <p>\$ 126,811</p>	<p><b>State Field Supervision</b> —for expenses related to the operation of state parole supervision. Reflects full-year funding for consolidation into Department of Criminal Justice. —to implement complement savings.</p> <p><i>Appropriation Increase</i></p>	<p>\$ 2,371</p>	<p><b>Office of Victim Advocate</b> —for expenses related to the operation of the office. Reflects full-year funding for consolidation into Department of Criminal Justice.</p>
<p>\$ 12,628</p> <p style="text-align: right;">-7</p> <p style="text-align: right;">-575</p> <hr style="width: 50%; margin-left: 0;"/> <p>\$ 12,046</p>	<p><b>Board of Probation and Parole</b> —for expenses related to the operation of the independent board. Reflects full-year funding for consolidation into Department of Criminal Justice. —cost savings from GO-TIME projects. —cost savings realized through consolidation of administrative functions.</p> <p><i>Appropriation Increase</i></p>	<p>\$ 6,659</p> <p style="text-align: right;">-95</p> <hr style="width: 50%; margin-left: 0;"/> <p>\$ 6,564</p>	<p><b>Sexual Offenders Assessment Board</b> —for expenses related to the operation of the independent board. Reflects full-year funding for consolidation into Department of Criminal Justice. —Initiative—to implement complement savings.</p> <p><i>Appropriation Increase</i></p>
<p>\$ 16,222</p>	<p><b>Improvement of Adult Probation Services</b> —for grants to counties to support county adult probation personnel costs. Reflects full-year funding for consolidation into Department of Criminal Justice.</p>	<p>\$ 16,222</p>	

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
<b>GENERAL FUND:</b>							
State Field Supervision.....	\$ 0	\$ 0	\$ 126,811	\$ 126,811	\$ 126,811	\$ 126,811	\$ 126,811
Board of Probation and Parole.....	0	0	12,046	12,046	12,046	12,046	12,046
Office of Victim Advocate.....	0	0	2,371	2,371	2,371	2,371	2,371
Sexual Offenders Assessment Board.....	0	0	6,564	6,564	6,564	6,564	6,564
Improvement of Adult Probation Services .	0	0	16,222	16,222	16,222	16,222	16,222
TOTAL GENERAL FUND .....	\$ 0	\$ 0	\$ 164,014	\$ 164,014	\$ 164,014	\$ 164,014	\$ 164,014

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Program: Institutionalization of Offenders</b>							
<b>Objective: Reduce prison violence rates.</b>							
In-prison violence rate (on staff and on other inmates combined) per 1,000 inmates	51.81	47.90	46.40	44.90	44.70	44.50	44.30
<b>Objective: Reduce recidivism.</b>							
One-year recidivism rate	40.80%	33.90%	32.60%	31.40%	30.10%	30%	29.80%
Three-year recidivism rate	63.10%	57.40%	56.10%	54.90%	54.60%	54.30%	54%
<b>Objective: Improve assessment and treatment of inmates by evaluating inmates appropriately and by giving them proven treatment in a timely manner, thus reducing recidivism.</b>							
Inmates assessed as having an alcohol or other drug problem	32,443	32,286	32,066	31,797	31,526	31,258	31,038
<b>Objective: Operate all state prisons securely, safely and humanely by creatively and efficiently managing inmate populations and facilities and controlling inmate population growth.</b>							
Total inmate population	49,913	49,671	49,332	48,916	48,501	48,089	47,677
Inmates in state intermediate punishment program	943	950	955	960	965	970	975
Cost per inmate per year (state funds)	\$44,005	\$47,142	\$46,575	\$46,834	\$46,874	\$46,852	\$47,259
Cost per inmate per year for health care (state funds)	\$4,908	\$5,171	\$5,145	\$5,434	\$5,480	\$5,527	\$5,575
Ratio of inmates to custody staff	5	5	5	5	5	5	5
<b>Objective: Prepare inmates for successful reentry into the community.</b>							
Number of inmates employed or in educational programs	32,943	32,783	32,559	32,286	32,011	31,739	31,467
Hours worked in community works projects	345,736	375,000	370,000	365,000	360,000	355,000	350,000
Inmates enrolled in academic educational programs	8,892	8,500	8,250	8,000	7,800	7,600	7,600
Inmates enrolled in vocational programs	3,104	3,130	3,060	2,990	2,920	2,850	2,850
Inmates needing adult basic education or GED upon reception	9,012	8,940	8,880	8,805	8,730	8,656	8,582
<b>Program: Reintegration of the Adult Offender</b>							
<b>Objective: Decrease time from minimum date to release date for paroled offenders.</b>							
Median number of days from minimum date to release date for all minimum releases.	11	10	10	10	9	9	9

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
--	---------	---------	---------	---------	---------	---------	---------

**Objective: Increase the number of offenders identified as appropriate for parole based on reduced risk of committing another crime.**

**Board Parole Process**

Average monthly number of offenders eligible for parole interviews	2,351	2,340	2,330	2,320	2,300	2,290	2,280
Average monthly number of offenders interviewed	1,703	1,710	1,720	1,730	1,740	1,750	1,760
Average monthly number of offenders granted parole or reparole	1,048	1,030	1,030	1,040	1,040	1,050	1,050
Average monthly number of offenders released to parole from state correctional institutions	1,000	1,020	1,030	1,030	1,040	1,040	1,050

**State Supervision Process**

State parolees and probationers supervised at fiscal year end	41,500	42,040	42,620	43,120	43,560	43,920	44,190
Annual state sentence releases to parole supervision	13,004	12,410	12,470	12,530	12,590	12,650	12,710

**Objective: Increase the percentage of parolees able to work who are employed.**

**State Supervision Process**

Employment rate (percentage) of offenders who are able to work	58%	59%	60%	60%	61%	62%	62%
--	-----	-----	-----	-----	-----	-----	-----

**Objective: Increase the percentage of parolees who successfully complete parole.**

**State Supervision Process**

Successful completions of parole as a percentage of monthly cases closed (revocations or successful completions)	49%	50%	50%	51%	51%	51%	52%
--	-----	-----	-----	-----	-----	-----	-----

**State Supervision Fee Collection**

Total state supervision fee dollars collected annually	\$4,038,606	\$4,119,000	\$4,180,000	\$4,239,000	\$4,290,000	\$4,333,000	\$4,368,000
--	-------------	-------------	-------------	-------------	-------------	-------------	-------------

**Objective: Decrease the number of offenders who stop reporting to their parole agent.**

**State Supervision Process**

Average monthly percentage of supervised offenders in absconder status	4.50%	4.60%	4.70%	4.60%	4.50%	4.40%	4.30%
--	-------	-------	-------	-------	-------	-------	-------

**Objective: Decrease the number of technical parole violators (parolees who break their conditions of parole) recommitted to prison.**

**State Supervision Process**

Average monthly number of state-sentenced technical parole violators returned to prison	279	280	270	270	270	270	260
Average monthly percentage of state-sentenced technical parole violators returned to prison	0.89%	0.87%	0.85%	0.84%	0.82%	0.80%	0.79%

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
--	---------	---------	---------	---------	---------	---------	---------

**Objective: Maintain the current low number of convicted parole violators (parolees who commit a new crime while on parole) recommitted to prison.**

**State Supervision Process**

Average monthly number of state-sentenced convicted parole violators returned to prison	229	240	250	250	260	270	280
Average monthly percentage of state-sentenced population returned to prison as convicted parole violators	0.73%	0.75%	0.75%	0.74%	0.73%	0.72%	0.71%

**Objective: Decrease the percentage of supervised individuals who return to prison upon release from prison.**

One-year recidivism rate	18%	18%	18%	18%	17%	17%	17%
Three-year recidivism rate	42%	42%	43%	43%	43%	42%	42%

**Objective: Increase the services to registered crime victims through the Office of Victim Advocate.**

Total number of registrations and notifications to registered crime victims	47,785	54,950	63,190	72,670	83,570	96,110	110,520
---	--------	--------	--------	--------	--------	--------	---------

**Objective: Track and report on county probation activity.**

Probationers and parolees supervised by county probation departments	254,221	260,580	267,090	273,770	280,610	287,630	294,820
--	---------	---------	---------	---------	---------	---------	---------

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# BOARD OF PROBATION AND PAROLE

*This budget proposes to merge the Pennsylvania Board of Probation and Parole and the Department of Corrections to form the Department of Criminal Justice.*



– THIS PAGE INTENTIONALLY LEFT BLANK –

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 145,194</b>	<b>\$ 153,589</b>	<b>\$ 0<sup>a</sup></b>
(F)Violence Prediction Model.....	54	0	0
(F)Effective Practices in Community Supervision (EA).....	93	0	0
(F)Adam Walsh Equipment (EA).....	0	8	0
(F)Sex Offender Agent Overtime (EA).....	47	38	0
(F)OVA Education and Awareness (EA).....	198	102	0
(F)OVA Sex Offender Registration and Notification (EA).....	0	136	0
(F)OVA Dialogue Program (EA).....	0	103	0
(A)State Parole Supervision Fees.....	4,000	4,100	0
(A)Interstate Supervision Fees.....	101	90	0
Subtotal.....	<u>\$ 149,687</u>	<u>\$ 158,166</u>	<u>\$ 0</u>
<b>Sexual Offenders Assessment Board.....</b>	<b>5,829</b>	<b>6,277</b>	<b>0<sup>a</sup></b>
Subtotal.....	<u>\$ 5,829</u>	<u>\$ 6,277</u>	<u>\$ 0</u>
Subtotal - State Funds.....	\$ 151,023	\$ 159,866	\$ 0
Subtotal - Federal Funds.....	392	387	0
Subtotal - Augmentations.....	4,101	4,190	0
Total - General Government.....	<u>\$ 155,516</u>	<u>\$ 164,443</u>	<u>\$ 0</u>
<i>Grants and Subsidies:</i>			
<b>Improvement of Adult Probation Services.....</b>	<b>\$ 16,222</b>	<b>\$ 16,222</b>	<b>\$ 0<sup>a</sup></b>
(R)County Parole Supervision Fees.....	18,986	18,207	0
Subtotal.....	<u>\$ 35,208</u>	<u>\$ 34,429</u>	<u>\$ 0</u>
Subtotal - State Funds.....	\$ 16,222	\$ 16,222	\$ 0
Subtotal - Restricted Revenues.....	18,986	18,207	0
Total - Grants and Subsidies.....	<u>\$ 35,208</u>	<u>\$ 34,429</u>	<u>\$ 0</u>
STATE FUNDS.....	\$ 167,245	\$ 176,088	\$ 0
FEDERAL FUNDS.....	392	387	0
AUGMENTATIONS.....	4,101	4,190	0
RESTRICTED REVENUES.....	18,986	18,207	0
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 190,724</u></b>	<b><u>\$ 198,872</u></b>	<b><u>\$ 0</u></b>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Firearms Education and Training Commission.....	\$ 326	\$ 564	\$ 0 <sup>a</sup>
<b>JUSTICE REINVESTMENT FUND:</b>			
Streamline State Parole Process.....	\$ 93	\$ 493	\$ 0 <sup>a</sup>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 167,245	\$ 176,088	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	392	387	0
AUGMENTATIONS.....	4,101	4,190	0
RESTRICTED.....	18,986	18,207	0
OTHER FUNDS.....	419	1,057	0
<b>TOTAL ALL FUNDS.....</b>	<b><u>\$ 191,143</u></b>	<b><u>\$ 199,929</u></b>	<b><u>\$ 0</u></b>

<sup>a</sup> Funding for this program has been transferred to the Department of Criminal Justice.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>REINTEGRATION OF THE ADULT OFFENDER</b>							
GENERAL FUND.....	\$ 167,245	\$ 176,088	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	392	387	0	0	0	0	0
OTHER FUNDS.....	23,506	23,454	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 191,143</b>	<b>\$ 199,929</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 167,245	\$ 176,088	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	392	387	0	0	0	0	0
OTHER FUNDS.....	23,506	23,454	0	0	0	0	0
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 191,143</b>	<b>\$ 199,929</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>



---

# DEPARTMENT OF EDUCATION

*The mission of the Department of Education is to academically prepare children and adults to succeed as productive citizens. The department seeks to ensure that the technical support, resources and opportunities 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 and 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 via a network of Intermediate Units. The department operates a major research library and leads the development of the state's public, school, academic and special libraries to meet the information, education and enrichment needs of citizens. 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.

## **Programs and Goals**

**Education Support Services:** *To provide an effective administrative system through which the substantive programs of the agency can be achieved.*

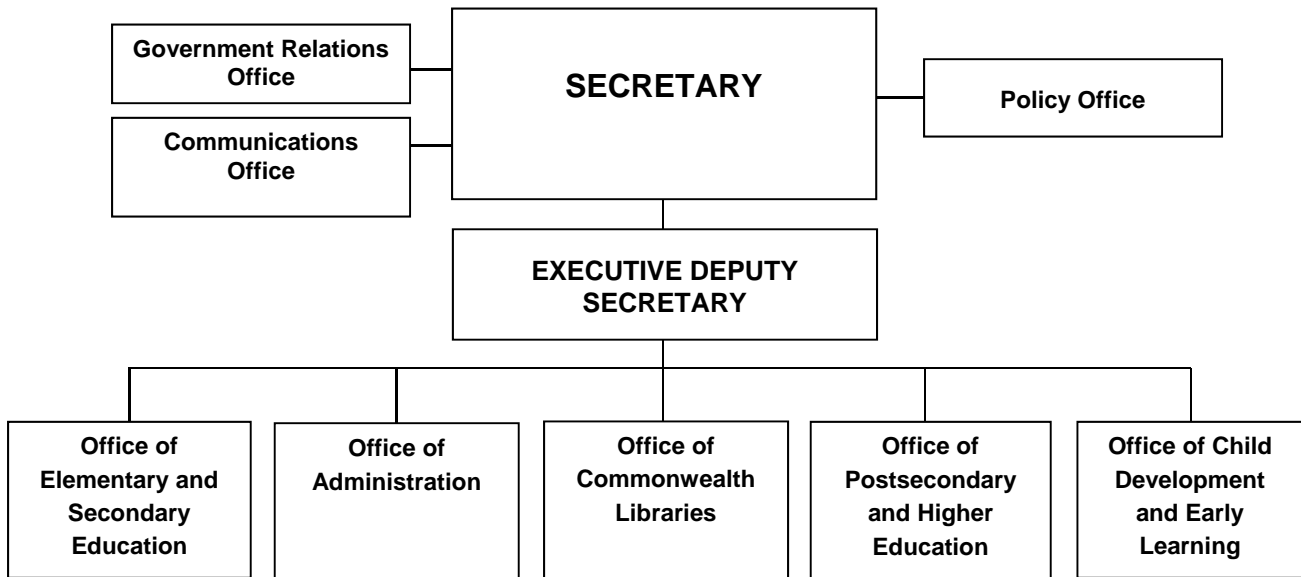
**PreK–12 Education (Basic Education):** *To prepare all students to graduate high school college-ready and career-ready and to be engaged citizens of the commonwealth.*

**Library Services:** *To provide and improve library services to citizens of the commonwealth, special libraries and government agencies and employees.*

**Higher Education:** *To promote access, affordability and performance in higher education through strategies to expand opportunity for students and align with employer needs, and to support the commonwealth's public institutions of higher education in achieving these goals.*

---

# Organization Overview



- **Office of Elementary and Secondary Education** is responsible for statewide development, administration and improvement of public and nonpublic schools that serve students in kindergarten through the 12th grade. The major components are general education, career and technical education, special education, charter schools, assessment and accountability, curriculum and instruction, community and student support services, school services, safe schools, and school improvement.
- **Office of Administration** is responsible for all administrative and managerial staff functions of the department. These include budgeting and fiscal management, personnel, information systems and data resource management.
- **Office of Commonwealth Libraries** operates a major research library and leads the development of the state’s public, academic, school, and special libraries to meet the information, education and enrichment needs of its residents.
- **Office of Postsecondary and Higher Education** participates in long-range planning for higher education in Pennsylvania; consults with the State Board of Education on the development of regulations to assure quality postsecondary and higher education programs; oversees the authorization of degree-granting institutions and the licensure of career and trade schools; oversees the certification of teachers; coordinates the approval of academic programs as required; coordinates approval of institutions to process veterans benefits; and provides direction and coordination for adult basic and literacy education.
- **Office of Child Development and Early Learning** is responsible for the statewide development, administration and improvement of the early childhood education continuum, including learning standards for early childhood, home visiting family support services, child care, early intervention, and state-funded pre-kindergarten and Head Start programs. The Office spans the Departments of Education and Health and Human Services.

## Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
544	551	535	529	529

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<b>General Government:</b>			
<b>General Government Operations.....</b>	<b>\$ 22,297</b>	<b>\$ 23,959</b>	<b>\$ 26,318</b>
(F)Adult Basic Education - Administration.....	1,297	1,100	1,114
(F)Education of Exceptional Children.....	10,000	10,000	10,000
(F)Special Education - State Personnel Development.....	2,394	2,394	2,394
(F)ESEA - Title I - Administration.....	12,000	12,333	12,333
(F)State Approving Agency (VA).....	1,660	1,800	1,800
(F)Food and Nutrition Service.....	17,580	20,505	21,000
(F)Migrant Education - Administration.....	700	700	700
(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)Homeless Assistance.....	4,275	4,275	4,870
(F)Preschool Grant.....	787	890	890
(F)School Health Education Programs.....	450	575	600
(F)Advanced Placement Testing.....	700	820	820
(F)Medical Assistance - Nurses' Aide Training.....	300	340	370
(F)State and Community Highway Safety.....	987	1,000	1,000
(F)Title IV - 21st Century Community Learning Centers - Admin.....	4,000	4,000	4,000
(F)National Assessment of Educational Progress (NAEP).....	148	148	148
(F)Striving Readers.....	50,156	50,156	50,156
(F)Refugee School Impact Development (EA).....	750	750	750
(F)Migrant Education Coordination Program.....	130	130	130
(F)College Access Challenge Grant Program.....	3,700	0	0
(F)School Improvement Grants.....	60,000	60,000	40,000
(F)Live Healthy PA (EA).....	95	105	105
(F)School Emergency Management Program.....	352	0	0
(F)Pennsylvania Project AWARE.....	1,950	0	0
(F)Preventative Health and Health Services (EA).....	250	250	250
(F)WIA Incentive Grant - Workforce Systems (EA).....	1,093	0	0
(F)Preschool Development Grants.....	30,000	30,000	0
(F)Child Nutrition - Administration (EA).....	138	0	0
(F)WIA - PA STEM Competition (EA).....	38	39	39
(F)Enhanced Assessment Instruments.....	6,000	6,000	0
(F)Student Support and Academic Enrichment-Administration.....	0	0	900
(A)Management Services.....	26	341	1
(A)Approved Private Schools.....	479	527	538
(A)National Center for Educational Statistics.....	0	6	6
(A)EPSDT Administration.....	851	350	350
(A)Services to Nonpublic Schools - Administration.....	863	879	879
(A)National Assn. of State Boards of Education.....	10	0	0
(A)Teacher Certification Fees.....	455	898	1,758
(A)Nonpublic Textbook Administration.....	976	981	981
(A)Alternative Education.....	0	108	108
(A)SARA Reciprocity.....	0	0	300
(A)PlanCon.....	0	0	1,200
(A)State Board Student Leadership.....	0	0	11
(A)Higher Education Fees.....	0	0	290
(A)Teacher Certification - Printable Certificates.....	0	0	5
Subtotal.....	<b>\$ 247,197</b>	<b>\$ 245,669</b>	<b>\$ 196,424</b>
<b>Office of Safe Schools Advocate.....</b>	<b>387</b>	<b>398</b>	<b>398</b>
<b>Information and Technology Improvement.....</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>
(F)Statewide Longitudinal Data Systems.....	7,000	4,000	2,260
<b>PA Assessment.....</b>	<b>58,300</b>	<b>58,300</b>	<b>58,300</b>
(F)Title VI - Part A State Assessments.....	16,000	16,000	15,000
(A)DRC License Fees.....	0	400	0
Subtotal.....	<b>\$ 85,687</b>	<b>\$ 83,098</b>	<b>\$ 79,958</b>
<b>State Library.....</b>	<b>1,832</b>	<b>2,017</b>	<b>2,005</b>
(F)LSTA - Library Development.....	8,500	8,500	8,500
(A)Penalties and Reimbursements.....	3	3	3
(A)Photocopy Service.....	2	1	1
(A)Keystone Fund.....	91	94	101

**Summary by Fund and Appropriation**

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
Subtotal.....	\$ 10,428	\$ 10,615	\$ 10,610
Subtotal - State Funds.....	\$ 86,816	\$ 88,674	\$ 91,021
Subtotal - Federal Funds.....	252,740	246,120	189,439
Subtotal - Augmentations.....	3,756	4,588	6,532
Total - General Government.....	\$ 343,312	\$ 339,382	\$ 286,992
<b>Institutional:</b>			
Youth Development Centers - Education.....	\$ 7,929	\$ 7,931	\$ 8,289
Subtotal.....	\$ 7,929	\$ 7,931	\$ 8,289
<b>Grants and Subsidies:</b>			
<b>Support of Public Schools:</b>			
Basic Education Funding.....	\$ 5,695,079	\$ 5,895,079	\$ 5,995,079
Ready to Learn Block Grant.....	250,000	250,000	250,000
Pre-K Counts.....	122,284	147,284	212,284
Head Start Supplemental Assistance.....	44,178	49,178	59,178
Mobile Science and Math Education Programs.....	2,214	2,214	0
Teacher Professional Development.....	6,459	6,459	6,459
Adult and Family Literacy.....	12,075	12,475	11,675
(F)Adult Basic Education - Local.....	21,000	21,000	21,000
Career and Technical Education.....	62,000	62,000	62,000
(F)Vocational Education Act - Local.....	49,000	49,000	49,000
Career and Technical Education Equipment Grants.....	3,000	3,000	3,000
Authority Rentals and Sinking Fund Requirements.....	0	0	29,703
Pupil Transportation.....	549,097	549,097	499,097
Nonpublic and Charter School Pupil Transportation.....	80,009	80,009	80,009
Special Education.....	1,076,815	1,096,815	1,121,815
(F)Individuals with Disabilities Education - Local.....	457,000	470,000	470,000
Early Intervention.....	241,779	252,159	263,878
(F)Individuals with Disabilities Education.....	16,000	16,000	16,000
Tuition for Orphans and Children Placed in Private Homes.....	48,506	48,000	48,000
Payments in Lieu of Taxes.....	164	164	166
Education of Migrant Laborers' Children.....	853	853	853
PA Charter Schools for the Deaf and Blind.....	44,881	47,561	50,187
Special Education - Approved Private Schools.....	101,907	105,558	108,010
School Food Services.....	31,988	30,000	34,488
(F)Food and Nutrition - Local.....	695,704	717,946	740,188
School Employees' Social Security.....	437,023	492,082	529,500
School Employees' Retirement.....	1,719,000	2,064,000	2,304,000
Subtotal.....	\$ 11,768,015	\$ 12,467,933	\$ 12,965,569
(F)ESEA - Title I - Local.....	625,000	625,000	625,000
(F)Improving Teacher Quality - Title II - Local.....	130,000	130,000	130,000
(F)Title IV 21st Century Community Learning Centers - Local.....	90,000	90,000	90,000
(F)Title III - Language Instruction for LEP & Immigrant Student.....	20,000	20,000	20,000
(F)Title VI - Rural & Low Income School - Local.....	1,700	1,700	1,700
(F)Race to the Top.....	16,977	3,400	0
(F)Student Support and Academic Enrichment - Local.....	0	0	16,000
(F)TANF - Teenage Parenting Education (EA).....	13,784	16,433	16,433
(F)Teenage Parenting - Food Stamps (EA).....	1,722	863	0
(F)Early Learning Challenge Grant (EA).....	2,570	3,264	3,264
Subtotal.....	\$ 901,753	\$ 890,660	\$ 902,397
<b>Other Grants and Subsidies:</b>			
Educational Access Programs.....	6,275	6,030	0
Services to Nonpublic Schools.....	87,939	87,939	87,939
Textbooks, Materials and Equipment for Nonpublic Schools.....	26,751	26,751	26,751
Public Library Subsidy.....	54,470	54,470	54,470

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
Library Services for the Visually Impaired and Disabled.....	2,567	2,567	2,567
Library Access.....	3,071	3,071	3,071
Job Training and Education Programs.....	13,988	13,988	0
Safe School Initiative.....	8,527	8,527	8,527
Subtotal.....	\$ 203,588	\$ 203,343	\$ 183,325
<b>Higher Education - Other Grants and Subsidies:</b>			
Community Colleges.....	226,450	232,111	232,111
Transfer to Community College Capital Fund.....	48,869	48,869	48,869
Regional Community Colleges Services.....	3,000	3,000	3,000
Sexual Assault Prevention.....	0	1,000 <sup>a</sup>	1,000
Community Education Councils.....	2,375	2,425	2,425
Thaddeus Stevens College of Technology.....	12,949	13,273	13,273
Subtotal.....	\$ 293,643	\$ 300,678	\$ 300,678
<b>State System of Higher Education:</b>			
State Universities.....	433,389	444,224	453,108
Subtotal.....	\$ 433,389	\$ 444,224	\$ 453,108
<b>The Pennsylvania State University:</b>			
General Support.....	224,816	230,436	230,436
Pennsylvania College of Technology.....	19,584	20,074	20,074
Subtotal.....	\$ 244,400	\$ 250,510	\$ 250,510
<b>University of Pittsburgh:</b>			
General Support.....	140,693	144,210	144,210
Rural Education Outreach.....	2,500	2,563	2,563
Subtotal.....	\$ 143,193	\$ 146,773	\$ 146,773
<b>Temple University:</b>			
General Support.....	146,913	150,586	150,586
Subtotal.....	\$ 146,913	\$ 150,586	\$ 150,586
<b>Lincoln University:</b>			
General Support.....	14,084	14,436	14,436
Subtotal.....	\$ 14,084	\$ 14,436	\$ 14,436
Subtotal - State Funds.....	\$ 12,008,521	\$ 12,704,537	\$ 13,168,797
Subtotal - Federal Funds.....	2,140,457	2,164,606	2,198,585
Total - Grants and Subsidies.....	\$ 14,148,978	\$ 14,869,143	\$ 15,367,382
STATE FUNDS.....	\$ 12,103,266	\$ 12,801,142	\$ 13,268,107
FEDERAL FUNDS.....	2,393,197	2,410,726	2,388,024
AUGMENTATIONS.....	3,756	4,588	6,532
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 14,500,219</b>	<b>\$ 15,216,456</b>	<b>\$ 15,662,663</b>
<b>MOTOR LICENSE FUND:</b>			
<i>Grants and Subsidies:</i>			
Safe Driving Course.....	\$ 1,100	\$ 1,100	\$ 1,100
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Private Licensed Schools.....	\$ 875	\$ 854	\$ 955
Empowerment School Districts.....	4,681	4,500	4,500
Medical Assistance Reimbursements.....	82,038	200,000	200,000



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
GENERAL FUND TOTAL.....	\$ 87,594	\$ 205,354	\$ 205,455
<b>COMMUNITY COLLEGE CAPITAL FUND:</b>			
Community College Capital.....	\$ 0 <sup>b</sup>	\$ 0 <sup>b</sup>	\$ 0 <sup>b</sup>
<b>GOV. CASEY ORGAN &amp; TISSUE DONATION AWARENESS FUND:</b>			
Governor Casey Organ and Tissue Donation Awareness Fund (EA).....	\$ 200	\$ 200	\$ 200
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>			
Local Libraries Rehabilitation and Development (EA).....	\$ 3,399	\$ 3,564	\$ 3,801
SSHE - Deferred Maintenance (EA).....	15,295	16,036	17,106
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....	<u>\$ 18,694</u>	<u>\$ 19,600</u>	<u>\$ 20,907</u>
<b>PROPERTY TAX RELIEF FUND:</b>			
Property Tax Relief Payments (EA).....	\$ 616,500	\$ 617,900	\$ 617,900
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 12,103,266	\$ 12,801,142	\$ 13,268,107
SPECIAL FUNDS.....	1,100	1,100	1,100
FEDERAL FUNDS.....	2,393,197	2,410,726	2,388,024
AUGMENTATIONS.....	3,756	4,588	6,532
OTHER FUNDS.....	722,988	843,054	844,462
<b>TOTAL ALL FUNDS.....</b>	<u><u>\$ 15,224,307</u></u>	<u><u>\$ 16,060,610</u></u>	<u><u>\$ 16,508,225</u></u>

<sup>a</sup> Appropriated as Higher Education Assistance.

<sup>b</sup> Not added to the total to avoid double counting: 2015-16 Actual is \$48,869,000, 2016-17 Available is \$48,869,000, and 2017-18 Budget is \$48,869,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>EDUCATION SUPPORT SERVICES</b>							
GENERAL FUND.....	\$ 26,297	\$ 27,959	\$ 30,318	\$ 30,318	\$ 30,318	\$ 30,318	\$ 30,318
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	168,240	161,620	125,939	125,939	125,939	125,939	125,939
OTHER FUNDS.....	4,535	4,944	7,382	7,382	7,382	7,382	7,382
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 199,072</b>	<b>\$ 194,523</b>	<b>\$ 163,639</b>	<b>\$ 163,639</b>	<b>\$ 163,639</b>	<b>\$ 163,639</b>	<b>\$ 163,639</b>
<b>BASIC EDUCATION</b>							
GENERAL FUND.....	\$ 10,739,407	\$ 11,403,851	\$ 11,859,585	\$ 12,498,426	\$ 13,076,594	\$ 13,517,506	\$ 13,947,193
SPECIAL FUNDS.....	1,100	1,100	1,100	1,100	1,100	1,100	1,100
FEDERAL FUNDS.....	2,216,457	2,240,606	2,253,585	2,253,585	2,253,585	2,233,585	2,213,585
OTHER FUNDS.....	703,419	823,000	822,600	822,600	822,600	822,600	822,600
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 13,660,383</b>	<b>\$ 14,468,557</b>	<b>\$ 14,936,870</b>	<b>\$ 15,575,711</b>	<b>\$ 16,153,879</b>	<b>\$ 16,574,791</b>	<b>\$ 16,984,478</b>
<b>LIBRARY SERVICES</b>							
GENERAL FUND.....	\$ 61,940	\$ 62,125	\$ 62,113	\$ 62,113	\$ 62,113	\$ 62,113	\$ 62,113
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	8,500	8,500	8,500	8,500	8,500	8,500	8,500
OTHER FUNDS.....	3,495	3,662	3,906	4,054	4,122	4,242	4,278
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 73,935</b>	<b>\$ 74,287</b>	<b>\$ 74,519</b>	<b>\$ 74,667</b>	<b>\$ 74,735</b>	<b>\$ 74,855</b>	<b>\$ 74,891</b>
<b>HIGHER EDUCATION</b>							
GENERAL FUND.....	\$ 1,275,622	\$ 1,307,207	\$ 1,316,091	\$ 1,353,914	\$ 1,353,914	\$ 1,353,914	\$ 1,353,914
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	15,295	16,036	17,106	17,772	18,078	18,618	18,780
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,290,917</b>	<b>\$ 1,323,243</b>	<b>\$ 1,333,197</b>	<b>\$ 1,371,686</b>	<b>\$ 1,371,992</b>	<b>\$ 1,372,532</b>	<b>\$ 1,372,694</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 12,103,266	\$ 12,801,142	\$ 13,268,107	\$ 13,944,771	\$ 14,522,939	\$ 14,963,851	\$ 15,393,538
SPECIAL FUNDS.....	1,100	1,100	1,100	1,100	1,100	1,100	1,100
FEDERAL FUNDS.....	2,393,197	2,410,726	2,388,024	2,388,024	2,388,024	2,368,024	2,348,024
OTHER FUNDS.....	726,744	847,642	850,994	851,808	852,182	852,842	853,040
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 15,224,307</b>	<b>\$ 16,060,610</b>	<b>\$ 16,508,225</b>	<b>\$ 17,185,703</b>	<b>\$ 17,764,245</b>	<b>\$ 18,185,817</b>	<b>\$ 18,595,702</b>

**Program: Education Support Services**

*Goal: To provide an effective administrative system through which the substantive programs of the agency can be achieved.*

Education Support Services provides operational support to programs within the Department of Education to support the achievement of departmental and commonwealth objectives. The program seeks to provide robust services while minimizing costs of services provided, and to improve the operational efficiency of operating departments through enhanced information technology support and improved fiscal applications.

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)

		<b>General Government Operations</b>
\$	2,288	—to continue current program.
	2,000	—Initiative—to leverage federal funds for school improvement efforts at persistently low-achieving schools.
	-1,543	—Initiative—to implement complement savings.
	-386	—Initiative—cost savings realized through consolidation of administrative functions.
\$	<u>2,359</u>	<i>Appropriation Increase</i>

The Information and Technology Improvement appropriation is recommended at the current year funding level.

This budget recommends an additional \$290,000 in augmentations provided through instituting an administrative fee on higher education institutions for services provided by the Department of Education.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 22,297	\$ 23,959	\$ 26,318	\$ 26,318	\$ 26,318	\$ 26,318	\$ 26,318
Information and Technology Improvement	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>
<b>TOTAL GENERAL FUND .....</b>	<u>\$ 26,297</u>	<u>\$ 27,959</u>	<u>\$ 30,318</u>	<u>\$ 30,318</u>	<u>\$ 30,318</u>	<u>\$ 30,318</u>	<u>\$ 30,318</u>

## Program: PreK–12 Education (Basic Education)

*Goal: To prepare all students to graduate high school college-ready and career-ready and to be engaged citizens of the commonwealth.*

### **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 college and career ready when they graduate from high school and to be active citizens and future leaders in our commonwealth, our nation and in the global economy.

### **Program Element: Basic Education Funding**

Both the commonwealth and local school districts contribute to the financing of public elementary and secondary education for 1.73 million K-12 students in Pennsylvania. There are 500 local school districts in the commonwealth, each governed by a locally elected school board – or in the case of the School District of Philadelphia – an appointed commission. Funding provided to the school districts by the commonwealth supplements the funds raised locally and reduces differences in resources among districts.

The Basic Education Funding appropriation is the largest subsidy the commonwealth provides to local school districts. To increase academic achievement, school districts are encouraged to invest in evidence-based strategies, including high quality early childhood education, extended time learning, career and technical education aligned with high value occupational opportunities, professional development for teachers and hybrid and innovative learning options. The Department of Education supports school improvement and efficiency through targeted initiatives. In addition, the department provides support to schools and districts through its statewide system of support including technical assistance and support provided by intermediate units, targeted technical assistance provided by academic recovery liaisons working directly with low-performing schools, and materials, tools and resources made available to all schools and districts.

### **Program Element: Early Childhood Learning**

High quality early learning for Pennsylvania's youngest learners is crucial for both their short-term and long-term academic and social success. The benefits of a strong foundation in early childhood education have been recognized as one of the best economic development investments a state can make. Early childhood programs supported through the Department of Education appropriations include:

**Pre-K Counts.** This program provides high-quality early childhood education to income eligible Pennsylvania children in diverse settings, ranging from school-based programs, Keystone STARS 3 and 4 child care centers,

private academic preschools and Head Start agencies.

### **Head Start Supplemental Assistance Program.**

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.

### **Program Element: College and Career Ready**

**Pennsylvania Core Standards.** It is critically important that all Pennsylvania students graduate from high school, college-ready and career-ready. The commonwealth strives to help school districts create academic programs that are rigorous, results-focused, data informed and personalized in a way that is seamlessly supported by systems, resources, technology and shared leadership.

The State Board of Education has adopted academic standards in 12 subject areas. These standards are the benchmark measures that define what students should know and be able to do at specified grade levels beginning in grade three. In 2014, the State Board adopted new core standards in English Language Arts, Mathematics, and Reading and Writing in History/Social Studies and Science/Technology. As of 2015, the Pennsylvania State System of Assessments are now fully aligned to these new core standards. The assessments in English Language Arts and Mathematics are given to students in grades three through eight, and students in grades four and eight are administered the Science assessment. Keystone Exams are end-of-course exams in Literature, Algebra I and Biology aligned to core standards given to students to assess academic achievement in high school.

To better support student achievement of college and career standards, students and teachers have access to the Standards Aligned System, a web-based portal created and maintained by the department, which contains standards-aligned curriculum, instructional resources and assessment information and tools.

**Career and Technical Education.** Career and Technical Education serves 65,888 secondary students enrolled in Department of Education approved career and technical education programs of study at high schools, charter schools, and career and technical centers. Career and Technical Education programs are required to provide rigorous academic coursework to students while delivering skilled technical education designed in collaboration with workers and employers in high-demand occupations and industries. Career and Technical Education students

## Program: PreK–12 Education (continued)

have the opportunity to pursue career pathways in which students can earn high-value industry certifications and college credits through dual enrollment with postsecondary providers. Career and Technical Education is carefully aligned to career-specific skills and training leading to occupational opportunities.

### Program Element: Special Education

Special education serves 276,185 school-aged students in Pennsylvania school districts, charter schools, intermediate units, approved private schools and private residential facilities (excluding gifted students).

Public school special education programs are

administered by all school districts and charter schools, and may be directly operated by the districts or under contract with other school districts, intermediate units or other providers. If appropriate public education is not available, individualized education plan teams may determine an appropriate public education can only be provided by department-approved private schools or other private agencies.

State funds are also provided to serve 52,811 students aged three to five in Early Intervention programs and 3,464 students in Approved Private Schools/Charter Schools for the Deaf and Blind.

## Program Recommendations:

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

<b>GENERAL FUND</b>			
	<b>Youth Development Centers — Education</b>		<b>Early Intervention</b>
\$ 381	—to continue current program.	\$ 11,719	—to continue current program.
–23	—Initiative—to implement complement savings.		
<hr/>		\$ 2	<b>Payments in Lieu of Taxes</b>
\$ 358	<i>Appropriation Increase</i>		—to continue current program.
	<b>Basic Education Funding</b>	\$ 2,626	<b>PA Charter Schools for the Deaf and Blind</b>
\$ 100,000	—Initiative—to provide an increase for school district basic education programs in order to invest in education.		—to continue current program.
	<b>Pre-K Counts</b>	\$ 2,452	<b>Special Education-Approved Private Schools</b>
\$ 65,000	—Initiative—to invest in high-quality Pre-K education for 3- and 4-year-olds.		—to continue current program.
	<b>Head Start Supplemental Assistance</b>	\$ 2,488	<b>School Food Services</b>
\$ 10,000	—Initiative—to invest in high-quality Pre-K education for 3- and 4-year-olds.	2,000	—to continue current program.
	<b>Mobile Science and Math Education Programs</b>	<hr/>	—Initiative—to leverage federal funds for alternative breakfast delivery models.
\$ –2,214	—program elimination.	\$ 4,488	<i>Appropriation Increase</i>
	<b>Adult and Family Literacy</b>	\$ 37,418	<b>School Employees' Social Security</b>
\$ –800	—funding reduction.		—to continue current program.
	<b>Authority Rentals and Sinking Fund Requirements</b>	\$ 240,000	<b>School Employees' Retirement</b>
\$ 29,703	—to provide reimbursement for school construction and charter leases.		—to continue current program.
	<b>Pupil Transportation</b>	\$ –6,030	<b>Educational Access Programs</b>
\$ –50,000	—Initiative—cost savings realized through efficiencies from a new proposed funding formula.		—program elimination.
	<b>Special Education</b>	\$ –13,988	<b>Job Training and Education Programs</b>
\$ 25,000	—Initiative—to provide increased resources for school district special education instruction.		—program elimination.
			All other appropriations are recommended at the current year funding levels.
			<b>MOTOR LICENSE FUND</b>
			<b>Safe Driving Course</b>
			The Safe Driving Course appropriation is recommended at the current year funding level.

## Program: PreK–12 Education (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Office of Safe Schools Advocate .....	\$ 387	\$ 398	\$ 398	\$ 398	\$ 398	\$ 398	\$ 398
PA Assessment .....	58,300	58,300	58,300	58,300	58,300	58,300	58,300
Youth Development Centers – Education ..	7,929	7,931	8,289	8,289	8,289	8,289	8,289
Basic Education Funding .....	5,695,079	5,895,079	5,995,079	6,195,079	6,395,079	6,595,079	6,795,079
Ready to Learn Block Grant .....	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Pre-K Counts .....	122,284	147,284	212,284	252,284	292,284	332,284	372,284
Head Start Supplemental Assistance .....	44,178	49,178	59,178	69,178	79,178	89,178	99,178
Mobile Science and Math Education Programs .....	2,214	2,214	0	0	0	0	0
Teacher Professional Development .....	6,459	6,459	6,459	6,459	6,459	6,459	6,459
Adult and Family Literacy .....	12,075	12,475	11,675	11,675	11,675	11,675	11,675
Career and Technical Education .....	62,000	62,000	62,000	62,000	62,000	62,000	62,000
Career and Technical Education Equipment Grants .....	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Authority Rentals and Sinking Fund Requirements .....	0	0	29,703	140,406	226,551	223,997	221,758
Pupil Transportation .....	549,097	549,097	499,097	499,097	499,097	499,097	499,097
Nonpublic and Charter School Pupil Transportation .....	80,009	80,009	80,009	80,009	80,009	80,009	80,009
Special Education .....	1,076,815	1,096,815	1,121,815	1,171,815	1,221,815	1,271,815	1,321,815
Early Intervention .....	241,779	252,159	263,878	263,878	263,878	263,878	263,878
Tuition for Orphans and Children Placed in Private Homes .....	48,506	48,000	48,000	48,000	48,000	48,000	48,000
Payments in Lieu of Taxes .....	164	164	166	166	166	166	166
Education of Migrant Laborers' Children ...	853	853	853	853	853	853	853
PA Charter Schools for the Deaf and Blind Special Education – Approved Private Schools .....	44,881	47,561	50,187	51,617	54,493	57,399	60,335
Schools .....	101,907	105,558	108,010	111,087	117,276	123,531	129,851
School Food Services .....	31,988	30,000	34,488	34,488	34,488	34,488	34,488
School Employees' Social Security .....	437,023	492,082	529,500	539,305	549,437	559,916	570,759
School Employees' Retirement .....	1,719,000	2,064,000	2,304,000	2,514,000	2,683,000	2,803,000	2,911,000
Educational Access Programs .....	6,275	6,030	0	0	0	0	0
Services to Nonpublic Schools .....	87,939	87,939	87,939	90,873	93,806	96,740	99,674
Textbooks, Materials and Equipment for Nonpublic Schools .....	26,751	26,751	26,751	27,643	28,536	29,428	30,321
Job Training and Education Programs .....	13,988	13,988	0	0	0	0	0
Safe School Initiative .....	8,527	8,527	8,527	8,527	8,527	8,527	8,527
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 10,739,407</b>	<b>\$ 11,403,851</b>	<b>\$11,859,585</b>	<b>\$12,498,426</b>	<b>\$ 13,076,594</b>	<b>\$ 13,517,506</b>	<b>\$13,947,193</b>
<b>MOTOR LICENSE FUND:</b>							
Safe Driving Course .....	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100



## Program: Library Services

*Goal: To provide and improve library services to citizens of the commonwealth, special libraries and government agencies and employees.*

The proposed 2017-18 budget offers a variety of valued public library services to all Pennsylvanians.

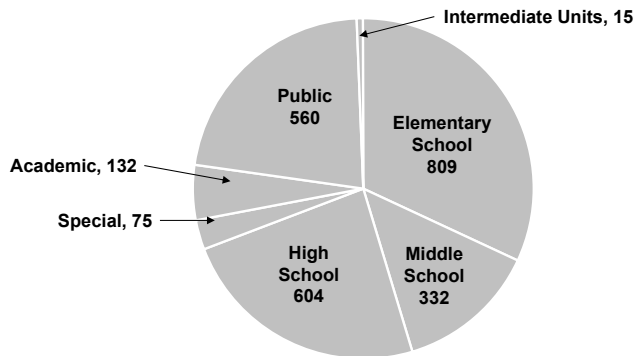
**Public Library Subsidy.** The commonwealth helps defray the cost of basic operations of Pennsylvania's more than 600 local public libraries that had nearly 43.3 million visitors who borrowed approximately 64 million books and other materials. Through participation in this program, libraries provide 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 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 2,500 Pennsylvania school, public, college, university and special libraries and intermediate units. 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. Pennsylvanians made more than 57,300 online inquiries to professional reference libraries in 2015-16.

### 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. Pennsylvania was a pioneer offering state-level library services to the visually impaired over 100 years ago and over 1.5 million materials are borrowed annually.

**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. Approximately 196,400 materials are accessed annually from the State Library.

## Program: Library Services (continued)

### Program Recommendations:

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

		<b>State Library</b>
\$	142	—to continue current program.
	-154	—Initiative—to implement complement savings.
	<u>        </u>	
\$	-12	<i>Appropriation Decrease</i>

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

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
State Library .....	\$ 1,832	\$ 2,017	\$ 2,005	\$ 2,005	\$ 2,005	\$ 2,005	\$ 2,005
Public Library Subsidy .....	54,470	54,470	54,470	54,470	54,470	54,470	54,470
Library Services for the Visually Impaired and Disabled .....	2,567	2,567	2,567	2,567	2,567	2,567	2,567
Library Access .....	3,071	3,071	3,071	3,071	3,071	3,071	3,071
<b>TOTAL GENERAL FUND .....</b>	<u>\$ 61,940</u>	<u>\$ 62,125</u>	<u>\$ 62,113</u>	<u>\$ 62,113</u>	<u>\$ 62,113</u>	<u>\$ 62,113</u>	<u>\$ 62,113</u>



## Program: Higher Education

*Goal: To promote access, affordability and performance in higher education through strategies to expand opportunity for students and align with employer needs, and to support the commonwealth's public institutions of higher education in achieving these goals.*

Higher education in Pennsylvania is provided through 243 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, specialized

associate degree-granting institutions, and out-of-state institutions that are approved to offer course work for credit in Pennsylvania. Funding for these institutions is through 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	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
State System of Higher Education.....	99,870	97,673	97,564	97,888	98,555	99,293	100,013
Community Colleges .....	86,185	86,890	87,894	88,691	89,328	90,014	90,711
State-Related Universities .....	165,654	167,884	170,529	173,372	175,928	178,806	181,812
Thaddeus Stevens College of Technology ....	865	1,104	1,147	1,177	1,191	1,197	1,191
<b>TOTAL .....</b>	<b>352,574</b>	<b>353,551</b>	<b>357,134</b>	<b>361,128</b>	<b>365,002</b>	<b>369,310</b>	<b>373,727</b>

### **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, performance measures and the operational cost of the individual campuses. Although each university has an individual mission, they all provide a broad liberal arts curriculum and most offer the master's and doctoral degree programs.

**Community Colleges.** Funding is shared by sponsoring counties or school districts, students through tuition payments and the commonwealth. Commonwealth appropriations are calculated to include base operating funding and economic development programs that focus on high-priority occupations. 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, certificate, or diploma. Noncredit workforce development courses are also offered that provide students with training geared towards immediate entry into the workforce.

**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 universities are major research universities that provide programs up to the doctoral level in varied academic disciplines and professional schools. The fourth, Lincoln University, provides programs in numerous disciplines at the baccalaureate and master degree levels.

**Thaddeus Stevens College of Technology.** The college provides two-year, technical education programs for qualified students. These programs are provided both on a tuition basis and at no cost for financially disadvantaged students. Thaddeus Stevens is dedicated to growing Pennsylvania's technical workforce and preparing students for high demand jobs within the commonwealth.

#### **Impact: Number of Degrees Awarded**

In 2015-16 the commonwealth's public colleges and universities awarded 87,529 postsecondary credentials ranging from the two-year associate degree to doctoral and professional degrees.

### **Program Element: Decreasing Time and Cost to College Completion**

To better serve the need of all students, the Department of Education administers a statewide college credit transfer system that enables students to transfer courses and associate degrees among 36 participating colleges and universities in Pennsylvania, including all of the

**Program: Higher Education (continued)**

**Table 2**  
**Higher Education Degrees Awarded**  
**by State-Supported Institutions of Higher Education**  
**(Actual and Projected)**

Institutional Category	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
State-Supported:							
State System of Higher Education.....	26,030	25,773	25,953	26,015	26,205	26,417	26,527
Community Colleges .....	18,189	18,421	18,614	18,797	18,947	19,129	19,318
State-Related Universities .....	42,970	43,064	43,937	44,648	45,463	46,354	47,228
Thaddeus Stevens College of Technology	340	333	373	385	387	387	387
<b>TOTAL .....</b>	<b>87,529</b>	<b>87,591</b>	<b>88,877</b>	<b>89,845</b>	<b>91,002</b>	<b>92,287</b>	<b>93,460</b>

commonwealth’s community colleges, State System of Higher Education institutions and state-related institutions.

**Program Element: Diversity in Disciplines**

The diversity of enrollments by discipline will shape the future of higher education. Enrollments in career-oriented disciplines such as business management, computer information systems, allied health professions and majors in the STEM fields — science, technology, engineering and math – are increasing. In 2015-16, there were 47,341 students enrolled in STEM majors at Pennsylvania postsecondary institutions. Providing access to these and other diverse disciplines is 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 addition to operating and capital support for Cheyney and Lincoln Universities in the 2017-18 budget, direct support of students is provided through support of the Bond-Hill Scholarship program and the Keystone Honors Program at Cheyney University.

**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 continued state general support for research at Pennsylvania State University, University of Pittsburgh and Temple 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.

**Program Element: Support Services**

The department provides leadership and support services to all sectors of higher education. Responsibilities include acting as a 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.

## 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 & Percent of Total		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Percent Change
	#	%	Actual	Available	Projected	Projected	Projected	Projected	Projected	
Agricultural and Natural Resources	#	1.19%	4,179	4,281	4,330	4,389	4,428	4,465	4,502	7.73%
	%		1.19%	1.21%	1.21%	1.22%	1.21%	1.21%	1.20%	
Arts and Letters	#	18.24%	64,324	63,278	62,934	62,632	62,521	62,455	62,380	-3.03%
	%		18.24%	17.90%	17.62%	17.34%	17.13%	16.91%	16.69%	
Business, Management and Data Processing	#	15.21%	53,623	54,551	55,565	56,671	57,284	58,064	59,098	10.21%
	%		15.21%	15.43%	15.56%	15.69%	15.69%	15.72%	15.81%	
Communications and Related Technologies	#	3.90%	13,755	13,102	13,160	13,077	13,121	13,173	13,232	-3.80%
	%		3.90%	3.71%	3.68%	3.62%	3.59%	3.57%	3.54%	
Computer and Information Sciences	#	3.91%	13,771	14,480	14,997	15,645	16,283	16,955	17,602	27.82%
	%		3.91%	4.10%	4.20%	4.33%	4.46%	4.59%	4.71%	
Education	#	5.17%	18,243	17,929	17,669	17,440	17,253	17,122	17,032	-6.64%
	%		5.17%	5.07%	4.95%	4.83%	4.73%	4.64%	4.56%	
Engineering, Architecture and Environmental Design	#	6.75%	23,786	24,329	25,260	26,323	27,338	28,346	29,336	23.33%
	%		6.75%	6.88%	7.07%	7.29%	7.49%	7.68%	7.85%	
Engineering Technologies and Related Technologies	#	1.59%	5,615	5,632	5,641	5,687	5,725	5,789	5,848	4.15%
	%		1.59%	1.59%	1.58%	1.57%	1.57%	1.57%	1.56%	
Health Professions, Health Sciences and Biological Sciences	#	16.83%	59,351	60,068	60,885	61,802	62,725	63,677	64,600	8.84%
	%		16.83%	16.99%	17.05%	17.11%	17.18%	17.24%	17.29%	
Home Economics, Human Services and Public Affairs	#	9.27%	32,692	32,486	32,835	33,169	33,391	33,673	33,910	3.73%
	%		9.27%	9.19%	9.19%	9.18%	9.15%	9.12%	9.07%	
Industrial, Repair, Construction and Transport Technologies	#	1.16%	4,101	4,268	4,335	4,406	4,461	4,502	4,540	10.70%
	%		1.16%	1.21%	1.21%	1.22%	1.22%	1.22%	1.21%	
Law	#	0.86%	3,019	3,004	2,990	2,955	2,909	2,868	2,826	-6.39%
	%		0.86%	0.85%	0.84%	0.82%	0.80%	0.78%	0.76%	
Physical Sciences, Mathematics and Related Technologies	#	5.05%	17,815	17,885	18,083	18,321	18,571	18,833	19,057	6.97%
	%		5.05%	5.06%	5.06%	5.07%	5.09%	5.10%	5.10%	
Social Sciences, Psychology, Area Studies and Foreign Languages	#	9.58%	33,788	33,675	33,860	33,915	34,180	34,457	34,705	2.71%
	%		9.58%	9.52%	9.48%	9.39%	9.36%	9.33%	9.29%	
Multi-Interdisciplinary Studies/ Military Studies	#	1.14%	4,004	4,067	4,119	4,210	4,310	4,415	4,528	13.09%
	%		1.14%	1.15%	1.15%	1.17%	1.18%	1.20%	1.21%	
Basic Skills and Developmental/ Remedial Education	#	0.14%	500	509	464	479	495	509	524	4.80%
	%		0.14%	0.14%	0.13%	0.13%	0.14%	0.14%	0.14%	
High School/ Secondary Diplomas and Certificates	#	0.00%	8	7	7	7	7	7	7	-12.50%
	%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
<b>TOTAL</b>			<b>352,574</b>	<b>353,551</b>	<b>357,134</b>	<b>361,128</b>	<b>365,002</b>	<b>369,310</b>	<b>373,727</b>	<b>6.00%</b>

The State System of Higher Education previously reported undeclared students into the majors that are most commonly selected by students. In this reporting year, the system has moved undeclared degree seeking students into General Studies (Arts and Letters Subject Area) to be consistent with the State-Related Universities and Community Colleges.

Temple University is now reporting undeclared students for the Residency Program in Health Professions, Health Sciences and Biological Sciences.

## Program: Higher Education (continued)

### Program Recommendations:

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

\$ 8,884 **State System of Higher Education**  
 —Initiative—to invest in higher education and  
 improve college access and completion.

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

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Community Colleges .....	\$ 226,450	\$ 232,111	\$ 232,111	\$ 239,074	\$ 239,074	\$ 239,074	\$ 239,074
Transfer to Community College							
Capital Fund.....	48,869	48,869	48,869	48,869	48,869	48,869	48,869
Regional Community Colleges Services ...	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Sexual Assault Prevention.....	0	1,000	1,000	1,000	1,000	1,000	1,000
Community Education Councils.....	2,375	2,425	2,425	2,425	2,425	2,425	2,425
Thaddeus Stevens College of Technology	12,949	13,273	13,273	13,671	13,671	13,671	13,671
State System of Higher Education.....	433,389	444,224	453,108	466,701	466,701	466,701	466,701
The Pennsylvania State University.....	244,400	250,510	250,510	258,025	258,025	258,025	258,025
University of Pittsburgh.....	143,193	146,773	146,773	151,176	151,176	151,176	151,176
Temple University .....	146,913	150,586	150,586	155,104	155,104	155,104	155,104
Lincoln University .....	14,084	14,436	14,436	14,869	14,869	14,869	14,869
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 1,275,622</b>	<b>\$ 1,307,207</b>	<b>\$ 1,316,091</b>	<b>\$ 1,353,914</b>	<b>\$ 1,353,914</b>	<b>\$ 1,353,914</b>	<b>\$ 1,353,914</b>

## Program Measures

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

### Program: PreK-12 Education (Basic Education)

**Objective: Make high quality early learning programs available to Pennsylvania children, particularly those at risk of academic failure.**

#### Early Childhood Education

School districts offering pre-kindergarten	82	82	82	82	82	82	82
Students enrolled in pre-kindergarten (excluding Head Start)	30,962	37,200	43,500	49,800	56,100	62,400	62,400
Students in state-funded Head Start Supplemental	5,728	5,580	6,610	7,640	8,670	9,700	10,730
Students in PA Pre-K Counts program	16,937	18,140	25,540	30,140	34,740	39,340	43,940

#### Early Intervention

Number of children participating in Early Intervention	52,811	53,700	54,800	54,800	54,800	54,800	54,800
Children who met their individual goals and no longer need Early Intervention prior to school age	1,535	1,700	1,700	1,700	1,700	1,700	1,700
Children receiving early intervention in typical early childhood educational settings such as home, child care or Head Start	73%	73%	73%	73%	73%	73%	73%

**Objective: Increase the number of K-12 students who acquire the essential skills in math, English, science and social studies by improving teacher effectiveness in all classrooms.**

#### Basic Education Targeted Investment

Public school enrollment (K-12)	1,731,588	1,730,000	1,728,000	1,726,000	1,724,000	1,722,000	1,720,000
---------------------------------	-----------	-----------	-----------	-----------	-----------	-----------	-----------

#### Secondary Education-College and Career Ready

Percentage of high schools offering at least one Advanced Placement course	98.63%	99%	99.32%	99.66%	100%	100%	100%
Number of Advanced Placement tests given in high schools	39,386	43,324	47,657	52,422	57,664	57,664	62,906
Percentage of Advanced Placement tests with scores of "3" or higher demonstrating mastery of the course	76%	79%	81%	84%	87%	87%	90%

#### Accountability

Percentage gains in mathematics PSSA proficiency from 5th to 8th grade-same students	2%	2%	2%	2%	2%	2%	2%
Percentage of students proficient/advanced in English language arts PSSAs	60%	63%	66%	69%	72%	75%	78%
Percentage gains in reading proficiency from 5th to 8th grade-same students	3%	3%	3%	3%	3%	3%	3%
Percentage of students proficient/advanced in mathematics PSSAs	42%	45%	48%	51%	54%	57%	60%

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Special Education</b>							
Pupils with disabilities enrolled in special education programs	276,185	276,185	276,185	276,185	276,185	276,185	276,185
Special education incidence rate	15%	15%	15%	15%	15%	15%	15%
<b>Other Education Programs</b>							
Nonpublic school enrollment	207,471	203,555	199,804	199,804	199,804	199,804	199,000

**Objective: Increase collaboration between schools, postsecondary education and training and industry partners to align instruction with workforce needs and emphasize the value of career and technical skills.**

### Career & Technical (Vocational) Education

Career and technical education enrollment	65,888	66,153	66,448	66,743	67,038	67,333	67,612
Percentage of vocational education program completers	76%	78%	80%	82%	84%	86%	88%
Skilled workforce - percentage of PA Skills Certificates awarded	60%	61%	62%	63%	64%	65%	66%
Industry certifications*	31,121	38,621	42,371	46,121	49,871	53,621	54,221

\* New Program Measure

### Program: Library Services

**Objective: Continue to meet the critical needs of early education and adult learning by reinforcing the role of libraries in the learning ecosystem and developing relationships.**

Annual visits to public libraries (in thousands)	43,253	43,686	44,122	44,564	45,009	45,459	45,913
Number of materials borrowed from public libraries (in thousands)	63,959	64,599	65,245	65,897	66,556	67,222	67,895
Items borrowed from public libraries children's collections- included above (in thousands)	24,106	24,347	24,591	24,836	25,085	25,336	25,590
Materials borrowed from libraries for blind and physically handicapped- included above (in thousands)	1,525	1,556	1,587	1,619	1,651	1,684	1,718
POWER Library use - items examined (in thousands)	87,749	88,626	89,513	90,408	91,312	92,225	93,147
Number of online inquiries by consumers to professional reference librarians (Ask Here PA)	57,337	57,910	58,489	59,074	59,665	60,262	60,865

**Objective: Expand programs to increase access to technologies and resources, especially to vulnerable and high poverty populations, and learners with physical limitations.**

Circulation of electronic materials in public libraries (in thousands)	5,273	5,326	5,379	5,433	5,487	5,542	5,598
--	-------	-------	-------	-------	-------	-------	-------

## Program Measures

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

**Objective: Increase awareness of the State Library of Pennsylvania's extensive research resources and services among commonwealth employees and the public.**

Number of items accessed from the State Library of Pennsylvania	196,383	198,346	200,330	202,333	204,356	206,400	206,400
Number of people attending public programs sponsored by the State Library	7,479	7,554	7,629	7,706	7,783	7,861	7,940

**Program: Higher Education**

**Objective: Ensure that Pennsylvania residents have access to high-quality postsecondary education and training.**

**Access & Affordability**

Minority undergraduate enrollment at public institutions	112,775	116,207	119,744	123,389	127,145	131,015	135,003
--	---------	---------	---------	---------	---------	---------	---------

**Outcomes**

Percentage of students enrolled in postsecondary education within 16 months of graduating from a Pennsylvania public high school*	64.10%	64.40%	64.50%	64.60%	64.60%	65%	65.50%
Number of learners enrolled in public postsecondary education*	488,358	478,538	468,916	459,487	450,487	441,195	432,324
Six-year graduation rate for full-time, first-time students at state system and state-related institutions*	53.67%	53.39%	53.42%	53.44%	53.47%	53.49%	53.51%
Three-year graduation rate for full-time, first-time students at community colleges*	18.91%	19%	19.16%	19.28%	19.41%	19.53%	19.66%

**Objective: Ensure that postsecondary education and training opportunities are aligned with high demand/high growth careers and jobs in the commonwealth.**

Increase the number of full-time students enrolled in STEM specific majors at state-supported institutions of higher education by 10,000 by 2020.*	47,341	48,780	50,263	51,793	53,372	55,000	56,870
Number of students receiving PA-TIP grants	1,640	1,798	1,970	2,161	2,361	2,597	2,846

\* New Program Measure



---

# HIGHER EDUCATION ASSISTANCE AGENCY

*The mission of the Pennsylvania Higher Education Assistance Agency is to provide affordable access to postsecondary education while helping to secure a strong economic future for the commonwealth through the development of a highly skilled workforce.*

The agency provides financial aid to higher education students in the form of grants, loans and employment opportunities through the coordination of state and federal aid programs. In addition, the agency provides institutional assistance grants to private institutions enrolling students who participate in the state grant program.

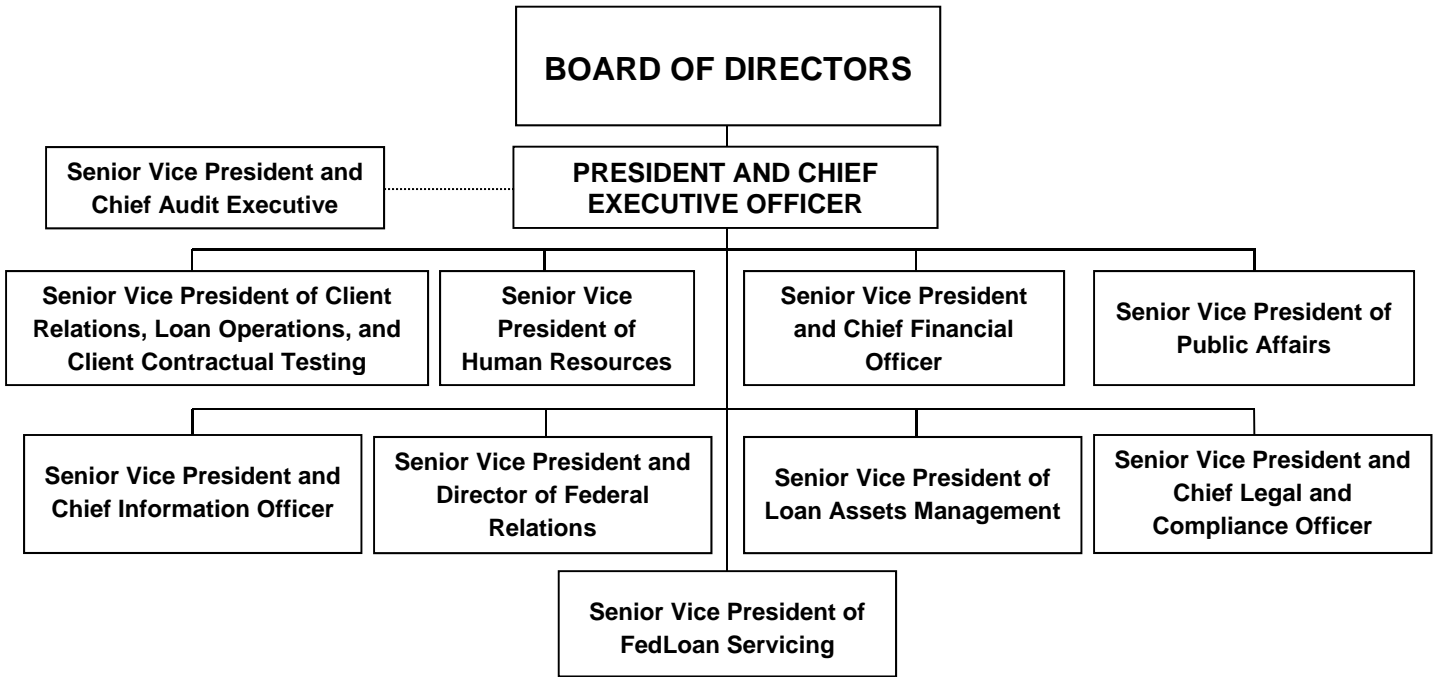
## Programs and Goals

**Financial Assistance to Students:** *To provide financial assistance to commonwealth residents in order to promote access to institutions of higher education.*

**Financial Aid to Institutions:** *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 and assist at-risk students by providing institutional funds for support services.*



## Organization Overview



- **Senior Vice President of Client Relations, Loan Operations, and Client Contractual Testing** responsibilities include managing third-party external client relationships, including federal and alternative loan assets, as well as overseeing systems provided to remote clients. The position also oversees the operations for servicing these portfolios and the contractual testing associated with compliance of these responsibilities.
- **Senior Vice President of Human Resources** is responsible for leading all facets of human resources by providing HR expertise and best practices to deliver quality programs and initiatives that support the organization's business model.
- **Senior Vice President and Chief Financial Officer** is responsible for all financial functions, including financial reporting, accounting, budgeting, credit, insurance, tax, public finance, treasury and administration.
- **Senior Vice President of Public Affairs** oversees public relations, legislative affairs, marketing communications, public service and State Grant and Special Program functions.
- **Senior Vice President and Chief Information Officer** manages the development, maintenance, and support of data processing systems and technology infrastructure.
- **Senior Vice President and Director of Federal Relations** is the primary liaison between the agency and the U.S. Congress, the U.S. Department of Education and other federal agencies.
- **Senior Vice President of Loan Assets Management** is responsible for all guaranty default prevention and post collection activities, as well as commercial collections and payment processing.
- **Senior Vice President and Chief Legal and Compliance Officer** responsibilities include reviewing and approving all agency agreements and managing all aspects of the agency's legal and compliance initiatives.
- **Senior Vice President of FedLoan Servicing** responsibilities include overseeing FedLoan Servicing as a U.S. Department of Education Title IV Additional Servicer. The position also manages and responds to all Department of Education solicitations for new business.
- **Senior Vice President and Chief Audit Executive** serves as an independent resource for conducting internal audits and advisory services projects, as well as coordinating various external audit activities.

### Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
2,835	3,050	3,507	3,736	3,691

# Higher Education Assistance Agency

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>Grants and Subsidies:</i>			
Grants to Students.....	\$ 266,235	\$ 272,891	\$ 272,891
(A)Grants to Students Supplement.....	125,000	87,000	87,000
(A)State Grant Distance Education.....	10,000	10,000	10,000
Ready to Succeed Scholarships.....	5,000	5,000	5,000
Higher Education for the Disadvantaged.....	2,246	2,246	2,246
Higher Education of Blind or Deaf Students.....	47	47	47
Pennsylvania Internship Program Grants.....	350	350	350
Matching Payments for Student Aid.....	12,496	12,496	12,496
Institutional Assistance Grants.....	25,121	25,749	12,874 <sup>a</sup>
Bond-Hill Scholarships.....	534	697	697
Cheyney Keystone Academy.....	1,525	1,813	1,813
(A)Cheyney Keystone Academy Supplement.....	0	0	500
Subtotal - State Funds.....	\$ 313,554	\$ 321,289	\$ 308,414
Subtotal - Augmentations.....	135,000	97,000	97,500
Total - Grants and Subsidies.....	<u>\$ 448,554</u>	<u>\$ 418,289</u>	<u>\$ 405,914</u>
STATE FUNDS.....	\$ 313,554	\$ 321,289	\$ 308,414
AUGMENTATIONS.....	135,000	97,000	97,500
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 448,554</u></b>	<b><u>\$ 418,289</u></b>	<b><u>\$ 405,914</u></b>
<b>OTHER FUNDS:</b>			
<b>HIGHER EDUCATION ASSISTANCE FUND:</b>			
Targeted Industry Cluster Scholarship Program.....	\$ 6,000	\$ 6,000	\$ 6,000
Educational Training Vouchers Program.....	1,519	1,523	1,523
Primary Health Care.....	266	166	4,589 <sup>b</sup>
<b>HIGHER EDUCATION ASSISTANCE FUND TOTAL.....</b>	<b><u>\$ 7,785</u></b>	<b><u>\$ 7,689</u></b>	<b><u>\$ 12,112</u></b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 313,554	\$ 321,289	\$ 308,414
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	0	0	0
AUGMENTATIONS.....	135,000	97,000	97,500
OTHER FUNDS.....	7,785	7,689	12,112
<b>TOTAL ALL FUNDS.....</b>	<b><u>\$ 456,339</u></b>	<b><u>\$ 425,978</u></b>	<b><u>\$ 418,026</u></b> <sup>c</sup>

<sup>a</sup> This budget proposes an institution matching requirement for the Institutional Assistance Grants program. Total aid, including the matching portion, will remain the same in 2017-18 as was appropriated in 2016-17.

<sup>b</sup> Includes \$4,550,000 to continue the Primary Health Care Practitioner loan repayment program formerly funded in the Department of Health and Human Services.

<sup>c</sup> Total assistance, including matching grants made by Institutional Assistance Grants recipient institutions, would equal \$430,900,000 in 2017-18.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>FINANCIAL ASSISTANCE TO STUDENTS</b>							
GENERAL FUND.....	\$ 286,187	\$ 293,294	\$ 293,294	\$ 293,294	\$ 293,294	\$ 293,294	\$ 293,294
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	142,785	104,689	109,612	109,573	109,573	109,573	109,573
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 428,972</b>	<b>\$ 397,983</b>	<b>\$ 402,906</b>	<b>\$ 402,867</b>	<b>\$ 402,867</b>	<b>\$ 402,867</b>	<b>\$ 402,867</b>
<b>FINANCIAL AID TO INSTITUTIONS</b>							
GENERAL FUND.....	\$ 27,367	\$ 27,995	\$ 15,120	\$ 15,120	\$ 15,120	\$ 15,120	\$ 15,120
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 27,367</b>	<b>\$ 27,995</b>	<b>\$ 15,120</b>	<b>\$ 15,120</b>	<b>\$ 15,120</b>	<b>\$ 15,120</b>	<b>\$ 15,120</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 313,554	\$ 321,289	\$ 308,414	\$ 308,414	\$ 308,414	\$ 308,414	\$ 308,414
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	142,785	104,689	109,612	109,573	109,573	109,573	109,573
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 456,339</b>	<b>\$ 425,978</b>	<b>\$ 418,026</b>	<b>\$ 417,987</b>	<b>\$ 417,987</b>	<b>\$ 417,987</b>	<b>\$ 417,987</b>

# Higher Education Assistance Agency

## Program: Financial Assistance to Students

*Goal: To provide financial assistance to commonwealth residents in order to promote access to institutions of higher education.*

The Pennsylvania Higher Education Assistance Agency (PHEAA) offers financial assistance programs to students in the form of grants, scholarships and work-study awards.

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.

Pennsylvania State Grants to Students are funded by an annual appropriation from the General Fund, a portion of PHEAA's business earnings and interest earnings from the Higher Education Assistance Fund. The PHEAA Board annually determines by regulation the distribution of funds to applicants on criteria including family income, family size and the cost of attendance at the institution the student will be attending. During 2015-16, over 153,000 awards were made to students. Beginning with the 2013-14 academic year, PHEAA offered a State Grant Distance Education Pilot program to provide grant awards to online students at participating institutions. Over 7,200 awards were disbursed to online students for 2015-16. The objective of the State Grant program is to reduce financial barriers and provide greater access to higher education for all commonwealth residents and, within the limits of the resources available, help to provide freedom of choice between public and private institutions.

The Ready to Succeed Scholarships program makes post-secondary educational opportunities more affordable to students from middle-income Pennsylvania families to pursue two-year and four-year post-secondary degrees at

any Pennsylvania college, university or technical school. During 2015-16, over 3,500 students benefitted from program awards.

The Matching Funds program provides funds to match federal funds and work-study awards which students earn through both on-campus and off-campus job opportunities. Matching funds also leverage private foundation scholarships. In 2015-16, 28,000 students benefitted from one of the Matching Funds programs.

The Targeted Industry Cluster Scholarship Program provides grants to students enrolled in certificate programs in the energy, advanced materials and diversified manufacturing, and agricultural and food production fields. In 2015-16, the third year of the program, over 1,500 students received awards.

The Higher Education of Blind or Deaf Students program provides assistance to any blind or deaf student who is a Pennsylvania resident and is enrolled in an approved institution of higher education.

The Horace Mann Bond-Leslie Pinckney Hill Scholarship program provides grants to graduates of Lincoln University and Cheyney University of Pennsylvania who enter select graduate programs or professional programs in law, medicine or dentistry at Temple University, the Pennsylvania State University or the University of Pittsburgh.

The Cheyney Keystone Honors Academy program provides scholarships to attract academically talented students to enroll at Cheyney University of Pennsylvania.

### Program Recommendations:

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

All appropriations are recommended at the current year funding level.

The budget recommends a total of \$108,050,000 for programs funded by PHEAA reserves. This includes \$87,000,000 for the Grants to Students Supplement, \$10,000,000 for State Grant Distance Education, \$500,000 for the Cheyney Keystone Academy Supplement, \$6,000,000 for the Targeted Industry Cluster Scholarship program and \$4,550,000 for the Primary Health Care program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Grants to Students.....	\$ 266,235	\$ 272,891	\$ 272,891	\$ 272,891	\$ 272,891	\$ 272,891	\$ 272,891
Ready to Succeed Scholarships.....	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Higher Education of Blind or Deaf Students.....	47	47	47	47	47	47	47
Pennsylvania Internship Program Grants.....	350	350	350	350	350	350	350
Matching Payments for Student Aid .....	12,496	12,496	12,496	12,496	12,496	12,496	12,496
Bond-Hill Scholarships .....	534	697	697	697	697	697	697
Cheyney Keystone Academy.....	1,525	1,813	1,813	1,813	1,813	1,813	1,813
<b>TOTAL GENERAL FUND.....</b>	<b>\$ 286,187</b>	<b>\$ 293,294</b>	<b>\$ 293,294</b>	<b>\$ 293,294</b>	<b>\$ 293,294</b>	<b>\$ 293,294</b>	<b>\$ 293,294</b>

## Program: Financial Aid to Institutions

*GOAL: 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 and assist at-risk students by providing institutional funds for support services.*

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-nine institutions are currently eligible to participate in the 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.

The Higher Education of the Disadvantaged, more commonly known as the Act 101 Program, provides funding to institutions for support services, academic advising, counseling, and tutoring to economically and educationally disadvantaged students. There are 32 programs operating at institutions across the commonwealth.

### Program Recommendations:

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

**GENERAL FUND**  
**Institutional Assistance Grants**  
 \$ -12,875 —Initiative—to institute matching fund requirement.

The Higher Education for the Disadvantaged appropriation is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Higher Education for the Disadvantaged...	\$ 2,246	\$ 2,246	\$ 2,246	\$ 2,246	\$ 2,246	\$ 2,246	\$ 2,246
Institutional Assistance Grants .....	25,121	25,749	12,874	12,874	12,874	12,874	12,874
<b>TOTAL GENERAL FUND.....</b>	<b>\$ 27,367</b>	<b>\$ 27,995</b>	<b>\$ 15,120</b>	<b>\$ 15,120</b>	<b>\$ 15,120</b>	<b>\$ 15,120</b>	<b>\$ 15,120</b>

# Higher Education Assistance Agency

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
--	---------	---------	---------	---------	---------	---------	---------

### Program: Financial Assistance to Students

**Objective: Increase enrollment and graduation rates at Pennsylvania's colleges and universities.**

#### Grants to Students

Applications for grants	577,445	538,179	527,415	522,141	516,920	511,750	506,633
Applications complete and needs tested for eligibility	375,111	368,721	367,111	381,217	380,275	378,921	377,421
Eligible applicants meeting qualifications	195,648	185,531	182,660	193,913	192,394	190,890	189,401
Eligible applicants enrolled and accepting grants	153,648	143,531	140,660	151,913	150,394	148,890	147,401
Eligible applicants not enrolled at a college/university	42,000	42,000	42,000	42,000	42,000	42,000	42,000
Grant amount as percentage of applicant's total educational cost	10%	9.50%	9%	8.50%	8%	7.50%	7%
Students receiving Blind or Deaf Scholarships	93	93	93	93	93	93	93
Students Receiving Pennsylvania Internship Program Awards	68	70	70	70	70	70	70

#### Work Study

Students assisted by federal, state and private funds	28,000	28,000	28,000	28,000	28,000	28,000	28,000
Student work study earnings (in millions)	\$63	\$63	\$63	\$63	\$63	\$63	\$63

**Objective: Develop a strong workforce in targeted industries in Pennsylvania through access to financial assistance for higher education.**

#### Grants to Students

Number of PA Targeted Industry Program (PA-TIP) applicants	2,673	2,700	2,750	2,750	2,750	2,750	2,750
Average Award for PA Targeted Industry Program (PA-TIP)	\$3,482	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400
Number of PA Targeted Industry Program (PA-TIP) participants	1,547	1,600	1,600	1,600	1,600	1,600	1,600

### Program: Financial Aid to Institutions

**Objective: Support programs at institutions through the development and preservation of a planned system of higher education across the commonwealth (through the IAG Program).**

Eligible grant recipients enrolled at eligible independent institutions	41,185	39,949	39,150	40,325	39,922	39,532	39,127
Per capita grants	\$616	\$644	\$658	\$639	\$645	\$652	\$658
Institutions aided	89	89	90	90	90	90	90

**Objective: Support programs at institutions that help economically and educationally disadvantaged students succeed in higher education.**

Institutions Aided through Act 101 Program	30	31	31	31	31	31	31
--	----	----	----	----	----	----	----

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# EMERGENCY MANAGEMENT AGENCY

*The mission of the Pennsylvania Emergency Management Agency is to save lives, reduce suffering and protect property and the environment by leading and coordinating commonwealth agencies and resources to prevent, protect, prepare, respond and recover from any man-made or natural disaster.*

The 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 agency also administers post-disaster aid to affected localities and citizens.

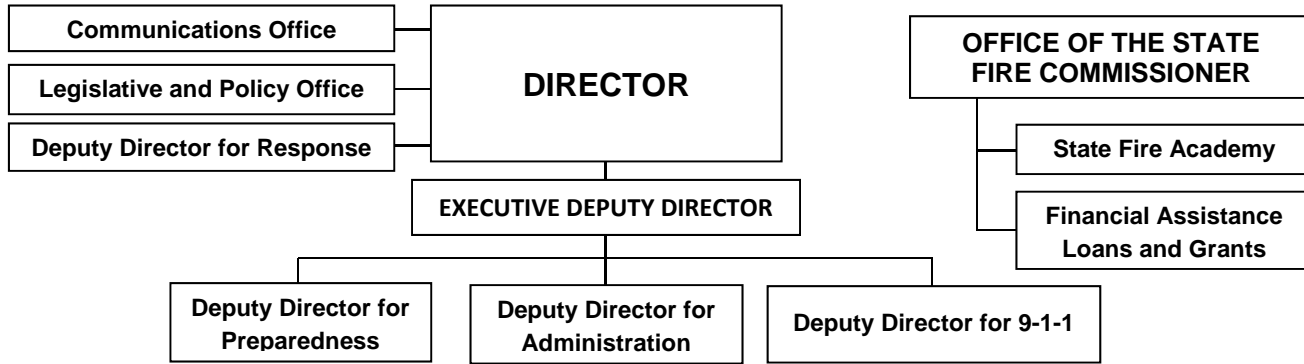
## **Programs and Goals**

**Emergency Management:** *To develop and maintain a statewide emergency preparedness and response program capable of immediate and effective action and rapid organizational expansion in the event of natural, technological or other man-made disasters.*

**Fire Prevention and Safety:** *To minimize the loss of life and property due to fire by developing and maintaining statewide municipal fire and emergency service capability and to promote citizen awareness to support community fire prevention and control efforts.*



## Organization Overview



- Deputy Director for Response** is responsible for all operational aspects of both steady state watch/warning functions and both internal and external disaster coordination and support operations of the agency. From an internal operations perspective, this includes oversight of the Commonwealth Watch and Warning Center (CWWC), which is the 24/7 state warning point, as well as the Commonwealth Response Coordination Center (CRCC), which, when activated, serves as the primary center for state agencies to coordinate assistance to local political subdivisions during a disaster using the Pennsylvania Resources and Incident Support Manual (PRISM). From an external operations perspective, this includes disaster preparedness and response activities associated with the identification and mobilization of specialized equipment, commodities, and resources to support state agencies and local political subdivisions with needed supplies, equipment and specialized response teams during emergencies or disasters.
- Deputy Director for Preparedness** oversees and manages the Bureau of Planning, Training, and Exercise is responsible for developing and defining strategies, goals and objectives that will formulate strategic plans for the agency, statewide emergency management and integration as well as emergency preparedness for the commonwealth. Oversees and manages Bureau of Technological Hazards; conducts technological hazard planning including the commonwealth's five nuclear power plants; and trains and conducts emergency preparedness exercises to ensure that commonwealth citizens, county, and local emergency management programs, first responders and commonwealth agencies are prepared to deal with emergencies. As a recipient of Homeland Security Grant funds, identifies threats and hazards that exist in the commonwealth and identifies needed planning, organization, exercise, training, and equipment in order to mitigate, protect, prevent, respond and recover from a terroristic threat or an all-hazards incident.
- Deputy Director for Administration** oversees and manages a comprehensive administrative and management services program. Responsible for all agency activities related to manpower, staff utilization planning, classification and pay, labor relations; and provides fiscal, budget, facility management, procurement, and grants management services. Responsible for the administration of the federal- and state-funded public assistance, individual assistance and hazard mitigation programs that provide financial assistance to disaster victims.
- Deputy Director for 9-1-1** directs the strategic planning, policy development, implementation and integration of statewide 9-1-1 systems. Leading the transition from legacy 9-1-1 to Next Generation 9-1-1 systems and development and deployment of a Emergency Services IP Network connecting all Public Safety Answering Points.
- State Fire Commissioner** is charged with meeting the diverse training, operational, and informational needs of the Commonwealth's fire and emergency services community. The Commissioner, who is appointed by the Governor, oversees the development and operation of Pennsylvania's emergency service training program. The commissioner is responsible for the development of a comprehensive fire incident reporting system.

## Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
190	193	195	198	198

# Emergency Management Agency

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 10,301</b>	<b>\$ 10,936</b>	<b>\$ 11,156</b>
(F)Civil Preparedness.....	21,000	21,000	21,000
(F)Hazardous Materials Planning and Training.....	900	900	900
(F)Domestic Preparedness - First Responders (EA).....	130,000	130,000	100,000
(F)School Emergency Management Planning (EA).....	958	636	0
(A)Miscellaneous.....	16	0	0
Subtotal.....	<u>\$ 163,175</u>	<u>\$ 163,472</u>	<u>\$ 133,056</u>
<b>State Fire Commissioner.....</b>	<b>2,150</b>	<b>2,291</b>	<b>2,474</b>
(F)Fire Prevention.....	42	42	42
(F)Firefighters Assistance Program (EA).....	110	117	150
(A)Fire Academy Fees.....	4	0	0
(A)Volunteer Company Loan Program.....	250	250	250
(A)Volunteer Company Grant Program.....	250	800	800
Subtotal.....	<u>\$ 2,806</u>	<u>\$ 3,500</u>	<u>\$ 3,716</u>
Subtotal - State Funds.....	\$ 12,451	\$ 13,227	\$ 13,630
Subtotal - Federal Funds.....	153,010	152,695	122,092
Subtotal - Augmentations.....	520	1,050	1,050
Total - General Government.....	<u>\$ 165,981</u>	<u>\$ 166,972</u>	<u>\$ 136,772</u>
<i>Grants and Subsidies:</i>			
<b>Disaster Relief (EA).....</b>	<b>\$ 500</b>	<b>\$ 0</b>	<b>\$ 5,200</b>
(F)Disaster Relief (EA).....	27,772	48,276	26,000
(F)Hazard Mitigation (EA).....	23,808	6,224	13,000
(F)SCDBG - Disaster Recovery (EA).....	0	8,365	0
<b>Firefighters Memorial Flag.....</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Red Cross Extended Care Program.....</b>	<b>150</b>	<b>150</b>	<b>150</b>
<b>Search and Rescue.....</b>	<b>250</b>	<b>250</b>	<b>0</b>
<b>Local Municipal Emergency Relief.....</b>	<b>3,000</b>	<b>0</b>	<b>0</b>
Subtotal.....	<u>\$ 55,490</u>	<u>\$ 63,275</u>	<u>\$ 44,360</u>
Subtotal - State Funds.....	\$ 3,910	\$ 410	\$ 5,360
Subtotal - Federal Funds.....	51,580	62,865	39,000
Total - Grants and Subsidies.....	<u>\$ 55,490</u>	<u>\$ 63,275</u>	<u>\$ 44,360</u>
STATE FUNDS.....	\$ 16,361	\$ 13,637	\$ 18,990
FEDERAL FUNDS.....	204,590	215,560	161,092
AUGMENTATIONS.....	520	1,050	1,050
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 221,471</u></b>	<b><u>\$ 230,247</u></b>	<b><u>\$ 181,132</u></b>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
VoIP Emergency Services Fund.....	\$ 6,780	\$ 0	\$ 0
Radiological Emergency Response Planning.....	1,170	1,475	1,475
Radiation Emergency Response Fund.....	754	750	750
Radiation Transportation Emergency Response Fund.....	53	150	100
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 8,757</u></b>	<b><u>\$ 2,375</u></b>	<b><u>\$ 2,325</u></b>

# Emergency Management Agency

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2015-16	2016-17	2017-18
	ACTUAL	AVAILABLE	BUDGET
<b>HAZARDOUS MATERIAL RESPONSE FUND:</b>			
General Operations.....	\$ 190	\$ 190	\$ 190
Hazardous Materials Response Team.....	190	190	190
Grants to Counties.....	1,330	1,330	1,347
Public and Facility Owner Education.....	190	190	190
<b>HAZARDOUS MATERIAL RESPONSE FUND TOTAL.....</b>	<b><u>\$ 1,900</u></b>	<b><u>\$ 1,900</u></b>	<b><u>\$ 1,917</u></b>
<b>PROPERTY TAX RELIEF FUND:</b>			
Transfer to Volunteer Company Grants Program (EA).....	\$ 5,000	\$ 5,000	\$ 5,000
<b>STATE GAMING FUND:</b>			
Transfer to Volunteer Company Grants Program (EA).....	\$ 25,000	\$ 25,000	\$ 25,000
<b>UNCONVENTIONAL GAS WELL FUND:</b>			
Emergency Response Planning.....	\$ 750	\$ 750	\$ 750
First Responders Equipment and Training.....	750	750	750
<b>UNCONVENTIONAL GAS WELL FUND TOTAL.....</b>	<b><u>\$ 1,500</u></b>	<b><u>\$ 1,500</u></b>	<b><u>\$ 1,500</u></b>
<b>VOLUNTEER COMPANIES LOAN FUND:</b>			
Volunteer Company Loans.....	\$ 15,346	\$ 18,000	\$ 20,000
Transfer to the General Fund.....	0	9,000	0
<b>VOLUNTEER COMPANIES LOAN FUND TOTAL.....</b>	<b><u>\$ 15,346</u></b>	<b><u>\$ 27,000</u></b>	<b><u>\$ 20,000</u></b>
<b>911 FUND:</b>			
General Operations (EA).....	\$ 4,100	\$ 6,400	\$ 6,400
Emergency Services Grants (EA).....	234,000	313,000	313,600
<b>911 FUND TOTAL.....</b>	<b><u>\$ 238,100</u></b>	<b><u>\$ 319,400</u></b>	<b><u>\$ 320,000</u></b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 16,361	\$ 13,637	\$ 18,990
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	204,590	215,560	161,092
AUGMENTATIONS.....	520	1,050	1,050
OTHER FUNDS.....	295,603	382,175	375,742
<b>TOTAL ALL FUNDS.....</b>	<b><u>\$ 517,074</u></b>	<b><u>\$ 612,422</u></b>	<b><u>\$ 556,874</u></b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>EMERGENCY MANAGEMENT</b>							
GENERAL FUND.....	\$ 14,051	\$ 11,186	\$ 16,356	\$ 11,156	\$ 11,156	\$ 11,156	\$ 11,156
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	204,438	215,401	160,900	160,900	160,900	160,900	160,900
OTHER FUNDS.....	249,523	324,425	324,992	324,975	324,975	324,975	324,975
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 468,012</b>	<b>\$ 551,012</b>	<b>\$ 502,248</b>	<b>\$ 497,031</b>	<b>\$ 497,031</b>	<b>\$ 497,031</b>	<b>\$ 497,031</b>
<b>FIRE PREVENTION AND SAFETY</b>							
GENERAL FUND.....	\$ 2,310	\$ 2,451	\$ 2,634	\$ 2,634	\$ 2,634	\$ 2,634	\$ 2,634
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	152	159	192	192	192	192	192
OTHER FUNDS.....	46,600	58,800	51,800	51,800	51,800	51,800	51,800
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 49,062</b>	<b>\$ 61,410</b>	<b>\$ 54,626</b>	<b>\$ 54,626</b>	<b>\$ 54,626</b>	<b>\$ 54,626</b>	<b>\$ 54,626</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 16,361	\$ 13,637	\$ 18,990	\$ 13,790	\$ 13,790	\$ 13,790	\$ 13,790
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	204,590	215,560	161,092	161,092	161,092	161,092	161,092
OTHER FUNDS.....	296,123	383,225	376,792	376,775	376,775	376,775	376,775
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 517,074</b>	<b>\$ 612,422</b>	<b>\$ 556,874</b>	<b>\$ 551,657</b>	<b>\$ 551,657</b>	<b>\$ 551,657</b>	<b>\$ 551,657</b>

## Program: Emergency Management

*Goal: To develop and maintain a statewide emergency preparedness and response program capable of immediate and effective action and rapid organizational expansion in the event of natural, technological or other man-made disasters.*

The Pennsylvania Emergency Management Agency (PEMA) was created in 1951 to address civil defense related public planning and preparedness. Since then, PEMA's responsibilities have evolved, and the agency's mission has grown into that of a statewide all-hazards emergency management agency. The agency's mission is accomplished through systematic preparation for the threats that pose the greatest risk to the safety and security of the commonwealth, including natural and man-made disasters, pandemics and acts of terrorism. PEMA has adopted the "Whole Community" approach to emergency management that recognizes it takes all aspects of a community to effectively prepare for, protect against, respond to, recover from and mitigate against any disaster.

Pennsylvania preparedness occurs as the result of actions taken to plan, train and equip to build and sustain the capabilities and capacity to protect our state during emergency events. The agency has several objectives that help meet the statewide preparedness goal: increase community outreach to better prepare citizens to appropriately respond to all-hazard threats within their community; increase capabilities of emergency management within the commonwealth; increase the efficiency of federal and state grant administration; develop reliable statewide access to 911 and foster a unified approach to Next Generation 911 services; and reduce the risks to critical infrastructure from acts that would severely diminish the ability of government to perform essential health and safety missions and negatively impact our people, vital interests and way of life.

Pennsylvania's "Whole Community" public preparedness program is based on inter 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 coordination and 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; alleviate human suffering and hardship resulting from natural and man-made disasters; and deploy rapidly when required.

PEMA's responsibilities include programs concerning prison and community safety, initiatives related to 911 technology, operation and policy, statewide chemical and

nuclear power safety, hazardous materials transportation and individual emergency preparedness. PEMA assists local governments with hazard assessments, emergency planning, warning systems and emergency communications, and ongoing training programs to help them maintain their readiness. PEMA maintains and operates the commonwealth's Watch and Warning Center on a 24/7 basis. In times of disaster, PEMA is responsible for all actions related to gubernatorial emergency declarations, presidential disaster declarations and all coordination with the Federal Emergency Management Agency.

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. Counties are also required to have current hazard mitigation plans. 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 first line of response to emergency conditions.

PEMA is responsible by law to require the operator of an unconventional well site to develop an emergency response plan that provides for equipment, procedures, training and documentation to properly respond to emergencies that threaten human health and safety for each well site or planned well site.

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.

PEMA is responsible for carrying out the provisions of the Pennsylvania 911 Act, the decision-making aspects of Next Generation 911 (NG9-1-1) development, ensuring compliance with legislative policy and supporting plans and procedures, collaboration among stakeholders and informing the public about relevant aspects of 911. PEMA strives to act as both a visionary and a change agent for NG9-1-1 transformation initiatives.

# Emergency Management Agency

## Program: Emergency Management (continued)

### Program Recommendations:

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

	<b>General Government Operations</b>		<b>Search and Rescue</b>
\$ 507	—to continue current program.	\$ -250	—program elimination.
-230	—Initiative—to implement complement savings.		
-57	—Initiative—cost savings realized through consolidation of administrative functions.	\$ 5,200	<b>Disaster Relief</b>
			—state match for federally funded projects.
\$ 220	<i>Appropriation Increase</i>		

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 10,301	\$ 10,936	\$ 11,156	\$ 11,156	\$ 11,156	\$ 11,156	\$ 11,156
Disaster Relief (EA) .....	500	0	5,200	0	0	0	0
Search and Rescue .....	250	250	0	0	0	0	0
Local Municipal Emergency Relief .....	3,000	0	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 14,051</b>	<b>\$ 11,186</b>	<b>\$ 16,356</b>	<b>\$ 11,156</b>	<b>\$ 11,156</b>	<b>\$ 11,156</b>	<b>\$ 11,156</b>

## Program: Fire Prevention and Safety

*Goal: To minimize the loss of life and property due to fire by developing and maintaining statewide municipal fire and emergency service capability and to promote citizen awareness to support community fire prevention and control efforts.*

The commissioner oversees the development and operation of the State Fire Academy, an alternative energy curriculum that specifically addresses gas production from Marcellus Shale wells, a variety of public education and information programs, the Volunteer Loan Assistance Program (VLAP), the Fire Company and Volunteer Ambulance Service Grant program, the Pennsylvania Fire Information Reporting System and the administration of the Firefighters Memorial Flag Program. The commissioner is also 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 commissioner's office provides technical assistance; collects, reviews and disseminates pertinent information about fire death data as well as fire prevention and control techniques; and conducts statewide fire safety educational programs for the entire fire service community.

The State Fire Academy in Lewistown is the catalyst for the delivery of training and certification to the commonwealth's fire and emergency response community. The Local Level Training program, a unique system involving the academy, 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 departments.

The academy's training facilities and staff support the Resident Training programs offering mid-level, advanced and specialty training in fire, rescue, hazardous material and officer development courses aimed at

providing professional development opportunities for the commonwealth's fire service, state certified instructors and employees from other state agencies. Programs of interest and concern are made available to the emergency services providers through the academy's "Academy on the Road" program. The academy manages the Firefighter Certification program that measures individual knowledge and skills against nationally accepted professional standards to assist responders in maximizing their training and experience credentials.

VLAP provides assistance to the volunteer fire fighting, ambulance and rescue community in the form of low-interest loans for the purpose of establishing or modernizing facilities to house apparatus and equipment; purchasing new or rehabilitating old apparatus; and purchasing protective, communications and accessory equipment.

The Fire Company and Volunteer Ambulance Service Grant program annually transfers \$25 million from the State Gaming Fund and \$5 million from the Property Tax Relief Fund to the grants program to provide grant funding to all fire companies and volunteer ambulance services to assist in maintaining or improving capability to provide fire, ambulance and rescue services. Approximately 2,400 grants are awarded annually for this program.

Act 168 of 1990, which provides for a flag to honor firefighters who have died in the line of duty, assigns the Office of the Pennsylvania State Fire Commissioner the responsibility to implement the provisions of the act. As part of its involvement in this program, the fire commissioner's office provides personal support and assistance to fire departments and surviving relatives immediately following such deaths and attempts to ascertain and use lessons learned to reduce the number of firefighter deaths in the future.

### Program Recommendations:

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

\$	183	<b>State Fire Commissioner</b> —to continue current program.
----	-----	---

The Firefighters Memorial Flag and Red Cross Extended Care Program appropriations are recommended at the current year funding levels.

# Emergency Management Agency

## Program: Fire Prevention and Safety (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
State Fire Commissioner .....	\$ 2,150	\$ 2,291	\$ 2,474	\$ 2,474	\$ 2,474	\$ 2,474	\$ 2,474
Firefighters Memorial Flag.....	10	10	10	10	10	10	10
Red Cross Extended Care Program.....	150	150	150	150	150	150	150
TOTAL GENERAL FUND .....	<u>\$ 2,310</u>	<u>\$ 2,451</u>	<u>\$ 2,634</u>	<u>\$ 2,634</u>	<u>\$ 2,634</u>	<u>\$ 2,634</u>	<u>\$ 2,634</u>



## Program Measures

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

**Program: Emergency Management**

**Objective: Provide support to local leaders to strengthen recovery and mitigation capabilities.**

State and local emergency management personnel trained	3,447	3,500	3,500	3,500	3,500	3,500	3,500
--	-------	-------	-------	-------	-------	-------	-------

**Objective: Improve the preparedness and response capabilities of individuals and communities to all hazards.**

Percentage of residents prepared for a disaster	65%	70%	75%	80%	85%	90%	90%
---	-----	-----	-----	-----	-----	-----	-----

Percentage of counties that request funding for Citizen Corps programs or outreach materials	65%	70%	75%	80%	80%	80%	80%
--	-----	-----	-----	-----	-----	-----	-----

**Objective: Streamline the delivery and investment of homeland security and emergency management funding.**

State and federal emergency management grant funds disbursed	\$53,631	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
--	----------	----------	----------	----------	----------	----------	----------

**Program: Fire Prevention and Safety**

**Objective: Improve fire department effectiveness and service delivery, and promote and enhance the safety of first responders through participation in firefighter certification programs and training opportunities.**

**Emergency Preparedness and Response**

State Fire Academy entry level training graduates	8,657	8,700	8,700	8,700	8,700	8,700	8,700
---	-------	-------	-------	-------	-------	-------	-------

Individuals nationally certified at Firefighter I or higher at the State Fire Academy Certification Program	3,498	3,550	3,600	3,600	3,600	3,600	3,600
---	-------	-------	-------	-------	-------	-------	-------

Percent of fire departments reporting incidents to the PA Fire Information Reporting System	52%	66%	75%	80%	85%	90%	90%
---	-----	-----	-----	-----	-----	-----	-----

Volunteer company loans approved (in thousands)	\$16,000	\$18,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
---	----------	----------	----------	----------	----------	----------	----------

Fire departments participating in Fire Department Recognition Program	487	500	550	600	650	700	700
---	-----	-----	-----	-----	-----	-----	-----



---

# DEPARTMENT OF ENVIRONMENTAL PROTECTION

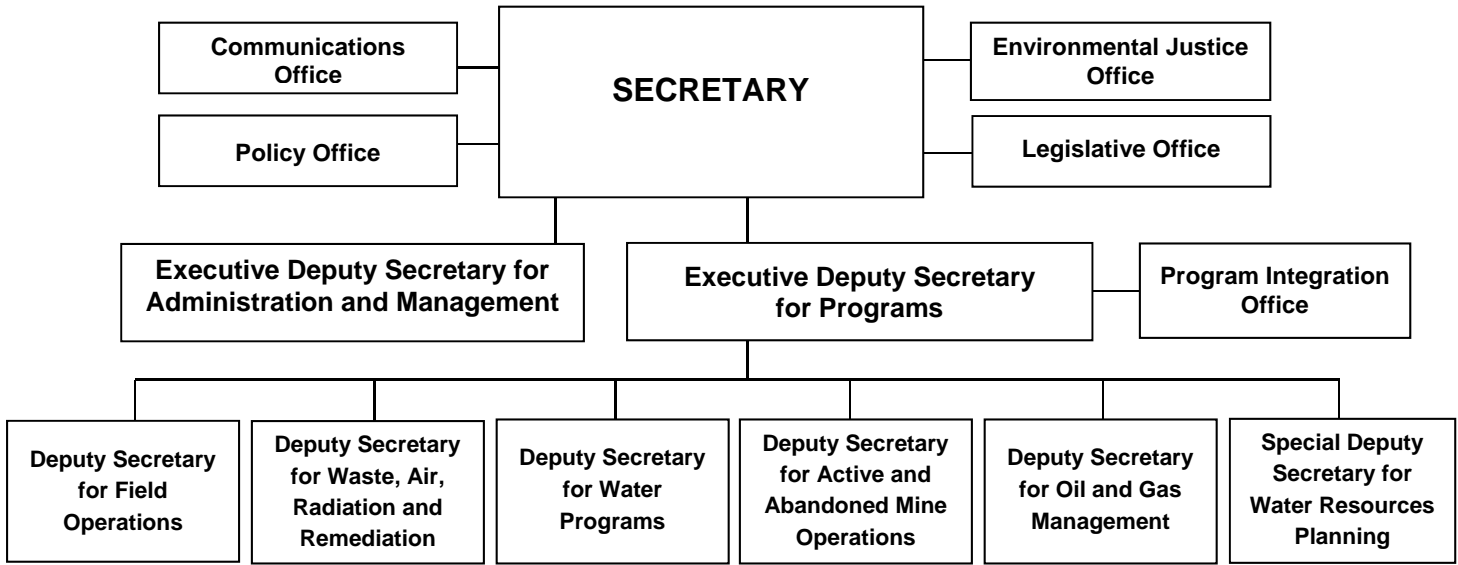
*The mission of the Department of Environmental Protection is to protect Pennsylvania's air, land and water from pollution and to provide for the health and safety of its citizens through a cleaner environment. The department will work as partners with individuals, organizations, governments and businesses to prevent pollution and restore our natural resources.*

## **Programs and Goals**

**Environmental Support Services:** *To provide administrative and technical support for the commonwealth's environmental protection programs.*

**Environmental Protection and Management:** *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 manmade 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.*

## Organization Overview



- **Executive Deputy Secretary for Administration and Management** oversees the agency's business management and finance functions. The deputy is instrumental in formulating and executing agency strategies to improve operations and staff performance.
- **Deputy Secretary for Field Operations** oversees the six regional offices.
- **Deputy Secretary for Waste, Air, Radiation and Remediation** oversees the bureaus of Waste Management, Air Quality, Radiation Protection and Environmental Cleanup and Brownfields (remediation).
- **Deputy Secretary for Water Programs** oversees a dedicated Chesapeake Bay Office and the bureaus of Waterways Engineering and Wetlands, Safe Drinking Water and Clean Water.
- **Deputy Secretary for Active and Abandoned Mine Operations** oversees the bureaus of Mining Programs, Abandoned Mine Reclamation, Mine Safety and District Mining Operations.
- **Deputy Secretary for Oil and Gas Management** directs the bureaus of Oil and Gas Planning and Program Management and District Oil and Gas Operations. Oversees the development of departmental policy as well as regulatory and technical guidance on oil and gas activities in Pennsylvania and outreach and education for the public and regulatory communities.
- **Special Deputy Secretary for Water Resources Planning** oversees the Compacts and Commission Office to lead water resource planning and partner outreach efforts.

### Authorized Complement\*

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
2,784	2,784	2,722	2,696	2,702

\*Includes Environmental Hearing Board.

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

### GENERAL FUND:

#### General Government:

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>General Government Operations.....</b>	<b>\$ 13,376</b>	<b>\$ 13,931</b>	<b>\$ 13,457</b>
(A)Reimbursement - EDP Services.....	7,676	11,547	13,467
(A)Department Services.....	127	9	175
Subtotal.....	<b>\$ 21,179</b>	<b>\$ 25,487</b>	<b>\$ 27,099</b>

<b>Environmental Hearing Board.....</b>	<b>2,379</b>	<b>2,490</b>	<b>2,359</b>
(A)Reimbursement for Services.....	0	1	1
Subtotal.....	<b>\$ 2,379</b>	<b>\$ 2,491</b>	<b>\$ 2,360</b>

<b>Environmental Program Management.....</b>	<b>28,277</b>	<b>30,025</b>	<b>30,054</b>
(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.....	3,200	3,200	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.....	550	550	550
(F)Water Quality Outreach Operator Training.....	200	200	200
(F)Water Quality Management Planning Grants.....	1,150	1,150	1,150
(F)Small Operators Assistance.....	300	300	300
(F)Wellhead Protection Fund.....	250	250	250
(F)Indoor Radon Abatement.....	700	700	700
(F)Non-Point Source Implementation.....	14,800	14,800	14,800
(F)Hydroelectric Power Conservation Fund.....	51	51	51
(F)Survey Studies.....	5,000	5,000	5,000
(F)National Dam Safety.....	300	300	300
(F)Training Reimbursement for Small Systems.....	3,500	3,500	3,500
(F)State Energy Program.....	15,000	15,000	15,000
(F)Pollution Prevention.....	800	800	800
(F)Energy & Environmental Opportunities.....	1,200	1,200	1,200
(F)Surface Mine Conservation.....	680	680	680
(F)Multipurpose Grants to States and Tribes.....	0	600	600
(F)Abandoned Mine Reclamation (EA).....	55,000	77,000	77,000
(F)Nuclear and Chemical Security (EA).....	25	24	0
(F)Homeland Security Initiative (EA).....	500	700	700
(A)Payments - Department Services.....	1,334	1,332	1,332
(A)Vehicle Sales.....	4	5	5
(A)PA DOT ISTEA Program.....	2	5	5
(A)Reimbursement from Water Pollution Control Revolving Fund.....	260	200	200
(A)Safe Drinking Water Revolving Fund Administration.....	325	300	300
(R)Sewage Facilities Program Administration (EA).....	1,000	623	752
(R)Used Tire Pile Remediation (EA).....	0	387	1,003
Subtotal.....	<b>\$ 161,148</b>	<b>\$ 185,622</b>	<b>\$ 186,372</b>

<b>Chesapeake Bay Agricultural Source Abatement.....</b>	<b>2,619</b>	<b>2,645</b>	<b>2,591</b>
(F)Chesapeake Bay Pollution Abatement.....	9,200	10,200	10,200
Subtotal.....	<b>\$ 11,819</b>	<b>\$ 12,845</b>	<b>\$ 12,791</b>

<b>Environmental Protection Operations.....</b>	<b>87,172</b>	<b>89,066</b>	<b>90,841</b>
(F)EPA Planning Grant - Administration.....	8,400	8,400	8,400
(F)Water Pollution Control Grants.....	8,900	8,900	8,900
(F)Air Pollution Control Grants.....	5,010	5,010	5,010
(F)Surface Mine Control and Reclamation.....	11,344	11,344	11,344
(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.....	5,700	5,700	5,700
(F)Oil Pollution Spills Removal.....	1,000	1,000	1,000
(F)Technical Assistance to Small Systems (EA).....	1,000	1,000	1,000
(F)Assistance to State Programs (EA).....	4,500	4,500	4,500

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
(F)Local Assistance and Source Water Protection (EA).....	6,000	6,000	6,000
(F)Great Lakes Restoration (EA).....	0	75	75
(A)Clean Air Fund.....	3,860	3,860	3,860
(A)Vehicle Sale.....	173	100	100
(A)Reimbursement from Water Pollution Control Revolving Fund.....	155	150	150
(A)Safe Drinking Water Account.....	0	200	200
(A)Solid Waste Abatement.....	500	500	500
(A)Reimbursement - Department Services.....	4,305	5,337	5,337
(A)PADOT ISTEPA Program.....	1,064	1,000	1,000
(A)Safe Drinking Water Revolving Fund.....	620	0	0
(A)Reimbursement - Laboratory Services.....	9,912	10,451	11,143
(A)Lab Accreditation.....	1,665	2,000	2,000
Subtotal.....	\$ 163,330	\$ 166,643	\$ 169,110
<b>Black Fly Control and Research.....</b>	<b>3,316</b>	<b>3,334</b>	<b>3,357</b>
(A)County Contributions.....	825	725	725
Subtotal.....	\$ 4,141	\$ 4,059	\$ 4,082
<b>West Nile Virus and Zika Virus Control.....</b>	<b>3,932</b>	<b>5,379</b>	<b>5,391</b>
(A)Vehicle Sales.....	8	0	0
(F)West Nile Virus and Zika Virus Control.....	0	1,000	1,000
(F)Zika Vector Control Response (EA).....	0	304	0
Subtotal.....	\$ 3,940	\$ 6,683	\$ 6,391
Subtotal - State Funds.....	\$ 141,071	\$ 146,870	\$ 148,050
Subtotal - Federal Funds.....	193,050	218,228	217,900
Subtotal - Augmentations.....	32,815	37,722	40,500
Subtotal - Restricted Revenues.....	1,000	1,010	1,755
Total - General Government.....	\$ 367,936	\$ 403,830	\$ 408,205
<b>Grants and Subsidies:</b>			
Delaware River Master.....	\$ 76	\$ 76	\$ 76
Susquehanna River Basin Commission.....	473	473	473
Interstate Commission on the Potomac River.....	46	46	46
Delaware River Basin Commission.....	434	434	434
Ohio River Valley Water Sanitation Commission.....	136	136	136
Chesapeake Bay Commission.....	227	275	275
Transfer to Conservation District Fund.....	2,506	2,506	2,506
Interstate Mining Commission.....	30	30	30
Total - Grants and Subsidies.....	\$ 3,928	\$ 3,976	\$ 3,976
STATE FUNDS.....	\$ 144,999	\$ 150,846	\$ 152,026
FEDERAL FUNDS.....	193,050	218,228	217,900
AUGMENTATIONS.....	32,815	37,722	40,500
RESTRICTED REVENUES.....	1,000	1,010	1,755
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 371,864</b>	<b>\$ 407,806</b>	<b>\$ 412,181</b>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Safe Drinking Water Account.....	\$ 970	\$ 1,574	\$ 1,491
Radiation Protection Fund.....	11,628	14,593	14,746
Clean Water Fund.....	21,077	29,006	26,988
Solid Waste Abatement Fund.....	2,624	6,133	5,808
Well Plugging Account.....	21,627	23,908	25,812
Abandoned Well Plugging.....	251	131	92
Orphan Well Plugging.....	1,152	730	400
Alternative Fuels.....	3,386	9,170	8,178
Industrial Land Recycling.....	301	300	300

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
Waste Transportation Safety Account.....	2,256	3,509	3,561
Electronics Material Recycling Account.....	212	444	453
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 65,484</b>	<b>\$ 89,498</b>	<b>\$ 87,829</b>
<b>ACID MINE DRAINAGE ABATEMENT AND TREATMENT FUND:</b>			
(F)Acid Mine Drainage Abatement and Treatment (EA).....	\$ 11,850	\$ 13,823	\$ 16,086
<b>CLEAN AIR FUND:</b>			
Major Emission Facilities (EA).....	\$ 17,373	\$ 21,050	\$ 18,786
Mobile and Area Facilities (EA).....	10,142	11,454	10,886
<b>CLEAN AIR FUND TOTAL.....</b>	<b>\$ 27,515</b>	<b>\$ 32,504</b>	<b>\$ 29,672</b>
<b>COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND:</b>			
General Operations (EA).....	\$ 3,336	\$ 3,854	\$ 3,665
Payment of Claims (EA).....	840	2,040	2,040
<b>COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND TOTAL.....</b>	<b>\$ 4,176</b>	<b>\$ 5,894</b>	<b>\$ 5,705</b>
<b>COAL LANDS IMPROVEMENT FUND:</b>			
Coal Lands Restoration (EA).....	\$ 0	\$ 200	\$ 100
<b>CONSERVATION DISTRICT FUND:</b>			
Conservation District Grants (EA).....	\$ 4,428	\$ 4,440	\$ 4,488
<b>ENERGY DEVELOPMENT FUND:</b>			
Energy Development - Administration (EA).....	\$ 134	\$ 129	\$ 165
Energy Development Loans/Grants (EA).....	2,300	300	0
<b>ENERGY DEVELOPMENT FUND TOTAL.....</b>	<b>\$ 2,434</b>	<b>\$ 429</b>	<b>\$ 165</b>
<b>ENVIRONMENTAL EDUCATION FUND:</b>			
General Operations (EA).....	\$ 677	\$ 725	\$ 1,198
<b>ENVIRONMENTAL STEWARDSHIP FUND:</b>			
Watershed Protection and Restoration (EA).....	\$ 27,547	\$ 22,103	\$ 25,000
<b>HAZARDOUS SITES CLEANUP FUND:</b>			
General Operations (EA).....	\$ 21,634	\$ 23,583	\$ 22,686
Hazardous Sites Cleanup (EA).....	26,900	26,000	24,000
Host Municipality Grants (EA).....	5	25	25
Transfer to Industrial Sites Cleanup Fund (EA).....	2,000	2,000	2,000
Small Business Pollution Prevention (EA).....	1,000	1,000	1,000
Transfer-Industrial Sites Environmental Assessment Fund (EA).....	2,000	2,000	2,000
Transfer to Household Hazardous Waste Account (EA).....	1,000	1,000	1,000
<b>HAZARDOUS SITES CLEANUP FUND TOTAL.....</b>	<b>\$ 54,539</b>	<b>\$ 55,608</b>	<b>\$ 52,711</b>
<b>MINE SAFETY FUND:</b>			
General Operations (EA).....	\$ 29	\$ 10	\$ 35
<b>NON-COAL SURFACE MINING CONSERVATION &amp; RECLAMATION FUND:</b>			
General Operations (EA).....	\$ 3,196	\$ 4,485	\$ 4,122
<b>NUTRIENT MANAGEMENT FUND:</b>			
Education, Research and Technical Assistance (EA).....	\$ 2,073	\$ 2,073	\$ 2,073
<b>RECYCLING FUND:</b>			
Recycling Coordinator Reimbursement (EA).....	\$ 1,600	\$ 1,600	\$ 1,600
Reimbursement for Municipal Inspection (EA).....	300	400	400
Reimburse-Host Municipality Permit Applications Review (EA).....	20	10	50
Administration of Recycling Program (EA).....	1,490	1,177	1,236
County Planning Grants (EA).....	396	2,000	2,000
Municipal Recycling Grants (EA).....	19,537	19,600	23,000
Municipal Recycling Performance Program (EA).....	18,500	19,000	19,500
Public Education/Technical Assistance (EA).....	3,230	3,839	4,350
<b>RECYCLING FUND TOTAL.....</b>	<b>\$ 45,073</b>	<b>\$ 47,626</b>	<b>\$ 52,136</b>
<b>REMINING FINANCIAL ASSURANCE FUND:</b>			
Remining Financial Assurance (EA).....	\$ 90	\$ 100	\$ 196
<b>STORAGE TANK FUND:</b>			
General Operations (EA).....	\$ 7,161	\$ 5,748	\$ 5,000

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2015-16	2016-17	2017-18
	ACTUAL	AVAILABLE	BUDGET
(F)Underground Storage Tanks (EA).....	1,750	1,750	1,750
(F)Leaking Underground Storage Tanks (EA).....	2,990	2,990	2,990
(A)Investment/Closing Cost Reimbursement.....	3,355	3,000	7,000
<b>STORAGE TANK FUND TOTAL.....</b>	<b>\$ 15,256</b>	<b>\$ 13,488</b>	<b>\$ 16,740</b>
<b>SURFACE MINING CONSERVATION &amp; RECLAMATION FUND:</b>			
General Operations (EA).....	\$ 4,426	\$ 6,445	\$ 5,882
<b>UNCONVENTIONAL GAS WELL FUND:</b>			
Transfer to Well Plugging Account.....	\$ 6,000	\$ 6,000	\$ 6,000
<b>UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:</b>			
Environmental Cleanup Program (EA).....	\$ 4,598	\$ 5,296	\$ 5,296
Pollution Prevention Program (EA).....	80	350	100
Catastrophic Release Program (EA).....	102	0	0
<b>UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....</b>	<b>\$ 4,780</b>	<b>\$ 5,646</b>	<b>\$ 5,396</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 144,999	\$ 150,846	\$ 152,026
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	193,050	218,228	217,900
AUGMENTATIONS.....	32,815	37,722	40,500
RESTRICTED.....	1,000	1,010	1,755
OTHER FUNDS.....	279,573	311,097	315,534
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 651,437</b>	<b>\$ 718,903</b>	<b>\$ 727,715</b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>ENVIRONMENTAL SUPPORT SERVICES</b>							
GENERAL FUND.....	\$ 15,755	\$ 16,421	\$ 15,816	\$ 15,816	\$ 15,816	\$ 15,816	\$ 15,816
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	7,803	11,557	13,643	13,643	13,643	13,643	13,643
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 23,558</b>	<b>\$ 27,978</b>	<b>\$ 29,459</b>	<b>\$ 29,459</b>	<b>\$ 29,459</b>	<b>\$ 29,459</b>	<b>\$ 29,459</b>
<b>ENVIRONMENTAL PROTECTION AND MANAGEMENT</b>							
GENERAL FUND.....	\$ 129,244	\$ 134,425	\$ 136,210	\$ 136,210	\$ 136,210	\$ 136,210	\$ 136,210
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	193,050	218,228	217,900	217,900	217,900	217,900	217,900
OTHER FUNDS.....	305,585	338,272	344,146	343,430	343,804	350,329	342,373
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 627,879</b>	<b>\$ 690,925</b>	<b>\$ 698,256</b>	<b>\$ 697,540</b>	<b>\$ 697,914</b>	<b>\$ 704,439</b>	<b>\$ 696,483</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 144,999	\$ 150,846	\$ 152,026	\$ 152,026	\$ 152,026	\$ 152,026	\$ 152,026
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	193,050	218,228	217,900	217,900	217,900	217,900	217,900
OTHER FUNDS.....	313,388	349,829	357,789	357,073	357,447	363,972	356,016
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 651,437</b>	<b>\$ 718,903</b>	<b>\$ 727,715</b>	<b>\$ 726,999</b>	<b>\$ 727,373</b>	<b>\$ 733,898</b>	<b>\$ 725,942</b>



## Program: Environmental Support Services

*Goal: To provide administrative and technical support for the commonwealth's environmental protection programs.*

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 department has realized substantial GO-TIME productivity savings in this program through improvements

to the departments' mobility capacity and electronic document management.

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)

<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;"></td> <td style="width: 10%;"><b>General Government Operations</b></td> <td style="width: 85%;"></td> </tr> <tr> <td>\$ 1,426</td> <td>—to continue current program.</td> <td></td> </tr> <tr> <td>-101</td> <td>—Initiative—cost savings from GO-TIME projects.</td> <td></td> </tr> <tr> <td>-783</td> <td>—Initiative—to implement complement savings.</td> <td></td> </tr> <tr> <td>-1,005</td> <td>—Initiative—cost savings realized through consolidation of administrative functions.</td> <td></td> </tr> <tr> <td>-11</td> <td>—Initiative—cost savings realized through streamlined field operations.</td> <td></td> </tr> <tr> <td style="border-top: 1px solid black;">\$ -474</td> <td style="border-top: 1px solid black;"><i>Appropriation Decrease</i></td> <td></td> </tr> </table>		<b>General Government Operations</b>		\$ 1,426	—to continue current program.		-101	—Initiative—cost savings from GO-TIME projects.		-783	—Initiative—to implement complement savings.		-1,005	—Initiative—cost savings realized through consolidation of administrative functions.		-11	—Initiative—cost savings realized through streamlined field operations.		\$ -474	<i>Appropriation Decrease</i>		<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;"></td> <td style="width: 10%;"><b>Environmental Hearing Board</b></td> <td style="width: 85%;"></td> </tr> <tr> <td>\$ -33</td> <td>—to continue current program.</td> <td></td> </tr> <tr> <td>-98</td> <td>—Initiative—to implement complement savings.</td> <td></td> </tr> <tr> <td style="border-top: 1px solid black;">\$ -131</td> <td style="border-top: 1px solid black;"><i>Appropriation Decrease</i></td> <td></td> </tr> </table>		<b>Environmental Hearing Board</b>		\$ -33	—to continue current program.		-98	—Initiative—to implement complement savings.		\$ -131	<i>Appropriation Decrease</i>	
	<b>General Government Operations</b>																																	
\$ 1,426	—to continue current program.																																	
-101	—Initiative—cost savings from GO-TIME projects.																																	
-783	—Initiative—to implement complement savings.																																	
-1,005	—Initiative—cost savings realized through consolidation of administrative functions.																																	
-11	—Initiative—cost savings realized through streamlined field operations.																																	
\$ -474	<i>Appropriation Decrease</i>																																	
	<b>Environmental Hearing Board</b>																																	
\$ -33	—to continue current program.																																	
-98	—Initiative—to implement complement savings.																																	
\$ -131	<i>Appropriation Decrease</i>																																	

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 13,376	\$ 13,931	\$ 13,457	\$ 13,457	\$ 13,457	\$ 13,457	\$ 13,457
Environmental Hearing Board .....	2,379	2,490	2,359	2,359	2,359	2,359	2,359
TOTAL GENERAL FUND .....	\$ 15,755	\$ 16,421	\$ 15,816	\$ 15,816	\$ 15,816	\$ 15,816	\$ 15,816

## Program: Environmental Protection and Management

*Goal: 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.*

This program helps 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 encompass major program elements including clean air, clean water, land protection, sustainable energy and safe, healthy communities.

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, particulate matter, sulfur and nitrogen oxides, volatile organic compounds, lead and toxic air pollutants. These air contaminants can aggravate or cause respiratory ailments and other adverse health effects.

The department is responsible for monitoring and assessing Pennsylvania's 86,000 miles of streams and rivers as well as over 109,000 acres of publically owned lakes. The department 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. Protection of these waters is carried out through a variety of mechanisms which involve permitting, inspection and enforcement activities. Most inspection activities are related to permitted facilities that discharge or have the potential to discharge wastewater to waters of the commonwealth. The department also inspects non-permitted entities such as farms and responds to spills and complaints where waters may be affected.

The department encourages waste reduction, promotes recycling and reuse of waste products and protects the public by providing for safe transportation, processing and disposal of waste. Its principal program concerns are municipal waste, residual waste and hazardous waste. The department also protects land resources by regulating above ground and underground tanks that store petroleum and other hazardous substances.

The department regulates nearly 9,000 public water systems serving 10.7 million Pennsylvanians. The department also provides consultative services for the 700,000 private residential water supplies in Pennsylvania. The department carries out its duties and responsibilities through various programs and activities related to permitting, monitoring, compliance, enforcement and

technical assistance. The department implements all aspects of the federal Safe Drinking Water Act; including drinking water standards, source water protection, operator training and certification and capability enhancement programs for public water systems to address technical, managerial and financial issues.

The department delivers planning, development, implementation, and evaluation of statewide policy and program activities to promote interagency and interstate cooperation on a wide range of shared water resource issues.

The department protects citizens from exposure to potentially 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 ensure compliance. The department also inspects 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. Department staff is continuously on call to respond to any nuclear or radiological incident. The department certifies all the radon testers, mitigators and laboratories operating in the commonwealth.

The department provides surveillance and control to reduce the threat of West Nile Virus in cooperation with the departments of Health and Human Services 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'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 thousands of environmental incidents. While the department's major focus is response to spills to land and water, it also has significant involvement with air pollution incidents (fires or industrial-transportation-related releases) and leaking underground storage tanks.

The department's flood protection and stream improvement programs protect lives and property through the construction of physical structures such as dams, levees, flood walls, channels, culverts, and bank stabilizations works. Large scale flood protection projects are generally designed to protect communities from damages from the 100-year, 24-hour flood event.

## Program: Environmental Protection and Management (continued)

The department protects the health and safety of miners through safety programs that reduce the possibility of accidents. Mine safety inspections include technical evaluations for explosive use, subsidence, map composition, electrical installations, cleaning plant safety, active refuse banks and safety zones.

Efficient permitting and effective monitoring and inspection of industry are goals in protecting the environment, public health and safety. The department will seek to meet its permit decision guarantee review timeframes at least 95 percent of the time for complete and technically adequate permit applications submitted by 2020.

The department oversees the permitting, inspection and compliance of conventional and unconventional oil and gas wells and gathering pipelines in Pennsylvania. It also responds to complaints from the public regarding water supplies that might be affected by oil and gas operations. The department oversees the plugging of wells that no longer serve their intended purpose.

The department provides support to County Conservation Districts, which support the conservation and restoration of the commonwealth's water resources, and maintenance and update of the State Water Plan, including assessing existing and projected water resource demands within the Commonwealth; and coordination of all plans and policies with local, state and federal agencies. The department is responsible for drought monitoring, reporting and management activities during various stages of drought.

Restoring and enhancing the quality of watersheds is a primary focus that aligns several programs and agency objectives. While continuing work to restore land impacted by legacy environmental issues and improve local water quality through the Land Recycling Program, the Hazardous Sites Cleanup Program and the Abandoned Mine Land Program, the agency will focus efforts on technical assistance and compliance efforts to ensure that municipal sewage and stormwater systems and agricultural operations are reducing nitrogen, phosphorous and sediment discharges into local waterways.

A re-focus of the commonwealth's plan for the restoration of the Chesapeake Bay was announced in early January 2016. Developed in concert with the departments of Agriculture and Conservation and Natural Resources, in this Restoration Strategy the department identified six recommendations and twelve action items to accelerate the commonwealth's progress for achieving the necessary nutrient and sediment reduction goals necessary to restore the Chesapeake Bay. Implementation of these action items is now underway. The department also has the lead in working with the other state and Federal partners that comprise the Chesapeake Bay Program Partnership. This partnership is in the middle of completing a midpoint assessment of these nutrient and sediment reduction goals. The department will have the lead in developing a revised Watershed Implementation Plan in response to the results of this midpoint assessment.

### Oil and Gas Well Inspections 2015-16

	Conventional Wells	Unconventional Wells
Inspections	16,575	14,239
Violations	1,914	450
Enforcement Actions	444	123

The department will ensure that the state plan to meet the U.S. Environmental Protection Agency's final "Carbon Pollution Emissions Guidelines for Existing Stationary Sources: Electric Utility Generating Units" or Clean Power Plan, is tailor-made for Pennsylvania's economy and people, protecting our indigenous resources and our position as a net energy exporter. This plan will likely include a combination of programs and strategic objectives that will address climate disruption, and it will provide the foundation to reduce carbon emissions from electricity generators.

### Program Recommendations:

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

	<b>GENERAL FUND</b>			
	<b>Environmental Program Management</b>		-77	—Initiative—to implement complement savings.
\$	-500	—program reduction.		
	2,995	—to continue current program.	\$	-54
	-2,403	—Initiative—to implement complement savings.		
	-63	—Initiative—cost savings realized through consolidation of administrative functions.	\$	5,617
				-3,685
\$	29	<i>Appropriation Increase</i>		-122
	<b>Chesapeake Bay Agricultural Source Abatement</b>		-35	—Initiative—cost savings realized through streamlined field operations.
\$	23	—to continue current program.	\$	1,775
				<i>Appropriation Increase</i>

# Environmental Protection

## Program: Environmental Protection and Management (continued)

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

\$	23	<b>Black Fly Control and Research</b> —to continue current program.
\$	76	<b>West Nile and Zika Virus Control</b> —to continue current program.
	-45	—Initiative—to implement complement savings.
	-19	—Initiative—cost savings realized through consolidation of administrative functions.
\$	12	<i>Appropriation Increase</i>

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

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Environmental Program Management.....	\$ 28,277	\$ 30,025	\$ 30,054	\$ 30,054	\$ 30,054	\$ 30,054	\$ 30,054
Chesapeake Bay Agricultural Source Abatement.....	2,619	2,645	2,591	2,591	2,591	2,591	2,591
Environmental Protection Operations.....	87,172	89,066	90,841	90,841	90,841	90,841	90,841
Black Fly Control and Research .....	3,316	3,334	3,357	3,357	3,357	3,357	3,357
West Nile Virus and Zika Virus Control.....	3,932	5,379	5,391	5,391	5,391	5,391	5,391
Delaware River Master .....	76	76	76	76	76	76	76
Susquehanna River Basin Commission ....	473	473	473	473	473	473	473
Interstate Commission on the Potomac River .....	46	46	46	46	46	46	46
Delaware River Basin Commission .....	434	434	434	434	434	434	434
Ohio River Valley Water Sanitation Commission .....	136	136	136	136	136	136	136
Chesapeake Bay Commission .....	227	275	275	275	275	275	275
Transfer to Conservation District Fund.....	2,506	2,506	2,506	2,506	2,506	2,506	2,506
Interstate Mining Commission .....	30	30	30	30	30	30	30
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 129,244</b>	<b>\$ 134,425</b>	<b>\$ 136,210</b>	<b>\$ 136,210</b>	<b>\$ 136,210</b>	<b>\$ 136,210</b>	<b>\$ 136,210</b>

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
--	---------	---------	---------	---------	---------	---------	---------

### Program: Environmental Protection and Management

**Objective: Reduce impacts of pollution to Pennsylvania's land, air and water resources.**

#### Safe Waste Management

Tons of municipal solid waste recycled (in millions)	7.15	7.20	7.25	7.30	7.35	7.40	7.45
Tons of municipal solid waste disposed per capita	0.68	0.67	0.67	0.67	0.67	0.67	0.67

#### Protection of Air Quality

Percentage of population in counties attaining the 2008 ambient ozone standard	100%	100%	100%	100%	100%	100%	100%
Percentage of population in counties attaining the 2012 Ambient PM-2.5 (Fine Particles) Annual Standard	100%	100%	100%	100%	100%	100%	100%
Hazardous air pollutant reductions (in tons)	8,831	8,500	8,200	7,900	7,600	7,300	7,000

#### Protection of Water Quality

Miles of impaired streams restored to attaining their designated use	319	N/A	50	N/A	50	N/A	50
Acres of impaired lakes restored to attaining their designated use	8,536	N/A	1,000	N/A	1,000	N/A	1,000
Acres of existing stream buffers protected	92	1,000	1,000	1,000	1,000	1,000	1,000
Acres of stream buffers installed	499	1,500	1,500	1,500	1,500	1,500	1,500

#### Restoration of Land

Sites currently in the Environmental Cleanup and Brownfields Voluntary Cleanup program	1,132	1,000	1,000	1,000	1,000	1,000	1,000
Site cleanups completed under the Environmental Cleanup and Brownfields Voluntary Cleanup program	355	350	350	350	350	350	350

**Objective: Restore Pennsylvania lands impacted by legacy environmental issues.**

#### Protection of Water Quality

Total number of treatment systems treating Acid Mine Drainage	340	344	348	360	365	370	375
---	-----	-----	-----	-----	-----	-----	-----

#### Restoration of Land

Response actions to hazardous substances completed	132	100	100	100	100	100	100
Leaking storage tank cleanups completed	482	300	300	300	300	300	300
Percentage of storage tank releases cleaned up	89.36%	90%	90%	90%	90%	90%	90%
Number of acres reclaimed through the Government Financed Construction Contract program	105	90	90	90	90	90	90

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Abandoned Mineland (AML) acres reclaimed	857	600	600	600	600	600	600
Cumulative acres of AML reclaimed since inception of AML program in 1977	31,038	31,638	32,238	32,838	33,438	34,038	33,438

### Objective: Improve quality of life by protecting the health and safety of Pennsylvania citizens.

#### Safe Drinking Water

Percentage of community water systems meeting health based drinking water standards	91%	92%	92%	95%	95%	95%	95%
Percentage of public water systems with no reported cases of waterborne disease outbreaks	100%	100%	100%	100%	100%	100%	100%
Number of sanitary survey inspections conducted at public water systems	1,847	2,000	2,000	2,000	2,000	2,000	2,000
Number of water samples tested for private well owners	2,091	3,000	3,000	3,000	3,000	3,000	3,000

#### Nuisance and Vector Control

Acres treated for black fly control	334,136	350,000	350,000	350,000	350,000	350,000	350,000
Acres treated for West Nile Virus control	56,992	50,000	50,000	50,000	50,000	50,000	50,000

#### Mine Safety

Mine subsidence insurance policies - new	3,221	5,800	2,700	2,800	2,600	2,700	2,600
Mine subsidence policies issued	58,137	63,950	66,650	69,450	72,050	74,750	74,750
Lost-time accidents per 200,000 employee hours of exposure	2.47	2	2	2	2	2	2

#### Radiation Protection

Buildings with radon mitigated by certified installers (both residential and commercial)	12,119	12,500	12,900	13,300	13,700	14,100	14,500
--	--------	--------	--------	--------	--------	--------	--------

### Objective: Reduce risks to communities posed by dams and stream flooding.

#### Dam Safety

Dam Emergency Action Plan compliance rate	93%	94%	95%	96%	97%	98%	99%
Percentage of deficient high-hazard dams	65.90%	64%	63%	62%	61%	60%	59%
Population at risk downstream of deficient high-hazard dams	1,469,000	1,400,000	1,300,000	1,200,000	1,200,000	1,100,000	1,100,000
Percentage of high-hazard dams classified as safe	88%	90%	92%	94%	96%	97%	98%
Capital budget flood protection projects: Total authorized funds for projects under design/construction	\$157,031,311	\$174,531,311	\$185,531,311	\$203,531,311	\$201,951,311	\$193,804,906	\$193,804,906
Capital budget flood protection projects: Total construction cost of projects completed	\$17,256,316	\$1,800,000	\$725,000	\$1,500,000	\$13,400,000	\$12,000,000	\$12,000,000

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Objective: Improve environmental health and safety through permitting, inspections and enforcement.</b>							
<b>Department-wide Totals</b>							
Number of permit applications received	30,975	33,500	34,000	34,600	35,200	35,800	36,400
Number of permits issued department-wide	27,361	30,000	30,500	31,000	31,500	32,000	32,500
Percentage of permits processed on time (Permit Decision Guarantee)	85.37%	90%	90%	90%	90%	90%	90%
Number of inspections	103,196	96,000	96,250	96,500	96,750	97,000	97,250
Number of violations	27,794	15,360	16,320	16,320	16,320	16,320	16,320
Number of violations resolved	26,733	14,592	15,504	15,504	15,504	15,504	15,504
Percentage of violations resolved	96.10	95	95	95	95	95	95
Percentage of sites in full compliance with environmental regulations	82%	83%	84%	84%	84%	84%	84%
<b>Protection of Water Quality</b>							
Number of wastewater facility inspections	5,705	6,000	6,000	6,000	6,000	6,000	6,000
Percentage of wastewater inspections with no recorded violations	75%	73%	73%	73%	73%	73%	73%
Percentage of wastewater violations remedied	75%	63%	63%	63%	63%	63%	63%
Number of wastewater systems with improved operational capability through optimization or other compliance assistance	30	30	30	30	30	30	30
<b>Oil and Gas Management</b>							
Number of oil and gas drilling permits processed	1,916	1,500	1,750	2,000	2,000	2,000	2,000
<b>Mine Safety</b>							
Number of mining permits issued	617	650	650	650	650	650	650
Number of surface mine inspections	22,349	23,200	23,200	23,200	23,200	23,200	23,200
Number of deep mine safety inspections	1,468	1,400	1,400	1,400	1,400	1,400	1,400
Number of deep mine equipment approvals	93	90	90	90	90	90	90
Number of deep mine miner certifications	1,248	1,050	1,050	1,050	1,050	1,050	1,050
Number of violations at deep mine sites, prep plants and refuse sites	1,385	1,385	1,385	1,385	1,385	1,385	1,385
Number of orders at deep mine sites, prep plants and refuse sites	572	550	550	550	550	550	550
Violations per order at deep mine sites, prep plants and refuse sites	2.42	2.45	2.45	2.45	2.45	2.45	2.45
Number of notices of violation (NOV) issued at surface mine sites	686	725	725	725	725	725	725

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Number of violations cited in NOV's issued at surface mine sites	867	900	900	900	900	900	900
Violations per notice of violation at surface mine sites	1.26	1.24	1.24	1.24	1.24	1.24	1.24
Number of failure to abate cessation orders issued at surface mine sites	32	10	10	10	10	10	10
Number of imminent harm cessation orders issued at surface mine sites	28	25	25	25	25	25	25
Value of collected fines and penalties at surface mine sites	\$434,958	\$600,000	\$600,000	\$625,000	\$625,000	\$625,000	\$625,000
<b>Safe Waste Management</b>							
Number of waste clients and facilities	25,403	25,000	25,000	25,000	25,000	25,000	25,000
Number of waste inspections	6,221	6,000	6,000	6,000	6,000	6,000	6,000
Number of waste violations	3,983	4,000	4,000	4,000	4,000	4,000	4,000
Number of waste violations resolved	3,296	3,600	3,600	3,600	3,600	3,600	3,600
<b>Protection of Air Quality</b>							
Number of air quality authorizations issued (operating permits and air plan approvals)	718	741	764	787	811	835	858
Percentage of inspected facilities in full compliance with air quality regulations	90%	91%	92%	93%	94%	95%	95%



– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# ETHICS COMMISSION

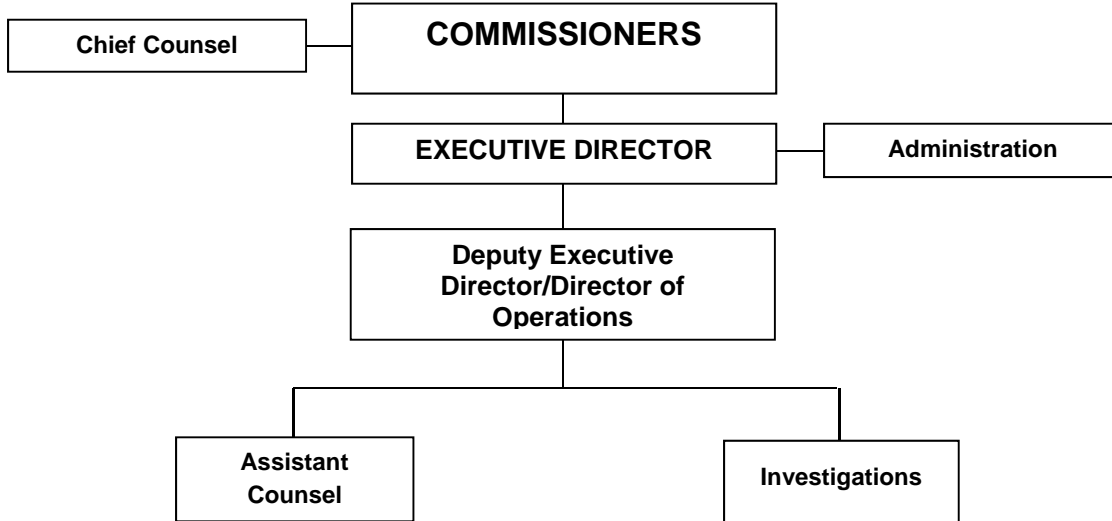
*The mission of the State Ethics Commission is to promote public confidence in state and local government through its enforcement of the Ethics Act and related legislation.*

The responsibilities of the 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.

## **Programs and Goals**

**Executive Direction:** *To promote public confidence in state and local government through its enforcement of the Ethics Act and related legislation.*

## Organization Overview



The commission has responsibilities with regards to the Ethics Act, the Lobbying Disclosure Law, the Gaming Act and the Medical Marijuana Act.

- **Ethics Act.** The commission administers and enforces financial disclosure requirements, provides advice and guidance in the form of written opinions to public officials and public employees regarding their responsibilities and duties under the Ethics Act, and investigates alleged violations of the Ethics Act.
- **Lobbying Disclosure Law.** The commission is authorized to issue advisory opinions as well as to conduct investigation and enforcement actions.
- **Gaming Act.** The commission biennially issues various lists of officials and positions subject to provisions of the Gaming Act, and provides determinations as to whether a particular individual or person would be subject to various prohibitions of the Gaming Act.
- **Medical Marijuana Act.** The commission biennially issues various lists of officials and positions subject to provisions of the Medical Marijuana Act, and provides determinations as to whether a particular individual or person would be subject to various prohibitions of the Medical Marijuana Act.

## Reported Complement

(Independent Agency – Complement Not Under the Governor’s Jurisdiction/Control)

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
26	26	27	27	27

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

2015-16                      2016-17                      2017-18  
ACTUAL                      AVAILABLE                      BUDGET

**GENERAL FUND:**

*General Government:*

State Ethics Commission.....	\$	2,371	\$	2,433	\$	2,591
------------------------------	----	-------	----	-------	----	-------

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>ETHICS COMMISSION</b>							
GENERAL FUND.....	\$ 2,371	\$ 2,433	\$ 2,591	\$ 2,591	\$ 2,591	\$ 2,591	\$ 2,591
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 2,371</b>	<b>\$ 2,433</b>	<b>\$ 2,591</b>	<b>\$ 2,591</b>	<b>\$ 2,591</b>	<b>\$ 2,591</b>	<b>\$ 2,591</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 2,371	\$ 2,433	\$ 2,591	\$ 2,591	\$ 2,591	\$ 2,591	\$ 2,591
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 2,371</b>	<b>\$ 2,433</b>	<b>\$ 2,591</b>	<b>\$ 2,591</b>	<b>\$ 2,591</b>	<b>\$ 2,591</b>	<b>\$ 2,591</b>

## Program: Executive Direction

*Goal: To promote public confidence in state and local government through its enforcement of the Ethics Act and related legislation.*

The Pennsylvania State Ethics Commission is an independent state agency established by Act 170 of 1978 and is charged with the responsibility of enforcing the Public Official and Employee 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, issuing decisions in relation to such investigations and providing guidance and education to public officials and public employees regarding their duties and responsibilities under the law.

The commission also has additional responsibilities under the Lobbying Disclosure Law. These responsibilities include enforcing the reporting and registration provisions

of the law as well as investigating alleged violations. The commission is also required to issue advisory opinions under the law.

Pursuant to the Pennsylvania Race Horse Development and Gaming Act, the commission is vested with responsibilities which include biennially issuing lists of officials and positions subject to provisions of the act, as well as providing determinations as to whether a particular person would be subject to various prohibitions of the act.

On April 17, 2016, Act 16 of 2016, the Medical Marijuana Act, was signed into law. This act charged the commission with additional responsibilities which include biennially publishing a list of officials and positions subject to provisions of the Medical Marijuana Act, as well as issuing determinations as to whether particular persons would be subject to various restrictions under the act.

### Program Recommendations:

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

\$ 158 **State Ethics Commission**  
—to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
State Ethics Commission.....	\$ 2,371	\$ 2,433	\$ 2,591	\$ 2,591	\$ 2,591	\$ 2,591	\$ 2,591

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# FISH AND BOAT COMMISSION

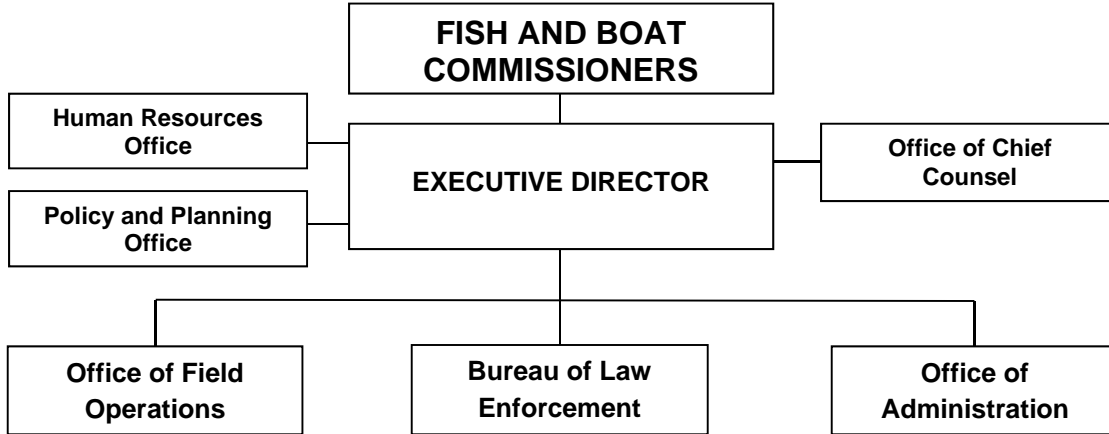
*The mission of the Fish and Boat Commission is to protect, conserve and enhance the commonwealth's aquatic resources and provide fishing and boating opportunities.*

## **Programs and Goals**

**Recreational Fishing and Boating:** *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.*



## Organization Overview



- **Deputy Director for the Office of Field Operations** manages, develops and coordinates the commission's fisheries, hatcheries, boating & outreach and engineering programs.
- **Director of the Bureau of Law Enforcement** directs the enforcement of fish laws, boating laws and certain water pollution/disturbance laws of the commonwealth. Additionally, within the scope of commission activities, directs the enforcement of Title 18 (relating to crimes and offenses) and other misdemeanors and felonies.
- **Deputy Director for the Office of Administration** manages, develops and coordinates the commission's administrative, financial, information technology, public access and real estate programs.

### Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
432	432	432	432	432

# Fish and Boat Commission

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2015-16	2016-17	2017-18
	ACTUAL	AVAILABLE	BUDGET
<b>OTHER FUNDS:</b>			
<b>BOAT FUND:</b>			
General Operations (EA).....	\$ 12,540	\$ 12,540	\$ 12,540
(F)Miscellaneous Boat Grants (EA).....	5,467	7,861	3,517
(R)Improvement of Hazardous Dams.....	0	8,730	8,730
<b>BOAT FUND TOTAL.....</b>	<b>\$ 18,007</b>	<b>\$ 29,131</b>	<b>\$ 24,787</b>
<b>FISH FUND:</b>			
General Operations (EA).....	\$ 34,210	\$ 34,024	\$ 35,244
(F)Miscellaneous Fish Grants (EA).....	9,788	9,017	6,358
(A)Reimbursement for H2O PA Act.....	294	11,000	11,000
<b>FISH FUND TOTAL.....</b>	<b>\$ 44,292</b>	<b>\$ 54,041</b>	<b>\$ 52,602</b>
<b>STATE GAMING FUND:</b>			
Payments in Lieu of Taxes (EA).....	\$ 40	\$ 40	\$ 40
<b>UNCONVENTIONAL GAS WELL FUND:</b>			
Gas Well Fee Administration.....	\$ 1,000	\$ 1,000	\$ 1,000
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	0	0	0
AUGMENTATIONS.....	0	0	0
OTHER FUNDS.....	63,339	84,212	78,429
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 63,339</b>	<b>\$ 84,212</b>	<b>\$ 78,429</b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>RECREATIONAL FISHING AND BOATING</b>							
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.....	63,339	84,212	78,429	67,429	67,429	67,429	67,429
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 63,339</b>	<b>\$ 84,212</b>	<b>\$ 78,429</b>	<b>\$ 67,429</b>	<b>\$ 67,429</b>	<b>\$ 67,429</b>	<b>\$ 67,429</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	63,339	84,212	78,429	67,429	67,429	67,429	67,429
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 63,339</b>	<b>\$ 84,212</b>	<b>\$ 78,429</b>	<b>\$ 67,429</b>	<b>\$ 67,429</b>	<b>\$ 67,429</b>	<b>\$ 67,429</b>

## Program: Recreational Fishing and Boating

*Goal: 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.*

Founded in 1866, the Fish & Boat Commission is charged with protecting, conserving and enhancing the commonwealth's aquatic resources, including waterways—streams, rivers, lakes, reservoirs and wetlands—fish, reptile and amphibian communities and habitats of game and non-game species. From stocking waterways and measuring the health of native animal populations to patrolling lakes and restoring habitats, the commission's employees strive to protect, manage and restore the resources. High-quality streams, clean water

and good habitat ensure that the commission can carry out the other part of its mission, to provide recreational fishing and boating opportunities for both Pennsylvanians and out-of-state visitors.

The commission is governed by a Board of Commissioners whose 10 members are appointed by the governor. In addition, the Boating Advisory Board, a group of knowledgeable boaters appointed by the governor, advises the commission on boating matters.

### Program Recommendations:

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

**FISH FUND**  
**General Operations (EA)**  
 \$ 1,220 —to continue current program.

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

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>FISH FUND:</b>							
General Operations (EA).....	\$ 34,210	\$ 34,024	\$ 35,244	\$ 35,244	\$ 35,244	\$ 35,244	\$ 35,244
<b>BOAT FUND:</b>							
General Operations (EA).....	\$ 12,540	\$ 12,540	\$ 12,540	\$ 12,540	\$ 12,540	\$ 12,540	\$ 12,540

## Program Measures

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

**Program: Recreational Fishing and Boating**

**Objective: Protect, conserve and enhance aquatic resources and habitats.**

Number of small dam removals	9	12	12	12	12	12	12
Number of lake habitat improvement plans implemented	27	30	30	30	30	30	30
Number of streams surveyed to determine whether there are naturally reproducing trout in these previously unassessed waters most at risk from the effects of human activities	975	900	900	900	900	900	900
Number of students reached through the Trout in the Classroom coldwater conservation program	35,639	39,203	43,123	47,436	52,179	57,397	63,137

**Objective: Engage in targeted education and outreach activities that address the five key elements of fishing and boating participation.**

Number of individuals reached through fishing education programs (including Family Fishing Programs, SMART Angler clinics, etc.)	11,000	12,500	14,000	15,500	17,000	18,700	20,570
Number of Mentored Youth Permits and Voluntary Youth Fishing Licenses issued	28,118	28,118	28,118	28,118	28,118	28,118	28,118
Number of schools receiving trout eggs through the Trout in the Classroom program	283	320	352	387	426	469	515
Number of fishing licenses sold	885,061	885,061	885,061	885,061	885,061	885,061	885,061

**Objective: Conduct outreach and informational efforts designed to reduce boating-related casualties.**

Actively registered boats	318,724	318,724	318,724	318,724	318,724	318,724	318,724
Number of boating under the influence (BUI) citations issued by Waterways Conservation Officers	58	75	75	75	75	75	75
Number of boating safety education certificates issued	15,192	15,392	15,592	15,792	15,992	17,591	19,350
Linear feet of public access secured through fishing, boating and conservation easements	5,960	5,960	5,960	5,960	5,960	5,960	5,960

**Objective: Optimize agency efficiency through continuation of investments in information technology, employee training and development, and infrastructure planning and implementation.**

Number of website visits	3,774,747	3,774,747	3,774,747	3,774,747	3,774,747	3,774,747	3,774,747
Number of FishBoatPA mobile app users	35,959	35,959	35,959	35,959	35,959	35,959	35,959



---

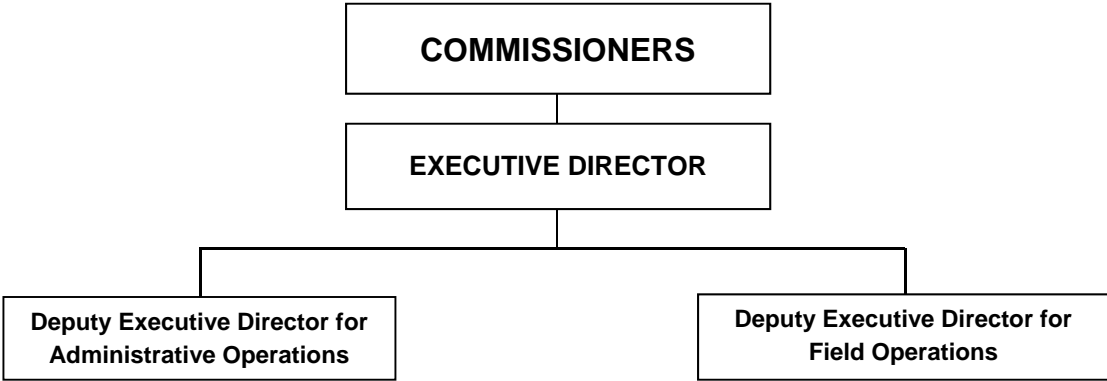
# GAME COMMISSION

*The mission of the Game Commission is to manage Pennsylvania's wild birds, wild mammals and their habitats for current and future generations.*

## **Programs and Goals**

**Wildlife Management:** *To establish habitats and environments that will sustain wildlife populations for recreational uses and for the perpetuation of species.*

# Organization Overview



- **Deputy Executive Director for Administrative Operations** is responsible for assisting in the planning and directing of statewide wildlife management programs for the Pennsylvania Game Commission and developing and maintaining administrative procedures for the day-to-day management of the agency through coordination of the agency's bureau directors.
- **Deputy Executive Director for Field Operations** is responsible for overseeing and directing agency regional field operations statewide through coordination of the agency's regional directors.

## Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
708	708	708	714	714

**Summary by Fund and Appropriation**

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>OTHER FUNDS:</b>			
<b>GAME FUND:</b>			
General Operations (EA).....	\$ 78,294	\$ 70,728	\$ 71,001
(F)Pittman-Robertson Act (EA).....	25,000	25,000	25,000
(F)Miscellaneous Wildlife Grants (EA).....	2,144	3,185	1,965
(R)Natural Propagation of Wildlife.....	7,500	7,500	7,500
Land Acquisition and Development (EA).....	150	0	0
<b>GAME FUND TOTAL.....</b>	<b>\$ 113,088</b>	<b>\$ 106,413</b>	<b>\$ 105,466</b>
<b>STATE GAMING FUND:</b>			
Payments in Lieu of Taxes (EA).....	\$ 3,686	\$ 3,686	\$ 3,686
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	0	0	0
AUGMENTATIONS.....	0	0	0
OTHER FUNDS.....	116,774	110,099	109,152
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 116,774</b>	<b>\$ 110,099</b>	<b>\$ 109,152</b>



## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>WILDLIFE MANAGEMENT</b>							
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.....	116,774	110,099	109,152	109,152	109,152	109,152	109,152
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 116,774</b>	<b>\$ 110,099</b>	<b>\$ 109,152</b>	<b>\$ 109,152</b>	<b>\$ 109,152</b>	<b>\$ 109,152</b>	<b>\$ 109,152</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	116,774	110,099	109,152	109,152	109,152	109,152	109,152
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 116,774</b>	<b>\$ 110,099</b>	<b>\$ 109,152</b>	<b>\$ 109,152</b>	<b>\$ 109,152</b>	<b>\$ 109,152</b>	<b>\$ 109,152</b>

## Program: Wildlife Management

*Goal: To establish habitats and environments that will sustain wildlife populations for recreational uses and for the perpetuation of species.*

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 approximately 1.5 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 Allegheny woodrats, ospreys and peregrine falcons.

### Program Recommendations:

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

		<b>GAME FUND</b>
		<b>General Operations (EA)</b>
\$	273	—to continue current program.
		<b>Miscellaneous Wildlife Grants (EA)</b>
\$	-1,220	—program reduction.

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

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GAME FUND:</b>							
General Operations (EA).....	\$ 78,294	\$ 70,728	\$ 71,001	\$ 71,001	\$ 71,001	\$ 71,001	\$ 71,001
Land Acquisition and Development (EA)...	150	0	0	0	0	0	0
<b>TOTAL GAME FUND.....</b>	<b>\$ 78,444</b>	<b>\$ 70,728</b>	<b>\$ 71,001</b>	<b>\$ 71,001</b>	<b>\$ 71,001</b>	<b>\$ 71,001</b>	<b>\$ 71,001</b>

**Program Measures**

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

**Program: Wildlife Management**

**Objective: Ensure the propagation and preservation of wildlife through land and game management.**

Number of hunting licenses sold	935,767	937,029	938,291	939,553	940,815	942,077	943,339
Arrests for violation of game laws	7,884	7,884	7,884	7,884	7,884	7,884	7,884



---

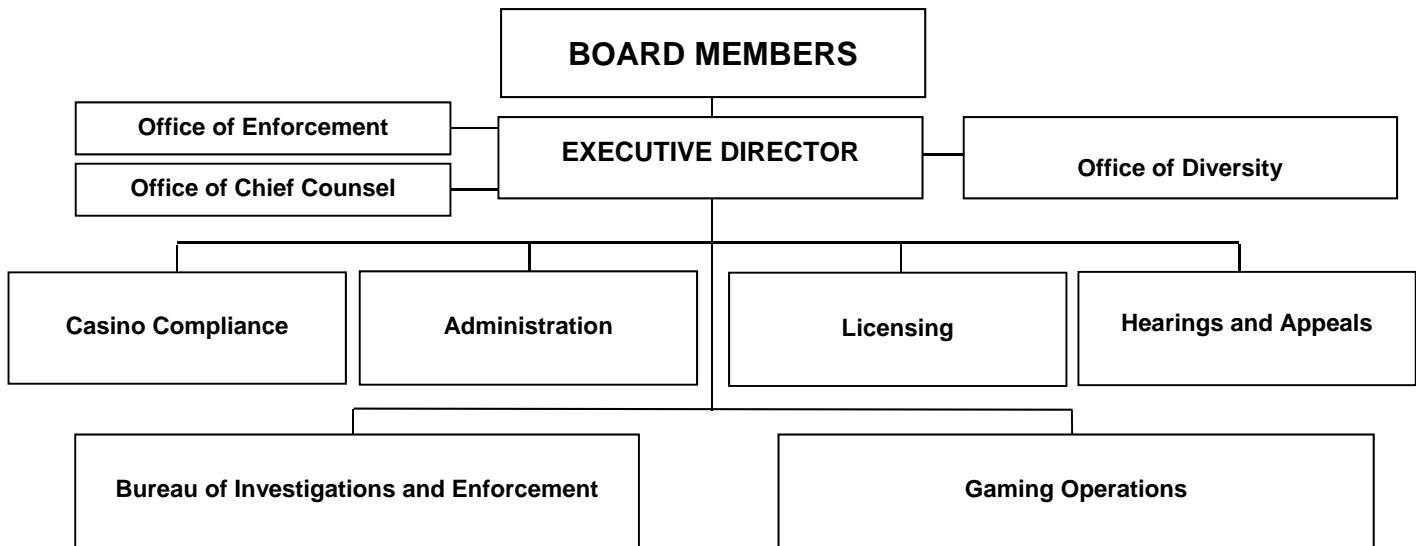
# GAMING CONTROL BOARD

The Gaming Control Board protects the interest of the public by ensuring the integrity of legalized gaming through the strict enforcement of the law and regulations, the licensing of qualified individuals and entities, and fulfilling the objectives of legalized gaming in the commonwealth to deliver a significant source of revenue, assist the horse racing industry, provide broad economic opportunities and enhance tourism.

## Programs and Goals

**Gaming Regulation:** *To protect the interest of the public by ensuring the integrity of legalized gaming and supporting the objectives of legalized gaming in the commonwealth to deliver a significant source of revenue, assist the horse racing industry, provide broad economic opportunities and enhance tourism.*

## Organization Overview



- **Casino Compliance** oversees the onsite presence of compliance officers at all casinos to assure the integrity of gaming, including the proper collection, counting and recording of gaming revenue.
- **Administration** is responsible for gaming laboratory operations, compulsive and problem gambling, media and public relations, and administrative services.
- **Licensing** oversees the licensing of the state’s casinos and other gaming related companies doing business in the state as well as the employees working in and supporting the gaming industry.
- **Hearings and Appeals** oversees the hearing and appeals process.
- **Bureau of Investigations and Enforcement** ensures the integrity of the commonwealth’s gaming industry through conducting suitability and regulatory investigations.
- **Gaming Operations** oversees a staff whose responsibilities include compliance auditing and the review and approval of accounting and internal controls, table game rules and equipment including cards, dice and chips.

## Reported Complement

(Independent Agency – Complement Not Under the Governor’s Jurisdiction/Control)

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
326	311	313	309	293

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>OTHER FUNDS:</b>			
<b>STATE GAMING FUND:</b>			
(R)Administration.....	\$ 32,900	\$ 34,414	\$ 35,910
(R)General Operations.....	7,000	5,755	5,755
(R)Tavern Games - Investigations.....	5	10	10
Local Law Enforcement Grants (EA).....	2,000	2,000	2,000
<b>STATE GAMING FUND TOTAL.....</b>	<b>\$ 41,905</b>	<b>\$ 42,179</b>	<b>\$ 43,675</b>

Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GAMING REGULATION</b>							
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.....	41,905	42,179	43,675	43,675	43,675	43,675	43,675
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 41,905</b>	<b>\$ 42,179</b>	<b>\$ 43,675</b>	<b>\$ 43,675</b>	<b>\$ 43,675</b>	<b>\$ 43,675</b>	<b>\$ 43,675</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	41,905	42,179	43,675	43,675	43,675	43,675	43,675
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 41,905</b>	<b>\$ 42,179</b>	<b>\$ 43,675</b>	<b>\$ 43,675</b>	<b>\$ 43,675</b>	<b>\$ 43,675</b>	<b>\$ 43,675</b>

## Program: Gaming Regulation

*Goal: To protect the interest of the public by ensuring the integrity of legalized gaming and supporting the objectives of legalized gaming in the commonwealth to deliver a significant source of revenue, assist the horse racing industry, provide broad economic opportunities and enhance tourism.*

To ensure the integrity of gaming in Pennsylvania, Gaming Control Board staff is present all day, every day in the commonwealth's twelve casino venues. Board staff document and investigate all patron complaints, identify potential regulatory violations, and ensure the proper collection, counting and recording of gaming revenue in accordance with state law and board regulations.

The Bureau of Investigations and Enforcement within the Gaming Control Board, ensures the integrity of the commonwealth's gaming industry and protects citizens' interests through enforcement and investigations. The bureau investigates all casino employees, manufacturers of gaming equipment, casino operators, and gaming service providers to determine suitability prior to those individuals and entities working in Pennsylvania's gaming industry. The bureau completes approximately 10,000 investigations annually.

The Gaming Control Board also operates a gaming lab to test all casino-related products to certify regulatory compliance for minimum design standards and the 85 percent minimum slot payback mandated by law and to ensure casinos utilize approved products only.

To assist problem gamblers find help and to heighten awareness of problem gambling, the Gaming Control Board maintains an Office of Compulsive and Problem Gambling. This office ensures that every casino operator has established, and complies with, an approved compulsive and problem gambling plan.

The Gaming Control Board promotes and ensures diversity in all aspects of the casino operations and works with the casino industry to maximize employment opportunities for all Pennsylvania residents.

In addition, the Gaming Control Board regularly monitors and reports the impact casino gaming has on the horse racing industry and establishes and maintains effective relationships with key industry stakeholders.

Several state agencies provide support to the Gaming Control Board. The Department of Revenue manages a centralized computer system, which monitors the operation of all licensed gaming machines. The Pennsylvania State Police and the Attorney General provide criminal law enforcement oversight of the gaming industry.

### Program Recommendations:

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

#### STATE GAMING FUND

This budget recommends a total of \$41,665,000 from restricted accounts in the State Gaming Fund for the operation of the Gaming Control Board in the 2017-18 fiscal year.

In addition, \$10,000 of tavern games investigations revenue will support this program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>STATE GAMING FUND:</b>							
(R)Administration.....	\$ 32,900	\$ 34,414	\$ 35,910	\$ 35,910	\$ 35,910	\$ 35,910	\$ 35,910
(R)General Operations.....	7,000	5,755	5,755	5,755	5,755	5,755	5,755
(R)Tavern Games - Investigations.....	5	10	10	10	10	10	10
Local Law Enforcement Grants (EA).....	2,000	2,000	2,000	2,000	2,000	2,000	2,000
<b>TOTAL STATE GAMING FUND.....</b>	<b>\$ 41,905</b>	<b>\$ 42,179</b>	<b>\$ 43,675</b>	<b>\$ 43,675</b>	<b>\$ 43,675</b>	<b>\$ 43,675</b>	<b>\$ 43,675</b>



– THIS PAGE INTENTIONALLY LEFT BLANK –



---

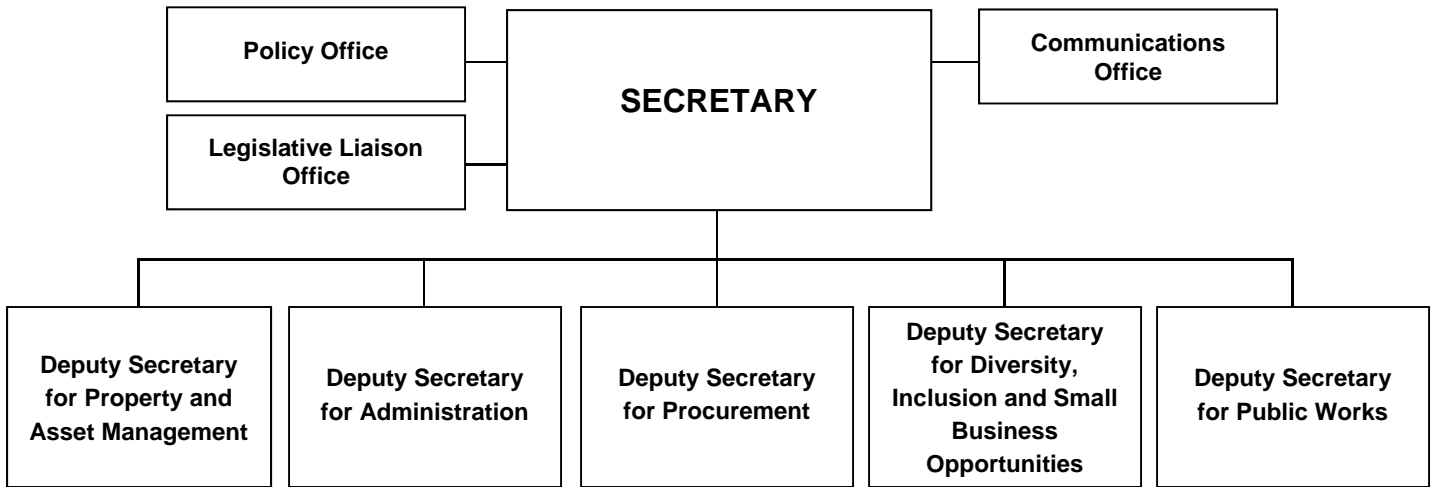
# DEPARTMENT OF GENERAL SERVICES

*The mission of the Department of General Services is to deliver innovative services and solutions to support cost-effective operations and responsible public stewardship in state government. As the agency responsible for providing essential functions, such as procurement of goods and services, oversight of the vehicle fleet, management of state property and facilities and construction of the commonwealth's buildings and non-highway infrastructure, the department reaches for unparalleled customer service and continuous improvement while fostering sensible, sustainable and transparent government.*

## **Programs and Goals**

**Facility, Property and Commodity Management:** *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.*

## Organization Overview



- **Deputy Secretary for Property and Asset Management** is responsible for the operation and maintenance of the Capitol Complex for all commonwealth-owned and operated properties, Real Estate, Capitol Police, and Energy and Resource Management.
- **Deputy Secretary for Administration** is responsible for the bureaus of Human Resources, Commonwealth Media Services, Information Technology Office, Publications, Risk and Insurance Management, and Financial and Management Services.
- **Deputy Secretary for Procurement** is responsible for the bureaus of Procurement, Vehicle Management and Supplies and Surplus Operations.
- **Deputy Secretary for Diversity, Inclusion and Small Business Opportunities** is responsible for assisting small and diverse businesses in competing for commonwealth contracting opportunities.
- **Deputy Secretary for Public Works** is responsible for the bureaus of Capital Project Pre-Construction and Capital Project Construction.

### Authorized Complement

2010-11 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
1,061	999	1,003	954	954

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 63,207</b>	<b>\$ 53,503</b>	<b>\$ 51,822</b>
(A)Federal Surplus Property.....	1,996	2,079	1,765
(A)State Surplus Property.....	640	600	465
(A)State Buildings Use.....	163	188	115
(A)Employee Liability Self Insurance Program.....	421	428	468
(A)Newsroom Services.....	5	5	5
(A)Administrative Services.....	91	86	87
(A)Plans and Specifications.....	5	0	0
(A)Media Center Reimbursements.....	228	300	300
(A)Recycling Program.....	432	619	420
(A)Metrology Fees.....	250	246	246
(A)CoStar Program.....	2,020	1,775	1,896
(A)Centralized Procurement.....	11,480	10,438	10,438
(A)Contract Administration Fees.....	171	93	0
(A)Energy Office Management Fees.....	144	144	0
(A)DGS Annex.....	399	308	358
(A)E-Verify.....	21	20	5
(A)Small Business Opportunities.....	48	48	0
(A)Real Estate Services.....	640	654	771
(A)Public Works Modernization.....	0	12,858	15,267
Subtotal.....	<u>\$ 82,361</u>	<u>\$ 84,392</u>	<u>\$ 84,428</u>
<b>Capitol Police Operations.....</b>	<b>12,083</b>	<b>12,381</b>	<b>12,227</b>
(A)Capitol Police Services.....	380	188	514
Subtotal.....	<u>\$ 12,463</u>	<u>\$ 12,569</u>	<u>\$ 12,741</u>
<b>Rental and Municipal Charges.....</b>	<b>25,469</b>	<b>24,539</b>	<b>25,024</b>
(A)Agency Rental Charges.....	2,254	4,300	0
(A)Real Estate Lease Reimbursements.....	25,872	23,458	27,739
Subtotal.....	<u>\$ 53,595</u>	<u>\$ 52,297</u>	<u>\$ 52,763</u>
<b>Utility Costs.....</b>	<b>22,640</b>	<b>22,640</b>	<b>22,447</b>
(A)DGS Annex.....	216	156	209
Subtotal.....	<u>\$ 22,856</u>	<u>\$ 22,796</u>	<u>\$ 22,656</u>
<b>Excess Insurance Coverage.....</b>	<b>1,288</b>	<b>1,327</b>	<b>1,327</b>
Subtotal - State Funds.....	\$ 124,687	\$ 114,390	\$ 112,847
Subtotal - Augmentations.....	47,876	58,991	61,068
Total - General Government.....	<u>\$ 172,563</u>	<u>\$ 173,381</u>	<u>\$ 173,915</u>
<i>Grants and Subsidies:</i>			
<b>Capitol Fire Protection.....</b>	<b>\$ 496</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>
STATE FUNDS.....	\$ 125,183	\$ 119,390	\$ 117,847
AUGMENTATIONS.....	47,876	58,991	61,068
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 173,059</u></b>	<b><u>\$ 178,381</u></b>	<b><u>\$ 178,915</u></b>
<b>MOTOR LICENSE FUND:</b>			
<i>General Government:</i>			
<b>Harristown Rental Charges (EA).....</b>	<b>\$ 121</b>	<b>\$ 111</b>	<b>\$ 112</b>
<b>Harristown Utility and Municipal Charges (EA).....</b>	<b>199</b>	<b>195</b>	<b>188</b>
Total - General Government.....	<u>\$ 320</u>	<u>\$ 306</u>	<u>\$ 300</u>
<i>Grants and Subsidies:</i>			
<b>Tort Claims Payments.....</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 9,000</b>

**Summary by Fund and Appropriation**

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>MOTOR LICENSE FUND TOTAL</b> .....	<b>\$ 10,320</b>	<b>\$ 10,306</b>	<b>\$ 9,300</b>
 <b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Temporary Fleet Vehicles.....	\$ 150	\$ 1,500	\$ 1,500
 DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 125,183	\$ 119,390	\$ 117,847
SPECIAL FUNDS.....	10,320	10,306	9,300
FEDERAL FUNDS.....	0	0	0
AUGMENTATIONS.....	47,876	58,991	61,068
OTHER FUNDS.....	150	1,500	1,500
<b>TOTAL ALL FUNDS</b> .....	<b>\$ 183,529</b>	<b>\$ 190,187</b>	<b>\$ 189,715</b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>FACILITY, PROPERTY AND COMMODITY MANAGEMENT</b>							
GENERAL FUND.....	\$ 125,183	\$ 119,390	\$ 117,847	\$ 129,623	\$ 129,623	\$ 129,623	\$ 129,623
SPECIAL FUNDS.....	10,320	10,306	9,300	9,300	9,300	9,300	9,300
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	48,026	60,491	62,568	62,568	62,568	62,568	62,568
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 183,529</b>	<b>\$ 190,187</b>	<b>\$ 189,715</b>	<b>\$ 201,491</b>	<b>\$ 201,491</b>	<b>\$ 201,491</b>	<b>\$ 201,491</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 125,183	\$ 119,390	\$ 117,847	\$ 129,623	\$ 129,623	\$ 129,623	\$ 129,623
SPECIAL FUNDS.....	10,320	10,306	9,300	9,300	9,300	9,300	9,300
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	48,026	60,491	62,568	62,568	62,568	62,568	62,568
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 183,529</b>	<b>\$ 190,187</b>	<b>\$ 189,715</b>	<b>\$ 201,491</b>	<b>\$ 201,491</b>	<b>\$ 201,491</b>	<b>\$ 201,491</b>

## Program: Facility, Property and Commodity Management

*Goal: 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.*

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. The department oversees the commonwealth's media services and minority and women-owned business programs.

### **Procurement**

The Bureau of Procurement contracts for services, equipment and supplies for the commonwealth and establishes procurement policy for all state agencies. The bureau oversees more than \$3.5 billion in goods and services for the commonwealth each year, ranging from office supplies to complex services to vehicles. Contracts are negotiated to leverage the aggregate purchasing power of commonwealth agencies for best pricing. By employing commercial best practices such as strategic sourcing and reverse auctions, the department plays a central role in the Governor's Office of Transformation, Innovation and Management Efficiency's (GO-TIME) savings goals.

### **Public Works**

The department's public works bureaus manage every aspect of the design and construction of the commonwealth's \$1.2 billion portfolio of non-highway construction projects. In 2016-17, Public Works is replacing its decades-old, paper-based procedures and systems with a new software platform and business processes designed to manage capital projects more efficiently and effectively. Under the new plan, costs related to project management will be covered by a project administration fee, saving millions per year in personnel and operating costs in the General Fund.

### **Vehicles**

The Bureau of Vehicle Management maintains and oversees the commonwealth's fleet of approximately 10,000 passenger vehicles. The bureau approves and tracks the maintenance and repairs of all fleet vehicles to ensure compliance with manufacturers' suggested service programs and monitors operating costs.

The bureau works continuously to refine commonwealth policies and procedures governing vehicle assignments, vehicle replacement and personal mileage reimbursement in order improve returns on the fleet investment and control total transportation costs.

### **Capitol Police**

The Pennsylvania Capitol Police are responsible for protecting and serving state employees, public officials and visitors to the Capitol Complex as well as department-managed state office buildings and grounds. This mission is accomplished with security guards and sworn police officers. The Pennsylvania Capitol Police are an accredited law enforcement agency that investigates all reported crimes within its jurisdiction of state-owned properties and buildings in Harrisburg, Philadelphia and Scranton. The force maintains a 24 hours a day, 7 days a week presence in Harrisburg.

The Capitol Police provide a variety of trainings – Active shooter, Crime Prevention, Knowing Your Rights and An Introduction to Self-Defense – to promote safety among state employees, public officials and the general public within and surrounding the Capitol Complex.

### **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 2015-16, federal property originally valued at \$13.1 million was distributed to eligible organizations. The State Surplus Division distributes this property among commonwealth and local agencies. Thereafter, goods are recycled or sold to the public through on-site auctions or internet sales. This division also conducts private sales of Department of Transportation heavy equipment to municipalities. Revenue generated from the recycling or sale of state surplus property was more than \$6.1 million in 2015-16.

### **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 a variety of printing services including graphic design, security printing, application programming, envelope insertion and mailing services. On demand availability and direct distribution eliminate an agency's need to print and store large quantities of product. The State Sign Shop delivers signage, engraving and banner services. The bureau also produces the Pennsylvania Manual and the Commonwealth Telephone Directory.

## Program: Facility, Property and Commodity Management (continued)

### Real Estate

The Bureau of Real Estate is responsible for the purchase, sale and leasing of real property and the management of property owned and leased by the commonwealth. The Leasing Division reviews, analyzes, negotiates and administers over 500 leases on behalf of commonwealth agencies, including commercial, office, warehouse and hanger space. The Pennsylvania Liquor Control Board Leasing Division reviews, analyzes, negotiates and administers over 600 leases on behalf of the Pennsylvania Liquor Control Board including retail, office and warehouse space. The Real Estate Services Division manages over 14 million square feet of space, analyzes requests for space optimization and allocates space to departments, boards and commissions in state-owned and leased facilities. This division also maintains an inventory of facility and building information and manages the 4,300 space Master Parking Lease in Harrisburg. The Real Estate Acquisitions and Dispositions Division acquires real property for capital projects and disposes of real property owned by the commonwealth that has been declared surplus. This division also administers all lease-outs, licenses and easements involving commonwealth property.

### Risk and Insurance

The department handles tort claims, in conjunction with the Office of Attorney General, brought against the commonwealth, its officials and employees. The commonwealth's use of sovereign immunity as a defense against tort claims is limited in specific areas: vehicle liability, medical professional liability, personal property, commonwealth real estate, potholes and other dangerous conditions. The department investigates claims in the pre-litigation stage, while the Office of Attorney General defends against those claims in litigation.

### Facilities

The bureaus of Facilities and Maintenance Management provide building management and maintenance services for 20 state-owned office buildings in and around the Capitol Complex, two executive residences, two Harrisburg-leased buildings, the master lease of Forum Place and 53 buildings on the former Harrisburg State Hospital complex. Outside of the Harrisburg area, the department operates the Scranton and Reading state office buildings and master lease buildings in Philadelphia and Pittsburgh. In total, these facilities contain nearly 7.5 million square feet of office space, with 280 acres of grounds, parking and roadway areas.

### Diversity, Inclusion and Small Business Opportunities

The Bureau of Diversity, Inclusion, and Small Business Opportunities implements programs and policies that promote contracting opportunities for small and diverse businesses. The bureau assists these businesses in navigating the state contracting process, completing certification requirements and ensuring contract compliance. The bureau is an active partner to other agency programs that provide support services and training to small and diverse businesses.

### Commonwealth Media Services

Commonwealth Media Services provides studio and remote broadcast television services, fixed and remote satellite uplinking, web animation and graphics, marketing campaign strategy and development services and a full range of creative services delivered to assist agencies in developing a portfolio of media strategies to communicate program information to their customers, and more broadly, to the taxpayers of Pennsylvania. The bureau also provides support for media archiving and the state's cable system infrastructure.

## Program Recommendation:

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

<b>GENERAL FUND</b>			
	<b>General Government Operations</b>		<b>Utility Costs</b>
\$ 974	—to continue current program.	\$ -193	—Initiative—cost savings from utility management.
-2,392	—Initiative—to implement complement savings.		
-153	—Initiative—cost savings realized through consolidation of administrative functions.		<b>MOTOR LICENSE FUND</b>
-110	—Initiative—to modernize operations.		<b>Harristown Rental Charges (EA)</b>
\$ -1,681	<i>Appropriation Decrease</i>	\$ 1	—increase in pro rata share of charges.
	<b>Capitol Police Operations</b>		<b>Harristown Utility and Municipal Charges (EA)</b>
\$ -154	—Initiative—to implement complement savings.	\$ -7	—decrease in pro rata share of charges.
	<b>Rental and Municipal Charges</b>		<b>Tort Claims Payments</b>
\$ 701	—to continue current program.	\$ -1,000	—based on current estimates.
-216	—Initiative—cost savings realized through the reduction of real estate costs.		
\$ 485	<i>Appropriation Increase</i>		

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



**Program: Facility, Property and Commodity Management (continued)**

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 63,207	\$ 53,503	\$ 51,822	\$ 51,822	\$ 51,822	\$ 51,822	\$ 51,822
Capitol Police Operations .....	12,083	12,381	12,227	12,227	12,227	12,227	12,227
Rental and Municipal Charges .....	25,469	24,539	25,024	36,800	36,800	36,800	36,800
Utility Costs .....	22,640	22,640	22,447	22,447	22,447	22,447	22,447
Excess Insurance Coverage .....	1,288	1,327	1,327	1,327	1,327	1,327	1,327
Capitol Fire Protection .....	496	5,000	5,000	5,000	5,000	5,000	5,000
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 125,183</b>	<b>\$ 119,390</b>	<b>\$ 117,847</b>	<b>\$ 129,623</b>	<b>\$ 129,623</b>	<b>\$ 129,623</b>	<b>\$ 129,623</b>
<b>MOTOR LICENSE FUND:</b>							
Harristown Rental Charges (EA) .....	\$ 121	\$ 111	\$ 112	\$ 112	\$ 112	\$ 112	\$ 112
Harristown Utility and Municipal Charges (EA) .....	199	195	188	188	188	188	188
Tort Claims Payments .....	10,000	10,000	9,000	9,000	9,000	9,000	9,000
<b>TOTAL MOTOR LICENSE FUND .....</b>	<b>\$ 10,320</b>	<b>\$ 10,306</b>	<b>\$ 9,300</b>	<b>\$ 9,300</b>	<b>\$ 9,300</b>	<b>\$ 9,300</b>	<b>\$ 9,300</b>

Program Measures

2015-16 2016-17 2017-18 2018-19 2019-20 2020-21 2021-22

**Program: Facility, Property and Commodity Management**

**Objective: Generate procurement savings for the commonwealth.**

**Procurement**

New DGS procurement related savings (in thousands)	\$106,000	\$55,000	\$33,000	\$33,000	\$33,000	\$40,000	\$36,000
--	-----------	----------	----------	----------	----------	----------	----------

**Objective: Increase participation of and opportunity for small diverse businesses and small businesses.**

**Small Diverse Businesses**

Percentage of commonwealth contract spending awarded to small and small diverse businesses	10%	13%	16%	19%	21%	24%	27%
--	-----	-----	-----	-----	-----	-----	-----

**Objective: Increase percentage of projects completed annually that are within 105 percent of the original project award.**

**Public Works**

Average final project cost as a percentage of original project award (goal is 105% or less)	108%	105%	105%	102%	102%	100%	100%
---	------	------	------	------	------	------	------

**Objective: Decrease the amount of unused and underutilized leased office space.**

**Real Estate**

Leased space cost by \$/per square foot	\$16.86	\$17	\$17	\$17.50	\$17.50	\$18	\$18
Total square footage reduced each year	126,716	40,000	40,000	40,000	40,000	40,000	40,000

**Objective: Decrease the operating costs for management of the commonwealth's state owned buildings and vehicle fleet.**

Average time to complete maintenance work orders	13.94	14	14	14	14	14	14
Average time to complete a facilities work order (in hours)	4.05	3.75	3.75	3.75	3.75	3.75	3.75

**Objective: Reduce energy consumption and associated energy costs in state owned facilities.**

**Energy**

DGS Energy Use Index vs. Commercial Building Energy Consumption Survey Average	0.90	1	1	1	1	1	1
--	------	---	---	---	---	---	---

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# DEPARTMENT OF HEALTH AND HUMAN SERVICES

*The mission of the Department of Health and Human Services is to improve the quality of life and promote healthy lifestyles for all Pennsylvania's individuals and families. The department promotes opportunities for independence through services and supports and to ensure the safe delivery of quality health care for all commonwealth citizens while demonstrating accountability for taxpayer resources.*

This mission is accomplished through the following programs and objectives.

## **Programs and Goals**

**Health and Human Services Support:** *To provide effective administrative and support systems through which the substantive programs of the department can be operated.*

**Medical Assistance and Health Care Delivery:** *To support a health care delivery system that provides comprehensive health care services in appropriate settings for the eligible populations from children to older Pennsylvanians and to assist those who experience difficulty meeting the cost of prescription drugs necessary to maintain healthy lives including older Pennsylvanians eligible for the Pharmaceutical Assistance Contract for the Elderly program.*

**Aging and Adult Community Living:** *To support a community living system that empowers persons with disabilities and older Pennsylvanians to live with dignity and independence in settings they prefer, to provide meaningful choice of community living services and to ensure that those services are delivered in a high-quality, cost-effective manner.*

**Eligibility and Self-Sufficiency:** *To promote personal and parental responsibility and encourage economic independence and self-sufficiency through temporary cash assistance, job training, child care for families or individuals and nutrition support services.*

**Behavioral Health and Substance Use Disorder Services:** *To maximize the individual's capacity for independent living through the provision of an array of service and support programs and to provide education, intervention and treatment programs to reduce drug, alcohol and gambling use, addiction and dependence.*

---



---

# DEPARTMENT OF HEALTH AND HUMAN SERVICES

## Programs and Goals

Continued

**Intellectual Disabilities:** *To maximize each individual's capacity for more independent living and participation in community life by providing needed training and support services.*

**Human Services:** *To enhance the social and economic well-being of families and individuals through the provision of an array of service and support programs.*

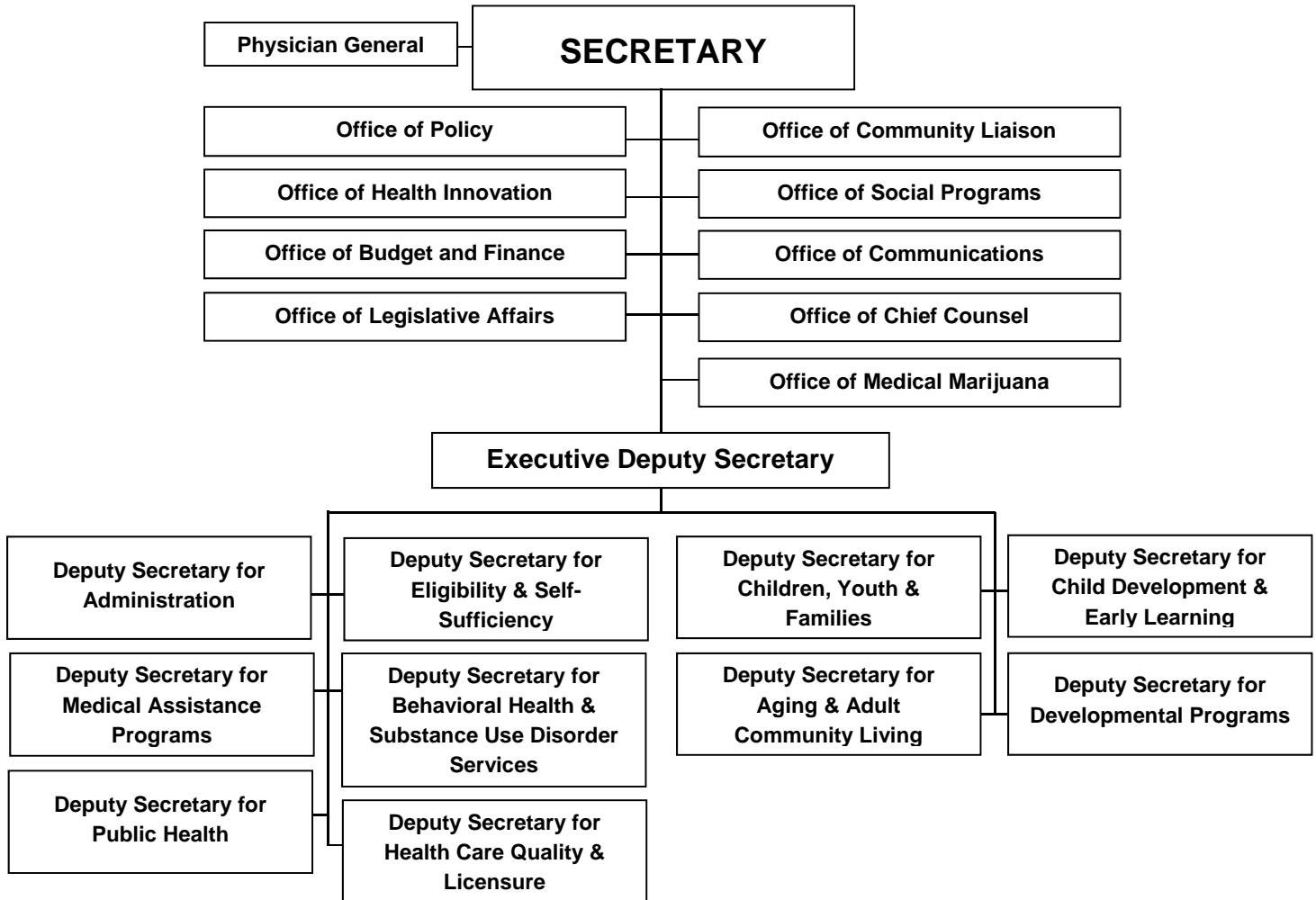
**Child Development:** *To promote opportunities for all Pennsylvania children and families by building systems and providing supports that help ensure access to high-quality child and family services.*

**Public Health:** *To reduce morbidity and mortality through the early detection of disease and health defects and the promotion of sound health practices and remedial care.*

**Health Care Quality and Licensure:** *To ensure the delivery of quality health care in all of the state's health care facilities through the identification of quality-focused objectives, leading clinical quality improvement to increase access to health care services and promote the quality of life for all.*

## Organization Overview

The 2017-18 Budget proposes the consolidation of the Departments of Human Services, Health, Drug and Alcohol Programs and Aging into a new Department of Health and Human Services to encourage more effective collaboration and service delivery, enhance program effectiveness, reduce administrative costs, and eliminate duplicate positions.



- **Deputy Secretary for Administration** oversees the bureaus of Health Statistics and Registries; Human Resources; Financial Operations; Information Systems; Administrative Services; Hearings and Appeals; and Equal Opportunity.
- **Deputy Secretary for Eligibility and Self-Sufficiency** is responsible for the oversight of the Temporary Assistance for Needy Families program; Medical Assistance; Supplemental Nutrition Assistance Program; Women, Infants and Children program; home heating assistance; family assistance; health services; employment and training services; and child support.
- **Deputy Secretary for Children, Youth and Families** oversees the bureaus of Policy, Programs and Operations; Children and Family Services; Juvenile Justice Services; and Budget and Fiscal Support.
- **Deputy Secretary for Child Development and Early Learning** oversees the bureaus of Subsidized Child Care Services; Certification Services; Early Learning Services; and Early Intervention Services.

## Organization Overview Continued

- **Deputy Secretary for Medical Assistance Programs** administers the joint state/federal Medical Assistance (also known as Medicaid) program that purchases health care for nearly 2.5 million Pennsylvania residents; and oversees the bureaus of Pharmacy including the Pharmaceutical Assistance Contract for the Elderly program; and Children's Health Insurance Program.
- **Deputy Secretary for Behavioral Health and Substance Use Disorder Services** oversees the Office of the Medical Director and the bureaus of Community and Hospital Operations; Policy, Planning and Program Development; Financial Management and Administration; Children's Behavioral Health; and Quality Management and Data Review.
- **Deputy Secretary for Aging and Adult Community Living** oversees the bureaus of Coordinated and Integrated Services; Provider and Participant Supports; Quality Assurance and Program Analytics; Policy Development and Communications Management; and Finance.
- **Deputy Secretary for Developmental Programs** oversees the bureaus of Financial Management and Budget; Supports for People with Intellectual Disabilities; Policy and Program Support; and Autism Services.
- **Deputy Secretary for Public Health** oversees the bureaus of Health Planning; Public and Emergency Preparedness; Community Health Systems; Health Promotion and Risk Reduction; Family Health; Laboratory and Epidemiology Services; and Communicable Diseases.
- **Deputy Secretary for Health Care Quality and Licensure** oversees the bureaus of Licensure and Certification; Community Program Licensure and Certification; Managed Care; and Program Integrity.

### Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual*
18,640	18,467	18,236	18,535	18,683

\* Authorized complement includes Children's Health Insurance Program positions transferred from the Insurance Department effective July 1, 2015.

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 89,450</b>	<b>\$ 92,430</b>	<b>\$ 120,070</b>
(F)Medical Assistance - Administration.....	27,379	31,739	32,136
(F)SNAP - Administration.....	7,437	10,607	7,945
(F)SSBG - Administration.....	325	325	325
(F)TANFBG - Administration.....	8,810	8,810	11,898
(F)Adult Blood Lead Epidemiology.....	0	0	74
(F)AIDS Health Education - Administration.....	0	0	6,511
(F)Cancer Prevention and Control.....	0	0	8,488
(F)CCDFBG - Administration.....	21,840	22,895	23,205
(F)Child Welfare - Title IV-E - Administration.....	5,679	6,908	8,890
(F)Child Welfare Services - Administration.....	1,042	1,042	1,042
(F)Community Based Family Resource and Support-Administration.....	689	689	689
(F)Developmental Disabilities - Basic Support.....	4,253	4,258	4,287
(F)Disabled Education - Administration.....	708	817	757
(F)Early Head Start Expansion Program.....	6,962	14,950	14,950
(F)Early Learning Challenge Grant - Administration.....	541	548	510
(F)EMS for Children.....	0	0	155
(F)Environmental Public Health Tracking.....	0	0	1,342
(F)Health Assessment.....	0	0	613
(F)HIV / AIDS Surveillance.....	0	0	1,774
(F)HIV Care - Administration.....	0	0	5,423
(F)Lead - Administration.....	0	0	389
(F)MCH - Administration.....	172	186	196
(F)MCHSBG - Administration.....	0	0	14,641
(F)MHSBG - Administration.....	539	539	539
(F)PHHSBG - Administration.....	0	0	4,409
(F)Primary Care Cooperative Agreements.....	0	0	324
(F)Programs for the Aging - Title III - Administration.....	0	0	1,781
(F)Programs for the Aging - Title V - Administration.....	0	0	127
(F)Programs for the Aging - Title VII - Administration.....	0	0	352
(F)Refugees and Persons Seeking Asylum-Administration.....	2,138	2,699	2,810
(F)SABG - Administration.....	0	0	8,617
(F)Special Preparedness Initiatives.....	0	0	500
(F)Substance Abuse Special Projects - Administration.....	0	0	2,934
(F)TB - Administration.....	0	0	1,070
(F)WIC Administration.....	0	0	42,938
(F)Homeland Security (EA).....	0	125	125
(F)Public Health Emergency Preparedness and Response (EA).....	0	0	52,243
(F)Learning Management System (EA).....	0	0	60
(A)Training Reimbursement.....	457	457	457
(A)Child Abuse Reviews.....	8,053	9,526	7,846
(A)Miscellaneous Reimbursements.....	1,432	229	1,432
(A)Adam Walsh Clearance.....	1,833	575	1,832
(A)Data Center Services.....	0	0	79
(A)Departmental Services.....	0	0	24
Subtotal.....	<b>\$ 189,739</b>	<b>\$ 210,354</b>	<b>\$ 396,809</b>
<b>Information Systems.....</b>	<b>74,083</b>	<b>82,865</b>	<b>81,360</b>
(F)Medical Assistance - Information Systems.....	121,625	190,033	199,736
(F)SNAP - Information Systems.....	13,689	23,311	23,311
(F)TANFBG - Information Systems.....	9,339	14,417	12,185
(F)Child Welfare - Title IV-E - Information Systems.....	11,288	11,516	11,516
(F)Child Support Enforcement - Information Systems.....	10,560	15,845	10,270
(F)CHIP - Information Systems.....	0	0	14,502
(A)COMPASS Support - CHIP.....	0	613	613
(A)PDE - Early Intervention.....	623	0	0
(A)Medical Data Exchange.....	28	37	37
Subtotal.....	<b>\$ 241,235</b>	<b>\$ 338,637</b>	<b>\$ 353,530</b>
<b>County Administration - Statewide.....</b>	<b>35,593</b>	<b>51,425</b>	<b>47,746</b>
(F)Medical Assistance - Statewide.....	60,027	59,603	61,559
(F)SNAP - Statewide.....	51,143	40,318	38,238



## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
(F)TANFBG - Statewide.....	1,072	1,072	1,072
(F)Women, Infants and Children (WIC).....	0	0	276,112
(F)ARRA - Health Information Technology.....	21,640	22,768	10,449
(F)CHIPRA - Statewide.....	3,179	0	0
(A)County Administration - Statewide.....	32	154	154
(A)Fee for Materials from Outside Vendors.....	2	0	0
(A)SNAP - Retained Collections.....	2,236	1,780	1,780
(A)Miscellaneous.....	0	350	350
Subtotal.....	<b>\$ 174,924</b>	<b>\$ 177,470</b>	<b>\$ 437,460</b>
<b>County Assistance Offices.....</b>	<b>316,319</b>	<b>333,372</b>	<b>296,178</b>
(F)Medical Assistance - County Assistance Offices.....	135,063	173,622	207,250
(F)SNAP - County Assistance Offices.....	119,950	124,532	128,000
(F)TANFBG - County Assistance Offices.....	53,033	48,654	48,654
(F)SSBG - County Assistance Offices.....	6,262	6,262	3,000
(F)LIHEABG - Administration.....	27,000	27,000	27,000
Subtotal.....	<b>\$ 657,627</b>	<b>\$ 713,442</b>	<b>\$ 710,082</b>
<b>Children's Health Insurance Administration.....</b>	<b>2,244</b>	<b>1,231</b>	<b>595</b>
(F)Children's Health Insurance Administration.....	17,138	20,575	5,459
Subtotal.....	<b>\$ 19,382</b>	<b>\$ 21,806</b>	<b>\$ 6,054</b>
<b>Quality Assurance.....</b>	<b>0</b>	<b>0</b>	<b>22,811</b>
(F)Medicare - Health Service Agency Certification.....	0	0	13,400
(F)Medicaid Certification.....	0	0	10,525
(A)Publication Fees.....	0	0	3
(A)Indoor Tanning Regulation Fund.....	0	0	70
Subtotal.....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 46,809</b>
<b>Achieving Better Care - MAP Administration.....</b>	<b>0</b>	<b>0</b>	<b>3,143</b>
(F)Prescription Drug Monitoring.....	0	0	3,171
Subtotal.....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 6,314</b>
<b>Vital Statistics.....</b>	<b>0</b>	<b>0</b>	<b>5,518</b>
(F)Cooperative Health Statistics.....	0	0	2,126
(F)Health Statistics.....	0	0	90
(F)Behavioral Risk Factor Surveillance System.....	0	0	460
(A)Reimbursement for Microfilming.....	0	0	17
(A)VitalChek Surcharge.....	0	0	2,614
(R)County Coroner/Medical Examiner Distribution (EA).....	0	0	1,230
(R)Vital Statistics Improvement Administration (EA).....	0	0	2,212
(A)VitalChek Revenue.....	0	0	876
Subtotal.....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 15,143</b>
<b>State Laboratory.....</b>	<b>0</b>	<b>0</b>	<b>3,696</b>
(F)Clinical Laboratory Improvement.....	0	0	680
(F)Epidemiology & Laboratory Surveillance & Response.....	0	0	13,000
(F)Food Emergency Response.....	0	0	305
(A)Blood Lead Testing.....	0	0	29
(A)Blood Lead Specimen Testing.....	0	0	1
(A)Erythrocyte Protoporphyrin Testing.....	0	0	11
(A)Alcohol Proficiency Testing.....	0	0	71
(A)Drug Abuse Proficiency.....	0	0	253
(A)Licensure for Clinical Laboratories.....	0	0	1,594
(A)Training Course Fees.....	0	0	2
Subtotal.....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 19,642</b>
<b>State Health Care Centers.....</b>	<b>0</b>	<b>0</b>	<b>10,381</b>
(F)Disease Control Immunization.....	0	0	11,899
(F)PHHSBG - Block Program Services.....	0	0	7,000
(F)Preventive Health Special Projects.....	0	0	3,038
(F)Collaborative Chronic Disease Programs.....	0	0	4,561
(F)Sexual Violence Prevention and Education.....	0	0	1,545

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
(F)Live Healthy.....	0	0	4,665
Subtotal.....	\$ 0	\$ 0	\$ 43,089
<b>Sexually Transmitted Disease Screening and Treatment.....</b>	<b>0</b>	<b>0</b>	<b>1,745</b>
(F)Survey and Follow-Up - Sexually Transmitted Diseases.....	0	0	2,895
Subtotal.....	\$ 0	\$ 0	\$ 4,640
<b>Health Innovation.....</b>	<b>0</b>	<b>0</b>	<b>924</b>
(F)Rural Health.....	0	0	25,000
Subtotal.....	\$ 0	\$ 0	\$ 25,924
<b>Child Support Enforcement.....</b>	<b>11,703</b>	<b>12,694</b>	<b>16,568</b>
(F)Child Support Enforcement - Title IV - D.....	154,662	167,873	162,628
(A)Title IV - D Incentive Collections.....	8,910	12,231	13,708
(A)State Retained Support Collections.....	1,090	1,269	1,269
Subtotal.....	\$ 176,365	\$ 194,067	\$ 194,173
<b>New Directions.....</b>	<b>23,809</b>	<b>24,943</b>	<b>22,564</b>
(F)TANFBG - New Directions.....	109,522	109,522	111,275
(F)Medical Assistance - New Directions.....	5,590	5,590	9,264
(F)SNAP - New Directions.....	10,639	16,639	15,772
(F)TANFBG - Summer Intern (EA).....	0	60	60
Subtotal.....	\$ 149,560	\$ 156,754	\$ 158,935
Subtotal - State Funds.....	\$ 553,201	\$ 598,960	\$ 633,299
Subtotal - Federal Funds.....	1,030,935	1,186,349	1,746,741
Subtotal - Augmentations.....	24,696	27,221	35,122
Subtotal - Restricted Revenues.....	0	0	3,442
Total - General Government.....	\$ 1,608,832	\$ 1,812,530	\$ 2,418,604
<b>Institutional:</b>			
<b>Youth Development Institutions and Forestry Camps.....</b>	<b>\$ 65,732</b>	<b>\$ 65,732</b>	<b>\$ 62,769</b>
(F)SSBG - Basic Institutional Programs.....	10,000	10,000	10,000
(F)Food Nutrition Services.....	800	800	650
(F)Juvenile Justice Rape Elimination (EA).....	28	8	0
(A)Institutional Reimbursements.....	15	10	10
(A)Sale of Real Estate.....	0	0	2,800
Subtotal.....	\$ 76,575	\$ 76,550	\$ 76,229
<b>Mental Health Services.....</b>	<b>768,057</b>	<b>789,027</b>	<b>774,429</b>
(F)Medical Assistance - Mental Health.....	183,560	162,146	172,146
(F)Medicare Services - State Mental Hospitals.....	13,782	15,782	17,782
(F)Homeless Mentally Ill.....	2,496	2,496	2,496
(F)MHSBG - Community Mental Health Services.....	18,000	20,000	19,461
(F)SSBG - Community Mental Health Services.....	10,366	10,366	10,366
(F)Suicide Prevention.....	470	0	225
(F)Mental Health Data Infrastructure.....	500	145	145
(F)Jail Diversion & Trauma Recovery.....	205	0	0
(F)Child Mental Health Initiative.....	1,500	1,500	0
(F)System of Care Expansion.....	2,500	2,500	3,000
(F)Mental Health - Safe Schools.....	6,640	6,000	3,000
(F)Project LAUNCH.....	800	800	800
(F)Youth Suicide Prevention.....	736	736	736
(F)Supported Employment Program Grant.....	800	0	0
(F)Transition Age Youth.....	1,500	1,500	1,500
(F)Offender Re-Entry Program.....	400	400	0
(F)PA Certified Community Behavioral Health Clinics.....	887	963	0
(F)Bringing Recovery Supports to Scale.....	0	75	0
(F)Bioterrorism Hospital Preparedness (EA).....	216	205	100
(A)Institutional Collections.....	8,346	7,711	7,711
(A)Miscellaneous Institutional Reimbursements.....	825	1,107	1,107
(A)Sale of Real Estate.....	0	0	4,166

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
(A)Intergovernmental Transfer.....	0	0	22,551
Subtotal.....	\$ 1,022,586	\$ 1,023,459	\$ 1,041,721
<b>Intellectual Disabilities - State Centers.....</b>	<b>136,548</b>	<b>137,770</b>	<b>132,864</b>
(F)Medical Assistance - State Centers.....	174,818	173,511	173,072
(F)Medicare Services - State Centers.....	493	508	600
(A)Institutional Collections - State Centers.....	9,869	9,436	8,937
(A)ID Assessment - State Centers.....	18,722	18,317	18,741
Subtotal.....	\$ 340,450	\$ 339,542	\$ 334,214
Subtotal - State Funds.....	\$ 970,337	\$ 992,529	\$ 970,062
Subtotal - Federal Funds.....	431,497	410,441	416,079
Subtotal - Augmentations.....	37,777	36,581	66,023
Total - Institutional.....	\$ 1,439,611	\$ 1,439,551	\$ 1,452,164
<b>Grants and Subsidies:</b>			
<b>Cash Grants.....</b>	<b>\$ 25,457</b>	<b>\$ 25,457</b>	<b>\$ 25,457</b>
(F)TANFBG - Cash Grants.....	308,975	288,975	288,975
(F)Other Federal Support - Cash Grants.....	17,388	17,388	17,388
(F)LIHEABG - Low-Income Families and Individuals.....	320,000	320,000	320,000
(F)Refugees and Persons Seeking Asylum - Social Services.....	10,781	12,758	12,758
Subtotal.....	\$ 682,601	\$ 664,578	\$ 664,578
<b>Supplemental Grants - Aged, Blind and Disabled.....</b>	<b>132,420</b>	<b>132,284</b> <sup>a</sup>	<b>131,487</b>
<b>Medical Assistance - Capitation.....</b>	<b>3,828,934</b>	<b>3,687,490</b> <sup>b</sup>	<b>3,659,537</b>
(F)Medical Assistance - Capitation.....	9,049,328	10,610,637	10,122,225
(A)MA - MCO Assessment.....	0	907,475	1,016,601
(A)Medicaid Managed Care Gross Receipt Tax.....	879,026	70,000	0
(A)Statewide Hospital Assessment.....	230,059	280,060	278,878
Subtotal.....	\$ 13,987,347	\$ 15,555,662	\$ 15,077,241
<b>Medical Assistance - Fee-for-Service.....</b>	<b>392,918</b>	<b>456,085</b> <sup>c</sup>	<b>458,680</b>
(F)Medical Assistance - Fee-for-Service.....	1,981,904	1,793,560	1,867,917
(F)ARRA - MA - Health Information Technology.....	80,000	80,000	60,000
(A)Hospital Assessment.....	99,933	139,046	139,046
(A)Statewide Hospital Assessment.....	461,846	461,571	463,440
Subtotal.....	\$ 3,016,601	\$ 2,930,262	\$ 2,989,083
<b>Payment to Federal Government - Medicare Drug Program.....</b>	<b>584,518</b>	<b>658,816</b> <sup>d</sup>	<b>755,463</b>
<b>Medical Assistance - Workers with Disabilities.....</b>	<b>29,753</b>	<b>35,820</b> <sup>e</sup>	<b>20,661</b>
(F)Medical Assistance - Workers with Disabilities.....	110,661	39,996 <sup>f</sup>	22,214
Subtotal.....	\$ 140,414	\$ 75,816	\$ 42,875
<b>Medical Assistance - Physician Practice Plans.....</b>	<b>9,571</b>	<b>10,071</b>	<b>6,571</b>
(F)Medical Assistance - Physician Practice Plans.....	10,373	12,993	7,065
Subtotal.....	\$ 19,944	\$ 23,064	\$ 13,636
<b>Children's Health Insurance Program.....</b>	<b>13,553</b>	<b>9,453</b>	<b>10,674</b>
(F)Children's Health Insurance Program.....	303,616	366,862	405,455
(A)MA - MCO Assessment.....	0	3,063	3,377
Subtotal.....	\$ 317,169	\$ 379,378	\$ 419,506
<b>Hospital-Based Burn Centers.....</b>	<b>3,782</b>	<b>3,782</b>	<b>3,782</b>
(F)Medical Assistance - Hospital-Based Burn Centers.....	4,098	4,071	4,068
Subtotal.....	\$ 7,880	\$ 7,853	\$ 7,850

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>Medical Assistance - Critical Access Hospitals.....</b>	<b>5,676</b>	<b>6,997</b>	<b>6,997</b>
(F)Medical Assistance - Critical Access Hospitals.....	9,620	10,975	10,968
(A)Statewide Hospital Assessment.....	3,200	3,200	3,200
Subtotal.....	<u>\$ 18,496</u>	<u>\$ 21,172</u>	<u>\$ 21,165</u>
<b>Medical Assistance - Obstetric and Neonatal Services.....</b>	<b>3,681</b>	<b>3,681</b>	<b>3,681</b>
(F)Medical Assistance - Obstetric and Neonatal Services.....	7,250	7,191	7,186
(A)Statewide Hospital Assessment.....	3,000	3,000	3,000
Subtotal.....	<u>\$ 13,931</u>	<u>\$ 13,872</u>	<u>\$ 13,867</u>
<b>Trauma Centers.....</b>	<b>8,656</b>	<b>8,656</b>	<b>8,656</b>
(F)Medical Assistance - Trauma Centers.....	9,385	9,296	9,310
Subtotal.....	<u>\$ 18,041</u>	<u>\$ 17,952</u>	<u>\$ 17,966</u>
<b>Medical Assistance - Academic Medical Centers.....</b>	<b>17,431</b>	<b>21,181</b>	<b>17,431</b>
(F)Medical Assistance - Academic Medical Centers.....	23,904	22,745	18,748
Subtotal.....	<u>\$ 41,335</u>	<u>\$ 43,926</u>	<u>\$ 36,179</u>
<b>Medical Assistance - Transportation.....</b>	<b>62,657</b>	<b>63,983</b>	<b>61,511</b>
(F)Medical Assistance - Transportation.....	74,551	79,538	80,895
Subtotal.....	<u>\$ 137,208</u>	<u>\$ 143,521</u>	<u>\$ 142,406</u>
<b>Expanded Medical Services for Women.....</b>	<b>6,263</b>	<b>6,263</b>	<b>6,263</b>
(F)TANFBG - Alternatives to Abortion.....	1,000	1,000	1,000
Subtotal.....	<u>\$ 7,263</u>	<u>\$ 7,263</u>	<u>\$ 7,263</u>
<b>Long-Term Care.....</b>	<b>968,083</b>	<b>1,036,778</b> <sup>g</sup>	<b>1,187,718</b>
(F)Medical Assistance - Long-Term Care.....	2,056,304	2,135,018	2,289,103
(F)Pre-Admission Assessment.....	0	0	20,566
(F)Programs for the Aging - Title III.....	0	0	52,000
(F)Programs for the Aging - Nutrition.....	0	0	10,000
(F)Programs for the Aging - Title V - Employment.....	0	0	8,000
(F)Programs for the Aging - Title VII - Elder Rights Protection.....	0	0	4,700
(F)Medical Assistance Support.....	0	0	9,000
(F)Medical Assistance Nursing Home Transition Administration.....	0	0	700
(F)Programs for the Aging - Title III - Caregiver Support.....	0	0	10,000
(A)Intergovernmental Transfer.....	86,749	113,445	90,894
(A)Nursing Home Assessment.....	536,296	506,472	506,472
(A)MCO Assessment.....	0	0	3,722
Subtotal.....	<u>\$ 3,647,432</u>	<u>\$ 3,791,713</u>	<u>\$ 4,192,875</u>
<b>Home and Community - Based Services.....</b>	<b>261,945</b>	<b>351,350</b> <sup>h</sup>	<b>336,384</b>
(F)Medical Assistance - Home & Community-Based Services.....	432,888	513,051 <sup>i</sup>	494,227
Subtotal.....	<u>\$ 694,833</u>	<u>\$ 864,401</u>	<u>\$ 830,611</u>
<b>Long-Term Care Managed Care.....</b>	<b>116,133</b>	<b>127,066</b>	<b>152,854</b>
(F)Medical Assistance - Long-Term Care Managed Care.....	131,872	146,594	164,347
Subtotal.....	<u>\$ 248,005</u>	<u>\$ 273,660</u>	<u>\$ 317,201</u>
<b>Services to Persons with Disabilities.....</b>	<b>339,077</b>	<b>419,874</b> <sup>j</sup>	<b>445,227</b>
(F)Medical Assistance - Services to Persons with Disabilities.....	381,702	458,862 <sup>k</sup>	482,106
Subtotal.....	<u>\$ 720,779</u>	<u>\$ 878,736</u>	<u>\$ 927,333</u>
<b>Attendant Care.....</b>	<b>161,741</b>	<b>218,503</b> <sup>l</sup>	<b>217,429</b>
(F)Medical Assistance - Attendant Care.....	155,595	201,917 <sup>m</sup>	203,736
(F)Medical Assistance - Attendant Care Over Age 60.....	0	0	58,454
(A)Attendant Care Parking Fines.....	64	65	65
(A)Attendant Care Patient Fee.....	496	500	500
Subtotal.....	<u>\$ 317,896</u>	<u>\$ 420,985</u>	<u>\$ 480,184</u>

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>Intellectual Disabilities - Community Waiver Program</b> .....	<b>1,202,683</b>	<b>1,331,661</b> n	<b>1,527,602</b>
(F)Medical Assistance - Community ID Waiver Program.....	1,279,651	1,335,919	1,565,324
Subtotal.....	<u>\$ 2,482,334</u>	<u>\$ 2,667,580</u>	<u>\$ 3,092,926</u>
<b>Intellectual Disabilities - Intermediate Care Facilities</b> .....	<b>139,110</b>	<b>127,621</b>	<b>128,426</b>
(F)Medical Assistance - ID/ICF.....	193,005	177,952	162,495
(A)ID Assessment - ID/ICF.....	16,867	19,700	19,700
Subtotal.....	<u>\$ 348,982</u>	<u>\$ 325,273</u>	<u>\$ 310,621</u>
<b>Intellectual Disabilities - Community Base Program</b> .....	<b>148,229</b>	<b>149,950</b>	<b>150,734</b>
(F)Medical Assistance - Community ID Services.....	52,350	53,835	55,385
(F)SSBG - Community ID Services.....	7,451	7,451	7,451
Subtotal.....	<u>\$ 208,030</u>	<u>\$ 211,236</u>	<u>\$ 213,570</u>
<b>Intellectual Disabilities - Lansdowne Residential Services</b> .....	<b>340</b>	<b>340</b>	<b>340</b>
<b>Autism Intervention and Services</b> .....	<b>21,501</b>	<b>24,833</b>	<b>26,908</b>
(F)Medical Assistance - Autism Intervention Services.....	18,863	22,273	26,585
Subtotal.....	<u>\$ 40,364</u>	<u>\$ 47,106</u>	<u>\$ 53,493</u>
<b>Assistance to Drug and Alcohol Programs</b> .....	<b>0</b>	<b>0</b>	<b>44,732</b>
(F)SABG - Drug and Alcohol Services.....	0	0	59,452
(F)Substance Abuse Special Projects Grants.....	0	0	14,281
(F)Opioid - State Targeted Response.....	0	0	47,714
(A)Community Restitution Payments.....	0	0	3
(A)State Stores Fund Transfer (EA).....	0	0	2,500
Subtotal.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 168,682</u>
<b>Behavioral Health Services</b> .....	<b>43,117</b>	<b>53,117</b>	<b>57,149</b>
(F)Access to Medication-Assisted Treatment.....	0	1,000	1,000
Subtotal.....	<u>\$ 43,117</u>	<u>\$ 54,117</u>	<u>\$ 58,149</u>
<b>Special Pharmaceutical Services</b> .....	<b>1,377</b>	<b>1,268</b>	<b>1,268</b>
<b>County Child Welfare</b> .....	<b>949,726</b>	<b>1,146,591</b>	<b>1,190,876</b>
(F)Child Welfare Services.....	13,640	13,674	13,674
(F)Child Welfare - Title IV-E.....	318,741	321,738	323,812
(F)Medical Assistance - Child Welfare.....	1,411	1,411	1,411
(F)TANFBG - Child Welfare.....	58,508	58,508	58,508
(F)SSBG - Child Welfare.....	12,021	12,021	12,021
(F)Child Welfare Training and Certification.....	15,688	15,688	15,688
(F)Community Based Family Resource and Support.....	134	137	137
(F)Child Abuse Prevention and Treatment.....	2,100	2,100	2,100
(F)Title IV B - Caseworker Visits.....	1,365	1,365	1,365
(F)Children's Justice Act.....	1,150	1,150	1,150
(A)Casey Family Project.....	20	50	50
(A)Birth Certificate - Mandated Reporter Training.....	606	953	953
Subtotal.....	<u>\$ 1,375,110</u>	<u>\$ 1,575,386</u>	<u>\$ 1,621,745</u>
<b>Community-Based Family Centers</b> .....	<b>3,258</b>	<b>3,258</b>	<b>12,023</b>
(F)Family Preservation - Family Centers.....	7,009	7,009	2,691
(F)Family Resource and Support - Family Centers.....	480	480	480
(F)Title IV-B - Family Centers.....	1,553	5,871	5,871
(F)MCH - Early Childhood Home Visiting.....	14,300	16,300	16,300
Subtotal.....	<u>\$ 26,600</u>	<u>\$ 32,918</u>	<u>\$ 37,365</u>
<b>Child Care Services</b> .....	<b>155,691</b>	<b>135,691</b>	<b>170,691</b>
(F)CCDFBG - Child Care Services.....	244,856	280,463	269,771
(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.....	258	258	225
(F)Early Learning Challenge Grant - Child Care Services.....	16,953	18,219	18,219
Subtotal.....	<u>\$ 449,995</u>	<u>\$ 466,868</u>	<u>\$ 491,143</u>

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>Child Care Assistance</b> .....	<b>152,609</b>	<b>152,609</b>	<b>152,609</b>
(F)TANFBG - Child Care Assistance.....	29,357	81,139	84,590
(F)CCDFBG - Child Care Assistance.....	130,985	86,866	93,722
(F)SNAP - Child Care Assistance.....	3,576	2,605	1,184
(A)Early Childhood Education Revenue.....	1,705	1,705	1,705
Subtotal.....	<u>\$ 318,232</u>	<u>\$ 324,924</u>	<u>\$ 333,810</u>
<b>Nurse Family Partnership</b> .....	<b>11,978</b>	<b>11,978</b>	<b>12,213</b>
(F)Medical Assistance - Nurse Family Partnership.....	2,544	2,544	2,544
Subtotal.....	<u>\$ 14,522</u>	<u>\$ 14,522</u>	<u>\$ 14,757</u>
<b>Early Intervention</b> .....	<b>127,974</b>	<b>129,211</b>	<b>136,545</b>
(F)Medical Assistance - Early Intervention.....	54,272	53,641	53,605
(F)Education for Children with Disabilities-Early Intervention.....	19,953	22,385 p	16,446
Subtotal.....	<u>\$ 202,199</u>	<u>\$ 205,237</u>	<u>\$ 206,596</u>
<b>Domestic Violence</b> .....	<b>16,851</b>	<b>17,357</b>	<b>17,357</b>
(F)Family Violence Prevention Services.....	3,081	3,389 q	3,389
(F)SSBG - Domestic Violence Programs.....	5,705	5,705	5,705
(F)PHHSBG - Domestic Violence (EA).....	100	100	100
(A)Marriage Law Fees.....	833	833	833
Subtotal.....	<u>\$ 26,570</u>	<u>\$ 27,384</u>	<u>\$ 27,384</u>
<b>Rape Crisis</b> .....	<b>9,639</b>	<b>9,928</b>	<b>9,928</b>
(F)SSBG - Rape Crisis.....	1,721	1,721	1,721
Subtotal.....	<u>\$ 11,360</u>	<u>\$ 11,649</u>	<u>\$ 11,649</u>
<b>Breast Cancer Screening</b> .....	<b>1,623</b>	<b>1,723</b>	<b>1,723</b>
(F)SSBG - Family Planning.....	2,000	2,000	2,000
Subtotal.....	<u>\$ 3,623</u>	<u>\$ 3,723</u>	<u>\$ 3,723</u>
<b>Human Services Development Fund</b> .....	<b>13,460</b>	<b>13,460</b>	<b>13,460</b>
Subtotal.....	<u>\$ 13,460</u>	<u>\$ 13,460</u>	<u>\$ 13,460</u>
<b>Legal Services</b> .....	<b>2,461</b>	<b>2,661</b>	<b>2,661</b>
(F)SSBG - Legal Services.....	5,049	5,049	5,049
Subtotal.....	<u>\$ 7,510</u>	<u>\$ 7,710</u>	<u>\$ 7,710</u>
<b>Homeless Assistance</b> .....	<b>18,496</b>	<b>18,496</b>	<b>18,496</b>
(F)SSBG - Homeless Services.....	4,183	4,183	4,183
(F)SABG - Homeless Services.....	1,983	0	0
(F)SABG - Homeless Services (EA).....	1,983	1,983	1,983
Subtotal.....	<u>\$ 26,645</u>	<u>\$ 24,662</u>	<u>\$ 24,662</u>
<b>AIDS Programs and Special Pharmaceutical Services</b> .....	<b>0</b>	<b>0</b>	<b>17,436</b>
(F)AIDS Health Education Program.....	0	0	3,113
(F)AIDS Ryan White and HIV Care.....	0	0	57,577
(F)Housing for Persons with AIDS.....	0	0	3,737
(A)AIDS SPBP Rebates.....	0	0	30,407
Subtotal.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 112,270</u>
<b>Maternal and Child Health</b> .....	<b>0</b>	<b>0</b>	<b>1,289</b>
(F)MCH Lead Poisoning Prevention and Abatement.....	0	0	1,811
(F)MCHSBG - Program Services.....	0	0	17,898
(F)Abstinence Education.....	0	0	3,360
(F)Traumatic Brain Injury.....	0	0	320
(F)Family Health Special Projects.....	0	0	759
(F)Screening Newborns.....	0	0	1,387
(F)Newborn Hearing Screening and Intervention.....	0	0	330
(F)Teenage Pregnancy Prevention.....	0	0	3,940
Subtotal.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 31,094</u>

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>Newborn Screening</b> .....	0	0	6,684
<b>Community-Based Health Care Subsidy</b> .....	0	0	2,500
<b>School District Health Services</b> .....	0	0	36,620
<b>Local Health Departments</b> .....	0	0	25,421
<b>Local Health - Environmental</b> .....	0	0	2,389
<b>Tuberculosis Screening and Treatment</b> .....	0	0	903
(F) Tuberculosis Control Program.....	0	0	326
Subtotal.....	\$ 0	\$ 0	\$ 1,229
<b>Services for Children with Special Needs</b> .....	0	0	1,923
<b>Renal Dialysis</b> .....	0	0	1,300
<b>Health Program Assistance and Services</b> .....	0	0	5,162
Subtotal - State Funds.....	\$ 9,992,372	\$ 10,615,343	\$ 11,293,831
Subtotal - Federal Funds.....	18,041,411	19,793,796	20,149,237
Subtotal - Augmentations.....	2,320,700	2,511,138	2,565,346
Total - Grants and Subsidies.....	\$ 30,354,483	\$ 32,920,277	\$ 34,008,414
STATE FUNDS.....	\$ 11,515,910	\$ 12,206,832	\$ 12,897,192
FEDERAL FUNDS.....	19,503,843	21,390,586	22,312,057
AUGMENTATIONS.....	2,383,173	2,574,940	2,666,491
RESTRICTED REVENUES.....	0	0	3,442
<b>GENERAL FUND TOTAL</b> .....	\$ 33,402,926	\$ 36,172,358	\$ 37,879,182
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Children's Health Insurance Program (R).....	\$ 36,741	\$ 29,512	\$ 34,687
<b>LOTTERY FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations</b> .....	\$ 0	\$ 0	\$ 8,949
(A) Day Care Licensure.....	0	0	11
(A) Digital Fingerprint Fees.....	0	0	27
Subtotal.....	\$ 0	\$ 0	\$ 8,987
Subtotal - State Funds.....	\$ 0	\$ 0	\$ 8,949
Subtotal - Augmentations.....	0	0	38
Total - General Government.....	\$ 0	\$ 0	\$ 8,987
<i>Grants and Subsidies:</i>			
<b>Medical Assistance - Transportation Services</b> .....	\$ 4,900	\$ 3,300	\$ 3,500
<b>Medical Assistance - Long-Term Care</b> .....	184,081	184,081	184,081
<b>Home and Community-Based Services</b> .....	120,668	120,668	120,668
<b>PENNCARE</b> .....	0	0	329,537
(A) Attendant Care Patient Fees.....	0	0	315
Subtotal.....	\$ 0	\$ 0	\$ 329,852
<b>Pre-Admission Assessment</b> .....	0	0	19,916
<b>Caregiver Support</b> .....	0	0	12,103
<b>Alzheimer's Outreach</b> .....	0	0	250
<b>Pharmaceutical Assistance Fund</b> .....	0	0	125,000
<b>Grants to Senior Centers</b> .....	0	0	2,000
Subtotal - State Funds.....	\$ 309,649	\$ 308,049	\$ 797,055
Subtotal - Augmentations.....	0	0	315
Total - Grants and Subsidies.....	\$ 309,649	\$ 308,049	\$ 797,370



## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
STATE FUNDS.....	\$ 309,649	\$ 308,049	\$ 806,004
AUGMENTATIONS.....	0	0	353
<b>LOTTERY FUND TOTAL.....</b>	<b>\$ 309,649</b>	<b>\$ 308,049</b>	<b>\$ 806,357</b>
<b>OTHER FUNDS:</b>			
<b>TOBACCO SETTLEMENT FUND:</b>			
Medical Care for Workers with Disabilities (EA).....	\$ 95,281	\$ 94,197 <sup>s</sup>	\$ 104,392
Medical Assistance - Workers with Disabilities (F).....	103,066	101,385 <sup>t</sup>	112,234
Subtotal.....	<u>\$ 198,347</u>	<u>\$ 195,582</u>	<u>\$ 216,626</u>
Uncompensated Care (EA).....	25,980	25,684 <sup>u</sup>	28,464
Medical Assistance - Uncompensated Care (F).....	28,364	27,580 <sup>v</sup>	30,615
Subtotal.....	<u>\$ 54,344</u>	<u>\$ 53,264</u>	<u>\$ 59,079</u>
Home and Community-Based Services (EA).....	41,289	40,819 <sup>w</sup>	45,236
Medical Assistance - Community Services (F).....	44,748	43,833 <sup>x</sup>	48,654
Subtotal.....	<u>\$ 86,037</u>	<u>\$ 84,652</u>	<u>\$ 93,890</u>
Medical Assistance - Long-Term Care.....	116,075	133,779 <sup>y</sup>	149,789
Tobacco Use Prevention and Cessation (EA).....	0	0	15,659
Health Research - Health Priorities (EA).....	0	0	1,433 <sup>z</sup>
Health Research - National Cancer Institute (EA).....	0	0	0 <sup>z</sup>
Subtotal.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,092</u>
<b>TOBACCO SETTLEMENT FUND TOTAL.....</b>	<b>\$ 454,803</b>	<b>\$ 467,277</b>	<b>\$ 536,476</b>
<b>CHILDREN'S TRUST FUND:</b>			
Children's Trust Fund (EA).....	\$ 1,400	\$ 1,400	\$ 1,400
<b>COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND:</b>			
Drug and Alcohol Treatment Services (EA).....	\$ 0	\$ 0	\$ 3,000
Compulsive and Problem Gambling Treatment (EA).....	0	0	5,582
<b>COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND TOTAL.....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 8,582</b>
<b>EMERGENCY MEDICAL SERVICES OPERATING FUND:</b>			
Emergency Medical Services.....	\$ 0	\$ 0	\$ 9,400
Catastrophic Medical and Rehabilitation.....	0	0	4,500
<b>EMERGENCY MEDICAL SERVICES OPERATING FUND TOTAL.....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 13,900</b>
<b>GOV. CASEY ORGAN &amp; TISSUE DONATION AWARENESS FUND:</b>			
Implementation Costs (EA).....	\$ 0	\$ 0	\$ 118
Hospital and Other Medical Costs (EA).....	0	0	20
Grants to Certified Procurement Organizations (EA).....	0	0	400
Project Make-A-Choice (EA).....	0	0	110
<b>GOV. CASEY ORGAN &amp; TISSUE DONATION AWARENESS FUND TOTAL.....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 648</b>
<b>MEDICAL MARIJUANA PROGRAM FUND:</b>			
General Operations (EA).....	\$ 0	\$ 0	\$ 2,306
Loan Repayment to General Fund.....	0	0	3,000
Patient Financial Hardship Program (EA).....	0	0	865
Medical Marijuana Research (EA).....	0	0	1,730
Prevention and Treatment Program (EA).....	0	0	577
<b>MEDICAL MARIJUANA PROGRAM FUND TOTAL.....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 8,478</b>
<b>PHARMACEUTICAL ASSISTANCE FUND:</b>			
PACE Contracted Services (EA).....	\$ 0	\$ 0	\$ 0 <sup>aa</sup>
(A) Dept of Corrections Claims.....	0	0	780
Administration of PACE (EA).....	0	0	1,488
<b>PHARMACEUTICAL ASSISTANCE FUND TOTAL.....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,268</b>



## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 11,515,910	\$ 12,206,832	\$ 12,897,192
SPECIAL FUNDS.....	309,649	308,049	806,004
FEDERAL FUNDS.....	19,503,843	21,390,586	22,312,057
AUGMENTATIONS.....	2,383,173	2,574,940	2,666,844
RESTRICTED.....	0	0	3,442
OTHER FUNDS.....	492,944	498,189	606,439
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 34,205,519</b>	<b>\$ 36,978,596</b>	<b>\$ 39,291,978</b>

- <sup>a</sup> Reflects recommended appropriation reduction of \$136,000.
- <sup>b</sup> Reflects recommended appropriation reduction of \$146,444,000.
- <sup>c</sup> Includes recommended supplemental appropriation of \$59,795,000.
- <sup>d</sup> Includes recommended supplemental appropriation of \$30,939,000.
- <sup>e</sup> Includes recommended supplemental appropriation of \$22,320,000.
- <sup>f</sup> Includes recommended supplemental appropriation of \$2,885,000.
- <sup>g</sup> Includes recommended supplemental appropriation of \$39,244,000.
- <sup>h</sup> Includes recommended supplemental appropriation of \$73,680,000.
- <sup>i</sup> Includes recommended supplemental appropriation of \$48,243,000.
- <sup>j</sup> Includes recommended supplemental appropriation of \$49,620,000.
- <sup>k</sup> Includes recommended supplemental appropriation of \$35,015,000.
- <sup>l</sup> Includes recommended supplemental appropriation of \$46,865,000.
- <sup>m</sup> Includes recommended supplemental appropriation of \$30,784,000.
- <sup>n</sup> Includes recommended supplemental appropriation of \$48,548,000.
- <sup>o</sup> Includes recommended supplemental appropriation of \$15,195,000.
- <sup>p</sup> Includes recommended supplemental appropriation of \$328,000.
- <sup>q</sup> Includes recommended supplemental appropriation of \$3,000.
- <sup>r</sup> Includes \$2,563,000 appropriated as a part of Cancer Screening Services, \$350,000 appropriated as Adult Cystic Fibrosis & Other Chronic Respiratory Illnesses, \$100,000 appropriated as Cooley's Anemia, \$949,000 appropriated as Hemophilia and \$1,200,000 appropriated as Sickle Cell in the Department of Health.
- <sup>s</sup> Includes recommended supplemental appropriation of \$1,436,000.
- <sup>t</sup> Includes recommended supplemental appropriation of \$1,546,000.
- <sup>u</sup> Includes recommended supplemental appropriation of \$391,000.
- <sup>v</sup> Includes recommended supplemental appropriation of \$420,000.
- <sup>w</sup> Includes recommended supplemental appropriation of \$622,000.
- <sup>x</sup> Includes recommended supplemental appropriation of \$668,000.
- <sup>y</sup> Includes recommended supplemental appropriation of \$839,000.
- <sup>z</sup> This budget proposes funding this program through a new Pennsylvania Economic Revitalization Fund (PERF) bond program. Please refer to the PERF financial statement in the Other Special Funds Appendix.
- <sup>aa</sup> Transfer to the Pharmaceutical Assistance Fund not added to the total to avoid double counting: 2017-18 Budget is \$125,000,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>HEALTH AND HUMAN SERVICES SUPPORT</b>							
GENERAL FUND.....	\$ 163,533	\$ 175,295	\$ 206,948	\$ 206,948	\$ 206,948	\$ 206,948	\$ 206,948
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	255,015	362,259	539,265	539,265	539,265	539,265	539,265
OTHER FUNDS.....	12,426	11,437	19,269	19,269	19,269	19,269	19,269
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 430,974</b>	<b>\$ 548,991</b>	<b>\$ 765,482</b>	<b>\$ 765,482</b>	<b>\$ 765,482</b>	<b>\$ 765,482</b>	<b>\$ 765,482</b>
<b>MEDICAL ASSISTANCE AND HEALTH CARE DELIVERY</b>							
GENERAL FUND.....	\$ 4,969,637	\$ 4,973,509	\$ 5,023,645	\$ 4,856,005	\$ 4,870,440	\$ 4,985,107	\$ 5,127,309
SPECIAL FUNDS.....	4,900	3,300	128,500	123,500	123,500	123,500	123,500
FEDERAL FUNDS.....	11,682,828	13,059,439	12,625,681	12,745,476	13,064,574	13,500,033	13,982,439
OTHER FUNDS.....	1,966,496	2,145,773	2,220,202	2,192,034	2,184,583	2,183,909	2,183,909
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 18,623,861</b>	<b>\$ 20,182,021</b>	<b>\$ 19,998,028</b>	<b>\$ 19,917,015</b>	<b>\$ 20,243,097</b>	<b>\$ 20,792,549</b>	<b>\$ 21,417,157</b>
<b>AGING AND ADULT COMMUNITY LIVING</b>							
GENERAL FUND.....	\$ 1,846,979	\$ 2,153,571	\$ 2,339,612	\$ 3,022,908	\$ 3,352,764	\$ 3,568,000	\$ 3,812,970
SPECIAL FUNDS.....	304,749	304,749	677,504	687,459	687,435	694,861	701,876
FEDERAL FUNDS.....	3,158,361	3,455,442	3,806,939	4,542,653	4,862,637	5,100,896	5,362,948
OTHER FUNDS.....	825,717	838,913	845,685	864,897	822,182	776,917	776,917
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 6,135,806</b>	<b>\$ 6,752,675</b>	<b>\$ 7,669,740</b>	<b>\$ 9,117,917</b>	<b>\$ 9,725,018</b>	<b>\$ 10,140,674</b>	<b>\$ 10,654,711</b>
<b>ELIGIBILITY AND SELF-SUFFICIENCY</b>							
GENERAL FUND.....	\$ 545,301	\$ 580,175	\$ 540,000	\$ 555,000	\$ 555,000	\$ 555,000	\$ 555,000
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,415,926	1,442,636	1,739,454	1,739,454	1,739,454	1,739,454	1,739,454
OTHER FUNDS.....	12,270	15,784	17,261	17,261	17,261	17,261	17,261
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,973,497</b>	<b>\$ 2,038,595</b>	<b>\$ 2,296,715</b>	<b>\$ 2,311,715</b>	<b>\$ 2,311,715</b>	<b>\$ 2,311,715</b>	<b>\$ 2,311,715</b>
<b>BEHAVIORAL HEALTH AND SUBSTANCE USE DISORDER SERVICES</b>							
GENERAL FUND.....	\$ 812,551	\$ 843,412	\$ 877,578	\$ 879,514	\$ 875,514	\$ 875,514	\$ 875,514
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	245,358	226,614	354,204	306,490	306,490	306,490	306,490
OTHER FUNDS.....	9,171	8,818	46,620	43,022	42,022	43,022	42,022
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,067,080</b>	<b>\$ 1,078,844</b>	<b>\$ 1,278,402</b>	<b>\$ 1,229,026</b>	<b>\$ 1,224,026</b>	<b>\$ 1,225,026</b>	<b>\$ 1,224,026</b>
<b>INTELLECTUAL DISABILITIES</b>							
GENERAL FUND.....	\$ 1,648,411	\$ 1,772,175	\$ 1,966,874	\$ 2,083,492	\$ 2,157,942	\$ 2,240,398	\$ 2,327,111
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,726,631	1,771,449	1,990,912	2,110,221	2,190,436	2,274,730	2,363,358
OTHER FUNDS.....	45,458	47,453	47,378	47,378	47,378	47,378	47,378
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 3,420,500</b>	<b>\$ 3,591,077</b>	<b>\$ 4,005,164</b>	<b>\$ 4,241,091</b>	<b>\$ 4,395,756</b>	<b>\$ 4,562,506</b>	<b>\$ 4,737,847</b>
<b>HUMAN SERVICES</b>							
GENERAL FUND.....	\$ 1,077,988	\$ 1,275,948	\$ 1,317,270	\$ 1,317,570	\$ 1,317,570	\$ 1,317,570	\$ 1,317,570
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	461,391	462,730	464,646	464,646	464,646	464,646	464,646
OTHER FUNDS.....	1,474	1,846	4,646	1,846	1,846	1,846	1,846
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,540,853</b>	<b>\$ 1,740,524</b>	<b>\$ 1,786,562</b>	<b>\$ 1,784,062</b>	<b>\$ 1,784,062</b>	<b>\$ 1,784,062</b>	<b>\$ 1,784,062</b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>CHILD DEVELOPMENT</b>							
GENERAL FUND.....	\$ 451,510	\$ 432,747	\$ 484,081	\$ 484,081	\$ 484,081	\$ 484,081	\$ 484,081
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	558,333	610,017	597,885	597,885	597,885	597,885	597,885
OTHER FUNDS.....	3,105	3,105	3,105	3,105	3,105	3,105	3,105
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,012,948</b>	<b>\$ 1,045,869</b>	<b>\$ 1,085,071</b>	<b>\$ 1,085,071</b>	<b>\$ 1,085,071</b>	<b>\$ 1,085,071</b>	<b>\$ 1,085,071</b>
<b>PUBLIC HEALTH</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 117,449	\$ 117,449	\$ 117,449	\$ 117,449	\$ 117,449
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	144,146	144,146	144,146	144,146	144,146
OTHER FUNDS.....	0	0	72,486	71,504	67,692	114,984	115,008
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 334,081</b>	<b>\$ 333,099</b>	<b>\$ 329,287</b>	<b>\$ 376,579</b>	<b>\$ 376,603</b>
<b>HEALTH CARE QUALITY AND LICENSURE</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 23,735	\$ 23,735	\$ 23,735	\$ 23,735	\$ 23,735
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	48,925	33,925	33,925	30,175	30,175
OTHER FUNDS.....	0	0	73	73	73	73	73
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 72,733</b>	<b>\$ 57,733</b>	<b>\$ 57,733</b>	<b>\$ 53,983</b>	<b>\$ 53,983</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 11,515,910	\$ 12,206,832	\$ 12,897,192	\$ 13,546,702	\$ 13,961,443	\$ 14,373,802	\$ 14,847,687
SPECIAL FUNDS.....	309,649	308,049	806,004	810,959	810,935	818,361	825,376
FEDERAL FUNDS.....	19,503,843	21,390,586	22,312,057	23,224,161	23,943,458	24,697,720	25,530,806
OTHER FUNDS.....	2,876,117	3,073,129	3,276,725	3,260,389	3,205,411	3,207,764	3,206,788
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 34,205,519</b>	<b>\$ 36,978,596</b>	<b>\$ 39,291,978</b>	<b>\$ 40,842,211</b>	<b>\$ 41,921,247</b>	<b>\$ 43,097,647</b>	<b>\$ 44,410,657</b>

## Program: Health and Human Services Support

*Goal: To provide effective administrative and support systems through which the substantive programs of the department can be operated.*

The Health and 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 health and 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 programs. The department continues to strive toward system enhancements that will minimize administrative costs in relation to service costs and meet the federally mandated Affordable Care Act information systems requirements.

The program also provides for management and oversight of the Medical Assistance (MA) third-party liability program. The recovery of MA dollars, which have been paid either incorrectly or correctly, is ongoing and occurs where other funding sources have become available or there is a requirement to recoup expended funds.

Act 76 of 2016 transferred the eHealth Partnership Authority to the department in order to gain administrative efficiencies, realize savings and maximize federal funding. The program facilitates public and private sector electronic health information exchange efforts to improve patient experience, population health and health care costs.

The Health Statistics and Registries Bureau is a focal point in Pennsylvania for coordinating the collection,

analysis and dissemination of health statistics and information. Its function is to collect statistical information on the health status of the population such as infant mortality, birth to teens and leading causes of death. This program 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 oversees 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 program's publications and statistics are available on the department's website, which includes an interactive health statistics tool.

The Health Statistics and Registries Bureau also maintains a 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 640,000 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 reporting of missing children. Birth and death records are stored on microfilm for preservation and are available for retrieval if required.

### Program Recommendations:

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

	<b>General Government Operations</b>		
\$ 25,036	—for costs related to the general government operations of Drug and Alcohol Programs and Health. Reflects full-year funding for consolidation into Health and Human Services.	—177	—Initiative—to modernize operations.
		—1,811	—Initiative—cost savings realized through agency consolidation.
		—2,881	—Initiative—increased augmentation support through an increase in child abuse clearance fees related to employment from \$8 to \$13.
9,829	—to continue current program.		
961	—costs related to the Department of General Services Annex complex move.	—3,371	—Initiative—to implement complement savings.
1,454	—to reflect change in federal earnings and other revenue.		
—1,400	—funding reduction.		
		\$ 27,640	<i>Appropriation Increase</i>

# Health and Human Services

## Program: Health and Human Services Support (continued)

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

	<b>Information Systems</b>			
\$ 2,990	—to continue current program.	\$ 7,564		—to continue current program and for expenses related to the operation of the office. Reflects full-year funding for consolidation into Health and Human Services.
669	—transfer of information technology costs from Children's Health Insurance Administration.			
-650	—to reflect change in federal earnings.			
-253	—Initiative—cost savings realized through agency consolidation.	-16		—Initiative—cost savings realized through agency consolidation.
-639	—Initiative—to modernize operations.			
-958	—Initiative—to implement complement savings.	-2,030		—Initiative—increased augmentation support through an increase in death certificate fees from \$9 to \$20.
-2,664	—Initiative—cost savings from GO-TIME projects.			
		\$ 5,518		<i>Appropriation Increase</i>
\$ -1,505	<i>Appropriation Decrease</i>			
	<b>Vital Statistics</b>			

### Appropriations within this Program:

(Dollar Amounts in Thousands)

		2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>								
General Government Operations .....	\$	89,450	\$ 92,430	\$ 120,070	\$ 120,070	\$ 120,070	\$ 120,070	\$ 120,070
Information Systems.....		74,083	82,865	81,360	81,360	81,360	81,360	81,360
Vital Statistics .....		0	0	5,518	5,518	5,518	5,518	5,518
<b>TOTAL GENERAL FUND .....</b>	<b>\$</b>	<b>163,533</b>	<b>\$ 175,295</b>	<b>\$ 206,948</b>	<b>\$ 206,948</b>	<b>\$ 206,948</b>	<b>\$ 206,948</b>	<b>\$ 206,948</b>

## Program: Medical Assistance and Health Care Delivery

*Goal: To support a health care delivery system that provides comprehensive health care services in appropriate settings for the eligible populations from children to older Pennsylvanians and to assist those who experience difficulty meeting the cost of prescription drugs necessary to maintain healthy lives including older Pennsylvanians eligible for the Pharmaceutical Assistance Contract for the Elderly program.*

Beginning in 2017-18, the newly formed Department of Health and Human Services consolidates the Bureau of Children's Health Insurance Program (CHIP), Bureau of Pharmacy and the Prescription Drug Monitoring Program Office into the Office of Medical Assistance Programs.

Pennsylvania's Medical Assistance (MA) program provides access to comprehensive physical and behavioral health care services for low income individuals and families. Beginning April 1, 2015, Pennsylvania expanded Medicaid to include individuals up to 138 percent of the federal poverty level. Medicaid expansion resulted in the inclusion of nearly 700,000 previously uninsured individuals into the MA program. The MA program also extends coverage to certain individuals who meet limited medical criteria as well as disabled individuals with incomes up to 250 percent of the federal poverty level who pay a health care premium equal to or higher than five percent of their monthly income.

Act 191 of 2014, known as the Achieving Better Care by Monitoring All Prescriptions program (ABC-MAP), transformed the previous law enforcement-based prescription drug monitoring program and shifted the focus to curtailing the opioid addiction crisis in the commonwealth. The new ABC-MAP aids regulatory and law enforcement agencies in detecting and preventing fraud and abuse. It also serves as an important tool for prescribers, dispensers, and their delegates to have a clear picture of patient's current prescriptions to ensure Pennsylvanians are not prescribed excess opioids, and to recognize warning signs of the disease of addiction and/or diversion of controlled substances.

### **Program Element: Capitation**

Health care services for most MA recipients are provided through managed care organizations (MCOs) utilizing a fixed rate per recipient enrolled. MCOs emphasize outpatient preventive health services and care 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 utilization of limited health care resources.

Pennsylvania's mandatory managed care program is known as HealthChoices. Physical Health (PH) managed care services are administered by the Office of Medical Assistance Programs (OMAP). The HealthChoices program

completed an expansion plan to the entire commonwealth on March 1, 2013. The program is managed to emphasize quality, access and value for the funds that are expended. The program is provided through grant agreements with seven risk-based MCOs in five geographic zones. PH-MCO enrollees receive medically necessary physical health services, which include inpatient, outpatient, primary care, pharmaceuticals, home health, dental and vision services. Some MA recipients do not participate in the HealthChoices PH program and remain in fee-for-service, including but not limited to: nursing home residents (after 30 days), Living Independence for the Elderly (LIFE), Health Insurance Premium Payment eligible members, residents of state institutions, and recipients age 21 and older that are dually eligible for Medicare (including Part D) and Medicaid. New MA recipients are usually enrolled in fee-for-service for a brief time before choosing a MCO and enrolling in the PH HealthChoices program.

The HealthChoices Behavioral Health (BH) program has operated statewide since July 1, 2007 and is administered by the Office of Behavioral Health and Substance Use Disorder Services. The HealthChoices program is provided through contracts with the counties who utilize 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, drug and alcohol detoxification and rehabilitation services.

Pennsylvania is also focused on strategies to address the opioid crisis in the commonwealth, focusing on providing medication-assisted treatment and appropriate wraparound services. Part of those services include the Centers of Excellence for opioid-related substance use disorder. Beginning in 2016-17, funds were provided to Single County Authorities to establish 20 centers throughout the commonwealth. The centers are a central, efficient hub around which treatment revolves. The centers will have navigators/navigational care managers to assist people with opioid-related substance use disorders through the medical system and ensure they receive behavioral and physical health care, as well as any evidence-based medication-assisted treatment needed. On-going funding is provided for treatment.

### **Program Element: Medical Assistance Fee-for-Service**

Health care services for the remaining MA recipients



## Program: Medical Assistance and Health Care Delivery (continued)

are provided through the aforementioned fee-for-service delivery system. Outpatient services include the majority of preventive services performed outside of acute care facilities, such as hospitals. Outpatient services include medical or dental care furnished by a broad range of practitioners in a variety of settings such as offices, clinics, outpatient surgery, acute care short procedure units, as well as rehabilitation, drug and alcohol treatment, pharmacy benefits, ambulance transportation, medical supplies and equipment and prosthetic devices.

OMAP has taken steps to cost-effectively manage utilization of pharmacy services without compromising access to quality care. The use of clinically-based preferred drug lists provides for supplemental drug rebates and enforces the use of drugs considered best in class. Additional efforts include prior authorization of medications with high costs or health and safety risks to consumers and the implementation of quantity limits.

Inpatient hospital services include care for MA beneficiaries in acute care general, rehabilitation, and private psychiatric hospitals. The inpatient MA program provides eligible beneficiaries coverage of inpatient hospital services on a 24-hour basis, which includes room, board, and professional services. Individuals in this program are admitted to the inpatient service upon written order. MA does not cover hospital care solely for cosmetic procedures, nor diagnostic or therapeutic procedures solely for experimental, research, or educational purposes.

OMAP uses software known as All Patient Refined Diagnosis Related Groups (APR-DRGs) to adjust payments for discharge from acute care general hospitals for severity of illness. OMAP also applies high and low cost outlier payment adjustments to payments for discharges. Freestanding psychiatric and rehabilitation hospitals and distinct psychiatric and rehabilitation units of acute care are paid through per diem payments.

OMAP also makes separate payments to hospital-employed or contracted practitioners (physicians, Certified Registered Nurse Practitioners, dentists, podiatrists, or midwives) when these practitioners provide direct professional services to the beneficiary during the inpatient hospital stay. Services are paid in accordance with the pre-established MA Fee Schedule. Additional payments are made 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: Medical Assistance Transportation Program**

The purpose of the Medical Assistance Transportation Program (MATP) is to coordinate and provide efficient and cost-effective non-emergency medical transportation to ensure access to health care services for MA recipients

who have no other means of transportation available. MATP provides funding to 56 counties, a direct vendor contract for Adams, Columbia, Cumberland, Franklin, Montour, Northumberland, Perry, Snyder, Union and York counties and a transportation broker in Philadelphia County to provide this service. Each is responsible for providing transportation 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, medical evaluation, or purchasing prescription drugs or medical equipment. MATP entails the following: assessing MATP eligibility, verifying if recipients could be transported at no cost to the program or if options other than MA-funded transportation are available, determining the level of transportation services needed, providing funding for recipients to use public transit, reimbursing recipients 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 Element: Expanded Medical Services for Women**

The Expanded Medical Services for Women program provides counseling and other services to women seeking alternatives to abortion. Nonprofits are awarded grants to provide services to women for up to 12 months after childbirth including food, shelter, clothing, health care, counseling, adoption services, parenting classes, assistance for post-delivery stress and other support programs.

### **Program Element: Pharmaceutical Assistance Contract for the Elderly**

The Pharmaceutical Assistance Contract for the Elderly (PACE) 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 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 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 enabled cardholders to take advantage of the features of both PACE and Medicare Part D. With the goal of providing seamless coverage, the PACE/PACENET benefit wraps around Medicare Part D and covers the Part D deductibles,

## Program: Medical Assistance and Health Care Delivery (continued)

prescriptions during the coverage gap phase, drugs excluded under MMA, drugs not on a plan's formulary, and copayment differentials between the Part D plan coverage and the PACE/PACENET copayments. PACE pays the Medicare premiums for Part D coverage for PACE cardholders, while PACENET cardholders either pay the Part D premiums or the program's benchmark premium, which replaced 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 under Part D as well as collaborating with selected prescription drug plans to facilitate enrollment of PACE/PACENET cardholders into Part D. The program covers only medications requiring a prescription unless certification is provided by a physician, as well as insulin, insulin syringes and needles, unless a manufacturer does not participate in the manufacturer's rebate program. Cardholders pay a mandatory copayment of \$6 for generic and \$9 for brand-name prescriptions under PACE and \$8 for generic and \$15 for brand-name prescriptions under PACENET.

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, conducts cardholder/provider enrollment and outreach, and/or collects drug rebates from pharmaceutical manufacturers.

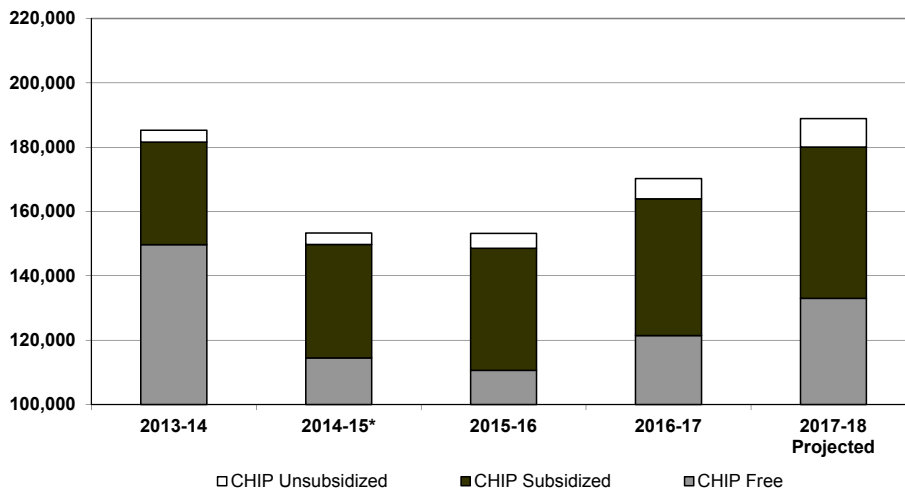
In accordance with Act 169 of 2016, participating pharmacies are reimbursed at the current national average drug acquisition cost plus a \$13 dispensing fee. If the

national cost is unavailable, the program payment will be the wholesale acquisition cost plus 3.2% with the addition of the \$13 dispensing fee or the pharmacy's usual charge for the drug dispensed, whichever is lower. A prudent pharmaceutical purchasing program ensures that the program receives a discount from drug manufacturers. The program pays for drug products from manufacturers that agree to pay a rebate percentage of the average manufacturer price for brand and generic drugs pursuant to the determination established by the Social Security Act.

## Program Element: Children's Health Insurance Program

The Children's Health Insurance Program (CHIP), established by Act 113 of 1992, provides free or low-cost health insurance coverage to uninsured children whose families earn too much to qualify for MA, but who could not afford to purchase private insurance. Eligibility criteria include: under 19 years of age, resident of Pennsylvania, citizen of the United States, U.S. national or lawfully residing as determined by the U.S. Citizenship and Immigration Service. CHIP offers a comprehensive package of benefits including well child visits, immunizations, prescription coverage, emergency care, inpatient services, mental health services, hearing, vision and dental services. The income eligibility limit for subsidized coverage, with cost-sharing on a sliding scale, is 314 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, federal matching under Title XXI of the Social Security Act and payments by participating working families. The Federal Medicare Access and CHIP Reauthorization Act of 2015 extends federal funding for CHIP through September 30, 2017. Pennsylvania's Act 84 of 2015 reauthorized and extended the life of the CHIP program through December 31, 2017; or ninety days after federal funds for the program cease to be available.

**Children's Health Insurance Children Served**



Pennsylvania's Children's Health Insurance Program (CHIP) 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 188,900 uninsured children will be served by the program in 2017-18.

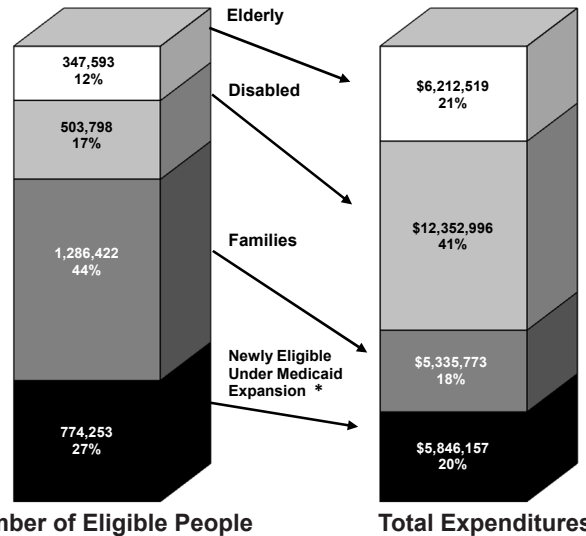
\* Reflects transition of CHIP children to the Medical Assistance Program.



Program: Medical Assistance and Health Care Delivery (continued)

## Medicaid Expenditures and Enrollees by Category of Assistance Fiscal Year 2017-18

(Dollar Amounts in Thousands)



Although the disabled and elderly are only 29% of the total Medical Assistance population, they account for 62% of the Medical Assistance expenditures.

\*Includes Former General Assistance

Medicaid expenditures includes Capitation, Fee-for-Service, Payment to Federal Government-Medicare Drug Program, Medical Assistance-Workers with Disabilities, Medical Assistance-Transportation, Long-Term Care, Home and Community-Based Services, Long-Term Care Managed Care, Services to Persons with Disabilities, Attendant Care, Intellectual Disabilities-Community Waiver Program, Intellectual Disabilities-Intermediate Care Facilities, and Autism Intervention and Services.

### Program Recommendations:

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

<b>GENERAL FUND</b>			
<b>Children's Health Insurance Administration</b>			
\$ 70	—to continue current program.	27,611	—impact of elimination of Gross Receipts Tax assessments.
1	—revision of federal financial participation from 89.25% to 89.27%.	-107,944	—impact of change in assessment revenue.
-669	—to reflect the transfer of information technology costs to the Information Systems appropriation.	6,634	—annualization of prior year initiatives.
-38	—Initiative—to implement complement savings.	-15,052	—Initiative—Community HealthChoices (CHC). To implement CHC in the southwest beginning January 1, 2018 which will improve care coordination and health outcomes while allowing more individuals to live in their community.
<b>\$ -636</b>	<i>Appropriation Decrease</i>		
<b>Achieving Better Care - MAP Administration</b>			
\$ 3,277	—to continue current program and for expenses related to the operation of the prescription drug monitoring program. Reflects full-year funding for consolidation into Health and Human Services.	-250	—Initiative—to modernize operations.
-134	—Initiative—to implement complement savings.	-1,000	—Initiative—cost savings realized through streamlined field operations.
<b>\$ 3,143</b>	<i>Appropriation Increase</i>	<b>\$ -27,953</b>	<i>Appropriation Decrease</i>
<b>Medical Assistance - Capitation</b>			
\$ 8,336	—change in enrollment and rate increases.	-939	—increase in costs and clients eligible for Medicare Part A and B premiums.
6,689	—impact of administrative and other cash flow adjustments.	-8,400	—savings from administrative, other cash flow impacts and other requirements.
-8,531	—eliminate payments for risk corridor.	-20,487	—program reduction.
-74,633	—nonrecurring health insurance provider fee.	-8,563	—nonrecurring academic medical payments.
-67,824	—nonrecurring prior year costs.	5,198	—nonrecurring prior year costs.
199,167	—revision of federal financial participation under the Affordable Care Act from 100% to 95% effective January 1, 2017 and from 95% to 94% effective January 1, 2018.	-1,269	—revision of federal financial participation under Affordable Care Act from 100% to 95% effective January 1, 2017 and from 95% to 94% effective January 1, 2018.
-1,156	—revision of federal financial participation from 51.78% to 51.82%.	-135	—revision of federal financial participation from 51.78% to 51.82%.
		-17,912	—Initiative—to modernize operations.
			—Initiative—Community HealthChoices (CHC). To implement CHC in the southwest

# Health and Human Services

## Program: Medical Assistance and Health Care Delivery (continued)

	beginning January 1, 2018 which will improve care coordination and health outcomes while allowing more individuals to live in their community.	\$ -3,750	<b>Medical Assistance - State-Related Academic Medical Centers</b> —funding reduction.
\$ 2,595	<i>Appropriation Increase</i>	\$ 2,799	<b>Medical Assistance - Transportation</b> —change in caseload and utilization.
	<b>Payment to Federal Government - Medicare Drug Program</b>	406	—revision of federal financial participation under Affordable Care Act.
\$ 91,670	—reflects increase in mandated payback for pharmacy services.	11	—revision of federal financial participation from 51.78% to 51.82%.
4,977	—nonrecurring prior year carryover funds.	-3,088	—nonrecurring settlement.
\$ 96,647	<i>Appropriation Increase</i>	-200	—impact of increase in the Lottery Fund transfer needed to support the program.
	<b>Medical Assistance - Workers with Disabilities</b>	-2,400	—Initiative—cost savings realized through contract rate negotiation.
\$ -2,948	—change in caseload and utilization.	\$ -2,472	<i>Appropriation Decrease</i>
-2,087	—nonrecurring prior year costs.		<b>LOTTERY FUND</b>
71	—revision of federal financial participation from 51.78% to 51.82%.		<b>Medical Assistance - Transportation Services</b>
-10,195	—reflects impact of increase in available Tobacco Settlement Funds.	\$ 200	—increase in Lottery Fund transfer needed to support the MATP.
\$ -15,159	<i>Appropriation Decrease</i>		<b>Pharmaceutical Assistance Fund</b>
	<b>Medical Assistance - Physician Practice Plans</b>	\$ 185,000	—for expenses related to the PACE program. Reflects full-year funding for consolidation into Health and Human Services.
\$ -3,500	—funding reduction.		—decrease in Lottery Fund transfer needed to support the PACE program.
	<b>Children's Health Insurance Program</b>	-15,000	—Initiative—to reduce the dispensing fee from \$13 to \$4 to align with fees paid under the Medical Assistance program.
\$ 68	—to continue current program.		<i>Appropriation Increase</i>
1,536	—to provide for a rate increase.	-45,000	
-69	—revision of federal financial participation from 89.25% to 89.27%.	\$ 125,000	
-314	—reflects impact of increase in assessment revenue.		
\$ 1,221	<i>Appropriation Increase</i>		

In addition, this budget recommends \$34,687,000 in restricted cigarette tax revenue for the Children's Health Insurance Program.

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

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Children's Health Insurance Administration	\$ 2,244	\$ 1,231	\$ 595	\$ 595	\$ 595	\$ 595	\$ 595
Achieving Better Care - MAP Administration	0	0	3,143	3,143	3,143	3,143	3,143
Medical Assistance - Capitation	3,828,934	3,687,490	3,659,537	3,625,581	3,688,679	3,802,385	3,934,312
Medical Assistance - Fee-for-Service	392,918	456,085	458,680	301,982	237,224	221,012	212,912
Payment to Federal Government - Medicare Drug Program	584,518	658,816	755,463	763,018	770,648	778,359	786,138
Medical Assistance - Workers with Disabilities	29,753	35,820	20,661	20,661	20,661	20,661	20,661
Medical Assistance - Physician Practice Plans	9,571	10,071	6,571	6,571	6,571	6,571	6,571
Children's Health Insurance Program	13,553	9,453	10,674	24,903	32,113	40,295	49,586
Hospital-Based Burn Centers	3,782	3,782	3,782	3,782	3,782	3,782	3,782
Medical Assistance - Critical Access Hospitals	5,676	6,997	6,997	6,997	6,997	6,997	6,997
Medical Assistance - Obstetric and Neonatal Services	3,681	3,681	3,681	3,681	3,681	3,681	3,681
Trauma Centers	8,656	8,656	8,656	8,656	8,656	8,656	8,656
Medical Assistance - Academic Medical Centers	17,431	21,181	17,431	17,431	17,431	17,431	17,431
Medical Assistance - Transportation	62,657	63,983	61,511	62,741	63,996	65,276	66,581
Expanded Medical Services for Women	6,263	6,263	6,263	6,263	6,263	6,263	6,263
<b>TOTAL GENERAL FUND</b>	<b>\$ 4,969,637</b>	<b>\$ 4,973,509</b>	<b>\$ 5,023,645</b>	<b>\$ 4,856,005</b>	<b>\$ 4,870,440</b>	<b>\$ 4,985,107</b>	<b>\$ 5,127,309</b>
<b>LOTTERY FUND:</b>							
Medical Assistance - Transportation Services	\$ 4,900	\$ 3,300	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500
Pharmaceutical Assistance Fund	0	0	125,000	120,000	120,000	120,000	120,000
<b>TOTAL LOTTERY FUND</b>	<b>\$ 4,900</b>	<b>\$ 3,300</b>	<b>\$ 128,500</b>	<b>\$ 123,500</b>	<b>\$ 123,500</b>	<b>\$ 123,500</b>	<b>\$ 123,500</b>

## Program: Aging and Adult Community Living

*GOAL: To support a community living system that empowers persons with disabilities and older Pennsylvanians to live with dignity and independence in settings they prefer, to provide meaningful choice of community living services and to ensure that those services are delivered in a high-quality, cost-effective manner.*

The commonwealth's commitment to supporting people with disabilities and older Pennsylvanians is demonstrated through a continuum of services ranging from independent living with the support of home and community-based services to institutional care. Local Area Agencies on Aging (AAAs) perform eligibility assessments and an Independent Enrollment Broker provides assistance to qualifying individuals who wish to apply for applicable programs. For those who qualify, individual service plans are developed and coordination is provided with an extensive network of providers. The department is responsible for ensuring that services are being provided in a consistent and cost-effective manner.

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.

### **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 (MA) program. Nursing facility care is available to MA recipients who are determined nursing facility clinically eligible through a level of care assessment. 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.

The commonwealth's goal is to serve more people in the community. To reach that goal, it will transition from multiple existing fee-for-service delivery systems to a consolidated, capitated, managed long-term services and supports system called Community HealthChoices (CHC). Under this system both home and community-based and nursing facility MA funded long-term services will be delivered by private managed care organizations. CHC will roll out in three phases beginning in the southwest in January 2018, followed by the southeast in July 2018 and finishing in January 2019 with the remainder of the commonwealth.

CHC will provide necessary services to enrolled individuals and will coordinate funding for dually eligible (Medicare and Medicaid) individuals and those who qualify for MA long-term services and supports. Behavioral health services, while not included in the model, will be strongly coordinated with the CHC program.

### **Program Element: Home and Community-Based Services**

The commonwealth recognizes the value of providing greater independence, choices, and opportunities for individuals with disabilities and older Pennsylvanians by delivering services in the home and community. For qualifying individuals who want to receive services in the community, the department currently administers five home and community-based MA waiver programs.

Pennsylvanians who are in need of the level of care provided in a nursing facility may qualify to receive services in the community through the CHC program or the Living Independence for the Elderly (LIFE) program. These programs provide assistance with activities of daily living, as well as nursing services while encouraging use of informal supports available through family and friends.

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, non-medical transportation, home health aide and nursing services are several of the community-based support services that are provided.

The Attendant Care program provides services to individuals who are over the age of 18 and have physical disabilities. The enhanced level of personal care services is provided until health changes indicate that a change in service level is appropriate.

## Program: Aging and Adult Community Living (continued)

Additionally, the LIFE program integrates Medicare funding with MA funding to provide a fully coordinated and comprehensive service package to enrollees.

### Program Element: Support Programs

Pennsylvania's vast array of preventive services includes 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, serving all 67 counties, provide aging services at the local level. A basic service of AAAs is to inform them of available supports. AAAs sponsor more than 550 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 private sector employment and offer job training and subsidized part-time community service employment.

The department assists families who support older, at-risk individuals in their home through the Caregiver Support program. Working through the AAAs, the program provides benefits counseling and depending on income, financial assistance, including supplies, services and home adaptations and devices. The Pennsylvania Caregiver Support Act was amended in 2011 to align the state and federal program requirements, expand the definition of caregiver to include non-relatives, eliminate the requirement that a caregiver live with the care recipient and change the title of the act to Pennsylvania Caregiver Support.

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 of need and develops individualized plans to eliminate or mitigate the risks.

### Program Recommendations:

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

<b>GENERAL FUND</b>			
	<b>Long-Term Care</b>		
\$ 8,676	—increase in utilization.	—34,959	Pennsylvanians.
20,379	—nonrecurring 2015-16 rate reconciliation.		—Initiative—Community HealthChoices (CHC). To implement CHC in the southwest beginning January 1, 2018, which will improve care coordination and health outcomes while allowing more individuals to live in their community.
551	—revision of federal financial participation from 51.78% to 51.82%.		
—1,527	—savings from operating, administrative and other cash flow initiatives.		
—13,739	—nonrecurring prior year costs.	\$ —14,966	<i>Appropriation Decrease</i>
—15,600	—funding reduction.		
9,042	—reflects impact of change in available Tobacco Settlement Funds.	\$ 8,759	<b>Long-Term Care Managed Care</b>
20,000	—one-time use of Tobacco Settlement Funds.	79	—to continue current program, including annualization of prior year expansion.
22,551	—reflects the transfer of Intergovernmental Transfer funds to Mental Health.	7,003	—revision of federal financial participation from 51.78% to 51.82%.
—3,722	—impact of available MCO assessment funds.	7,119	—Initiative—Community Opportunities. To provide home and community-based services to 600 additional older Pennsylvanians.
—345	—Initiative—to modernize operations.	2,828	—Initiative—Community Expansion. To expand LIFE program services in nine counties.
—45,891	—Initiative—cost savings realized through bond funding the Commonwealth Universal Research Enhancement (CURE) grants.		—Initiative—Community HealthChoices (CHC). To implement CHC in the southwest beginning January 1, 2018, which will improve care coordination and health outcomes while allowing more individuals to live in their community.
150,565	—Initiative—Community HealthChoices (CHC). To implement CHC in the southwest beginning January 1, 2018, which will improve care coordination and health outcomes while allowing more individuals to live in their community.	\$ 25,788	<i>Appropriation Increase</i>
\$ 150,940	<i>Appropriation Increase</i>		
	<b>Home and Community-Based Services</b>		
\$ 22,966	—to continue current program, including annualization of prior year expansion.	\$ 45,972	<b>Services to Persons with Disabilities</b>
294	—revision of federal financial participation from 51.78% to 51.82%.	244	—to continue current program, including annualization of prior year expansion.
—5,039	—reflects impact of increase in available Tobacco Settlement Funds.	—13,517	—revision of federal financial participation from 51.78% to 51.82%.
—11,159	—nonrecurring prior year costs.	21,182	—nonrecurring prior year costs.
12,931	—Initiative—Community Opportunities. To provide home and community-based services to 1,428 additional older		—Initiative—Community Opportunities. To provide home and community-based services to 1,470 additional individuals with disabilities.



# Health and Human Services

## Program: Aging and Adult Community Living (continued)

	-28,528 —Initiative—Community HealthChoices (CHC). To implement CHC in the southwest beginning January 1, 2018, which will improve care coordination and health outcomes while allowing more individuals to live in their community.	4,690	—to continue current program, including annualization of prior year expansion.
		31	—revision of federal financial participation from 51.78% to 51.82%.
		-1,300	—nonrecurring prior year costs.
		4,015	—Initiative—Community Opportunities. To provide attendant care services for an additional 420 recipients.
\$ 25,353	<i>Appropriation Increase</i>		
	<b>Attendant Care</b>		
\$ 13,786	—to continue current program, including increased utilization and costs.		
107	—revision of federal financial participation from 51.78% to 51.82%.		
-9,913	—nonrecurring prior year costs.		
7,961	—Initiative—Community Opportunities. To provide home and community-based services to 840 additional individuals with disabilities.	\$ 329,537	<i>Appropriation Increase</i>
-13,015	—Initiative—Community HealthChoices (CHC). To implement CHC in the southwest beginning January 1, 2018, which will improve care coordination and health outcomes while allowing more individuals to live in their community.	\$ 19,916	<b>Pre-Admission Assessment</b> —for expenses related to the assessment of individuals applying for nursing facility care. Reflects full-year funding for consolidation into Health and Human Services.
\$ -1,074	<i>Appropriation Decrease</i>		
	<b>LOTTERY FUND</b>		
	<b>General Government Operations</b>		
\$ 9,272	—for expenses related to the operation of aging programs. Reflects full-year funding for consolidation into Health and Human Services.	\$ 12,103	<b>Caregiver Support</b> —for expenses related to the caregiver support program. Reflects full-year funding for consolidation into Health and Human Services.
-89	—reduction in administrative costs.		
-234	—reflects increased federal earnings.		
\$ 8,949	<i>Appropriation Increase</i>		
			<b>Alzheimer's Outreach</b> —for expenses related to alzheimer's outreach services. Reflects full-year funding for consolidation into Health and Human Services.
			<b>Grants to Senior Centers</b> —for grants to senior centers. Reflects full-year funding for consolidation into Health and Human Services.
\$ 325,246	<b>PENNCARE</b> —for expenses related to a continuum of services to support older Pennsylvanians. Reflects full-year funding for consolidation into Health and Human Services.	\$ 2,000	

## Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Long-Term Care.....	\$ 968,083	\$ 1,036,778	\$ 1,187,718	\$ 2,489,923	\$ 3,087,487	\$ 3,274,039	\$ 3,481,033
Home and Community-Based Services.....	261,945	351,350	336,384	119,003	0	0	0
Long-Term Care Managed Care.....	116,133	127,066	152,854	174,531	199,281	227,542	259,811
Services to Persons with Disabilities.....	339,077	419,874	445,227	155,039	35,635	35,827	38,918
Attendant Care.....	161,741	218,503	217,429	84,412	30,361	30,592	33,208
TOTAL GENERAL FUND.....	<u>\$ 1,846,979</u>	<u>\$ 2,153,571</u>	<u>\$ 2,339,612</u>	<u>\$ 3,022,908</u>	<u>\$ 3,352,764</u>	<u>\$ 3,568,000</u>	<u>\$ 3,812,970</u>
<b>LOTTERY FUND:</b>							
General Government Operations.....	\$ 0	\$ 0	\$ 8,949	\$ 8,949	\$ 8,949	\$ 8,949	\$ 8,949
Medical Assistance - Long-Term Care.....	184,081	184,081	184,081	223,881	363,088	369,000	374,425
Home and Community-Based Services.....	120,668	120,668	120,668	120,668	0	0	0
PENNCARE.....	0	0	329,537	299,692	281,129	282,643	284,233
Pre-Admission Assessment.....	0	0	19,916	19,916	19,916	19,916	19,916
Caregiver Support.....	0	0	12,103	12,103	12,103	12,103	12,103
Alzheimer's Outreach.....	0	0	250	250	250	250	250
Grants to Senior Centers.....	0	0	2,000	2,000	2,000	2,000	2,000
TOTAL LOTTERY FUND.....	<u>\$ 304,749</u>	<u>\$ 304,749</u>	<u>\$ 677,504</u>	<u>\$ 687,459</u>	<u>\$ 687,435</u>	<u>\$ 694,861</u>	<u>\$ 701,876</u>

## Program: Eligibility and Self-Sufficiency

*Goal: To promote personal and parental responsibility and encourage economic independence and self-sufficiency through temporary cash assistance, job training, child care for families or individuals and nutrition support services.*

### **Program Element: Income Assistance**

Caseworkers in the county assistance offices (CAOs) review financial and non-financial criteria with applicants of Temporary Assistance for Needy Families (TANF), Medical Assistance (MA), Low Income Home Energy Assistance Program (LIHEAP), Supplemental Nutrition Assistance Program (SNAP) and Women, Infants and Children (WIC) program to determine eligibility for benefits.

The TANF program provides state and federal funds for temporary cash support for families in transition to self-sufficiency. TANF cash assistance is provided for a limited time to people who meet income and resource guidelines and who comply with work activity requirements or other requirements that are included on their Agreement of Mutual Responsibility (AMR). As a condition of eligibility for TANF cash assistance, adult recipients 18 years of age and older are required to sign and comply with the economic self-sufficiency plan in their AMR. The AMR outlines the steps the individual will take and the services the CAO caseworkers will provide to enable the family to become independent from public assistance. After assessing potential barriers to employment, most adult assistance recipients are required to take realistic, concrete steps that will lead to increased success in the workplace. Able-bodied adults are required to either work or participate in an approved work-related activity. Adults with disabilities to the extent that substantial gainful employment is not possible are required to cooperate in applying for federal benefits.

Federal regulations place a five-year lifetime limit on TANF cash assistance for most adult recipients and allow

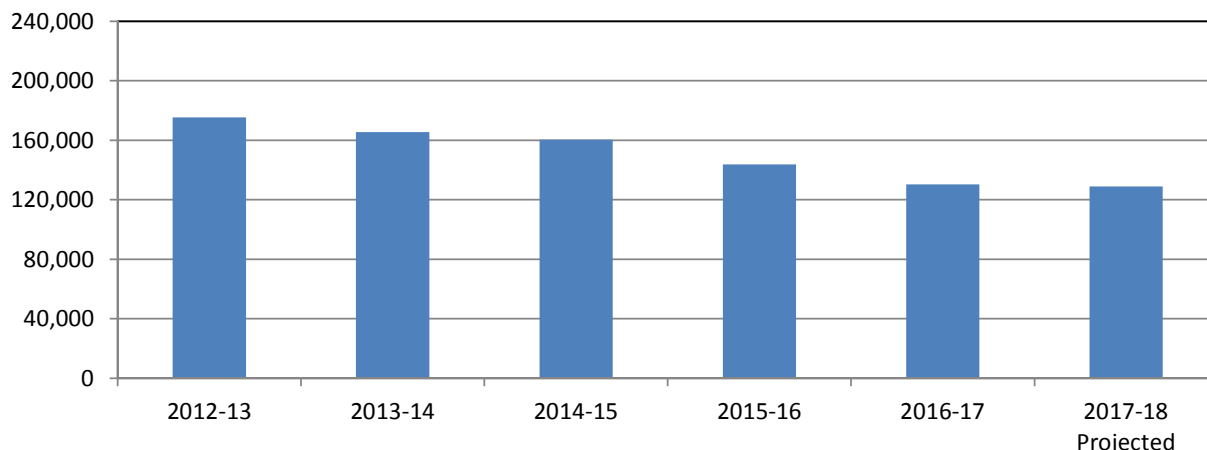
a hardship exemption for up to 20 percent of the TANF caseload. The department has implemented regulations that define the hardship exemption and make provisions for extending the time period for a family with multiple barriers to employment that prevent the ability to reach self-sufficiency within the five-year limit.

LIHEAP is a 100 percent federally-funded program that assists eligible households by providing funds to offset the burden of high energy costs. LIHEAP also provides funds in heating crisis situations, arranges and pays for emergency deliveries, expedites payments to avoid utility shut offs and provides furnace repairs through other agencies. The eligibility standard includes every household member's income and is subject to annual revision based on the availability of funds. 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.

SNAP is federally funded and regulated by the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS), but administered by the state to assist low-income recipients in buying the food they need to maintain a healthy lifestyle. Eligibility for SNAP requires household income and resources to be under established federal guidelines.

The Supplemental Security Income (SSI) program provides aged, blind and disabled persons with a monthly payment based on nationally uniform eligibility standards. Eligibility for SSI is determined by the Social Security Administration. The department is responsible for

**Cash Grants**  
(Average Yearly TANF Caseload)



## Program: Eligibility and Self-Sufficiency (continued)

directly issuing the state supplemental grants to most SSI recipients. Presently, the monthly federal benefit rate for individuals is \$735 and \$1,103 for couples. Pennsylvania contributes a supplemental grant of \$22.10 for an individual and \$33.30 for couples to 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: WIC Program**

The department administers the federally funded 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.

### **Program Element: Employment, Training and Work Supports**

The employment and training program, known as the Road to Economic Self-Sufficiency through Employment and Training, assists clients to enter the workforce and achieve economic independence. Pennsylvania's employment and training program emphasizes that the responsibility for self-sufficiency belongs to the client. The department offers programming to assist clients in obtaining employment with family sustaining wages and benefits that leads to self-sufficiency. The department's programs offer components such as: community service, job search assistance, paid work experience, job retention services, and case management to help individuals obtain and retain employment.

In order to meet the employment needs of Pennsylvania's diverse assistance population, the department operates the Employment, Advancement and Retention Network (EARN). EARN offers a full array of employment and training services designed to help recipients secure and retain employment and advance in their work career. The focus of all programming is to decrease dependency on public assistance and move towards self-sufficiency. Keystone Education Yields Success is a collaborative program between the department and certain higher education institutions designed to assist TANF recipients and, as funding permits, SNAP recipients in attending a higher education program. Work Ready provides services

to help clients stabilize barriers that hinder them from achieving self-sufficiency.

Supportive services are also provided to facilitate an assistance client's transition to independence. The special allowances are used to support individuals as they pursue their education, job skills training or employment goals through an approved employment and training program. The department may approve a special allowance for items such as books, clothing, equipment and tools. Transportation allowances may be provided when required to allow a participant to accept and maintain education, employment or training.

### **Program Element: Child Support Enforcement**

Child Support Enforcement program services are provided at the local level through cooperative agreements with the county Courts of Common Pleas and the county commissioners. The services include the establishment of paternity for a child born outside of marriage; the determination, establishment and enforcement of a financial child support obligation paid by the noncustodial parent to meet the ongoing daily needs of the child; and the procurement of medical support, including health insurance and/or the reimbursement of the uninsured child's medical expenses.

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 court 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 a child 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 collection of the ordered child support amounts. Pennsylvania's program exceeds federal standards: 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 90 percent of children receiving support currently have health insurance or other means of medical support.

## Program: Eligibility and Self-Sufficiency (continued)

### Program Recommendation:

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

<p><b>County Administration - Statewide</b></p> <p>\$ 3,294 —to continue current program.</p> <p>–4,753 —to reflect change in federal earnings.</p> <p>–79 —Initiative—to modernize operations.</p> <p>–734 —Initiative—cost savings realized through agency consolidation.</p> <p>–1,407 —Initiative—to implement complement savings.</p> <hr/> <p>\$ –3,679 <i>Appropriation Decrease</i></p> <p><b>County Assistance Offices</b></p> <p>\$ 10,157 —to continue current program.</p> <p>–10,000 —use of prior year federal earnings.</p> <p>–23,193 —to reflect change in federal earnings.</p> <p>–304 —Initiative—to modernize operations.</p> <p>–2,583 —Initiative—to implement complement savings.</p> <p>–2,772 —Initiative—cost savings realized through agency consolidation.</p> <p>–8,499 —Initiative—cost savings realized through streamlined field operations.</p> <hr/> <p>\$ –37,194 <i>Appropriation Decrease</i></p>	<p><b>Child Support Enforcement</b></p> <p>\$ –93 —reduction in administrative costs.</p> <p>4,143 —increase for PA Child Support Enforcement System (PACES) enhancements.</p> <p>–25 —Initiative—cost savings realized through agency consolidation.</p> <p>–30 —Initiative—to implement complement savings.</p> <p>–121 —Initiative—to modernize operations.</p> <hr/> <p>\$ 3,874 <i>Appropriation Increase</i></p> <p><b>New Directions</b></p> <p>\$ 941 —to continue current program.</p> <p>–2,834 —to reflect change in federal earnings.</p> <p>–155 —Initiative—to implement complement savings.</p> <p>–331 —Initiative—cost savings realized through agency consolidation.</p> <hr/> <p>\$ –2,379 <i>Appropriation Decrease</i></p> <p><b>Supplemental Grants - Aged, Blind, Disabled</b></p> <p>\$ –797 —impact of caseload changes.</p>
---	---

The Cash Grants appropriation is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
County Administration - Statewide.....	\$ 35,593	\$ 51,425	\$ 47,746	\$ 47,746	\$ 47,746	\$ 47,746	\$ 47,746
County Assistance Offices.....	316,319	333,372	296,178	291,178	291,178	291,178	291,178
Child Support Enforcement .....	11,703	12,694	16,568	16,568	16,568	16,568	16,568
New Directions .....	23,809	24,943	22,564	22,564	22,564	22,564	22,564
Cash Grants .....	25,457	25,457	25,457	45,457	45,457	45,457	45,457
Supplemental Grants - Aged, Blind and Disabled .....	132,420	132,284	131,487	131,487	131,487	131,487	131,487
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 545,301</b>	<b>\$ 580,175</b>	<b>\$ 540,000</b>	<b>\$ 555,000</b>	<b>\$ 555,000</b>	<b>\$ 555,000</b>	<b>\$ 555,000</b>



## Program: Behavioral Health and Substance Use Disorder Services

*Goal: To maximize the individual's capacity for independent living through the provision of an array of service and support programs and to provide education, intervention and treatment programs to reduce drug, alcohol and gambling use, addiction and dependence.*

The Office of Behavioral Health and Substance Use Disorder Services (OBHSUDS) provides for an integrated behavioral health system addressing mental health treatment and support services, as well as substance use services. The objective of these services is to promote individual movement toward recovery. OBHSUDS seeks to ensure that there is a combined approach to the delivery and the financing of behavioral health services. OBHSUDS administers community mental health funds; Behavioral Health Services Initiative (BHSI) funds for both mental health and substance use services; Act 152 funds that provide non-hospital residential substance use services; and federal grant funds. OBHSUDS oversees the Medicaid HealthChoices Behavioral Health Managed Care program either through county contracts or by direct contract with a behavioral health managed care organization. OBHSUDS manages the delivery of community mental health services administered by counties under the Pennsylvania Mental Health and Intellectual Disability (MH/ID) Act and the Mental Health Procedures Act. Direct mental health treatment services are currently provided through six state-operated hospitals and one restoration (long-term care) center.

### **Program Element: State Mental Hospitals**

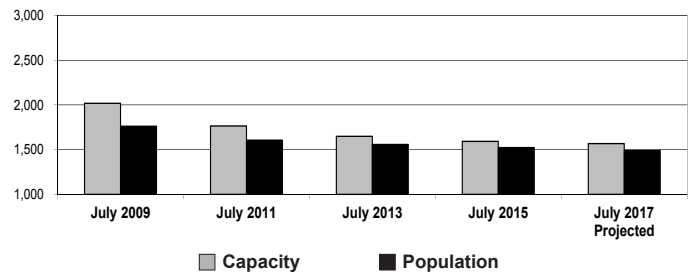
State mental hospitals provide long-term inpatient care for individuals who require intensive treatment. Additionally, they provide specialized inpatient care for the adolescent, criminal and elderly (long-term) populations as well as a unit for the treatment of violent sexual predators, whose commitment in the Youth Development Center system terminates at age 21. 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).

### **Program Element: Community Mental Health Services**

The MH/ID Act 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 live in

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 include housing support, residential treatment, inpatient care, crisis services and mobile therapy. Services are administered by single counties, county joiners, or through contracts with private, nonprofit organizations or agencies. Services, with some exceptions, are funded with state, federal and/or county matching funds.

**Mental Hospitals  
Population Compared to Capacity**



*The population at state mental hospitals has declined by 271 individuals (or 15 percent) since July of 2009, as more people receive mental health services in the community. During that same period, capacity at the state mental hospitals has declined by 450 beds (or 22 percent).*

### **Program Element: Substance Use Services**

OBHSUDS is responsible for the oversight and administration of BHSI funding. Substance use 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. OBHSUDS is also focused on strategies to address the opioid crisis in the commonwealth by providing medication-assisted treatment and appropriate wraparound services. Beginning in 2016-17, funds were provided to Single County Authorities to establish 20 Centers of Excellence for opioid-related substance use disorder throughout the commonwealth. The centers are a central, efficient hub around which treatment revolves. The centers will have navigators/navigational care managers to assist people with opioid-related substance use disorders through

## Program: Behavioral Health and Substance Use Disorder Services (continued)

the medical system and ensure they receive behavioral and physical health care, as well as any evidence-based medication-assisted treatment needed. Funding is provided for treatment for MA eligibles as well as for non-MA eligibles.

### Program Element: Prevention and Treatment

The department is tasked with the development and implementation of a comprehensive plan to reduce substance use and dependency through quality prevention, intervention, rehabilitation and treatment programs. The department provides education and information on the effects of drug and alcohol abuse and the dangers abuse and dependency pose to public health in an effort to mitigate the economic and health impact of substance use on the citizens of Pennsylvania.

In addition to state funding, the department receives federal funding for substance use services and compulsive and problem gambling treatment funds for drug and alcohol treatment services. The department provides county-based agencies with funding to deliver or purchase drug and alcohol services, including treatment services for Pennsylvanians who do not have insurance or resources to pay for treatment, as well as for treatment services not reimbursed under insurance programs. Single County Authorities prepare prevention, intervention and treatment plans tailored to meet the needs of their respective communities. 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 use. This is done through educational sessions, workshops, media presentations and an information clearinghouse operated by the department. Primary emphasis is 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 individuals affected by drug or alcohol problems. Services include information hotlines, drop-in centers, alcohol safety programs and employee and student assistance programs.

Surveys and inspections of drug and alcohol program facilities are conducted to determine compliance with state and federal standards and regulations and as a condition of receiving federal Medicare and Medicaid financial support.

Treatment services are funded in hospitals, correctional settings, residential facilities and outpatient programs. Treatment often consists of short-term detoxification followed by longer-term rehabilitation. Most treatment services are rendered in a non-hospital inpatient setting, as partial hospitalization, or in an outpatient program. Outpatient services often follow discharge from a residential program; however, it is not uncommon for an individual to receive their initial treatment in an outpatient setting.

Drug and alcohol education and training programs are provided for substance use and human services professionals. Issues such as prevention, intervention, treatment and recovery support services are addressed through a variety of educational initiatives.

Additionally, the department established a 24/7 toll free call center to provide information, screening and referral for those individuals suffering from addiction. This call center was initiated with the goal of assisting individuals suffering from substance use disorders to find immediate help through a single phone call, saving a person in crisis the obstacle of making multiple calls.

The department also provides public education, awareness, training, and call center services relative to compulsive and problem gambling, as well as prevention and treatment services, with the income it receives from the Compulsive and Problem Gambling Treatment Fund.

## Hospital and Restoration Center Populations for the Prior, Current and Upcoming Year

State Mental Hospitals	Population July 2015	Population July 2016	Projected Population July 2017	Projected Bed Capacity July 2017	Projected Percentage of Capacity July 2017
Clarks Summit.....	201	202	202	210	96.2%
Danville.....	165	160	156	161	96.9%
Norristown.....	256	252	250	259	96.5%
South Mountain.....	150	150	154	159	96.9%
Torrance.....	338	332	332	361	92.0%
Warren.....	153	141	145	152	95.4%
Wernersville.....	260	253	251	266	94.4%
TOTAL.....	1,523	1,490	1,490	1,568	95.0%

# Health and Human Services

Program: Behavioral Health and Substance Use Disorder Services (continued)

## Expenditures by Hospital, Restoration Center and Community Programs

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget		2015-16 Actual	2016-17 Available	2017-18 Budget
<b>Allentown</b>				<b>Warren</b>			
State Funds.....	\$ 2,073	\$ 2,082	\$ 0	State Funds.....	\$ 26,784	\$ 24,054	\$ 26,739
Federal Funds.....	0	0	0	Federal Funds.....	20,700	22,700	23,700
Augmentations.....	1	0	2,148	Augmentations.....	1,217	1,700	1,700
TOTAL.....	<u>\$ 2,074</u>	<u>\$ 2,082</u>	<u>\$ 2,148</u>	TOTAL.....	<u>\$ 48,701</u>	<u>\$ 48,454</u>	<u>\$ 52,139</u>
<b>Clarks Summit</b>				<b>Wernersville</b>			
State Funds.....	\$ 26,894	\$ 26,991	\$ 28,258	State Funds.....	\$ 37,840	\$ 37,411	\$ 40,872
Federal Funds.....	22,700	22,700	23,700	Federal Funds.....	28,004	27,400	28,400
Augmentations.....	1,665	1,090	1,090	Augmentations.....	1,497	1,278	1,278
TOTAL.....	<u>\$ 51,259</u>	<u>\$ 50,781</u>	<u>\$ 53,048</u>	TOTAL.....	<u>\$ 67,341</u>	<u>\$ 66,089</u>	<u>\$ 70,550</u>
<b>Danville</b>				<b>Administrative Cost</b>			
State Funds.....	\$ 23,590	\$ 22,499	\$ 22,664	State Funds.....	\$ 5,210	\$ 5,389	\$ 3,298
Federal Funds.....	22,200	22,700	23,700	Federal Funds.....	0	0	0
Augmentations.....	1,109	863	863	Augmentations.....	0	0	2,018
TOTAL.....	<u>\$ 46,899</u>	<u>\$ 46,062</u>	<u>\$ 47,227</u>	TOTAL.....	<u>\$ 5,210</u>	<u>\$ 5,389</u>	<u>\$ 5,316</u>
<b>Norristown</b>				<b>Community Programs</b>			
State Funds.....	\$ 43,616	\$ 48,265	\$ 49,259	State Funds.....	\$ 537,457	\$ 554,476	\$ 536,528
Federal Funds.....	32,700	30,810	31,810	Federal Funds.....	56,480	54,829	49,447
Augmentations.....	780	1,128	1,128	Augmentations.....	0	0	22,551
TOTAL.....	<u>\$ 77,096</u>	<u>\$ 80,203</u>	<u>\$ 82,197</u>	TOTAL.....	<u>\$ 593,937</u>	<u>\$ 609,305</u>	<u>\$ 608,526</u>
<b>South Mountain State Restoration Center</b>				<b>Budgetary Reserve</b>			
State Funds.....	\$ 14,698	\$ 15,652	\$ 15,938	State Funds.....	\$ 0	\$ 0	\$ 0
Federal Funds.....	14,400	12,500	13,500	Federal Funds.....	13,942	475	0
Augmentations.....	1,507	1,789	1,789	Augmentations.....	0	0	0
TOTAL.....	<u>\$ 30,605</u>	<u>\$ 29,941</u>	<u>\$ 31,227</u>	TOTAL.....	<u>\$ 13,942</u>	<u>\$ 475</u>	<u>\$ 0</u>
<b>Torrance</b>							
State Funds.....	\$ 49,895	\$ 52,208	\$ 50,873				
Federal Funds.....	34,232	31,500	37,500				
Augmentations.....	1,397	970	970				
TOTAL.....	<u>\$ 85,524</u>	<u>\$ 84,678</u>	<u>\$ 89,343</u>				

### Program Recommendations:

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

\$ 19,419	<b>Mental Health Services</b>		
3,150	—to continue current program.	-507	—Initiative—cost savings from GO-TIME projects.
4,143	—to annualize previous program revisions providing expanded community services.	-631	—Initiative—to modernize operations.
-12,000	—to offset one-time use of prior year state funds.	-1,725	—Initiative—cost savings realized through agency consolidation.
-22,551	—impact of increased federal funds.	-2,118	—Initiative—cost savings realized through Act 534/632 reform.
-22,551	—impact of available Intergovernmental Transfer funds.	-2,337	—Initiative—to implement complement savings.
4,725	—Initiative—Community Expansion. To provide home and community-based services for 90 individuals currently residing in state hospitals.	-4,166	—Initiative—cost savings realized through the reduction of real estate cost.
		<u>\$ -14,598</u>	<i>Appropriation Decrease</i>

# Health and Human Services

## Program: Behavioral Health and Substance Use Disorder Services (continued)

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

	<b>Assistance to Drug and Alcohol Programs</b>			<b>Behavioral Health Services</b>
\$ 45,482	—for drug and alcohol abuse prevention and treatment grants. Reflects full-year funding for consolidation into Health and Human Services.		\$ 4,032	—annualization of prior year initiative.
	—funding reduction.			
<u>-750</u>				
\$ 44,732	<i>Appropriation Increase</i>			

The Special Pharmaceutical Services appropriation is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Mental Health Services.....	\$ 768,057	\$ 789,027	\$ 774,429	\$ 776,365	\$ 772,365	\$ 772,365	\$ 772,365
Assistance to Drug and Alcohol Programs	0	0	44,732	44,732	44,732	44,732	44,732
Behavioral Health Services .....	43,117	53,117	57,149	57,149	57,149	57,149	57,149
Special Pharmaceutical Services .....	1,377	1,268	1,268	1,268	1,268	1,268	1,268
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 812,551</b>	<b>\$ 843,412</b>	<b>\$ 877,578</b>	<b>\$ 879,514</b>	<b>\$ 875,514</b>	<b>\$ 875,514</b>	<b>\$ 875,514</b>

## Program: Intellectual Disabilities

*Goal: To maximize each individual's capacity for more independent living and participation in community life by providing needed training and support services.*

The Department of Health and Human Services supports a comprehensive array of services for people with intellectual disabilities and Autism Spectrum Disorder (ASD) including services to people living in their own home, with family members, in community residential facilities and in non-residential programs provided through the Medicaid home and community-based waiver programs and the base program. Services are also provided in state operated institutions and private intermediate care facilities for individuals with an intellectual disability (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 Intellectual Disability Act (MH/ID Act).

The program for people with intellectual disabilities and ASD 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 and enabling individuals to participate fully in community life continues to define services.

### **Program Element: Intellectual Disabilities – Community Services**

The MH/ID Act provides the statutory basis, along with the Medicaid Consolidated and Person Family Directed/Support waivers to enable people to live in the community, in their own homes, apartments with or without a roommate, the homes of family members, life-sharing settings with family or others, or group homes. Non-residential services include: employment services, pre-vocational programs, adult training and home and community habilitation. Other services available include: transportation, environmental accessibility modifications,

adaptive appliances/equipment, specialized therapies and nursing, educational support and respite services for families. Through the use of a fiscal intermediary or agency with choice model, individuals and their families may directly control the delivery of services including the hiring of personnel. All services are individualized through the development of a person-centered plan.

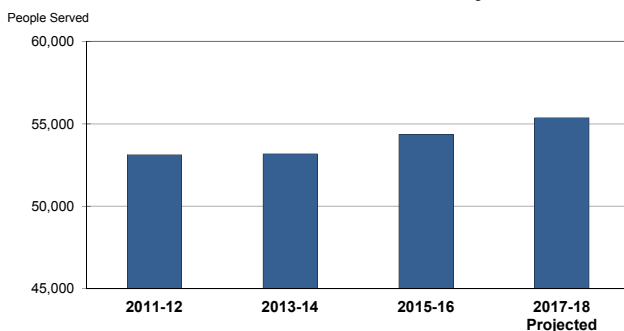
### **Program Element: Services for Individuals with Autism Spectrum Disorder**

The department provides funding for a statewide program to support the needs of Pennsylvanians living with ASD. The department developed and administers two direct services programs for adults with ASD: the Adult Community Autism program and the Adult Autism Waiver program. Both programs are outcome-based and have been designed to assist participants in gaining the greatest level of independence possible, encourage involvement in community life, improve social skills and provide support to caregivers. In addition, the department supports people with ASD of all ages through the Autism Services, Education, Research, and Training (ASERT) Collaborative, the development of crisis programs to support individuals in need of acute intervention, family support programs and training programs to increase provider capacity. The ASERT collaborative coordinates efforts statewide to improve regional access to quality services and interventions, provide information and support to families, train professionals in best practices and support the department's efforts to continually improve the quality of the adult ASD programs through the collection and analysis of data.

### **Program Element: Institutional Services**

The department provides institutional care funding for people with an intellectual disability. Services are offered through five public 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 under standards established by the Centers for Medicare & Medicaid Services. Private ICF/IDs provide the same intensive habilitative services to persons with an intellectual disability. Large facilities are single or multiple buildings on campus-like sites accommodating nine persons or more while small facilities must be located in the community and serve four to eight persons.

**Intellectual Disabilities - Community Services**



*The number of individuals with intellectual disabilities receiving community services has increased over 2,200 since 2011-12.*

Program: Intellectual Disabilities (continued)

## State Centers Population for the Prior, Current and Upcoming Years

	Population July 2015	Population July 2016	Projected Population July 2017	Projected Bed Capacity July 2017	Projected Percentage Capacity July 2017
<b>State Centers</b>					
Ebensburg.....	238	230	218	249	87.6%
Hamburg.....	92	84	72	186	38.7%
Polk.....	245	234	222	521	42.6%
Selinsgrove.....	246	233	221	564	39.2%
White Haven.....	127	124	112	275	40.7%
<b>TOTAL.....</b>	<b><u>948</u></b>	<b><u>905</u></b>	<b><u>845</u></b>	<b><u>1,795</u></b>	<b><u>47.1%</u></b>

## Expenditures by State Center

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget		2015-16 Actual	2016-17 Available	2017-18 Budget
<b>Ebensburg</b>				<b>White Haven</b>			
State funds.....	\$ 31,349	\$ 31,911	\$ 31,229	State funds.....	\$ 20,568	\$ 20,517	\$ 20,420
Federal funds.....	36,677	37,906	39,342	Federal funds.....	22,867	23,978	25,290
Augmentations.....	6,994	6,730	6,554	Augmentations.....	3,829	3,900	3,955
<b>TOTAL.....</b>	<b><u>\$ 75,020</u></b>	<b><u>\$ 76,547</u></b>	<b><u>\$ 77,125</u></b>	<b>TOTAL.....</b>	<b><u>\$ 47,264</u></b>	<b><u>\$ 48,395</u></b>	<b><u>\$ 49,665</u></b>
<b>Hamburg</b>				<b>Non-Facility</b>			
State funds.....	\$ 17,219	\$ 16,927	\$ 14,638	State funds.....	\$ 1,188	\$ 1,220	\$ 1,179
Federal funds.....	19,130	19,176	19,693	Federal funds.....	0	0	0
Augmentations.....	2,717	2,899	3,028	Augmentations.....	0	0	0
<b>TOTAL.....</b>	<b><u>\$ 39,066</u></b>	<b><u>\$ 39,002</u></b>	<b><u>\$ 37,359</u></b>	<b>TOTAL.....</b>	<b><u>\$ 1,188</u></b>	<b><u>\$ 1,220</u></b>	<b><u>\$ 1,179</u></b>
<b>Polk</b>				<b>Budgetary Reserve</b>			
State funds.....	\$ 32,369	\$ 32,877	\$ 32,045	State funds.....	\$ 0	\$ 0	\$ 0
Federal funds.....	37,837	39,921	41,249	Federal funds.....	19,338	11,226	5,000
Augmentations.....	7,604	7,024	7,029	Augmentations.....	0	0	0
<b>TOTAL.....</b>	<b><u>\$ 77,810</u></b>	<b><u>\$ 79,822</u></b>	<b><u>\$ 80,323</u></b>	<b>TOTAL.....</b>	<b><u>\$ 19,338</u></b>	<b><u>\$ 11,226</u></b>	<b><u>\$ 5,000</u></b>
<b>Selinsgrove</b>							
State funds.....	\$ 33,855	\$ 34,318	\$ 33,353				
Federal funds.....	39,462	41,812	43,098				
Augmentations.....	7,447	7,200	7,112				
<b>TOTAL.....</b>	<b><u>\$ 80,764</u></b>	<b><u>\$ 83,330</u></b>	<b><u>\$ 83,563</u></b>				



# Health and Human Services

## Program: Intellectual Disabilities (continued)

### Program Recommendations:

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

<b>Intellectual Disabilities - State Centers</b>		<b>Intellectual Disabilities - Community Waiver Program</b>	
\$ 2,784	—to continue current program.	\$ 168	—to continue current program.
94	—revision of federal financial participation from 51.78% to 51.82%.	109,781	—increase in utilization and costs.
-1,700	—reflects increased federal earnings.	54,758	—to provide for rate increases from the renewal of the waiver program.
-20	—Initiative—Community Opportunities. To provide home and community-based services for 40 individuals with intellectual disabilities currently residing in state centers.	9,347	—impact of new services from the renewal of the waiver program.
-81	—Initiative—to modernize operations.	7,225	—prior year settlements and appeals.
-1,383	—Initiative—cost savings realized through consolidation agency.	5,954	—to reflect costs associated with unified systems.
-1,804	—Initiative—cost savings realized through Act 534/632 reform.	3,745	—to reflect individuals transferring from the ICF/ID and Community Base programs.
-2,796	—Initiative—to reflect unified systems.	2,044	—revision of federal financial participation from 51.78% to 51.82%.
\$ -4,906	<i>Appropriation Decrease</i>	-21,633	—nonrecurring prior year costs.
		15,418	—Initiative—Community Living Waiver. To create a new program for family caregivers to ensure 1,000 individuals currently on the waiting list can continue to live at home.
		8,570	—Initiative—Expanded Services for Individuals with Disabilities. To provide home and community-based services for 820 students graduating from special education.
<b>Intellectual Disabilities - Intermediate Care Facilities</b>			564
\$ 1,372	—to continue current program.		—Initiative—Community Opportunities. To provide home and community-based services for 40 individuals with intellectual disabilities currently residing in state centers.
83	—revision of federal financial participation from 51.78% to 51.82%.		
-650	—to reflect individuals transferring to the community program.		
\$ 805	<i>Appropriation Increase</i>		
		\$ 195,941	<i>Appropriation Increase</i>
<b>Intellectual Disabilities - Community Base Program</b>			<b>Autism Intervention and Services</b>
\$ 744	—to continue current program.	\$ 608	—to continue current program.
6	—revision of federal financial participation from 51.78% to 51.82%.	1,243	—to annualize previous program revisions providing expanded services.
-122	—to reflect individuals transferring to the community program.	133	—nonrecurring prior year carryover funds.
230	—Initiative—Expanded Services for Individuals with Disabilities. To provide Targeted Services Management State Plan Services to 455 Individuals on the waiting list.	47	—revision of federal financial participation from 51.78% to 51.82%.
-74	—Initiative—to modernize operations.	-1,630	—funding reduction.
\$ 784	<i>Appropriation Increase</i>	250	—Initiative—Bio-Behavioral Unit. To restore the Bio-Behavioral Unit in the western region and establish a new unit in the eastern region.
		782	—Initiative—Expanded Services for Individuals with Disabilities. To provide Targeted Services Management State Plan Services to 1,545 Individuals on the waiting list.
		642	—Initiative—Expanded Services for Individuals with Disabilities. To provide home and community-based services for 50 additional adults with autism spectrum disorder.
		\$ 2,075	<i>Appropriation Increase</i>

The Intellectual Disabilities - Lansdowne Residential Services appropriation is recommended at the current year funding level.

# Health and Human Services

## Program: Intellectual Disabilities (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Intellectual Disabilities - State Centers.....	\$ 136,548	\$ 137,770	\$ 132,864	\$ 132,864	\$ 128,864	\$ 128,864	\$ 128,864
Intellectual Disabilities - Community Waiver Program .....	1,202,683	1,331,661	1,527,602	1,639,090	1,712,849	1,789,927	1,870,474
Intellectual Disabilities - Intermediate Care Facilities .....	139,110	127,621	128,426	128,426	128,426	128,426	128,426
Intellectual Disabilities - Community Base Program .....	148,229	149,950	150,734	150,734	150,734	150,734	150,734
Intellectual Disabilities - Lansdowne Residential Services .....	340	340	340	340	340	340	340
Autism Intervention and Services .....	21,501	24,833	26,908	32,038	36,729	42,107	48,273
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 1,648,411</b>	<b>\$ 1,772,175</b>	<b>\$ 1,966,874</b>	<b>\$ 2,083,492</b>	<b>\$ 2,157,942</b>	<b>\$ 2,240,398</b>	<b>\$ 2,327,111</b>



## Program: Human Services

*Goal: To enhance the social and economic well-being of families and individuals through the provision of an array of service and support programs.*

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 Health and Human Services and county governments are jointly responsible for providing quality, effective services to children who are in need of care and protection. These services are state-supervised and county-administered. Each county is responsible for developing and implementing 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 agencies provide services to families and children to enable children to safely remain in their own homes and communities and develop natural supports and resources to gain self-sufficiency. The safety of children is the paramount concern of this program. Policies and procedures have been instituted to protect children from harm and to minimize time in out-of-home placement. 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 such as in-home services, 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 and permanency network. This program includes services to children who are in out-of-home 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 who are adjudicated delinquent but remanded to private residential treatment programs.

### **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 adjudicate 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 help juveniles develop skills and attitudes that will enable them to become responsible, productive members of society. Included in the YDC/YFC system are specialized treatment services for sex offenders, those with drug and alcohol addiction, those with a mental health diagnosis and those with developmental disabilities.

Administrative Complex	Population July 2015	Population July 2016	Projected Population July 2017	Projected Capacity July 2017	Projected Percentage of Capacity July 2017
YFC-Hickory Run.....	24	23	23	49	46.9%
YFC-Trough Creek.....	28	34	36	50	72.0%
Cresson.....	24	0	0	0	N/A
Loysville.....	<u>215</u>	<u>231</u>	<u>217</u>	<u>264</u>	<u>82.2%</u>
<b>Total Current Program</b>	<u>291</u>	<u>288</u>	<u>276</u>	<u>363</u>	<u>76.0%</u>

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 hands on 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 men and women to address contraceptive or infertility issues. Services are provided through a contract with four regional councils who issue grants to approximately 250 clinics across the state.

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.



# Health and Human Services

## Program: Human Services (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Youth Development Institutions and							
Forestry Camps .....	\$ 65,732	\$ 65,732	\$ 62,769	\$ 63,069	\$ 63,069	\$ 63,069	\$ 63,069
County Child Welfare.....	949,726	1,146,591	1,190,876	1,190,876	1,190,876	1,190,876	1,190,876
Domestic Violence.....	16,851	17,357	17,357	17,357	17,357	17,357	17,357
Rape Crisis.....	9,639	9,928	9,928	9,928	9,928	9,928	9,928
Breast Cancer Screening .....	1,623	1,723	1,723	1,723	1,723	1,723	1,723
Human Services Development Fund.....	13,460	13,460	13,460	13,460	13,460	13,460	13,460
Legal Services .....	2,461	2,661	2,661	2,661	2,661	2,661	2,661
Homeless Assistance .....	18,496	18,496	18,496	18,496	18,496	18,496	18,496
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 1,077,988</b>	<b>\$ 1,275,948</b>	<b>\$ 1,317,270</b>	<b>\$ 1,317,570</b>	<b>\$ 1,317,570</b>	<b>\$ 1,317,570</b>	<b>\$ 1,317,570</b>

## Program: Child Development

*Goal: 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.*

The Department of Health and Human Services and the Department of Education promote opportunities for all children and families by helping to ensure access to high-quality early care, education and family services. The focus on effective prevention strategies and high-quality early care and education programs will help Pennsylvania mitigate the social and educational disparities of young at-risk children that influence their ability to attain economic independence and self-sufficiency as adults. In addition, research consistently shows that the economic and education benefits of quality early learning programs extend from participating children to their families and communities.

Keystone STARS remains one of the largest, most comprehensive, quality rating improvement systems in the nation. Keystone STARS expands the reach of high-quality early child care and education in Pennsylvania for at-risk children. This initiative is designed to increase school readiness, future graduation rates of at-risk children,

decrease involvement in crime and its associated costs to society, and prepare children for successful, self-sufficient lives.

The subsidized child care program, Child Care Works, 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. Child Care Works uses state and federal funds to supplement parental co-payments and assists families to be self-supporting and self-sufficient. Families can select subsidized child care from various settings including child care centers, group child care homes, family child care homes or relatives. Child Care Information Service agencies determine eligibility for subsidized child care, offer families a choice of child care services, and provide information and counseling on how to select high-quality early care and education and school-aged child care programs.

The Early Intervention program, for children from birth to age three, provides services and supports to qualified children with developmental delays or disabilities and their families to maximize the child's development. These services are provided to the child and family in the child's home, community or early childhood education setting so that the child is well-prepared for school and life success.

The department also provides voluntary, evidence-based home visiting and community-based programs that help parents improve their parenting skills, resulting in healthier pregnancies and improved child health, learning, development and well-being. These services are provided through a combination of state funds, the federal Title IV-B - Family Center funds and the federal Maternal Child Health Early Childhood Home Visiting grant program through the following four evidence-based models: Early Head Start, Healthy Families America, Nurse-Family Partnership Program and Parents as Teachers.

<b>Child Care Funding</b> (Dollar Amounts in Thousands)	
	<u>2017-18</u>
<b>Low-Income Working Families</b>	
State Funds <sup>1</sup> .....	\$ 170,691
Federal Funds .....	<u>320,452</u>
Total .....	<u>\$ 491,143</u>
<b>TANF Recipients / Former TANF Recipients</b>	
State Funds <sup>2</sup> .....	\$ 152,609
Federal Funds .....	179,496
Other Funds .....	<u>1,705</u>
Total .....	<u>\$ 333,810</u>
<b>Grand Total</b> .....	<u><u>\$ 824,953</u></u>

<sup>1</sup> Child Care Services appropriation.  
<sup>2</sup> Child Care Assistance appropriation.

### Program Recommendations: (continued)

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

<b>Community-Based Family Centers</b>	
\$ -235	—to reflect transfer of Parent-Child Home program funds to Nurse Family Partnership.
9,000	—Initiative—Expand Evidence-Based Home Visiting. To provide evidence-based home visiting services to more vulnerable pregnant women, infants and young children.
<u>\$ 8,765</u>	<i>Appropriation Increase</i>

<b>Child Care Services</b>	
\$ 14,308	—to continue current program.
10,692	—reflects impact of available federal block grant funds.
10,000	—Initiative—Child Care Wait List. To serve an additional 1,800 children from the low income waiting list.
<u>\$ 35,000</u>	<i>Appropriation Increase</i>

# Health and Human Services

## Program: Child Development (continued)

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

<p><b>Nurse Family Partnership</b></p> <p>\$ 235 —to reflect transfer of Parent-Child Home program funds from Community-Based Family Centers.</p>	<p><b>Early Intervention</b></p> <p>\$ 1,275 —to continue current program.</p> <p>5,917 —nonrecurring ARRA federal funds used for direct services.</p> <p>27 —revision of federal medical assistance percentage from 51.78% to 51.82%.</p> <p>1,376 —change in prior year carryover.</p> <p><u>-1,261</u> —nonrecurring prior year costs.</p> <p>\$ 7,334 <i>Appropriation Increase</i></p>
---	---

The Child Care Assistance appropriation is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Community-Based Family Centers.....	\$ 3,258	\$ 3,258	\$ 12,023	\$ 12,023	\$ 12,023	\$ 12,023	\$ 12,023
Child Care Services.....	155,691	135,691	170,691	170,691	170,691	170,691	170,691
Child Care Assistance .....	152,609	152,609	152,609	152,609	152,609	152,609	152,609
Nurse Family Partnership.....	11,978	11,978	12,213	12,213	12,213	12,213	12,213
Early Intervention.....	127,974	129,211	136,545	136,545	136,545	136,545	136,545
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 451,510</b>	<b>\$ 432,747</b>	<b>\$ 484,081</b>	<b>\$ 484,081</b>	<b>\$ 484,081</b>	<b>\$ 484,081</b>	<b>\$ 484,081</b>



## Program: Public Health

*Goal: To reduce morbidity and mortality through the early detection of disease and health defects and the promotion of sound health practices and remedial care.*

A key to the promotion of sound health practices is ensuring that all Pennsylvanians are able to access and utilize a range of preventive health and early disease detection services.

The department provides public health services through its network of district offices, state community-health nurses, county and municipal health departments, community-based organizations and public health clinical providers. These programs include communicable disease tracking and prevention, investigation, intervention and control services for public health concerns; 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 each of their jurisdictions and these services are funded through grants and contracts awarded by the department.

The state public health laboratory investigates disease outbreaks, emerging infectious diseases and other threats to public health. The state laboratory performs approximately 200,000 tests each year, including 3,550 rabies tests and 3,000 West Nile Virus. Tests are also performed for diseases such as HIV, meningitis, influenza, tuberculosis, botulism, Lyme disease, drugs of abuse, alcohol and lead. The state laboratory is an integral part of preparedness and response throughout the commonwealth. The department licenses more than 9,000 laboratories, including independent labs and labs located within hospitals or physicians' offices, establishes performance standards, and monitors compliance through on-site inspections.

The department provides epidemiologic assessment of health problems that may include communicable diseases, environmental conditions, occupational hazards, infection control, and health risk behaviors of the general public or selected populations. Guidelines and recommendations are issued for prevention and control of these diseases along with professional consultation and technical support to health care providers and institutions, other agencies, county health departments and local municipalities.

### **Program Element: Women and Infant Programs**

The department combines maternal home visiting programs, Centering Pregnancy programs and innovative interconception care to support mothers and babies to improve pregnancy outcomes, reduce infant mortality and improve child development.

To minimize severe health risks to infants, the department administers 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 facilitates a number of programs designed to help improve the health status of women. The Breast and Cervical Cancer Early Detection program (HealthyWoman Program) provides free mammograms, breast exams, Pap tests, pelvic exams, and treatment to eligible women, ages 40 – 64, who are low income and have limited or no insurance.

State community-health nurses conduct public educational programs including car seat safety, breastfeeding, baby safe sleep and immunizations. Nurses participate in Safe Kids Coalitions, Child Death Review Teams and local multidisciplinary teams, all of which focus on identifying and addressing trends in injuries and deaths and improving the health and safety of women, infants and children (also relates to Children's Programs).

### **Program Element: Children's Programs**

The department's federally funded immunization program supplies immunizations to infants, children and adolescents to reduce the incidence of vaccine-preventable diseases in the commonwealth. While vaccinations are strongly recommended across the life span, special emphasis is placed on reaching children younger than two years. The program supports the surveillance of vaccine-preventable diseases, provides consultation during disease outbreaks, assesses childhood 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 guidance to school districts to keep children healthy in school and to minimize the chance of disease outbreaks by requiring the following as a condition of attendance: hepatitis B, measles/mumps/rubella, polio, varicella, tetanus/diphtheria/ pertussis and meningococcal immunizations for students between kindergarten and 12th grade. Local state health centers conduct educational programs for the public and providers to prevent disease by improving immunization rates and conduct education during epidemiological investigations to prevent and decrease disease transmission.

The department's healthy homes and lead poisoning prevention consists of three programs: the Safe and Healthy Homes Program, the Lead Hazard Control program and the Lead Surveillance program. The Safe and Healthy Homes Program seeks to prevent injuries and create safe and healthy housing for the families where

## Program: Public Health (continued)

pregnant woman or children are living by addressing environmental health and safety hazards in homes. The Lead Hazard Control program seeks to identify, control and eliminate lead-based paint hazards in homes of eligible families. The department's Lead Surveillance program tracks and monitors childhood lead activity through the Pennsylvania National Electronic Disease Surveillance System (PA-NEDSS). PA-NEDSS receives all lead reports on Pennsylvania's children. State community-health nurses conduct elevated blood lead levels investigations and case management and provide education to parents and providers on eliminating or decreasing lead exposure.

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, 160 charter schools and 10 vocational technical schools for a portion of the costs associated with providing school nursing and dental services. State community-health nurses offer technical assistance and recommendations to school officials during investigation of disease in students and staff.

### ***Program Element: Other Health Promotion and Disease and Injury Prevention Programs***

The department promotes appropriate adult immunizations by providing information to community-based and public organizations. Vaccines are also made available to uninsured and underinsured adults through county and municipal health departments and federally qualified and rural health clinics. 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 to determine the infection source, transmission mode and control measures to prevent additional cases and provides recommendations and education to decrease or prevent the spread of disease. The Hepatitis C testing pilot program affords those at risk of hepatitis testing and education on prevention control measures. In collaboration with the Bureau of Epidemiology, state community-health nurses investigate concerns of healthcare acquired exposure or infections by offering hepatitis and HIV testing and control measure education to patients and providers. Chronic disease remains one of the leading causes of preventable morbidity and premature death in the commonwealth. The state community-health nurses offer blood pressure screenings at local events and gathering locations. The PA Center for Innovation is working with healthcare providers, commercial and public insurance payers, consumers, and the Centers for Medicare and Medicaid Services to transform the way patient care is managed, coordinated, and delivered, in both urban and rural health care settings. The innovations created by the Center will improve health outcomes while reducing the

cost of care. The department's HIV program employs a coordinated and integrated strategy to prevent, test, link, treat and engage/retain individuals across the continuum of HIV prevention and care services. The program includes: prevention activities; capacity-building activities; program planning, monitoring, evaluation, and quality improvement; coordination and delivery of HIV medical care and support services; housing assistance; and an AIDS drug assistance program.

The goal of the Sexually Transmitted Diseases (STD) program is to prevent sexually transmitted diseases and its complications. 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.

The goal of the Tuberculosis (TB) program is to reduce the incidence of TB and provides outpatient examination, diagnosis and appropriate treatment for persons with TB disease and infection. The 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 individuals. State community-health nurses offer public educational STD, HIV, and TB programs and provider education relating to prevention of institutional spread and appropriate case management.

The department manages the following federally funded programs that also support health promotion and injury prevention activities:

Cancer Prevention and Control programs promote cancer education, awareness and services through policy system and environmental approaches to reduce cancer mortality and provide a better quality of life for Pennsylvanians dealing with the effects of cancer. These programs coordinate cancer prevention, detection, treatment, and offer quality of life services and resources.

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 materials designed to promote 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 Diabetes Prevention and Control program, Heart Disease and Stroke Prevention program and Obesity Prevention and Wellness program work collaboratively to promote healthy active lifestyles through systems, policy and environmental changes in communities, health care systems, schools, early care and education centers and worksites. These changes support the development of healthy environments that encourage positive individual behaviors to reduce and control diabetes and hypertension, and to prevent heart disease, obesity, stroke and related chronic diseases and conditions.

## Program: Public Health (continued)

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, as well as 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 organizations to support safer communities by addressing childhood injuries, motor vehicle safety, fall prevention among older adults, traumatic brain injury and child maltreatment prevention. State community-health nurses participate in health fairs by distributing educational material on chronic diseases and injury and accident prevention.

Two recent initiatives include prevention of tick and mosquito transmitted infections, including Lyme disease and Zika Virus, and the public awareness campaign for Naloxone. State community-health nurses provide educational programs on the prevention of mosquito and tick-borne diseases and during the investigatory process identify and educate on person-to-person transmission, if applicable. Naloxone educational initiatives seek to improve knowledge of the use and availability of Naloxone.

### Program Element: Health Treatment Services

The department has responsibility for coordinating a variety of specialized medical services for commonwealth patients. The Chronic Renal Disease program assists with transportation costs related to inpatient and outpatient dialysis services.

Health Program Assistance and Services provides a variety of services and specialty care programs for children and adults with certain health conditions including adult cystic fibrosis, Cooley's anemia, hemophilia, sickle cell and home ventilator care for children with chronic respiratory failure. Services include diagnosis, direct medical care,

case management, comprehensive evaluations and 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 the Children's Health Insurance Program are referred to those programs.

The Tobacco Use Prevention and Control program seeks to control the epidemic of disease, disability and death related to all forms of tobacco use, including, but not limited to combustible, smokeless and electronic nicotine delivery systems. Activities include community and school programs; counter marketing to prevent the initiation of tobacco use by youth; cessation programs, including a Quitline, to help Pennsylvanians quit tobacco use; awareness education and community outreach to protect non-smokers from secondhand smoke. The department provides for education and enforcement of the Clean Indoor Air Act, which prohibits smoking in most public places. 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 is the lead agency for the commonwealth's emergency medical services (EMS) system. This includes planning, coordinating, developing, implementing and evaluating the statewide EMS system (including emergency preparedness and response) through regional councils with advice and support from a statewide advisory council. This program is responsible for licensure of ambulance services, assuring availability of training, certification of EMS personnel, medical command facility accreditation, medical command physician recognition, training institute accreditation, integration of the poison information system with the EMS system, quality improvement activities which include investigations and disciplinary action when warranted, and distribution of funding. Oversight of compliance with regulations, development and implementation of statewide EMS treatment protocols, naloxone use and programs, 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.

Specialty Care Programs	
Program	Minimum Receiving Treatment*
Phenylketonuria, Maple Syrup Urine disease, Galactosemia	1,500
Sickle Cell disease	2,876
Hemophilia	2,062
Cooley's Anemia	87
Spina Bifida	1,282
Services for children with special needs (home ventilators)	283
Services for children with special needs (children's rehabilitation services)	2,417

\* Based on 2015-16 data counts of children and adults receiving treatment through department-supported programs.





# Health and Human Services

## Program: Public Health (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
State Laboratory .....	\$ 0	\$ 0	\$ 3,696	\$ 3,696	\$ 3,696	\$ 3,696	\$ 3,696
State Health Care Centers .....	0	0	10,381	10,381	10,381	10,381	10,381
Sexually Transmitted Disease Screening and Treatment.....	0	0	1,745	1,745	1,745	1,745	1,745
AIDS Programs and Special Pharmaceutical Services .....	0	0	17,436	17,436	17,436	17,436	17,436
Maternal and Child Health.....	0	0	1,289	1,289	1,289	1,289	1,289
Newborn Screening .....	0	0	6,684	6,684	6,684	6,684	6,684
Community-Based Health Care Subsidy...	0	0	2,500	2,500	2,500	2,500	2,500
School District Health Services .....	0	0	36,620	36,620	36,620	36,620	36,620
Local Health Departments.....	0	0	25,421	25,421	25,421	25,421	25,421
Local Health - Environmental .....	0	0	2,389	2,389	2,389	2,389	2,389
Tuberculosis Screening and Treatment.....	0	0	903	903	903	903	903
Services for Children with Special Needs..	0	0	1,923	1,923	1,923	1,923	1,923
Renal Dialysis.....	0	0	1,300	1,300	1,300	1,300	1,300
Health Program Assistance and Services .	0	0	5,162	5,162	5,162	5,162	5,162
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 117,449</b>	<b>\$ 117,449</b>	<b>\$ 117,449</b>	<b>\$ 117,449</b>	<b>\$ 117,449</b>

## Program: Health Care Quality and Licensure

*Goal: To ensure the delivery of quality health care in all of the state's health care facilities through the identification of quality-focused objectives, leading clinical quality improvement to increase access to health care services and promote the quality of life for all.*

The Quality Assurance and Human Services licensing programs conduct surveys and inspections of various types of health care facilities and agencies to determine compliance with state and federal standards and regulations and as a condition of receiving federal Medicare and Medicaid financial support. These include: adult day living facilities, adult training facilities, assisted living facilities, child residential and day treatment facilities, community residential rehabilitation services for the mentally ill, community homes for individuals with intellectual disabilities, drug and alcohol treatment centers, family living homes, health care facilities, home care agencies, home health agencies, intermediate care facilities, long-term structured residences, personal care homes, psychiatric residential treatment facilities, vocational facilities, and others. The surveys determine compliance with various standards including sanitation, fire safety, health and level of care. The public may view completed surveys on the department's website.

The frequency of inspections and surveys varies by type of facility as required by either state and/or federal law or regulation. Initial inspections are conducted prior to issuance of licenses. More frequent inspections are made in response to complaints or life-threatening situations.

Act 41 of 2014, the Indoor Tanning Regulation Act, requires all indoor tanning establishments to register with the department, display proper safety signage and meet the established training requirements for staff. The

act, authorizes the department to inspect indoor tanning facilities.

The Healthcare-Associated Infections Prevention program supports hospitals, nursing care facilities and ambulatory surgical facilities in reducing the occurrence of healthcare-associated infections 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 department is responsible for oversight and regulation of managed care plans including health maintenance organizations, 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 and external quality reviews. The department reviews and approves provider contracts and reimbursement methods. It licenses and oversees traditional PPOs, nonprofit medical-surgical, vision, and dental plans. The department certifies managed care utilization review organizations, monitors compliance with utilization review standards, reviews complaints and coordinates third level grievance reviews conducted by certified external review entities.

### Program Recommendations:

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

<p>\$ 924</p> <p><b>Health Innovation</b> —for expenses related to the operation of the program. Reflects full-year funding for consolidation into Health and Human Services.</p>	<p>\$ 21,121</p> <p><b>Quality Assurance</b> —for expenses related to the operation of the program. Reflects full-year funding for consolidation into Health and Human Services.</p> <p>4,087 —to continue current program.</p> <p>–197 —Initiative—cost savings realized through agency consolidation.</p> <p>–325 —Initiative—to implement complement savings.</p> <p>–1,875 —Initiative—cost savings from GO-TIME projects.</p> <hr/> <p>\$ 22,811 <i>Appropriation Increase</i></p>
---	---

# Health and Human Services

## Program: Health Care Quality and Licensure (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>General Fund:</b>							
Quality Assurance.....	\$ 0	\$ 0	\$ 22,811	\$ 22,811	\$ 22,811	\$ 22,811	\$ 22,811
Health Innovation.....	0	0	924	924	924	924	924
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 23,735</b>	<b>\$ 23,735</b>	<b>\$ 23,735</b>	<b>\$ 23,735</b>	<b>\$ 23,735</b>

## Program Measures

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

### Program: Health and Human Services Support

**Objective: Maintain services and supports that will improve the cost effectiveness of human services programs.**

Online applications submitted through COMPASS	755,245	800,000	850,000	900,000	950,000	975,000	1,000,000
Percent of all applications submitted on-line through COMPASS	33.20%	32.40%	32.10%	33.20%	34%	34.50%	35%
Percentage of the COMPASS user community that is using the mobile application	0%	30%	33%	36.30%	39.90%	43.90%	48.30%
Average number of days to process an application-MA/NH/Waiver	12.70	13	13	13	13	13	13
Average number of days to process an application-TANF	10.90	11	11	11	11	11	11
Average number of days to process an application-SNAP	7.70	8	8	8	8	8	8
Number of current licensees inspected within the past 365 days	2,740	2,971	3,130	3,165	3,195	3,260	3,325
Percent of current licensees inspected within the past 365 days	90%	95%	100%	100%	100%	100%	100%
Percentage of applications for new licenses issued or denied within 90 days of application receipt	59%	59%	100%	100%	100%	100%	100%

### Program: Medical Assistance and Health Care Delivery

**Objective: Maintain services and supports to eligible Pennsylvanians while helping them to improve their health and well-being.**

#### Medical Assistance

Persons participating in Medical Assistance (monthly average)	2,718,110	2,840,335	2,912,065	2,984,870	3,059,490	3,135,975	3,214,375
Persons participating in Medical Assistance (monthly average) – Adults (21 and Older)	1,523,276	1,630,935	1,690,575	1,751,160	1,813,445	1,877,470	1,943,285
Persons participating in Medical Assistance (monthly average) – Children (Under 21)	1,194,834	1,209,400	1,221,495	1,233,710	1,246,045	1,258,505	1,271,090
Medicaid Expansion - Newly eligible adults	740,470	759,470	775,530	791,040	806,860	823,000	839,460
Medical Assistance recipients served (monthly average): Average managed care enrollment - physical health	2,208,663	2,310,450	2,318,275	2,387,825	2,459,460	2,533,240	2,609,240
Medical Assistance recipients served (monthly average): Average HealthChoices behavioral health enrollment	2,507,473	2,535,315	2,635,405	2,714,465	2,795,900	2,879,775	2,966,170

#### Medical Assistance

Managed Care - Emergency Room Utilization per 1000 Member Months	74	74	72	72	70	70	69
Managed Care - Inpatient Utilization (Total Discharges per 1000 Member Months)	9	8	7	7	7	7	7

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Managed Care</b>							
Percentage of children from birth to 15 months visiting a physician 6 or more times in the past year	65.20%	69.50%	70%	70.50%	71%	71.50%	72%
Percentage of children age 12 to 24 months visiting a doctor or nurse in the past year	97%	97%	97.50%	98%	98.50%	99%	99.50%
Percentage of children 25 months to 6 years visiting a doctor or nurse in the past year	89%	89%	89.50%	90%	90.50%	91%	91.50%
Percentage of pregnant women who received over 80% of the recommended prenatal visits	64.40%	71.50%	72%	72.50%	73%	73.50%	74%
Percent of those 2-20 years of age who had at least one dental visit during the measurement year	58.20%	60%	60.50%	61%	61.50%	62%	62.50%
Percent of those 18-75 years of age with diabetes (type 1 and type 2) who had Hemoglobin A1c poor control (>9%). Note - a lower rate equals better performance	38.10%	37.50%	37%	36.50%	36%	35.50%	35%
Percent of those aged 1-17 on 2 or more antipsychotic medications for more than 90 days	2.70%	1.60%	1%	1%	1%	1%	1%
<b>Transportation Program</b>							
One-way trips (in thousands)	10,196	11,205	11,570	11,570	11,570	11,570	11,570
Cost per trip	\$13.26	\$12.70	\$12.80	\$12.80	\$12.80	\$12.80	\$12.80
<b>Medical Care for Workers with Disabilities</b>							
Recipients enrolled in program (monthly average)	31,032	29,130	28,715	28,715	28,715	28,715	28,715
<b>Objective: Enable eligible Pennsylvanians to secure access to quality, affordable health insurance coverage.</b>							
<b>Children's Health Insurance Program</b>							
Percentage of CHIP enrolled children two years old who had one or more capillary or venous blood tests for lead prior to their second birthday	55%	56.50%	58%	59.50%	61%	62.50%	64%
Percentage of CHIP enrolled children ages 3 to 6 years who receive a well child visit with a primary care physician	83.50%	84%	84.50%	85%	85.50%	86.50%	87%
Percentage of CHIP enrolled children ages 2 to 19 who received an annual dental visit	72.50%	73.50%	75%	75.50%	77%	78%	79%
CHIP enrolled children ages <1 to 19 who utilized an emergency department (visits/1000 MM)	27.90	26	25	24.50	23.50	23	22.50
CHIP enrolled children ages <1 to 19 with an acute inpatient discharge (discharges/1000 MM)	0.89	0.85	0.75	0.70	0.65	0.60	0.55
Children's Health Insurance Program (CHIP) enrollment (monthly average)	153,199	170,245	188,895	207,845	227,540	250,365	278,170

## Program Measures

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

**Objective: Ensure that eligible older Pennsylvanians who need help in paying for medications are enrolled in PACE/PACENET.**

### Comprehensive PACE Program

Number of older Pennsylvanians enrolled (average) in PACE	101,436	93,995	87,100	80,710	74,795	69,305	64,225
Total prescriptions per year - PACE	2,872,668	2,483,615	2,147,260	1,923,100	1,722,350	1,542,550	1,381,510
Average PACE cost per prescription	\$26.75	\$28.61	\$30.45	\$32.42	\$34.56	\$36.88	\$39.39

### PACE Needs Enhancement Tier (PACENET)

Number of older Pennsylvanians enrolled (average) in PACENET	155,186	151,920	148,720	145,590	142,520	139,520	136,585
Total prescriptions per year - PACENET	4,692,825	4,428,615	4,179,290	4,017,660	3,862,255	3,712,870	3,569,290
Average PACENET cost per prescription	\$25.87	\$29.15	\$27.15	\$27.91	\$28.71	\$29.55	\$30.44

### Program: Aging and Adult Community Living

**Objective: Maintain supports and services for older Pennsylvanians and persons with physical disabilities and increase the number of these persons that live in their communities, instead of institutions, through the effective delivery of needed community-based supports.**

#### Long-Term Care

Recipients under age 60 receiving institutional care (monthly average)	4,518	4,550	4,580	4,615	4,645	4,680	4,710
Recipients over age 60 receiving institutional care (monthly average)	45,041	45,355	45,675	45,995	46,315	46,640	46,965
Recipients over age 60 receiving home and community-based waiver services (monthly average)	28,767	30,240	31,555	32,985	34,415	35,840	37,270

#### Other Long-Term Living Services

Number of recipients under age 60 receiving attendant care services (waiver and Act 150) (monthly average)	10,051	11,175	12,020	12,860	13,700	14,540	15,380
Persons with developmental disabilities served in home and community based long term care waiver services	13,792	15,690	17,335	18,780	20,230	21,675	23,125

#### Long-Term Care

Average monthly cost of nursing home care	\$5,388	\$5,390	\$5,390	\$5,390	\$5,390	\$5,390	\$5,390
Average monthly cost of home and community-based waiver services (age 60 age over)	\$2,624	\$2,625	\$2,625	\$2,625	\$2,625	\$2,625	\$2,625
Recipients receiving services through the LIFE program (monthly average)	5,321	5,815	6,555	7,180	7,800	8,425	9,050
Percentage of long term care recipients receiving institutional care (monthly average)	46%	44%	43%	41%	40%	39%	38%

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Percentage of long term care recipients receiving services in the community (monthly average)	54%	56%	57%	59%	60%	61%	62%
Number of persons transitioned to community living through Nursing Home Transition Program	1,421	1,500	1,580	1,660	1,740	1,820	1,900

**Objective: Increase consumers in home and community-based services and expand outreach to connect Pennsylvanians to long-term care supports and services so they may remain living at home.**

Number of unduplicated persons served through the Older Americans Act	359,589	362,910	366,230	369,540	372,860	376,180	379,990
Number of persons served in the community who have at least 3+ Activities of Daily Living (ADLs)	215,716	222,030	229,310	236,590	243,870	251,160	258,960

**Objective: Increase services and support for caregivers in the Caregiver Support Program and develop a tool to better assess caregiver needs across the commonwealth.**

**Persons Receiving Assistance**

Number of families receiving caregiver support	5,189	4,910	5,160	5,320	5,580	5,840	5,970
--	-------	-------	-------	-------	-------	-------	-------

**Objective: Reduce the time between receiving reports of need for protective services and assistance and a satisfactory resolution of the issue.**

**Persons Receiving Assistance**

Protective services	27,440	29,630	32,240	34,850	37,460	40,070	43,290
Ombudsman program activities	19,217	19,385	19,580	19,775	19,975	20,175	21,000

**Objective: Increase long-term care options so that older Pennsylvanians and Pennsylvanians with physical disabilities can choose how and where they receive services.**

Number of Pennsylvanians age 60 and older	3,018,740	3,081,570	3,144,400	3,207,230	3,270,060	3,332,890	3,392,630
Number of Pennsylvanians age 85 and older	334,110	338,250	342,390	346,530	350,665	354,800	359,700

**Pre-Admission Assessment**

Number of assessments/recertifications	129,217	127,770	131,920	136,070	140,220	144,370	148,620
Referrals to nursing homes	38,328	37,670	37,370	37,070	36,770	36,470	36,120
Referrals to community services	61,327	59,960	63,070	66,170	69,280	72,380	75,460

**Persons Receiving Assistance**

Number of congregate meals served	114,868	119,590	119,530	119,460	119,390	119,320	119,430
Number of attendant care services provided	2,329	2,670	2,670	2,670	2,670	2,670	2,670
Home-delivered meals	43,568	45,540	47,480	49,410	51,340	53,250	54,750
Home support services	6,988	7,500	7,730	7,960	8,190	8,420	8,690
Personal care services	16,746	16,960	17,520	18,070	18,630	19,190	19,730
Insurance Counseling	339,487	220,545	222,750	224,975	227,225	229,500	231,500



## Program Measures

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

### Program: Eligibility and Self-Sufficiency

#### Objective: Increase access for women and infants to nutritious foods.

##### Women, Infants and Children Program

Average number of persons participating in women, infants, and children (WIC) programs each month	240,481	242,885	245,315	247,770	250,245	252,350	255,275
Average actual food cost per WIC participant, per month	\$46.23	\$46.70	\$47.86	\$47.63	\$48.11	\$48.59	\$49.08
Average Nutrition Services and Administration (NSA) operational costs per WIC participant, per month	\$19.78	\$20	\$20.17	\$20.38	\$20.58	\$20.79	\$21
Percentage of WIC-enrolled breastfeeding mothers who breastfed their infants for the first six months	20.08%	20%	20%	20%	20%	20%	20%

#### Objective: Maintain services and supports to eligible Pennsylvanians while helping them to increase their self-sufficiency and well-being.

Persons receiving cash assistance (monthly average)	143,765	130,330	128,890	127,270	125,745	124,230	122,740
Persons receiving state supplemental grants (monthly average)	375,910	374,955	372,650	371,470	370,000	369,000	368,000
Persons receiving Supplemental Nutrition Assistance Program (SNAP) benefits	1,879,833	1,901,585	1,937,585	1,966,905	2,000,025	2,021,240	2,043,275
Households receiving energy cash payments	378,080	378,080	358,680	358,680	358,680	358,680	358,680
Households receiving energy crisis payments	89,735	89,735	89,735	89,735	89,735	89,735	89,735
TANF recipients enrolled in employment and training program (monthly average)	14,594	14,595	14,595	14,595	14,595	14,595	14,595
TANF recipients obtaining employment	54,039	60,000	60,000	60,000	60,000	60,000	60,000
Child support orders established	359,620	360,000	360,000	360,000	360,000	360,000	360,000
Child support collected (in millions)	\$1,295	\$1,295	\$1,295	\$1,295	\$1,295	\$1,295	\$1,295

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
--	---------	---------	---------	---------	---------	---------	---------

### Program: Behavioral Health and Substance Use Disorder Services

**Objective: Maintain services and supports for persons with mental illness to live, work and contribute to their communities with increased health and independence.**

#### Community Mental Health Services

Persons receiving mental health inpatient and outpatient services from non-Medical Assistance funding (unduplicated)	195,692	198,820	198,820	198,820	198,820	198,820	198,820
Persons receiving services through Medical Assistance expenditures (fee-for-service and HealthChoices) (unduplicated)	565,699	600,000	601,050	602,100	603,155	604,210	605,270
Admissions to private psychiatric inpatient settings	53,550	57,000	58,140	59,300	60,490	61,700	62,930
Percent of patients discharged from a psychiatric inpatient setting who have follow-up service 7 days from discharge (ages 21 - 64)	61%	63%	64%	65%	66%	67%	68%

#### Substance Use Disorder Services

Persons receiving services through Medical Assistance expenditures (fee-for-service and HealthChoices) (unduplicated)	117,575	147,625	156,485	165,870	175,825	186,375	197,555
Non-hospital detoxification and rehabilitation clients	37,637	47,045	50,340	53,865	57,635	61,665	65,985
Percent of patients discharged from a substance use disorder non-hospital setting who have follow-up services 7 days from discharge (ages 21 to 64)	55%	63%	64%	65%	66%	67%	68%
Persons receiving Methadone Maintenance Services	25,048	28,055	30,860	33,945	37,340	41,070	45,180

#### State Mental Hospitals

Total persons served in state mental hospitals	2,205	2,190	2,145	2,100	2,095	2,090	2,085
Total admissions to state mental hospitals	701	685	670	615	615	615	615
Average cost per person in state mental hospital population	\$304,602	\$335,060	\$368,570	\$405,425	\$445,965	\$490,560	\$539,620
Total discharges from state mental hospitals	689	690	690	675	630	630	630
Percentage of adults readmitted to state mental hospitals within one year of last discharge	7.60%	8.50%	8%	7.50%	7%	6.50%	6%
Percentage of persons in state mental hospitals with stay longer than two years	40%	40%	37%	34%	31%	29%	27%

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Objective: Provide drug and alcohol treatment services.</b>							
Admissions to treatment*	52,540	47,395	46,445	45,515	44,605	43,715	42,840
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
<b>Licensure and/or Federal Certification Surveys Completed</b>							
Residential drug and alcohol programs licensed/approved	438	438	438	438	438	438	438
Nonresidential drug and alcohol programs licensed/approved	770	770	770	770	770	770	770

\*The data system for these measures is currently in a transformation process. The fiscal year data are best estimates at this time.

### Program: Intellectual Disabilities

**Objective: Maintain supports and services for individuals with developmental disabilities and their families, including persons with autism, to more fully participate in their communities by effectively providing needed home and community-based services and supports that will increase their independence and ensure their health and well-being.**

Number of persons receiving Autism services	697	825	875	875	875	875	875
Number of persons receiving intellectual disability services	54,697	54,700	56,515	56,515	56,515	56,515	56,515
Unduplicated persons receiving Intellectual Disability services during fiscal year: Home and Community Services (Waiver and Base services)	52,203	52,305	53,230	53,330	53,430	53,530	53,630
Unduplicated persons receiving Consolidated Waiver services during fiscal year: Home and community services	18,084	18,185	18,295	18,395	18,495	18,595	18,695
Unduplicated persons receiving person/family directed supports waiver services during fiscal year: Home and community services	13,649	13,650	14,470	14,470	14,470	14,470	14,470
Unduplicated persons receiving Base services during fiscal year: Home and Community Services	23,593	23,595	23,590	23,590	23,590	23,590	23,590
Number of individuals who reside in a private home (not in a provider-controlled setting)	38,661	38,660	38,660	38,660	38,660	38,660	38,660
Persons receiving residential services (during fiscal year):							
Private intermediate care facilities for persons with intellectual disabilities	2,155	2,140	2,140	2,140	2,140	2,140	2,140
State centers	951	910	780	640	600	560	520
Number of people moving from Private ICFs/ID and State Centers into the community	86	100	105	100	50	50	50

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Average cost of individuals served in the community:							
Consolidated waiver services	\$123,086	\$131,945	\$148,885	\$149,255	\$149,255	\$149,255	\$149,255
Person/family directed supports waiver services	\$18,789	\$20,225	\$23,305	\$23,630	\$23,630	\$23,630	\$23,630
Autism services	\$46,816	\$46,835	\$54,730	\$54,730	\$54,730	\$54,730	\$54,730

### Program: Human Services

**Objective: Maintain supports and services that will improve the health, well-being, development and safety of Pennsylvania's families.**

#### Youth Development Centers

Youth served	791	775	775	775	775	775	775
Occupancy rates	73%	75%	75%	75%	75%	75%	75%
Youth in work experience	415	400	400	400	400	400	400

#### Family Support Services

Unduplicated annual number of children receiving child welfare services at home	202,375	200,000	200,000	200,000	200,000	200,000	200,000
---	---------	---------	---------	---------	---------	---------	---------

#### Out of home placements in:

Community residential programs	24,810	23,500	22,270	21,085	19,955	18,870	18,805
Group Homes: Community residential programs	2,862	2,850	2,650	2,450	2,250	2,050	2,050
Foster Care: Community residential programs	20,286	19,000	18,050	17,150	16,290	15,475	15,475
Other: Community residential programs	1,662	1,650	1,570	1,490	1,415	1,345	1,275
In-state institutional care programs (annual unduplicated recipients)	2,809	2,800	2,770	2,745	2,715	2,690	2,665
Children in out of state programs	185	170	165	160	155	150	150
Percentage of children reunited with parents or primary caregiver within twelve months of placement	42.30%	70%	70%	70%	70%	70%	70%
Percentage of children not returning to care within 12 months of discharge to parents or primary caregivers	67.80%	85%	87%	90%	90%	90%	90%
Finalized adoptions	1,941	1,955	1,955	1,955	1,955	1,955	1,955
Children reaching permanency outside of adoption	8,234	8,200	8,200	8,200	8,200	8,200	8,200
Investigations of reported child abuse	43,045	43,000	43,000	43,000	43,000	43,000	43,000
Percentage of child abuse investigations substantiated	10.40%	14%	14%	14%	14%	14%	14%
Number of child abuse clearances processed	1,225,225	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Average number of days to process Child Abuse Clearance	2.70	2	2	2	2	2	2

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Homeless Assistance</b>							
Persons receiving homeless services	77,419	77,000	77,000	77,000	77,000	77,000	77,000
<b>Human Services</b>							
Domestic violence victims served	44,401	45,000	45,000	45,000	45,000	45,000	45,000
Rape crisis/sexual assault persons served	29,654	31,705	31,500	31,500	31,500	31,500	31,500
Breast cancer screening clients	54,716	55,000	55,000	55,000	55,000	55,000	55,000
Legal service clients	17,126	17,100	17,100	17,100	17,100	17,100	17,100

### Program: Child Development

**Objective: Maintain supports and services that will improve the health, well-being, development and safety of all Pennsylvania's children.**

#### Child Development

Children enrolled in Keystone STARS facilities	165,773	171,500	172,500	172,500	172,500	172,500	172,500
Children enrolled in Keystone STARS Level 3 and 4 facilities	63,988	68,000	72,000	76,000	79,175	94,050	94,050
Children in subsidized child care enrolled in Keystone STARS Level 3 and 4 facilities	31,550	33,000	36,500	41,545	51,990	61,750	61,750
Number of Keystone STARS facilities	3,801	4,000	4,100	4,200	4,300	4,300	4,300
Number of Keystone STARS facilities (center and group) at level 3 or 4	1,237	1,585	1,755	2,000	2,500	3,000	3,000
Percentage of child care centers participating in Keystone STARS	64%	73%	75%	80%	85%	90%	90%
Number of children participating in subsidized child care (unduplicated)	200,014	200,000	200,000	200,000	200,000	200,000	200,000

#### Children participating in subsidized child care (monthly average):

TANF families	18,807	19,105	18,930	18,930	18,930	18,930	18,930
Former TANF families	31,392	31,890	31,890	31,890	31,890	31,890	31,890
Low-income working families	67,474	67,580	69,895	69,895	69,895	69,895	69,895

#### Percentage of children participating in subsidized child care enrolled in a department regulated setting:

TANF families	92%	92%	92%	92%	92%	92%	92%
Former TANF families	88%	88%	88%	88%	88%	88%	88%
Low-income working families	92%	92%	92%	92%	92%	92%	92%

#### Early Intervention

Children participating in Early Intervention (EI) services	38,004	38,800	38,800	38,800	38,800	38,800	38,800
Children who exited Early Intervention who successfully met their individual goals	7,295	7,395	7,395	7,395	7,395	7,395	7,395
Percentage of EI children served in typical early childhood educational settings (e.g. home, child care, Head Start)	99%	99%	99%	99%	99%	99%	99%

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Evidence Based Home Visiting Programs</b>							
Number of children served in evidence-based home visiting programs	10,105	10,100	11,800	11,800	11,800	11,800	11,800
<b>Program: Public Health</b>							
<b>Objective: Enhance the readiness of the commonwealth's public health systems to prepare for, protect against, respond to and recover from all large scale, manmade and natural threats to citizens.</b>							
<b>Public Health Preparedness</b>							
Percentage of eligible hospitals registered to use PA National Electronic Disease Surveillance System (PA-NEDSS)	93%	93%	93%	93%	93%	93%	93%
Percentage of eligible laboratories registered to use PA National Electronic Disease Surveillance System (PA-NEDSS)	89%	81%	81%	81%	81%	81%	81%
<b>Emergency Medical Services</b>							
Ambulance agencies 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	440	500	550	550	550	550	550
Hospitals recognized to provide medical command annually	145	165	165	165	165	165	165
<b>Objective: Coordinate the collection and analysis of health statistics and information and disseminate health research grants.</b>							
<b>Vital Events (births, deaths and fetal deaths)</b>							
Vital events registered (calendar year)	272,623	272,700	272,700	272,700	272,700	272,700	272,700
Percentage of vital events registered according to Vital Statistics Law and Title 28 of the PA Code	82%	85%	90%	90%	90%	90%	90%
Applications for certified copies of birth and death records filled (calendar year)	646,208	646,300	646,300	646,300	646,300	646,300	646,300
<b>Health Research</b>							
New formula and non-formula grants awarded	28	28	28	28	28	28	28
Percentage of completed state-funded research grants that have received a favorable or outstanding performance evaluation from expert peer reviewers	98%	95%	95%	95%	95%	95%	95%
Percentage of completed CURE grants exceeding \$100,000 that have leveraged additional outside funding	70%	70%	70%	70%	70%	70%	70%
Percentage of cancer abstracts processed within 24 months of diagnosis	99%	99%	99%	99%	99%	99%	99%

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
--	---------	---------	---------	---------	---------	---------	---------

**Objective: Ensure that all citizens are able to access a range of preventative health and early detection services.**

### Community Health

Number of patients seen for immunization services both in the state health center and community setting	15,471	15,370	15,270	15,170	15,070	14,970	14,870
Number of patients served for tuberculosis	1,507	1,545	1,585	1,625	1,665	1,705	1,750
Number of communicable disease investigations	32,278	33,085	33,915	34,760	35,630	36,520	37,435
Number of animal bite investigations	17,399	17,835	18,280	18,740	19,205	19,685	20,180
Number of patient visits in underserved areas	1,203,172	1,203,170	1,203,170	1,203,170	1,203,170	1,203,170	1,203,170

### Women and Children's Programs

Newborns receiving state-mandated screening for genetic conditions	138,976	139,500	140,000	140,000	140,500	140,500	140,500
High-risk uninsured women aged 40 to 49 who receive breast and cervical cancer screening as determined by state funding	4,000	2,800	2,400	2,400	2,400	2,400	2,400
Privately owned housing units in targeted geographical areas that are remediated for the presence of lead hazards*	0	20	85	85	20	85	85

### School Health

Percentage of school districts, charter schools, and comprehensive vocational technical schools in compliance with certified school nurse coverage requirements	97%	97%	97%	97%	97%	97%	97%
---	-----	-----	-----	-----	-----	-----	-----

### Other Communicable Disease Programs and Incidences Reported

HIV tests at publicly-funded sites	72,420	74,385	75,000	76,300	77,450	79,000	80,340
Percentage of clients testing positive for HIV at department-supported HIV counseling and testing sites returning for results	88%	88%	88%	88%	88%	88%	88%
Incidences of Gonorrhea	7,296	7,200	7,200	7,200	7,200	7,200	7,200
Incidences of Infectious Syphilis	294	250	240	230	220	200	180
Tuberculosis (per 100,000 in population)	2	2	2	2	2	2	2

### Injury Prevention

Children and adults receiving injury prevention education and awareness	10,439	10,500	10,500	10,500	10,500	10,500	10,500
---	--------	--------	--------	--------	--------	--------	--------

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
--	---------	---------	---------	---------	---------	---------	---------

**Objective: Prevent initiation and reduce use of tobacco products, eliminate nonsmokers' exposure to second hand smoke, eliminate tobacco-related health disparities.**

### 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 7-month follow-up	34%	34%	35%	36%	37%	38%	39%
Percentage of high school students and adults (age 18+) who smoke	18%	18%	18%	18%	18%	17%	17%

\* The "Privately owned housing units" measure represents projections as shown in three-year federal grant application.



– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# DEPARTMENT OF HEALTH

*This budget proposes the consolidation of the Departments of Human Services, Health, Drug and Alcohol Programs and Aging into a new Department of Health and Human Services.*

– THIS PAGE INTENTIONALLY LEFT BLANK –

# Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<b>General Government:</b>			
<b>General Government Operations.....</b>	<b>\$ 22,308</b>	<b>\$ 22,914</b>	<b>\$ 0 e</b>
(F)WIC Administration and Operation.....	31,990	31,425	0
(F)Health Assessment.....	537	613	0
(F)PHHSBG - Administration and Operation.....	4,456	4,561	0
(F)SABG - DDAP Support Services (EA).....	364	391	0
(F)MCHSBG - Administration and Operation.....	14,404	14,641	0
(F)Adult Blood Lead Epidemiology.....	135	135	0
(F)EMS for Children.....	155	155	0
(F)TB - Administration and Operation.....	1,070	1,070	0
(F)Lead - Administration and Operation.....	1,459	818	0
(F)AIDS Health Education - Administration and Operation.....	6,511	6,511	0
(F)Primary Care Cooperative Agreements.....	314	314	0
(F)HIV / AIDS Surveillance.....	1,614	1,741	0
(F)HIV Care - Administration and Operation.....	5,427	5,423	0
(F)Cancer Prevention and Control.....	9,411	8,322	0
(F)Environmental Public Health Tracking.....	1,123	1,342	0
(F)Strengthening Public Health Infrastructure.....	244	0	0
(F)Special Preparedness Initiatives.....	500	500	0
(F)Public Health Emergency Preparedness and Response (EA).....	64,403	52,243	0
(F)Learning Management System (EA).....	12	60	0
(A)Data Center Services.....	79	79	0
(A)Departmental Services.....	4	24	0
Subtotal.....	<u>\$ 166,520</u>	<u>\$ 153,282</u>	<u>\$ 0</u>
<b>Quality Assurance.....</b>	<b>20,359</b>	<b>21,121</b>	<b>0 e</b>
(F)Medicare - Health Service Agency Certification.....	12,800	12,800	0
(F)Medicaid Certification.....	9,013	10,013	0
(A)Publication Fees.....	3	3	0
(A)Indoor Tanning Regulation Fund.....	0	70	0
Subtotal.....	<u>\$ 42,175</u>	<u>\$ 44,007</u>	<u>\$ 0</u>
<b>Health Innovation.....</b>	<b>1,407</b>	<b>907</b>	<b>0 e</b>
(F)State Innovation Model Initiative.....	8,000	0	0
(F)Rural Health.....	0	35,000	0
(F)ARRA - Health Information Exchange Capacity (EA).....	749	1,128	0
Subtotal.....	<u>\$ 10,156</u>	<u>\$ 37,035</u>	<u>\$ 0</u>
<b>Achieving Better Care - MAP Administration.....</b>	<b>2,146</b>	<b>3,153</b>	<b>0 e</b>
(F)Prescription Drug Monitoring.....	1,500	2,809	0
Subtotal.....	<u>\$ 3,646</u>	<u>\$ 5,962</u>	<u>\$ 0</u>
<b>Vital Statistics.....</b>	<b>6,269</b>	<b>7,313</b>	<b>0 e</b>
(F)Cooperative Health Statistics.....	2,000	2,113	0
(F)Health Statistics.....	87	90	0
(F)Behavioral Risk Factor Surveillance System.....	490	460	0
(A)Reimbursement for Microfilming.....	16	17	0
(A)VitalChek Surcharge.....	584	584	0
(R)County Coroner/Medical Examiner Distribution (EA).....	1,234	1,215	0
(R)Vital Statistics Improvement Administration (EA).....	4,521	2,212	0
(A)VitalChek Revenue.....	875	876	0
Subtotal.....	<u>\$ 16,076</u>	<u>\$ 14,880</u>	<u>\$ 0</u>
<b>State Laboratory.....</b>	<b>3,149</b>	<b>3,611</b>	<b>0 e</b>
(F)Clinical Laboratory Improvement.....	680	680	0
(F)Epidemiology & Laboratory Surveillance & Response.....	4,573	11,209 a	0
(F)Food Emergency Response.....	305	305	0
(A)Blood Lead Testing.....	29	29	0
(A)Blood Lead Specimen Testing.....	1	1	0
(A)Erythrocyte Protoporphyrin Testing.....	10	11	0
(A)Alcohol Proficiency Testing.....	71	71	0
(A)Drug Abuse Proficiency.....	253	253	0

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
(A)Licensure for Clinical Laboratories.....	1,594	1,594	0
(A)Training Course Fees.....	2	2	0
Subtotal.....	\$ 10,667	\$ 17,766	\$ 0
<b>State Health Care Centers.....</b>	<b>23,435</b>	<b>23,435</b>	<b>0 e</b>
(F)Disease Control Immunization.....	11,589	11,899	0
(F)PHHSBG - Block Program Services.....	6,780	7,000	0
(F)Preventive Health Special Projects.....	3,909	3,591	0
(F)Collaborative Chronic Disease Programs.....	10,183	5,165	0
(F)Sexual Violence Prevention and Education.....	1,452	1,511	0
(F)Live Healthy.....	4,409	5,803	0
(F)Refugee Health Program (EA).....	3,228	0	0
Subtotal.....	\$ 64,985	\$ 58,404	\$ 0
<b>Medical Marijuana Program Loan.....</b>	<b>0</b>	<b>3,000</b>	<b>0</b>
Subtotal.....	\$ 0	\$ 3,000	\$ 0
<b>Sexually Transmitted Disease Screening and Treatment.....</b>	<b>1,673</b>	<b>1,673</b>	<b>0 e</b>
(F)Survey and Follow-Up - Sexually Transmitted Diseases.....	2,852	2,895	0
Subtotal.....	\$ 4,525	\$ 4,568	\$ 0
Subtotal - State Funds.....	\$ 80,746	\$ 87,127	\$ 0
Subtotal - Federal Funds.....	228,728	244,736	0
Subtotal - Augmentations.....	3,521	3,614	0
Subtotal - Restricted Revenues.....	5,755	3,427	0
Total - General Government.....	\$ 318,750	\$ 338,904	\$ 0
<b>Grants and Subsidies:</b>			
<b>Diabetes Programs.....</b>	<b>\$ 100</b>	<b>\$ 100</b>	<b>\$ 0 f</b>
<b>Primary Health Care Practitioner.....</b>	<b>4,671</b>	<b>4,671</b>	<b>0 g</b>
<b>Community-Based Health Care Subsidy.....</b>	<b>6,000</b>	<b>5,000</b>	<b>0 e</b>
<b>Newborn Screening.....</b>	<b>5,327</b>	<b>5,327</b>	<b>0 e</b>
<b>Cancer Screening Services.....</b>	<b>2,563</b>	<b>2,563</b>	<b>0 e</b>
<b>AIDS Programs and Special Pharmaceutical Services.....</b>	<b>17,436</b>	<b>17,436</b>	<b>0 e</b>
(F)AIDS Health Education Program.....	3,113	3,113	0
(F)AIDS Ryan White and HIV Care.....	57,577	57,577	0
(F)Housing for Persons with AIDS.....	3,538	3,737	0
(A)AIDS SPBP Rebates.....	24,000	30,358	0
Subtotal.....	\$ 105,664	\$ 112,221	\$ 0
<b>Regional Cancer Institutes.....</b>	<b>600</b>	<b>600</b>	<b>0 f</b>
<b>School District Health Services.....</b>	<b>36,620</b>	<b>36,620</b>	<b>0 e</b>
<b>Local Health Departments.....</b>	<b>25,421</b>	<b>25,421</b>	<b>0 e</b>
<b>Local Health - Environmental.....</b>	<b>6,989</b>	<b>6,989</b>	<b>0 e</b>
<b>Maternal and Child Health.....</b>	<b>950</b>	<b>981</b>	<b>0 e</b>
(F)MCH Lead Poisoning Prevention and Abatement.....	1,194	819	0
(F)MCHSBG - Program Services.....	18,135	17,898	0
(F)Women, Infants and Children (WIC).....	276,112	276,112	0
(F)Abstinence Education.....	2,405	3,360	0
(F)Traumatic Brain Injury.....	270	350	0
(F)Family Health Special Projects.....	661	725	0
(F)Screening Newborns.....	1,027	1,061	0
(F)Newborn Hearing Screening and Intervention.....	366	330	0
(F)Teenage Pregnancy Prevention.....	4,372	4,519	0
Subtotal.....	\$ 305,492	\$ 306,155	\$ 0
<b>Tuberculosis Screening and Treatment.....</b>	<b>876</b>	<b>876</b>	<b>0 e</b>
(F)Tuberculosis Control Program.....	326	326	0
Subtotal.....	\$ 1,202	\$ 1,202	\$ 0

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
Renal Dialysis.....	7,900	7,900	0 e
Services for Children with Special Needs.....	1,551	1,728	0 e
Adult Cystic Fibrosis & Other Chronic Respiratory Illnesses.....	750	750	0 e
Cooley's Anemia.....	100	100	0 e
Hemophilia.....	959	959	0 e
Lupus.....	100	100	0 f
Sickle Cell.....	1,260	1,260	0 e
Regional Poison Control Centers.....	700	700	0 f
Trauma Prevention.....	460	460	0 f
Epilepsy Support Services.....	550	550	0 f
Bio-Technology Research.....	5,900	6,625	0 f
Tourette Syndrome.....	150	150	0 f
Amyotrophic Lateral Sclerosis Support Services.....	350	500	0 f
Subtotal - State Funds.....	\$ 128,283	\$ 128,366	\$ 0
Subtotal - Federal Funds.....	369,096	369,927	0
Subtotal - Augmentations.....	24,000	30,358	0
Total - Grants and Subsidies.....	\$ 521,379	\$ 528,651	\$ 0
STATE FUNDS.....	\$ 209,029	\$ 215,493	\$ 0
FEDERAL FUNDS.....	597,824	614,663	0
AUGMENTATIONS.....	27,521	33,972	0
RESTRICTED REVENUES.....	5,755	3,427	0
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 840,129</b>	<b>\$ 867,555</b>	<b>\$ 0</b>
<b>OTHER FUNDS:</b>			
<b>TOBACCO SETTLEMENT FUND:</b>			
Tobacco Use Prevention and Cessation (EA).....	\$ 14,292	\$ 14,130 b	\$ 0 e
Health Research - Health Priorities (EA).....	40,018	39,563 c	0 e
Health Research - National Cancer Institute (EA).....	3,176	3,140 d	0 e
<b>TOBACCO SETTLEMENT FUND TOTAL.....</b>	<b>\$ 57,486</b>	<b>\$ 56,833</b>	<b>\$ 0</b>
<b>EMERGENCY MEDICAL SERVICES OPERATING FUND:</b>			
Emergency Medical Services.....	\$ 9,600	\$ 9,500	\$ 0 e
Catastrophic Medical and Rehabilitation.....	4,800	4,650	0 e
<b>EMERGENCY MEDICAL SERVICES OPERATING FUND TOTAL.....</b>	<b>\$ 14,400</b>	<b>\$ 14,150</b>	<b>\$ 0</b>
<b>GOV. CASEY ORGAN &amp; TISSUE DONATION AWARENESS FUND:</b>			
Implementation Costs (EA).....	\$ 106	\$ 112	\$ 0 e
Hospital and Other Medical Costs (EA).....	115	77	0 e
Grants to Certified Procurement Organizations (EA).....	600	600	0 e
Project Make-A-Choice (EA).....	175	175	0 e
<b>GOV. CASEY ORGAN &amp; TISSUE DONATION AWARENESS FUND TOTAL.....</b>	<b>\$ 996</b>	<b>\$ 964</b>	<b>\$ 0</b>
<b>MEDICAL MARIJUANA PROGRAM FUND:</b>			
General Operations (EA).....	\$ 0	\$ 3,000	\$ 0 e
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 209,029	\$ 215,493	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	597,824	614,663	0
AUGMENTATIONS.....	27,521	33,972	0
RESTRICTED.....	5,755	3,427	0
OTHER FUNDS.....	72,882	74,947	0
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 913,011</b>	<b>\$ 942,502</b>	<b>\$ 0</b>

## Summary by Fund and Appropriation

- 
- <sup>a</sup> Includes recommended supplemental appropriation of \$5,968,000.
  - <sup>b</sup> Includes recommended supplemental appropriation of \$216,000.
  - <sup>c</sup> Includes recommended supplemental appropriation of \$603,000.
  - <sup>d</sup> Includes recommended supplemental appropriation of \$48,000.
  - <sup>e</sup> Funding for this program has been transferred to the Department of Health and Human Services.
  - <sup>f</sup> Reflects program elimination.
  - <sup>g</sup> Funding for this program has been transferred to the Pennsylvania Higher Education Assistance Agency.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>HEALTH SUPPORT SERVICES</b>							
GENERAL FUND.....	\$ 47,962	\$ 53,799	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	172,636	167,690	0	0	0	0	0
OTHER FUNDS.....	2,046	5,067	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 222,644</b>	<b>\$ 226,556</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>HEALTH RESEARCH</b>							
GENERAL FUND.....	\$ 12,869	\$ 14,638	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,577	2,663	0	0	0	0	0
OTHER FUNDS.....	50,424	47,607	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 65,870</b>	<b>\$ 64,908</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>PREVENTIVE HEALTH</b>							
GENERAL FUND.....	\$ 133,918	\$ 132,449	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	422,611	444,310	0	0	0	0	0
OTHER FUNDS.....	38,292	44,558	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 594,821</b>	<b>\$ 621,317</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>HEALTH TREATMENT SERVICES</b>							
GENERAL FUND.....	\$ 14,280	\$ 14,607	\$ 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.....	15,396	15,114	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 29,676</b>	<b>\$ 29,721</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 209,029	\$ 215,493	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	597,824	614,663	0	0	0	0	0
OTHER FUNDS.....	106,158	112,346	0	0	0	0	0
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 913,011</b>	<b>\$ 942,502</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>



– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS

*This budget proposes the consolidation of the Departments of Human Services, Health, Drug and Alcohol Programs and Aging into a new Department of Health and Human Services.*

– THIS PAGE INTENTIONALLY LEFT BLANK –

# Drug and Alcohol Programs

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 1,869</b>	<b>\$ 2,122</b>	<b>\$ 0<sup>b</sup></b>
(F)SABG - Administration and Operation.....	7,858	8,193	0
(F)Substance Abuse Special Projects - Admin & Operation.....	2,319	2,228	0
(F)DUI Intervention Project (EA).....	75	25	0
Subtotal.....	<u>\$ 12,121</u>	<u>\$ 12,568</u>	<u>\$ 0</u>
Subtotal - State Funds.....	\$ 1,869	\$ 2,122	\$ 0
Subtotal - Federal Funds.....	10,252	10,446	0
Total - General Government.....	<u>\$ 12,121</u>	<u>\$ 12,568</u>	<u>\$ 0</u>
<i>Grants and Subsidies:</i>			
<b>Assistance to Drug and Alcohol Programs.....</b>	<b>\$ 44,732</b>	<b>\$ 45,482</b>	<b>\$ 0<sup>b</sup></b>
(F)SABG - Drug and Alcohol Services.....	59,806	59,471	0
(F)Substance Abuse Special Projects Grants.....	12,034	11,667	0
(F)Opioid - State Targeted Response.....	0	26,508 <sup>a</sup>	0
(A)Community Restitution Payments.....	2	3	0
(A)State Stores Fund Transfer (EA).....	2,500	2,500	0
Subtotal.....	<u>\$ 119,074</u>	<u>\$ 145,631</u>	<u>\$ 0</u>
Subtotal - State Funds.....	\$ 44,732	\$ 45,482	\$ 0
Subtotal - Federal Funds.....	71,840	97,646	0
Subtotal - Augmentations.....	2,502	2,503	0
Total - Grants and Subsidies.....	<u>\$ 119,074</u>	<u>\$ 145,631</u>	<u>\$ 0</u>
STATE FUNDS.....	\$ 46,601	\$ 47,604	\$ 0
FEDERAL FUNDS.....	82,092	108,092	0
AUGMENTATIONS.....	2,502	2,503	0
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 131,195</u></b>	<b><u>\$ 158,199</u></b>	<b><u>\$ 0</u></b>
<b>OTHER FUNDS:</b>			
<b>COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND:</b>			
Drug and Alcohol Treatment Services (EA).....	\$ 3,000	\$ 3,000	\$ 0 <sup>b</sup>
Compulsive and Problem Gambling Treatment (EA).....	5,800	6,150	0 <sup>b</sup>
<b>COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND TOTAL.....</b>	<b><u>\$ 8,800</u></b>	<b><u>\$ 9,150</u></b>	<b><u>\$ 0</u></b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 46,601	\$ 47,604	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	82,092	108,092	0
AUGMENTATIONS.....	2,502	2,503	0
OTHER FUNDS.....	8,800	9,150	0
<b>TOTAL ALL FUNDS.....</b>	<b><u>\$ 139,995</u></b>	<b><u>\$ 167,349</u></b>	<b><u>\$ 0</u></b>

<sup>a</sup> Includes recommended supplemental appropriation of \$26,508,000.

<sup>b</sup> Funding for this program has been transferred to the Department of Health and Human Services.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>DRUG AND ALCOHOL ABUSE PREVENTION AND TREATMENT</b>							
GENERAL FUND.....	\$ 46,601	\$ 47,604	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	82,092	108,092	0	0	0	0	0
OTHER FUNDS.....	11,302	11,653	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 139,995</b>	<b>\$ 167,349</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 46,601	\$ 47,604	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	82,092	108,092	0	0	0	0	0
OTHER FUNDS.....	11,302	11,653	0	0	0	0	0
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 139,995</b>	<b>\$ 167,349</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>



---

# DEPARTMENT OF AGING

*This budget proposes the consolidation of the Departments of Human Services, Health, Drug and Alcohol Programs and Aging into a new Department of Health and Human Services.*

– THIS PAGE INTENTIONALLY LEFT BLANK –

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<b>General Government:</b>			
(F)Programs for the Aging - Title III - Administration.....	\$ 6,854	\$ 1,781	\$ 0 <sup>d</sup>
(F)Programs for the Aging - Title V - Administration.....	508	127	0 <sup>d</sup>
(F)Medical Assistance - Administration.....	9,452	2,354	0 <sup>d</sup>
(F)Programs for the Aging - Title VII - Administration.....	462	118	0 <sup>d</sup>
Subtotal.....	<u>\$ 17,276</u>	<u>\$ 4,380</u>	<u>\$ 0</u>
Total - General Government.....	<u>\$ 17,276</u>	<u>\$ 4,380</u>	<u>\$ 0</u>
<b>Grants and Subsidies:</b>			
(F)Programs for the Aging - Title III.....	\$ 52,000	\$ 52,000	\$ 0 <sup>d</sup>
(F)Programs for the Aging - Nutrition.....	10,000	10,000	0 <sup>d</sup>
(F)Programs for the Aging - Title V - Employment.....	8,000	8,000	0 <sup>d</sup>
(F)Programs for the Aging - Title VII - Elder Rights Protection.....	4,700	4,700	0 <sup>d</sup>
(F)Medical Assistance - Attendant Care.....	38,558	48,648 <sup>b</sup>	0 <sup>d</sup>
(F)Medical Assistance Support.....	27,870	9,000	0 <sup>d</sup>
(F)Medical Assistance Nursing Home Transition Administration.....	700	700	0 <sup>d</sup>
(F)Pre-Admission Assessment.....	60,557	20,566	0 <sup>d</sup>
(F)Programs for the Aging - Title III - Caregiver Support.....	10,000	10,000	0 <sup>d</sup>
Subtotal.....	<u>\$ 212,385</u>	<u>\$ 163,614</u>	<u>\$ 0</u>
Total - Grants and Subsidies.....	<u>\$ 212,385</u>	<u>\$ 163,614</u>	<u>\$ 0</u>
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 229,661</u></b>	<b><u>\$ 167,994</u></b>	<b><u>\$ 0</u></b>
<b>LOTTERY FUND:</b>			
<b>General Government:</b>			
<b>General Government Operations.....</b>	<b>\$ 9,058</b>	<b>\$ 9,272</b>	<b>\$ 0<sup>d</sup></b>
(A)Day Care Licensure.....	10	11	0
(A)Digital Fingerprint Fees.....	28	27	0
Subtotal.....	<u>\$ 9,096</u>	<u>\$ 9,310</u>	<u>\$ 0</u>
Subtotal - State Funds.....	\$ 9,058	\$ 9,272	\$ 0
Subtotal - Augmentations.....	38	38	0
Total - General Government.....	<u>\$ 9,096</u>	<u>\$ 9,310</u>	<u>\$ 0</u>
<b>Grants and Subsidies:</b>			
<b>PENNCARE.....</b>	<b>\$ 314,282</b>	<b>\$ 325,246</b>	<b>\$ 0<sup>d</sup></b>
(A)Attendant Care Patient Fees.....	292	285	0
Subtotal.....	<u>\$ 314,574</u>	<u>\$ 325,531</u>	<u>\$ 0</u>
<b>Pre-Admission Assessment.....</b>	<b>18,000</b>	<b>19,916</b>	<b>0<sup>d</sup></b>
<b>Caregiver Support.....</b>	<b>12,103</b>	<b>12,103</b>	<b>0<sup>d</sup></b>
<b>Alzheimer's Outreach.....</b>	<b>250</b>	<b>250</b>	<b>0<sup>d</sup></b>
<b>Pharmaceutical Assistance Fund.....</b>	<b>175,000</b>	<b>185,000<sup>c</sup></b>	<b>0<sup>d</sup></b>
<b>Grants to Senior Centers.....</b>	<b>2,000</b>	<b>2,000</b>	<b>0<sup>d</sup></b>
Subtotal - State Funds.....	\$ 521,635	\$ 544,515	\$ 0
Subtotal - Augmentations.....	292	285	0
Total - Grants and Subsidies.....	<u>\$ 521,927</u>	<u>\$ 544,800</u>	<u>\$ 0</u>
STATE FUNDS.....	\$ 530,693	\$ 553,787	\$ 0
AUGMENTATIONS.....	330	323	0
<b>LOTTERY FUND TOTAL.....</b>	<b><u>\$ 531,023</u></b>	<b><u>\$ 554,110</u></b>	<b><u>\$ 0</u></b>



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>OTHER FUNDS:</b>			
<b>PHARMACEUTICAL ASSISTANCE FUND:</b>			
PACE Contracted Services (EA).....	\$ 41,205 <sup>a</sup>	\$ 4,624 <sup>a</sup>	\$ 0 <sup>d</sup>
(A) Dept of Corrections Claims.....	571	780	0
Administration of PACE (EA).....	1,376	1,422	0 <sup>d</sup>
<b>PHARMACEUTICAL ASSISTANCE FUND TOTAL.....</b>	<b>\$ 43,152</b>	<b>\$ 6,826</b>	<b>\$ 0</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	530,693	553,787	0
FEDERAL FUNDS.....	229,661	167,994	0
AUGMENTATIONS.....	330	323	0
OTHER FUNDS.....	43,152	6,826	0
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 803,836</b>	<b>\$ 728,930</b>	<b>\$ 0</b>

<sup>a</sup> Transfer to the Pharmaceutical Assistance Fund not added to the total to avoid double counting: 2015-16 Actual is \$175,000,000, 2016-17 Available is \$185,000,000.

<sup>b</sup> Includes recommended supplemental appropriation of \$1,241,000.

<sup>c</sup> Reflects recommended appropriation reduction of \$20,000,000.

<sup>d</sup> Funding for this program has been transferred to the Department of Health and Human Services.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>COMMUNITY SERVICES FOR OLDER PENNSYLVANIANS</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	355,693	368,787	0	0	0	0	0
FEDERAL FUNDS.....	229,661	167,994	0	0	0	0	0
OTHER FUNDS.....	330	323	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 585,684</b>	<b>\$ 537,104</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>PHARMACEUTICAL ASSISTANCE</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	175,000	185,000	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	43,152	6,826	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 218,152</b>	<b>\$ 191,826</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	530,693	553,787	0	0	0	0	0
FEDERAL FUNDS.....	229,661	167,994	0	0	0	0	0
OTHER FUNDS.....	43,482	7,149	0	0	0	0	0
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 803,836</b>	<b>\$ 728,930</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# HEALTH CARE COST CONTAINMENT COUNCIL

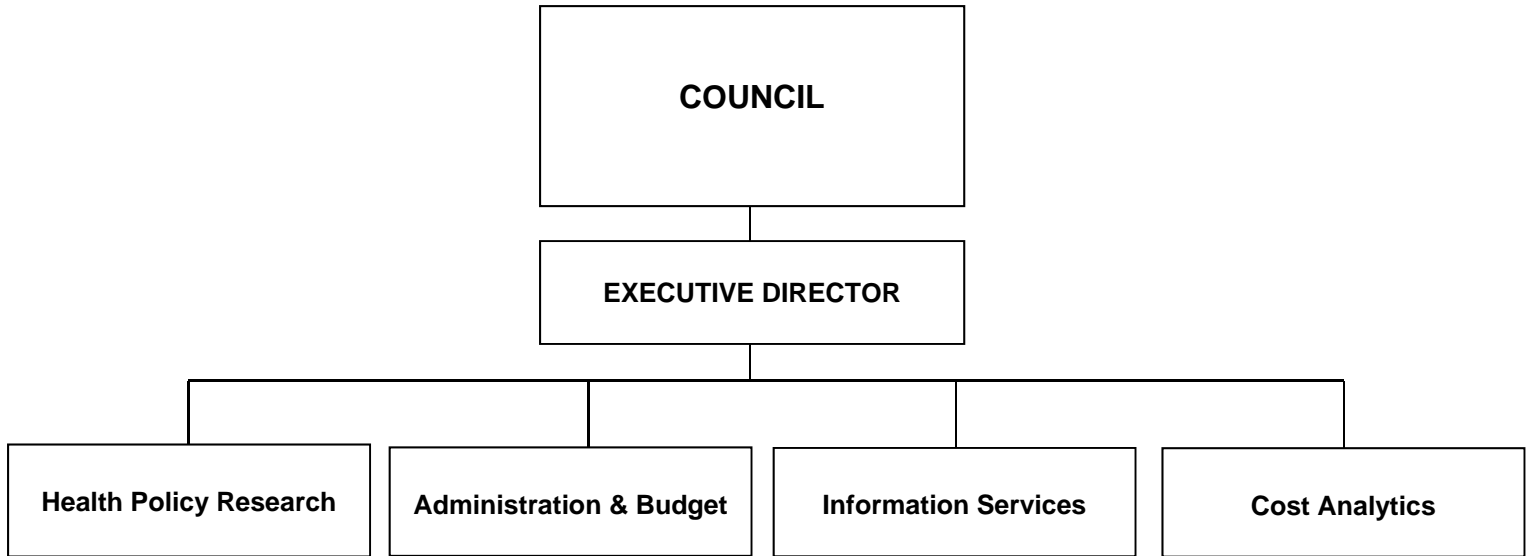
*The mission of the Pennsylvania Health Care Cost Containment Council is to empower purchasers of health care benefits with information that can be used to improve quality and restrain costs.*

The council is charged with collecting, analyzing and reporting information that can be used to improve the quality and restrain the cost of health care in the commonwealth. The council provides purchasers of health care benefits with information they can use to improve quality and restrain costs. The council is governed by a 25-member board of directors, representing business, labor, consumers, health care providers, insurers, and state government.

## **Programs and Goals**

**Health Care Reporting:** *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, policymakers and consumers of health care services.*

## Organization Overview



- **Health Policy Research** is responsible for conducting studies, analyzing data, and publicly reporting topics of health services and health policy significance, including issues reflecting the cost and quality of care in Pennsylvania, hospital performance, quality improvement, treatment outcomes, and geographic differences in health care utilization.
- **Administration and Budget** is responsible for website content, all agency aspects related to financial oversight and budgeting, including human resource needs and overall functioning of the agency. This department also shares oversight of the data collection and reporting responsibilities specifically related to the public reporting of hospital financial data.
- **Information Services** is responsible for the online collection and verification of data used in health care studies, including hospital discharge data, insurer payment data, and hospital financial data, and also develops and maintains web-based applications and oversight of website functions.
- **Cost Analytics** is responsible for the collection, analysis, methodology development, and reporting of health care cost data, for various users including purchasers, payers, providers, policy makers, and consumers.

## Reported Complement

(Independent Agency – Complement Not Under the Governor’s Jurisdiction/Control)

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
33	33	32	31	31

# Health Care Cost Containment Council

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
Health Care Cost Containment Council.....	\$ 2,710	\$ 2,710	\$ 4,762

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>HEALTH CARE REPORTING</b>							
GENERAL FUND.....	\$ 2,710	\$ 2,710	\$ 4,762	\$ 4,762	\$ 4,762	\$ 4,762	\$ 4,762
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 2,710</b>	<b>\$ 2,710</b>	<b>\$ 4,762</b>	<b>\$ 4,762</b>	<b>\$ 4,762</b>	<b>\$ 4,762</b>	<b>\$ 4,762</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 2,710	\$ 2,710	\$ 4,762	\$ 4,762	\$ 4,762	\$ 4,762	\$ 4,762
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 2,710</b>	<b>\$ 2,710</b>	<b>\$ 4,762</b>	<b>\$ 4,762</b>	<b>\$ 4,762</b>	<b>\$ 4,762</b>	<b>\$ 4,762</b>

## Program: Health Care Reporting

*Goal: 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, policymakers and consumers of health care services.*

The Pennsylvania Health Care Cost Containment Council (PHC4) is an independent state agency first established by Act 89 of 1986. 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 include treatment options and outcomes and focus on topics such as heart disease, diabetes, asthma and other respiratory conditions, stroke, kidney failure, drug overdose and substance use, orthopedic surgery, and septicemia. 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 nearly five million inpatient and outpatient records from Pennsylvania hospitals and ambulatory surgery centers is collected by the council each year. This data, which includes detailed financial information about these hospitals and surgery centers, is verified and shared with the public through free public reports. The council has collected and utilized payment data from Medicare, Medicaid and commercial health insurance plans and has incorporated hospital-specific Medicare payment data into numerous PHC4 public reports. Updating and expanding an interactive consumer friendly online database of Medicare payments for common outpatient services and treatments is also a priority for PHC4.

### Program Recommendation:

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

<b>GENERAL FUND</b>	
<b>Health Care Cost Containment Council</b>	
\$ 52	—to continue current program.
2,000	—Initiative—to establish an All Payer Claims Database to collect medical, pharmacy, and dental claims, and eligibility and provider files from private and public payers.
<u>2,052</u>	<i>Appropriation Increase</i>

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Health Care Cost Containment Council.....	\$ 2,710	\$ 2,710	\$ 4,762	\$ 4,762	\$ 4,762	\$ 4,762	\$ 4,762



– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# HISTORICAL AND MUSEUM COMMISSION

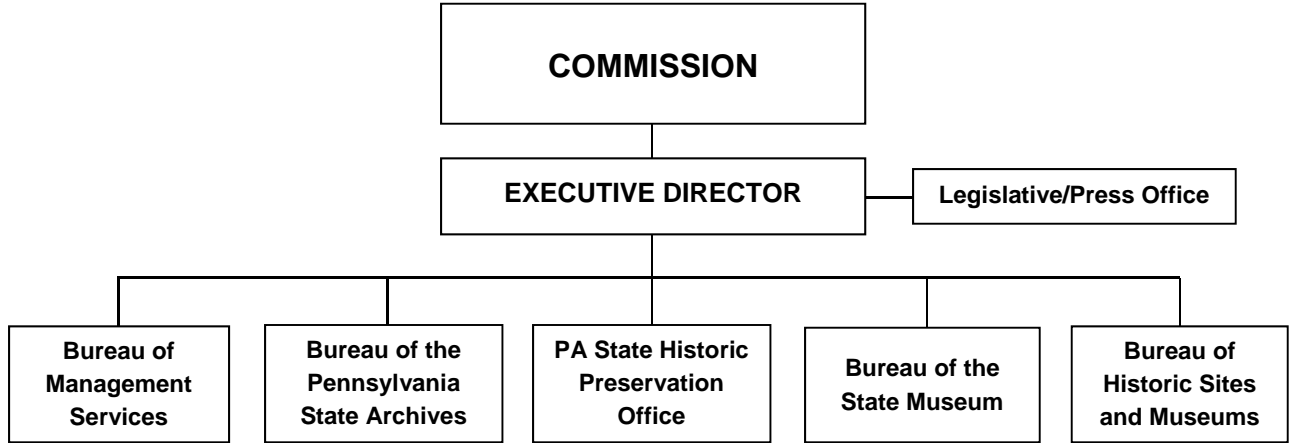
*The mission of the Historical and Museum Commission is to preserve the commonwealth's past through leadership, stewardship and service. The commission believes that future generations will be strengthened and inspired by the ideals and traditions of Pennsylvania's heritage.*

## **Programs and Goals**

**State Historic Preservation:** *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.*

**Museum Assistance:** *To assure provision of representative artifacts, specimens of history, art and science for all citizens through the support of museums within the commonwealth.*

## Organization Overview



- **Bureau of Management Services** is comprised of the Marketing and Media Services Division, Fiscal and Office Support Services Division and the Architecture and Preservation Division.
- **Bureau of Pennsylvania State Archives'** primary function is to acquire, preserve and make available for study the permanently-valuable public records of the commonwealth, with particular attention given to the records of state government. In fulfilling its general responsibility for the preservation of historic documents, the State Archives also collects private papers relevant to Pennsylvania history.
- **PA State Historic Preservation Office** includes the Preservation Services Division, Archaeology and Protection Division and the Grant Programs and Planning Division. These divisions are responsible for the identification, protection and enhancement of buildings, structures and districts of historic and architectural significance in the commonwealth.
- **Bureau of the State Museum** oversees multidisciplinary exhibitions and educational programs on the commonwealth's prehistory, history, science, industry, technology, natural history and art at The State Museum of Pennsylvania, adjacent to the State Capitol in Harrisburg.
- **Bureau of Historic Sites and Museums** includes regional divisions that support the operation of historic sites and museums throughout the commonwealth that are open to the public.

## Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
218	210	210	210	206

# Historical and Museum Commission

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 19,146</b>	<b>\$ 19,927</b>	<b>\$ 19,631</b>
(F)Historic Preservation.....	1,231	1,272	1,272
(F)Surface Mining Review.....	180	168	175
(F)Environmental Review.....	353	343	353
(F)Institute of Museum Library Services.....	150	150	150
(F)Coastal Zone Management.....	50	50	50
(F)Highway Planning and Construction.....	25	25	6
(F)National Endowment for the Humanities.....	150	150	150
(F)National Endowment for the Arts.....	150	150	150
(F)American Battlefield Protection Program.....	5,591	4,000	3,650
(F)Hurricane Sandy Disaster Relief (EA).....	1,446	1,324	1,324
(F)Historic Property Partnerships.....	30	30	30
(F)Maritime Heritage.....	600	421	686
(A)State Records Center.....	660	692	731
(A)Keystone Recreation, Park & Conservation Fund.....	472	579	618
Subtotal.....	<u>\$ 30,234</u>	<u>\$ 29,281</u>	<u>\$ 28,976</u>
Subtotal - State Funds.....	\$ 19,146	\$ 19,927	\$ 19,631
Subtotal - Federal Funds.....	9,956	8,083	7,996
Subtotal - Augmentations.....	1,132	1,271	1,349
Total - General Government.....	<u>\$ 30,234</u>	<u>\$ 29,281</u>	<u>\$ 28,976</u>
<i>Grants and Subsidies:</i>			
<b>Cultural and Historical Support.....</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>	<b>\$ 0<sup>a</sup></b>
STATE FUNDS.....	\$ 21,146	\$ 21,927	\$ 19,631
FEDERAL FUNDS.....	9,956	8,083	7,996
AUGMENTATIONS.....	1,132	1,271	1,349
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 32,234</u></b>	<b><u>\$ 31,281</u></b>	<b><u>\$ 28,976</u></b>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Historical Preservation Act of 1966 (F).....	\$ 90	\$ 121	\$ 121
Rent and Other Income.....	61	35	35
GENERAL FUND TOTAL.....	<u>\$ 151</u>	<u>\$ 156</u>	<u>\$ 156</u>
<b>HISTORICAL PRESERVATION FUND:</b>			
Historical Preservation Fund.....	\$ 1,605	\$ 1,757	\$ 1,853
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>			
Historic Site Development (EA).....	\$ 11,046	\$ 11,581	\$ 12,354
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 21,146	\$ 21,927	\$ 19,631
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	9,956	8,083	7,996
AUGMENTATIONS.....	1,132	1,271	1,349
OTHER FUNDS.....	12,802	13,494	14,363
<b>TOTAL ALL FUNDS.....</b>	<b><u>\$ 45,036</u></b>	<b><u>\$ 44,775</u></b>	<b><u>\$ 43,339</u></b>

<sup>a</sup> Proposed to be funded in 2017-18 by the Pennsylvania Economic Revitalization Fund (PERF) bond program. For more information, please refer to the PERF financial statement in the Other Special Funds Appendix.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>STATE HISTORIC PRESERVATION</b>							
GENERAL FUND.....	\$ 19,146	\$ 19,927	\$ 19,631	\$ 19,631	\$ 19,631	\$ 19,631	\$ 19,631
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	9,956	8,083	7,996	7,996	7,996	7,996	7,996
OTHER FUNDS.....	2,888	3,184	3,358	3,382	3,393	3,412	3,418
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 31,990</b>	<b>\$ 31,194</b>	<b>\$ 30,985</b>	<b>\$ 31,009</b>	<b>\$ 31,020</b>	<b>\$ 31,039</b>	<b>\$ 31,045</b>
<b>MUSEUM ASSISTANCE</b>							
GENERAL FUND.....	\$ 2,000	\$ 2,000	\$ 0	\$ 0	\$ 0	\$ 2,000	\$ 2,000
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	11,046	11,581	12,354	12,835	13,056	13,446	13,563
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 13,046</b>	<b>\$ 13,581</b>	<b>\$ 12,354</b>	<b>\$ 12,835</b>	<b>\$ 13,056</b>	<b>\$ 15,446</b>	<b>\$ 15,563</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 21,146	\$ 21,927	\$ 19,631	\$ 19,631	\$ 19,631	\$ 21,631	\$ 21,631
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	9,956	8,083	7,996	7,996	7,996	7,996	7,996
OTHER FUNDS.....	13,934	14,765	15,712	16,217	16,449	16,858	16,981
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 45,036</b>	<b>\$ 44,775</b>	<b>\$ 43,339</b>	<b>\$ 43,844</b>	<b>\$ 44,076</b>	<b>\$ 46,485</b>	<b>\$ 46,608</b>

## Program: State Historic Preservation

*Goal: 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.*

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 which is estimated to be 4.9 million in-person and online visitors. 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. The center maintains approximately 266,000 boxes and is responsible for processing approximately 23,000 data requests from other state agencies per year.

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 over 9 million historical artifacts, papers and paintings. The program maintains and conserves 464 buildings across the commonwealth.

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)

		<b>General Government Operations</b>
\$	649	—to continue current program.
	-923	—Initiative—to implement complement savings.
	-22	—Initiative—cost savings realized through consolidation of administrative functions.
	<u>        </u>	
\$	-296	<i>Appropriation Decrease</i>

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 19,146	\$ 19,927	\$ 19,631	\$ 19,631	\$ 19,631	\$ 19,631	\$ 19,631

# Historical and Museum Commission

## Program: Museum Assistance

*Goal: To assure provision of representative artifacts, specimens of history, art and science for all citizens through the support of museums within the commonwealth.*

This program is comprised of two major components: the Cultural and Historical Support program and the Keystone Recreation, Park and Conservation Fund program. These programs provide financial assistance designed to enhance the quality of history and museum activities in Pennsylvania.

The Cultural and Historical Support program awards grants to eligible museums and official county historical societies in Pennsylvania. The goal of this program is to strengthen Pennsylvania's museum community by supporting the general operations of eligible museums and official county historical societies that are not supported by other state agency funding programs. Award amounts are determined using an equation based on a percentage of the eligible museum's previous year's operating budget.

The maximum any museum could receive is \$65,000. The maximum for historical societies is \$4,000.

The Keystone Recreation, Park and Conservation Fund 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. The Keystone Recreation, Park and Conservation Fund is shown in the Other Special Funds Appendix.

### Program Recommendations:

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

\$ -2,000 **Cultural and Historical Support**  
—Initiative—to provide cultural and historical support grants through bond funding.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Cultural and Historical Support.....	\$ 2,000	\$ 2,000	\$ 0	\$ 0	\$ 0	\$ 2,000	\$ 2,000



# Historical and Museum Commission

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
--	---------	---------	---------	---------	---------	---------	---------

### Program: State Historic Preservation

**Objective: Increase the efficiency of the State Records Center and reduce state expenditures for records storage.**

#### State and Local Records

Number of in-person and online visitors served	4,930,966	5,400,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Records maintained by the State Records Center (number of boxes)	265,521	260,000	255,000	250,000	245,000	240,000	235,000

**Objective: Increase attendance at Pennsylvania's historical sites and museums.**

#### Historic Site and Museum Operations

Annual ticketed visits to commission historical sites and museums (in thousands)	377	389	384	395	410	424	435
Annual nonticketed visitors to commission historical sites and museums (in thousands)	320	327	332	338	344	351	357

**Objective: Maintain and preserve Pennsylvania's historic sites and artifacts.**

#### Historic Preservation

Historic markers	2,436	2,460	2,480	2,500	2,520	2,540	2,560
Evaluations for the National Register of Historic Properties	721	740	760	780	800	820	840
Program value of private investment projects in Rehabilitation Investment Tax Credit program (in millions)	\$282	\$305	\$330	\$355	\$380	\$405	\$430
Rehabilitation Investment Tax Credit approved projects	33	40	45	50	55	60	65
Historic Preservation Projects and Environmental Reviews performed	6,958	6,500	6,500	6,500	6,500	6,500	6,500

### Program: Museum Assistance

**Objective: Increase support to enhance the quality of history and museum activities in Pennsylvania.**

Museum support and Keystone project grants awarded	167	200	200	200	200	200	200
--	-----	-----	-----	-----	-----	-----	-----



---

# INFRASTRUCTURE INVESTMENT AUTHORITY

*The mission of the Infrastructure Investment Authority is to serve the communities and citizens of Pennsylvania by funding sewer, storm water, drinking water and various other types of projects that solve water problems not associated with traditional infrastructure systems, such as brownfields, acid mine drainage and homeowner septic problems.*

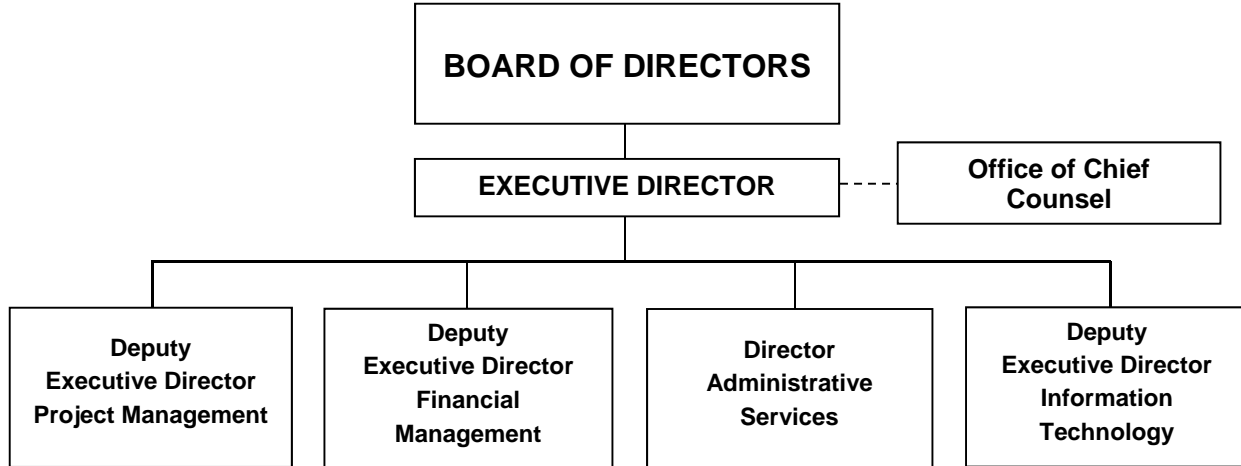
The authority administers the PENNVEST program authorized by Act 16 of 1988 that provides an investment pool of capital to rebuild and expand community drinking water systems and municipal sewage treatment facilities in the commonwealth.

## **Programs and Goals**

**PENNVEST:** *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, storm water control projects and various other non-traditional water-related projects.*

---

## Organization Overview



- **Deputy Executive Director of Project Management** coordinates the efforts of the four PENNVEST regions in the identification, evaluation and recommendation of PENNVEST funding candidates and the nutrient credit program.
- **Deputy Executive Director of Financial Management** is responsible for the financial operations of the PENNVEST loan portfolio that includes the federal drinking water and clean water programs.
- **Director of Administrative Services** is responsible for a wide range of administrative, logistical and human resource issues that affect agency operations and personnel.
- **Deputy Executive Director of Information Technology** is responsible for day-to-day IT operations and staff, planning, project management and technology implementation.

## Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
28	28	28	28	28

# Infrastructure Investment Authority

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>Grants and Subsidies:</i>			
(F)Sewage Projects Revolving Loan Fund.....	\$ 100,000	\$ 115,000	\$ 110,500
(F)Drinking Water Projects Revolving Loan Fund.....	70,535	63,591	57,000
Total - Grants and Subsidies.....	\$ 170,535	\$ 178,591	\$ 167,500
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 170,535</b>	<b>\$ 178,591</b>	<b>\$ 167,500</b>
<b>OTHER FUNDS:</b>			
<b>ENVIRONMENTAL STEWARDSHIP FUND:</b>			
Storm Water, Water and Sewer Grants (EA).....	\$ 17,457	\$ 14,007	\$ 15,842
<b>MARCELLUS LEGACY FUND:</b>			
Water and Sewer Projects (EA).....	\$ 8,483	\$ 7,804	\$ 7,794
<b>PENNVEST FUND:</b>			
PENNVEST Operations (EA).....	\$ 3,410	\$ 3,425	\$ 4,183
Revenue Bond Loan Pool (EA).....	10	10	10
Grants - Other Revenue Sources (EA).....	2,000	500	100
Revolving Loans and Administration (EA).....	120,000	110,000 a	105,000 a
Growing Greener Grants.....	38,150	15,000	10,000
Revolving Loans - Conditional Funds.....	0	10,000	1,000
Marcellus Grants (Marcellus Legacy Fund).....	0 b	0 b	0 b
<b>PENNVEST FUND TOTAL.....</b>	<b>\$ 163,570</b>	<b>\$ 138,935</b>	<b>\$ 120,293</b>
<b>PENNVEST DRINKING WATER REVOLVING FUND:</b>			
Additional Drinking Water Projects Revolving Loans (EA).....	\$ 80,000	\$ 100,000	\$ 100,000
Transfer to PENNVEST Water Pollution Control Revolving Fund.....	20,000	20,000	20,000
(F)Drinking Water Projects Revolving Loan Fund (EA).....	0 c	0 c	0 c
(F)Loan Program Administration (EA).....	0 d	0 d	0 d
(F)Technical Assistance to Small Systems (EA).....	0 e	0 e	0 e
(F)Assistance to State Programs (EA).....	0 f	0 f	0 f
(F)Local Assistance and Source Water Pollution (EA).....	0 g	0 g	0 g
Revolving Loans - Conditional Funds.....	0	1,000	1,000
<b>PENNVEST DRINKING WATER REVOLVING FUND TOTAL.....</b>	<b>\$ 100,000</b>	<b>\$ 121,000</b>	<b>\$ 121,000</b>
<b>PENNVEST WATER POLLUTION CONTROL REVOLVING FUND:</b>			
Additional Sewage Projects Revolving Loans (EA).....	\$ 200,000	\$ 250,000	\$ 270,000
Transfer to Drinking Water Revolving Fund (EA).....	20,000	20,000	20,000
(F)Sewage Projects Revolving Loan Fund (EA).....	0 h	0 h	0 h
Revolving Loans - Conditional Funds.....	0	10,000	1,000
<b>PENNVEST WATER POLLUTION CONTROL REVOLVING FUND TOTAL.....</b>	<b>\$ 220,000</b>	<b>\$ 280,000</b>	<b>\$ 291,000</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	170,535	178,591	167,500
AUGMENTATIONS.....	0	0	0
OTHER FUNDS.....	509,510	561,746	555,929
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 680,045</b>	<b>\$ 740,337</b>	<b>\$ 723,429</b>

## Summary by Fund and Appropriation

- 
- <sup>a</sup> Includes \$110,000,000 in 2016-17 Available and \$105,000,000 in 2017-18 Budget for Water Pollution Control Projects.
- <sup>b</sup> Project funding included in the Marcellus Legacy Fund – Water and Sewer Projects appropriation.
- <sup>c</sup> Not added to the total to avoid double counting: 2015-16 Actual is \$57,000,000, 2016-17 Available is \$50,000,000 and 2017-18 Budget is \$43,000,000.
- <sup>d</sup> Not added to the total to avoid double counting: 2015-16 Actual is \$2,035,000, 2016-17 Available is \$2,091,000 and 2017-18 Budget is \$2,500,000.
- <sup>e</sup> Not added to the total to avoid double counting: 2015-16 Actual is \$1,000,000, 2016-17 Available is \$1,000,000 and 2017-18 Budget is \$1,000,000.
- <sup>f</sup> Not added to the total to avoid double counting: 2015-16 Actual is \$4,500,000, 2016-17 Available is \$4,500,000 and 2017-18 Budget is \$4,500,000.
- <sup>g</sup> Not added to the total to avoid double counting: 2015-16 Actual is \$6,000,000, 2016-17 Available is \$6,000,000 and 2017-18 Budget is \$6,000,000.
- <sup>h</sup> Not added to the total to avoid double counting: 2015-16 Actual is \$100,000,000, 2016-17 Available is \$115,000,000 and 2017-18 Budget is \$110,500,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>PENNVEST</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	170,535	178,591	167,500	167,500	167,500	167,500	167,500
OTHER FUNDS.....	509,510	561,746	555,929	566,141	566,378	570,512	571,807
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 680,045</b>	<b>\$ 740,337</b>	<b>\$ 723,429</b>	<b>\$ 733,641</b>	<b>\$ 733,878</b>	<b>\$ 738,012</b>	<b>\$ 739,307</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	170,535	178,591	167,500	167,500	167,500	167,500	167,500
OTHER FUNDS.....	509,510	561,746	555,929	566,141	566,378	570,512	571,807
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 680,045</b>	<b>\$ 740,337</b>	<b>\$ 723,429</b>	<b>\$ 733,641</b>	<b>\$ 733,878</b>	<b>\$ 738,012</b>	<b>\$ 739,307</b>

## Program: PENNVEST

*Goal: 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, storm water control projects and various other non-traditional water-related projects.*

The Pennsylvania Infrastructure Investment Authority (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 storm water control projects. Funding these needed improvements has often proved difficult, especially for small communities. In 2004, the program was expanded to include the funding of brownfield reclamation and remediation projects to revitalize further Pennsylvania's older, established communities. In 2013, legislation was enacted that improves PENNVEST's ability, consistent with the state's Nonpoint Source Management Plan, to implement agricultural and other rural projects designed to control runoff of nutrients and other contaminants into streams in rural areas.

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 storm water, 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.

Act 13 of 2012 authorized distributions of the proceeds received from the Marcellus Legacy Fund to the Environmental Stewardship Fund, thus increasing the amount that PENNVEST receives from the Environmental Stewardship Fund. The act further distributes a percentage of the Marcellus Legacy funds to PENNVEST for water and sewer projects. Act 147 of 2012 distributes a percentage of the payments to the Department of General Services from leases on state-owned land to PENNVEST for projects.

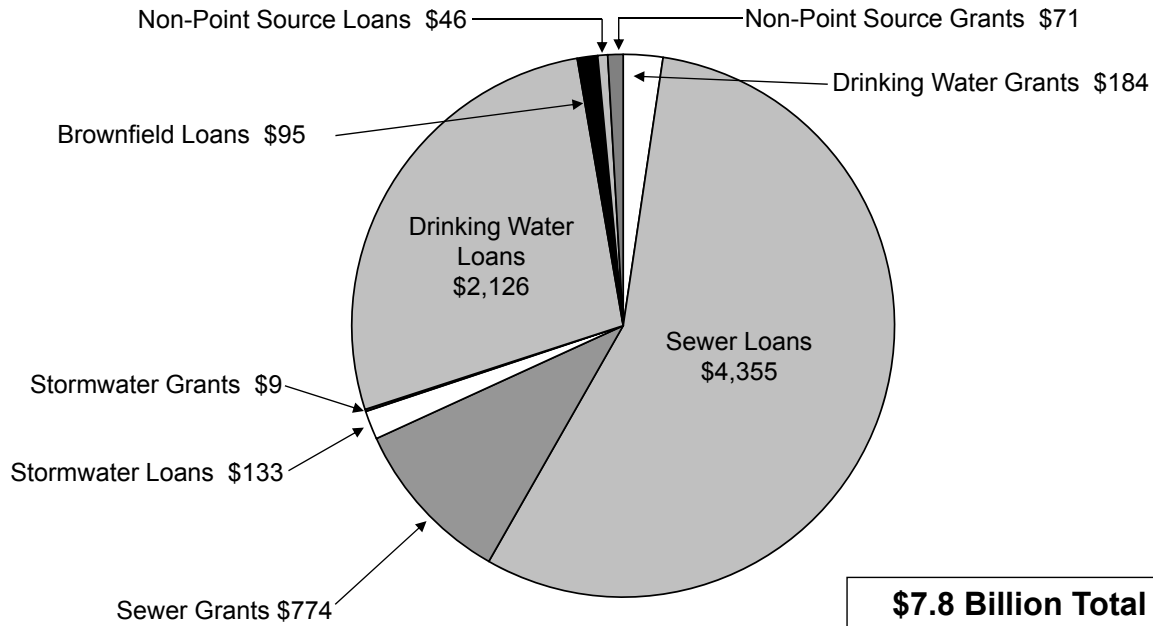
PENNVEST funds are used for loans and grants to municipalities, municipal authorities and private firms to improve water, sewage and storm water systems they own. Loans are available to individual homeowners to upgrade their on-lot septic systems. The funds are also used to provide assistance to farmers, non-profits groups and other to install Best Management Practices, such as riparian buffers that reduce nutrient contamination of rivers and streams, particularly in the Chesapeake Bay watershed. PENNVEST, 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. The funds are also used to provide assistance to farmers, non-profits groups and other to install Best Management Practices, such as riparian buffers, that reduce nutrient contamination of rivers and streams, particularly in the Chesapeake Bay watershed.

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 serves as the repository of interest and investment income and loan repayments related to Act 64; loans and grants are paid from this fund.

# Infrastructure Investment Authority

Program: PENNVEST (continued)

## Total Loans and Grants Approved 1988 through June 2016 (millions of dollars)



### Program Recommendation:

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

**PENNVEST FUND**  
**PENNVEST Operations (EA)**  
 \$ 758 —to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>PENNVEST FUND:</b>							
PENNVEST Operations (EA) .....	\$ 3,410	\$ 3,425	\$ 4,183	\$ 4,183	\$ 4,183	\$ 4,183	\$ 4,183



## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
--	---------	---------	---------	---------	---------	---------	---------

**Program: PENNVEST**

**Objective: Increase the proportion of PENNVEST subsidies allocated to projects that would not occur in the absence of the subsidies.**

Grant equivalent subsidy per household served	\$49.47	\$50	\$50	\$50	\$50	\$50	\$50
Percentage of total project funding allocated to projects that would otherwise have higher financing rates	31%	30%	30%	30%	30%	30%	30%

**Objective: Increase the number of sustainable jobs in Pennsylvania.**

Sustainable jobs created by PENNVEST - funded projects	415	500	500	500	500	500	500
--	-----	-----	-----	-----	-----	-----	-----

**Objective: Increase the number of drinking water and wastewater facilities that comply with safe drinking water requirements, improve system treatment capacity and improve water quality.**

Drinking water projects approved that will maintain or bring customers' water into compliance with commonwealth drinking water standards	10	20	20	20	20	20	20
Dollars disbursed to drinking water projects that will maintain or bring customers' water into compliance with commonwealth drinking water standards	\$47,409,650	\$50,000,000	\$55,000,000	\$55,000,000	\$60,000,000	\$60,000,000	\$60,000,000



---

# INSURANCE DEPARTMENT

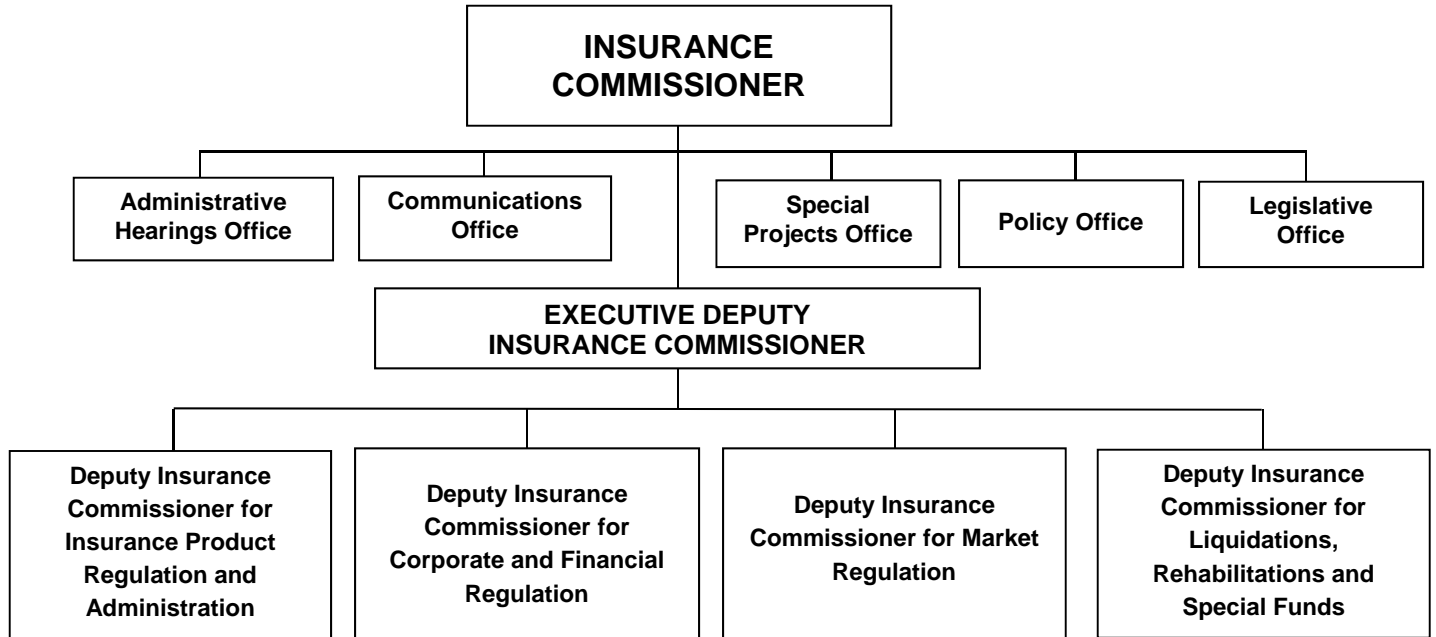
*The mission of the Insurance Department is to provide a premier regulatory environment that promotes a competitive marketplace and serves the best interest of Pennsylvania consumers.*

The department enforces 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.

## **Programs and Goals**

**Insurance Industry Regulation:** *To serve Pennsylvania's insurance consumers through fair and efficient regulation of the insurance industry.*

## Organization Overview



- Deputy Insurance Commissioner for Insurance Product Regulation and Administration** is responsible for reviewing and regulating insurance rates charged and policy forms sold in Pennsylvania for accident and health, life, and property and casualty insurance. The office is also responsible for budget preparation, fiscal management; revenue and accounts receivable reconciliation; human resources and area Equal Employment administration; procurement and contract management; and office services support. The director oversees the department's General Fund appropriations.
- Deputy Insurance Commissioner for Corporate and Financial Regulation** is charged with overseeing that all insurance entities doing business in the commonwealth are properly licensed and maintain financial strength and stability.
- Deputy Insurance Commissioner for Market Regulation** is responsible for researching and resolving consumer complaints; for testing and licensing over 260,000 licensees; and investigates and examines alleged violations and enforces statutes and regulations pertaining to licensees.
- Deputy Insurance Commissioner for Liquidations, Rehabilitations and Special Funds** plans, coordinates and directs a program to rehabilitate or liquidate financially troubled insurance companies. The office also oversees the Medical Care Availability and Reduction of Error program, the Underground Storage Tank Indemnification Fund (USTIF), the Catastrophic Loss Benefits Continuation Fund and the Workers' Compensation Security Fund.

### Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual *
309	289	273	272	249

\*Authorized Complement reflects the transfer of the Children's Health Insurance Program effective July 1, 2015.

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
(F)Consumer Assistance Program.....	\$ 250	\$ 0	\$ 0
(F)PA Exchange Grant.....	262	0	0
Total - General Government.....	<u>\$ 512</u>	<u>\$ 0</u>	<u>\$ 0</u>
<i>Grants and Subsidies:</i>			
USTIF Loan Repayment.....	\$ 0	\$ 0	\$ 7,000
(F)Health Insurance Premium Review.....	4,066	3,750	3,750
(F)Insurance Market Reform.....	0	805 <sup>a</sup>	5,000
Subtotal - State Funds.....	\$ 0	\$ 0	\$ 7,000
Subtotal - Federal Funds.....	4,066	4,555	8,750
Total - Grants and Subsidies.....	<u>\$ 4,066</u>	<u>\$ 4,555</u>	<u>\$ 15,750</u>
STATE FUNDS.....	\$ 0	\$ 0	\$ 7,000
FEDERAL FUNDS.....	4,578	4,555	8,750
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 4,578</u></b>	<b><u>\$ 4,555</u></b>	<b><u>\$ 15,750</u></b>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Anti-Fraud Prevention (R).....	\$ 73	\$ 0	\$ 0
<b>CATASTROPHIC LOSS BENEFITS CONTINUATION FUND:</b>			
CAT Administration (EA).....	\$ 776	\$ 776	\$ 688
CAT Claims (EA).....	5,500	6,050	6,050
<b>CATASTROPHIC LOSS BENEFITS CONTINUATION FUND TOTAL.....</b>	<b><u>\$ 6,276</u></b>	<b><u>\$ 6,826</u></b>	<b><u>\$ 6,738</u></b>
<b>INSURANCE REGULATION AND OVERSIGHT FUND:</b>			
General Government Operations.....	\$ 24,460	\$ 24,850	\$ 27,291
<b>MEDICAL CARE AVAILABILITY AND REDUCTION OF ERROR FUND:</b>			
General Operations (EA).....	\$ 16,986	\$ 16,833	\$ 14,865
Payment of Claims (EA).....	180,020	180,020	180,020
Assessment Relief Payment (EA).....	139,013	0	0
<b>MEDICAL CARE AVAILABILITY AND REDUCTION OF ERROR FUND TOTAL.....</b>	<b><u>\$ 336,019</u></b>	<b><u>\$ 196,853</u></b>	<b><u>\$ 194,885</u></b>
<b>UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:</b>			
Administration (EA).....	\$ 12,971	\$ 11,851	\$ 15,851
Claims (EA).....	50,000	45,000	45,000
<b>UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....</b>	<b><u>\$ 62,971</u></b>	<b><u>\$ 56,851</u></b>	<b><u>\$ 60,851</u></b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 0	\$ 0	\$ 7,000
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	4,578	4,555	8,750
AUGMENTATIONS.....	0	0	0
OTHER FUNDS.....	429,799	285,380	289,765
<b>TOTAL ALL FUNDS.....</b>	<b><u>\$ 434,377</u></b>	<b><u>\$ 289,935</u></b>	<b><u>\$ 305,515</u></b>

<sup>a</sup> Includes recommended supplemental appropriation of \$805,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>INSURANCE INDUSTRY REGULATION</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	4,578	4,555	8,750	5,000	0	0	0
OTHER FUNDS.....	429,799	285,380	289,765	289,765	289,765	289,765	289,765
SUBCATEGORY TOTAL.....	<u>\$ 434,377</u>	<u>\$ 289,935</u>	<u>\$ 305,515</u>	<u>\$ 301,765</u>	<u>\$ 296,765</u>	<u>\$ 296,765</u>	<u>\$ 296,765</u>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	4,578	4,555	8,750	5,000	0	0	0
OTHER FUNDS.....	429,799	285,380	289,765	289,765	289,765	289,765	289,765
DEPARTMENT TOTAL.....	<u>\$ 434,377</u>	<u>\$ 289,935</u>	<u>\$ 305,515</u>	<u>\$ 301,765</u>	<u>\$ 296,765</u>	<u>\$ 296,765</u>	<u>\$ 296,765</u>

## Program: Insurance Industry Regulation

*Goal: To serve Pennsylvania's insurance consumers through fair and efficient regulation of the insurance industry.*

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:

- Enforces the insurance laws of the commonwealth;
- Maintains standards that promote financial stability amongst insurance companies;
- Helps consumers to access meaningful insurance information and ensuring consumers are afforded the maximum level of protection.

In conjunction with its core mission, the department also shares responsibility to implement aspects of the federal Patient Protection and Affordable Care Act of 2010 (ACA) and administers special funds, including the Medical Care Availability and Reduction of Error Fund, the Catastrophic Loss Benefits Continuation Fund, and the Underground Storage Tank Indemnification Fund, and oversight of the Workers' Compensation Security Fund.

The Insurance Department is responsible for regulating the fifth largest insurance market in the country and the 14th largest in the world. The department is the lead regulator for many significant national and regional insurers, as well as some of the largest international insurance conglomerates, and operates in an increasingly complex, global and inter-connected regulatory landscape. As each state has its own insurance needs and unique marketplace, the department works to enhance the state-based regulation of insurance while staying abreast of the national and global marketplaces.

### **Program Element: Regulation and Protection**

The Insurance Regulation and Oversight Fund was established for the administration of the Insurance Department in order to provide funding for the regulation, management, development and oversight of the commonwealth's insurance industry. The financial condition of insurers licensed to transact business in Pennsylvania is monitored and regulated through the department's examination and financial analysis functions. The department prioritizes solvency regulation in response to concerns of the quality of state regulation and insurer solvency. 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 insurer insolvency, the insurance commissioner serves as statutory liquidator/receiver for Pennsylvania domestic insurers found to be insolvent by the Commonwealth Court.

The department oversees the operation of approximately 1,700 insurance companies and 260,000 insurance producers, bail bondsmen, public adjusters and physical damage appraisers; authorizes the admission of new insurers to the state; tests and licenses insurance

producers and bail bondsmen; registers navigators and exchange assisters; handles more than 60,000 consumer complaints and inquiries annually; and reviews and approves approximately 12,000 rate and policy form each year. The department analyzes annual and quarterly financial statements and other corporate transactions filed by regulated entities; conducts on-site financial examinations of domestic insurance companies annually and conducts adjudicatory hearings.

The department also confronts the challenge of navigating the financial oversight of insurance companies as the landscape has changed following the economic recession of 2008. The examination of insurance companies involves enterprise risk-focused exams that are more comprehensive and are a more in-depth analysis of the risks facing the companies and the potential effects on consumers.

The department participates in the National Association of Insurance Commissioners (NAIC) accreditation program that oversees the financial solvency of insurance companies. In the event a Pennsylvania domestic insurer is found to be insolvent by the commonwealth court, the insurance commissioner serves as the statutory liquidator/receiver. The Insurance Department provides the public with insurance information, education and complaint resolution services. As an attempt to increase engagement with communities, the department recently hired a consumer liaison to lead outreach and education efforts and provides a resource for consumers and stakeholders. The department has several avenues to reach insurance consumers and provide assistance, including educational events, website materials, and help lines.

The department also analyzes annual market conduct statements and data; conducts investigations of insurance law violations by producers, bail bondsmen, public adjusters and physical damage appraisers; and undertakes on-site market conduct examinations of insurance company records, files and operations.

The department has a significant role ensuring Pennsylvania's health insurers comply with the private market reform provisions of the federal ACA. Pennsylvania currently participates in the Federally-Facilitated Marketplace and works to ensure compliance with marketplace requirements. The department monitors health insurance company rates in certain markets to protect consumers against unreasonable rate increases, and provides consumers information about private insurance options, particularly in the individual market. It administers grant funding provided to the state by the ACA to continue to improve and increase the transparency of the state's health insurance rate review process as well as

## Program: Insurance Industry Regulation (continued)

effectively oversee and enforce the Public Health Services Act provisions with respect to health insurance issuers.

The Office of Market Regulation (OMR) directly serves consumers by investigating consumer inquiries and complaints, reviewing the conduct of insurance carriers, and enforcing Pennsylvania's law. The OMR also operates a licensing process for individuals who want to market products to consumers. Additional services include analyzing annual market conduct statements and data; conducts investigations of insurance law violations by producers, bail bondsmen, public adjusters and physical damage appraisers; and undertakes on-site market conduct examinations of insurance company records, files and operations.

**Medical Care Availability and Reduction of Error Fund.** The Medical Care Availability and Reduction of Error Fund, established pursuant to Act 13 of 2002, established requirements for basic medical professional liability insurance coverage for health care providers. The MCARE program is responsible for payment of losses or damages awarded in medical professional liability actions against participating health care providers, in excess of basic insurance coverage. Revenue for the fund is derived by levying an annual assessment on health care providers.

**Catastrophic Loss Benefits Continuation Fund.** The

Catastrophic Loss Benefits Continuation Fund, funded through investment income, provides up to \$1 million in benefits to Pennsylvanians catastrophically injured in motor vehicle accidents between October 1, 1984 and December 31, 1989 after exceeding a threshold of \$100,000 in medical payments. Payments from the fund are projected until 2091.

**Underground Storage Tank Indemnification Fund.** The Underground Storage Tank Indemnification Fund provides reimbursement of remediation to eligible 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 or the tank's capacity. In addition to reimbursing eligible tank owners or operators for damages caused by releases from their tanks, the fund also provides similar benefits to tank installers under the Tank Installation Indemnification program. Additionally, the fund makes annual allocations to the Department of Environmental Protection under four separate categories. Since inception, allocations under all categories have totaled in excess of \$60 million.

**Workers' Compensation Security Fund.** The Workers' Compensation Security Fund provides administration and payment for compensation provided by the Workers' Compensation Act to individuals who are insured by an insolvent insurer.

### Program Recommendation:

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

\$	7,000	<b>USTIF Loan Repayment</b> —annual repayment of a transfer from the Underground Storage Tank Indemnification Fund.
----	-------	--

This budget includes \$27,291,000 for General Government Operations in the Insurance Regulation and Oversight Fund.

### Appropriations within this Program:

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
USTIF Loan Repayment.....	\$ 0	\$ 0	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
--	---------	---------	---------	---------	---------	---------	---------

### Program: Insurance Industry Regulation

**Objective: Increase the department's outreach efforts to improve consumer education regarding insurance products and services, aiding in protecting consumers from financial loss.**

Number of consumer interactions	180,882	198,975	218,875	240,765	264,845	291,330	320,465
---------------------------------	---------	---------	---------	---------	---------	---------	---------

**Objective: Reduce Pennsylvania's uninsured population.**

Percentage of uninsured population	7.50%	6.50%	5.50%	4.25%	4.25%	4.25%	4.25%
------------------------------------	-------	-------	-------	-------	-------	-------	-------

**Objective: Maintain a competitive insurance marketplace in Pennsylvania so consumers continue to enjoy the low premiums for mandatory insurance products.**

Pennsylvania's ranking compared to three peer states based on the yearly average for health insurance premiums	1	1	1	1	1	1	1
--	---	---	---	---	---	---	---

Pennsylvania's ranking compared to three peer states based on the yearly average for homeowners insurance premiums	1	1	1	1	1	1	1
--	---	---	---	---	---	---	---

Pennsylvania's ranking compared to three peer states based on the yearly average for auto insurance premiums	1	1	1	1	1	1	1
--	---	---	---	---	---	---	---



– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# DEPARTMENT OF LABOR AND INDUSTRY

*The mission of the Department of Labor and Industry is to improve the quality of life and the economic security of Pennsylvania's workers and businesses, encourage labor-management cooperation and prepare the commonwealth's workforce for the jobs of the future.*

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.

## Programs and Goals

**Community and Occupational Safety and Stability:** *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.*

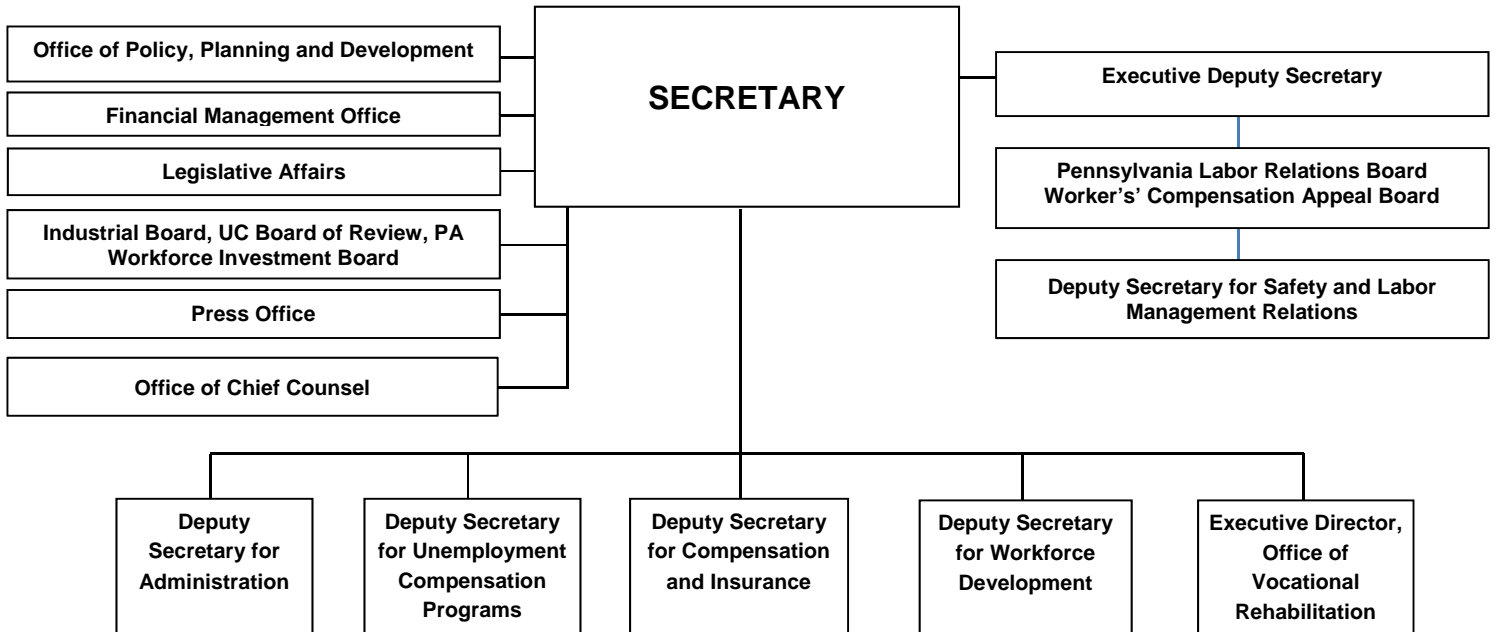
**Workers' Compensation and Assistance:** *To further economic development in the commonwealth by stabilizing the incomes of employees who become unemployed.*

**Workforce Investment:** *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.*

**Vocational Rehabilitation:** *To enable eligible persons with disabilities to obtain competitive employment.*

---

# Organization Overview



- **Deputy Secretary for Administration** is responsible for the department's Office of Information Technology, Bureau of Human Resources, Office of Equal Opportunity, Bureau of Administrative Services, and PENNSERVE.
- **Deputy Secretary for Unemployment Compensation Programs** is responsible for the offices of Unemployment Compensation Tax Services, Unemployment Compensation Benefits Policy and Unemployment Compensation Service Centers.
- **Deputy Secretary for Compensation and Insurance** oversees the State Workers' Insurance Fund, Bureau of Workers' Compensation and the Workers Compensation Office of Adjudication.
- **Deputy Secretary for Workforce Development** oversees the Center for Workforce Information and Analysis, Bureau of Workforce Partnership and Operations, and the Bureau of Workforce Development Administration, and the Apprenticeship and Training Office.
- **Executive Director, Office of Vocational Rehabilitation** oversees the Hiram G. Andrews Center, the Bureau of Central Operations, the Bureau of Vocational Rehabilitation Services, the Bureau of Blind and Visual Services, and the Office for the Deaf and Hard of Hearing.
- **Deputy Secretary for Safety and Labor-Management Relations** provides leadership and direction for the Bureau of Mediation, Bureau of Labor Law Compliance, Bureau of Occupational and Industrial Safety, and the Bureau of Disability Determination.

## Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
5,948	5,916	5,898	5,902	5,902

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<b>General Government:</b>			
<b>General Government Operations.....</b>	<b>\$ 12,922</b>	<b>\$ 13,384</b>	<b>\$ 13,789</b>
(F)Workforce Innovation and Opportunity Act - Administration.....	11,000	11,000	11,000
(F)Community Service and Corps.....	11,608	11,608	11,608
(F)Disability Determination.....	133,450	133,450	142,593
(F)New Hires.....	1,581	1,581	1,560
(A)Interpreter Registry.....	8	20	3
(A)Pa One Call Fees.....	133	50	50
(A)Conference Fees.....	11	0	0
Subtotal.....	<u>\$ 170,713</u>	<u>\$ 171,093</u>	<u>\$ 180,603</u>
<b>Occupational and Industrial Safety.....</b>	<b>11,362</b>	<b>12,358</b>	<b>5,795</b>
(A)Inspection Fees.....	0	0	7,000
(R)Asbestos and Lead Certification (EA).....	2,025	2,025	2,025
Subtotal - State Funds.....	\$ 24,284	\$ 25,742	\$ 19,584
Subtotal - Federal Funds.....	157,639	157,639	166,761
Subtotal - Augmentations.....	152	70	7,053
Subtotal - Restricted Revenues.....	2,025	2,025	2,025
Total - General Government.....	<u>\$ 184,100</u>	<u>\$ 185,476</u>	<u>\$ 195,423</u>
<b>Grants and Subsidies:</b>			
<b>Occupational Disease Payments.....</b>	<b>\$ 624</b>	<b>\$ 498</b>	<b>\$ 413</b>
<b>Transfer to Vocational Rehabilitation Fund.....</b>	<b>45,473</b>	<b>47,473</b>	<b>47,478</b>
<b>Supported Employment.....</b>	<b>397</b>	<b>397</b>	<b>397</b>
<b>Centers for Independent Living.....</b>	<b>1,912</b>	<b>1,912</b>	<b>1,912</b>
<b>Workers' Compensation Payments.....</b>	<b>692</b>	<b>591</b>	<b>480</b>
<b>New Choices / New Options.....</b>	<b>500</b>	<b>500</b>	<b>0</b>
<b>Assistive Technology Devices.....</b>	<b>400</b>	<b>400</b>	<b>400</b>
<b>Assistive Technology Demonstration and Training.....</b>	<b>399</b>	<b>399</b>	<b>399</b>
(F)Reed Act - Unemployment Insurance.....	6,000	6,000	5,000
(F)Reed Act - Employment Services.....	72,000	72,000	72,000
(F)WIOA - Adult Employment and Training.....	50,000	50,000	50,000
(F)WIOA - Youth Employment and Training.....	52,000	52,000	52,000
(F)WIOA - Statewide Activities.....	18,000	18,000	18,000
(F)WIOA - Dislocated Workers.....	109,000	109,000	109,000
(F)TANFBG - Youth Employment and Training.....	25,000	25,000	25,000
(F)Comprehensive Workforce Development (EA).....	1,897	2,004	2,100
Subtotal.....	<u>\$ 333,897</u>	<u>\$ 334,004</u>	<u>\$ 333,100</u>
<b>Industry Partnerships.....</b>	<b>1,813</b>	<b>1,813</b>	<b>0<sup>a</sup></b>
Subtotal - State Funds.....	\$ 52,210	\$ 53,983	\$ 51,479
Subtotal - Federal Funds.....	333,897	334,004	333,100
Total - Grants and Subsidies.....	<u>\$ 386,107</u>	<u>\$ 387,987</u>	<u>\$ 384,579</u>
STATE FUNDS.....	\$ 76,494	\$ 79,725	\$ 71,063
FEDERAL FUNDS.....	491,536	491,643	499,861
AUGMENTATIONS.....	152	70	7,053
RESTRICTED REVENUES.....	2,025	2,025	2,025
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 570,207</u></b>	<b><u>\$ 573,463</u></b>	<b><u>\$ 580,002</u></b>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Vending Machine Proceeds.....	\$ 91	\$ 466	\$ 466

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>ADMINISTRATION FUND:</b>			
Administration of Unemployment.....	\$ 185,925	\$ 189,430	\$ 173,998
<b>EMPLOYMENT FUND FOR THE BLIND:</b>			
General Operations.....	\$ 570	\$ 800	\$ 800
<b>HAZARDOUS MATERIAL RESPONSE FUND:</b>			
Hazardous Material Response Administration.....	\$ 1	\$ 20	\$ 20
<b>JOB TRAINING FUND:</b>			
Job Training (EA).....	\$ 5,000	\$ 5,000	\$ 0
<b>REHABILITATION CENTER FUND:</b>			
General Operations.....	\$ 20,321	\$ 22,800	\$ 23,253
<b>UNEMPLOYMENT COMPENSATION CONTRIBUTION:</b>			
(R)Reemployment Services.....	\$ 2,847	\$ 10,000	\$ 10,000
(R)Service and Infrastructure Improvement.....	51,838	36,569	57,000
UNEMPLOYMENT COMPENSATION CONTRIBUTION TOTAL.....	<u>\$ 54,685</u>	<u>\$ 46,569</u>	<u>\$ 67,000</u>
<b>VOCATIONAL REHABILITATION FUND:</b>			
General Operations (EA).....	\$ 0 <sup>b</sup>	\$ 0 <sup>b</sup>	\$ 0 <sup>b</sup>
Vocational Rehabilitation Services (EA).....	155,299	177,400	157,400
VOCATIONAL REHABILITATION FUND TOTAL.....	<u>\$ 155,299</u>	<u>\$ 177,400</u>	<u>\$ 157,400</u>
<b>WORKMEN'S COMPENSATION ADMINISTRATION FUND:</b>			
Administration of Workers' Compensation.....	\$ 71,966	\$ 81,228	\$ 78,356
Transfer to the Uninsured Employers Guaranty Fund.....	6,100	0	0
Loan to Uninsured Employers Guaranty Fund.....	4,000	0	0
(A) Conference Fees.....	293	400	300
WORKMEN'S COMPENSATION ADMINISTRATION FUND TOTAL.....	<u>\$ 82,359</u>	<u>\$ 81,628</u>	<u>\$ 78,656</u>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 76,494	\$ 79,725	\$ 71,063
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	491,536	491,643	499,861
AUGMENTATIONS.....	152	70	7,053
RESTRICTED.....	2,025	2,025	2,025
OTHER FUNDS.....	504,251	524,113	501,593
<b>TOTAL ALL FUNDS.....</b>	<u><u>\$ 1,074,458</u></u>	<u><u>\$ 1,097,576</u></u>	<u><u>\$ 1,081,595</u></u>

<sup>a</sup> Appropriation moved to the Department of Community and Economic Development.

<sup>b</sup> General Operations Vocational Rehabilitation Fund is not added to the total to avoid double counting. 2015-16 Actual is \$45,473,000, 2016-17 Available is \$47,473,000, 2017-18 Budget is \$47,478,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>COMMUNITY AND OCCUPATIONAL SAFETY AND STABILITY</b>							
GENERAL FUND.....	\$ 24,284	\$ 25,742	\$ 19,584	\$ 19,584	\$ 19,584	\$ 19,584	\$ 19,584
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	2,178	2,115	9,098	9,098	9,098	9,098	9,098
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 26,462</b>	<b>\$ 27,857</b>	<b>\$ 28,682</b>	<b>\$ 28,682</b>	<b>\$ 28,682</b>	<b>\$ 28,682</b>	<b>\$ 28,682</b>
<b>WORKERS COMPENSATION AND ASSISTANCE</b>							
GENERAL FUND.....	\$ 1,316	\$ 1,089	\$ 893	\$ 893	\$ 893	\$ 893	\$ 893
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	135,031	135,031	144,153	144,153	144,153	144,153	144,153
OTHER FUNDS.....	273,284	276,058	252,654	252,654	252,654	252,654	252,654
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 409,631</b>	<b>\$ 412,178</b>	<b>\$ 397,700</b>	<b>\$ 397,700</b>	<b>\$ 397,700</b>	<b>\$ 397,700</b>	<b>\$ 397,700</b>
<b>WORKFORCE INVESTMENT</b>							
GENERAL FUND.....	\$ 2,313	\$ 2,313	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	356,505	356,612	355,708	355,708	355,708	355,708	355,708
OTHER FUNDS.....	51,838	36,569	57,000	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 410,656</b>	<b>\$ 395,494</b>	<b>\$ 412,708</b>	<b>\$ 355,708</b>	<b>\$ 355,708</b>	<b>\$ 355,708</b>	<b>\$ 355,708</b>
<b>VOCATIONAL REHABILITATION</b>							
GENERAL FUND.....	\$ 48,581	\$ 50,581	\$ 50,586	\$ 50,586	\$ 50,586	\$ 50,586	\$ 50,586
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	179,128	211,466	191,919	191,919	191,919	191,919	191,919
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 227,709</b>	<b>\$ 262,047</b>	<b>\$ 242,505</b>	<b>\$ 242,505</b>	<b>\$ 242,505</b>	<b>\$ 242,505</b>	<b>\$ 242,505</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 76,494	\$ 79,725	\$ 71,063	\$ 71,063	\$ 71,063	\$ 71,063	\$ 71,063
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	491,536	491,643	499,861	499,861	499,861	499,861	499,861
OTHER FUNDS.....	506,428	526,208	510,671	453,671	453,671	453,671	453,671
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 1,074,458</b>	<b>\$ 1,097,576</b>	<b>\$ 1,081,595</b>	<b>\$ 1,024,595</b>	<b>\$ 1,024,595</b>	<b>\$ 1,024,595</b>	<b>\$ 1,024,595</b>

## Program: Community and Occupational Safety and Stability

*Goal: 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.*

The department administers and enforces a wide range of laws designed to enhance income security, safeguard the health of workers and the general public, protect workers' rights and promote stable labor relations and labor-management cooperation.

### **Program Element: Income Security and Workers' Rights**

The Bureau of Labor Law Compliance monitors and enforces Pennsylvania's laws relating to minimum wage, wage payment and collection and prevailing wage. The department also enforces several laws which protect workers' rights, those regulating child labor, seasonal farm labor, industrial homework, equal pay, medical pay, apprenticeship and training, misclassification of construction employees as independent contractors and mandatory overtime in health care. The bureau executes these responsibilities by providing employees and employers with information about the laws, conducting investigations and resolving disputes.

Case Data	Annual Average
Minimum wage violations cited	450
Child Labor Law violations	200
Nonpayment of wage violations	6,000
Prevailing Wage Law violations	500
Prevailing Wage Law violations cases closed	300
Prevailing Wage Law violations cases closed-average number of days	180

### **Program Element: Labor Relations**

The Bureau of Mediation promotes stable labor relations by mediating public and private disputes. It provides mandatory mediation services pursuant to the Public Employee Relations Act, which requires parties to a public sector contract to notify the department when contract negotiations fail to yield an agreement. It also provides optional mediation services in the private sector pursuant to the National Labor Relations Act, which requires parties to file dispute notices with the department in the event of unsuccessful contract negotiations. In total, the department mediates more than 800 cases per year. Additionally, the bureau provides grievance mediation services, assists public and private sector employers and unions in forming and operating labor-management committees and offers labor-management communications training. The bureau also maintains and administers the grievance arbitration roster for Pennsylvania's public employees.

The Pennsylvania Labor Relations Board enforces and implements Pennsylvania laws which relate to collective bargaining in both the public and private sectors. Such laws include the Pennsylvania Labor Relations Act, the Public Employee Relations Act, and Act 111 of 1968 (police and firefighter collective bargaining). The board also selects collective bargaining representatives, prevents unfair practices in the public sector and helps to resolve collective bargaining disputes by creating arbitration panels and appointing fact finders.

Case Data	Annual Average
Unfair labor practice cases opened	375
Unfair labor practice cases concluded	325
Union representation cases opened	150
Union representation cases concluded	100

### **Program Element: Public Health and Safety**

The Bureau of Occupational and Industrial Safety enforces and administers a variety of statutes and regulations which relate to public safety issues, including the Uniform Construction Code, which regulates building construction, accessibility, and elevators. The bureau also enforces Pennsylvania laws regulating boilers and unfired pressure vessels, liquefied petroleum gas, flammable and combustible liquids, bedding and upholstery, stuffed toys, employee safety with regard to hazardous chemicals, and accreditation and certification in lead-based paint and asbestos occupations. These laws are enforced by establishing necessary regulations and by conducting plan reviews, specialized field inspections, licensing and certification reviews and renewals, as well as complaint and accident investigations and audits. The bureau also monitors all inspectors' reporting activities in order to ensure that both the inspectors are discharging their duties properly and that regulated devices, equipment and construction continue to operate safely.

Additionally, the bureau maintains various training, continuing education, testing and certification programs for all persons charged with enforcement of the Uniform Construction Code and laws regulating boilers and unfired pressure vessels, elevators and passenger ropeways, and lead-based paint and asbestos abatement occupations. Such programs enable the bureau to fulfill its duties under the Pennsylvania Construction Code Act, which mandates adoption of the International Construction Codes. The bureau enforces the code as it applies to all commercial buildings within the 152 municipalities which

## Program: Community and Occupational Safety and Stability (continued)

have not opted for local enforcement and all state-owned buildings. The bureau also enforces accessibility laws in municipalities that do not have officials properly certified to provide such enforcement.

The bureau administers the Hazardous Material Emergency Planning & Response Act. Under this law, the bureau collects tier II hazardous chemical inventory report data, material safety data sheets and site plans from every Pennsylvania employer and manages it through a secure online reporting program. In the event of an emergency incident at a reporting facility, the state Emergency Operations Center and local emergency response agencies can access the online system and retrieve needed information. The bureau provides training and education on hazardous chemical reporting requirements to both facilities and county and local emergency planning committees. The bureau also processes and deposits hazardous chemical reporting fees into the Hazardous Materials Response Fund.

Inspections and Certifications	2014-15	2015-16	2016-17
Building inspections performed	37,000	30,757	32,000*
Elevator inspections performed	12,982	13,040	14,000*
Boiler inspections performed	21,183	18,721	22,000*
Other inspections performed	3,613	5,082	5,000*
Building approvals issued	2,260	3,443	3,000*
New buildings certified and renovations of existing buildings certified	2,100	1,773	2,000*
Municipalities choosing to provide their own enforcement under the Uniform Construction Code Act	2,408	2,420	2,420*
*Certifications, accreditations & licensing (Asbestos/Lead/Private Employment Agency Licensing Uniform Construction Code)	7,500	7,887	7,500*

\* Estimated

### Program Recommendations:

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

GENERAL FUND		Occupational and Industrial Safety	
	<b>General Government Operations</b>		—to continue current program.
\$ 829	—to continue current program.	\$ 1,080	
-383	—Initiative—to implement complement savings.	-601	—Initiative—to implement complement savings.
-41	—Initiative—cost savings realized through consolidation of administrative functions.	-31	—Initiative—cost savings realized through consolidation of administrative functions.
		-7,000	—Initiative—increased augmentation support through fees.
\$ 405	<i>Appropriation Increase</i>	-11	—Initiative—to modernize operations.
		\$ -6,563	<i>Appropriation Decrease</i>

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 12,922	\$ 13,384	\$ 13,789	\$ 13,789	\$ 13,789	\$ 13,789	\$ 13,789
Occupational and Industrial Safety .....	11,362	12,358	5,795	5,795	5,795	5,795	5,795
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 24,284</b>	<b>\$ 25,742</b>	<b>\$ 19,584</b>	<b>\$ 19,584</b>	<b>\$ 19,584</b>	<b>\$ 19,584</b>	<b>\$ 19,584</b>



## Program: Workers' Compensation and Assistance

*Goal: To further economic development in the commonwealth by stabilizing the incomes of employees who become unemployed.*

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 for injuries or diseases sustained during the course of their employment. The commonwealth's administrative expenses are funded from assessments through the insurance industry and self-insurers.

Act 147 of 2006 amended the Workers' Compensation Act to create an Uninsured Employers 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 made changes to 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 and requiring a resolution hearing procedure to expedite consideration of settlements.

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 generally 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 which 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 their employer. Those who do not meet the eligibility requirements under the Workers' Compensation Act may file claims pursuant to the Occupational Disease Act.

Claims and Decision Data	2014-15	2015-16	2016-17
Reportable injuries arising in the course of employment under the Workers' Compensation Act	44,473	42,116	42,100*
Number of final decisions in litigated workers' compensation claims	48,123	48,327	48,225*
Claimants qualifying for occupational disease payments from commonwealth funds	228	194	180*
New claims for unemployment compensation	711,082	605,480	590,000*

\*Estimated

### Program Recommendations:

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

	<b>GENERAL FUND:</b>	
	<b>Occupational Disease Payments</b>	
\$	-85	—to continue current program based on payment requirements.
	<b>Workers' Compensation Payments</b>	
\$	-111	—to continue current program based on payment requirements.

In addition, this budget recommends the following changes to the Workers' Compensation Program through the Workmen's Compensation Administration Fund.

	<b>WORKMEN'S COMPENSATION ADMINISTRATION FUND:</b>	
	<b>Administration of Workers' Compensation</b>	
\$	-7,300	—non-recurring costs for upgrades and enhancements for the Workers Compensation Automation and Integration System (WCAIS).
	4,428	—to continue current program.
\$	-2,872	<i>Appropriation Decrease</i>

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Occupational Disease Payments.....	\$ 624	\$ 498	\$ 413	\$ 413	\$ 413	\$ 413	\$ 413
Workers' Compensation Payments .....	692	591	480	480	480	480	480
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 1,316</b>	<b>\$ 1,089</b>	<b>\$ 893</b>	<b>\$ 893</b>	<b>\$ 893</b>	<b>\$ 893</b>	<b>\$ 893</b>

## Program: Workers' Compensation and Assistance (continued)

### Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>WORKMEN'S COMPENSATION</b>							
<b>ADMINISTRATION FUND:</b>							
Administration of Workers' Compensation.	\$ 71,966	\$ 81,228	\$ 78,356	\$ 78,356	\$ 78,356	\$ 78,356	\$ 78,356
Transfer to the Uninsured Employers Guaranty Fund .....	6,100	0	0	0	0	0	0
Loan to Uninsured Employers Guaranty Fund .....	4,000	0	0	0	0	0	0
(A) Conference Fees .....	293	400	300	300	300	300	300
<b>TOTAL WORKMEN'S COMPENSATION ADMINISTRATION FUND .....</b>	<b>\$ 82,359</b>	<b>\$ 81,628</b>	<b>\$ 78,656</b>	<b>\$ 78,656</b>	<b>\$ 78,656</b>	<b>\$ 78,656</b>	<b>\$ 78,656</b>

## Program: Workforce Investment

*Goal: 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.*

The Department of Labor & Industry oversees a number of workforce development programs which collectively serve the needs of job seekers, incumbent workers and employers. The programs make up a workforce development system that provides a range of employment, training and labor market information services statewide. The department coordinates with numerous state agencies and local partners in delivery workforce development services to job seekers, incumbent workers and employers. Programs assist individuals, including Temporary Assistance for Needy Families clients and unemployed individuals, develop skills, find suitable employment in family sustaining jobs, and advance along career pathways. The workforce development system also helps employers find and develop the talent they need to grow and thrive. Workforce development programs are administered by the Department's Bureau of Workforce Development Administration, Bureau of Workforce Partnership and Operations, Center for Workforce Information and Analysis (CWIA), State Workforce Development Board, and Office of Vocational Rehabilitation.

### **Program Element – Workforce Innovation and Opportunity Act**

A significant portion of workforce development system activities are driven by the federal Workforce Innovation and Opportunity Act (WIOA) of 2014. WIOA was enacted to help job seekers and workers access employment, education, training, and support services to succeed in the labor market and match employers with skilled workers they need to compete in the global economy. There are six core programs under WIOA: Adult, Youth, Dislocated Worker, Adult Education and Family Literacy, Wagner-Peyser and Vocational Rehabilitation. Five of the six programs are administered by the department.

WIOA Youth – The Youth program is designed to serve eligible youth and young adults through high-quality case management support toward educational attainment that includes career guidance and exploration. Services include the provision of summer and/or year-round work experience opportunities such as internships and pre-apprenticeships, skills training along a career pathway for in-demand industries and occupations, and any necessary supportive services. Youth are defined as individuals 16 to 24 years of age. The program requires that out-of-school youth comprise at least 75 percent of youth served.

WIOA Adult – The Adult program provides services to those 18 or older in need of employment or career advancement, with priority of service given to participants

who are recipients of public assistance, individuals who are basic skills deficient, other low income individuals, and veterans. Services include career services, career planning, counseling and skills assessments, and on-the-job training or classroom training.

WIOA Dislocated Worker – The Dislocated Worker program assists workers before or after layoff in identifying basic skills training, on-the-job or customized training, and apprenticeship opportunities to help facilitate rapid reemployment. Rapid Response, a component of the Dislocated Worker program, 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 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 remain in operation. Rapid Response program activities are triggered when the department is informed 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 community and business leaders. Services may also be offered when Pennsylvania experiences significant employment displacement as a result of a natural disaster.

Wagner-Peyser Employment Services – The Wagner-Peyser program allows commonwealth staff to provide employment services to job seekers and employers in PA CareerLink® centers. Services to job seekers include, but are not limited to: job search and job placement assistance; career counseling; needs and interest assessments; proficiency testing; workshops; development of an individual employment plan; and case management. Services to employers include assistance in developing and posting job orders, referral of qualified job seekers to job openings, and organizing job fairs. Both job seekers and employers are also provided with robust labor market information to help inform their activities.

### **Program Element – Labor Market Information**

The department provides labor market information to students, job seekers, employers, economic developers and the public at large. This includes career exploration

## Program: Workforce Investment (continued)

tools for job seekers and students. The CWIA also disseminates labor market information through diverse products covering employment data, hiring trends and other economic indicators. The center also develops, in consultation with education and economic development partners, the High Priority Occupation (HPO) list. HPOs are occupations that are in demand by employers, have higher skill needs and are likely to provide family-sustaining wages. Statewide and local HPO lists are published annually. The HPO list and corresponding training programs drive Pennsylvania's investments in workforce education and training.

### Program Element: PA CareerLink®

PA CareerLink® is a one-stop workforce development system that has improved service for businesses, job seekers and other customers by integrating systems and coordinating services. The PA CareerLink® system is a cooperative partnership involving the local Workforce Development Boards and their contracted providers, Pennsylvania employers, various system stakeholders and the Pennsylvania state departments of Labor & Industry, Health and Human Services, and Agriculture, as well as grant recipients of the Departments of Education, Aging, and Community and Economic Development.

Services available at the PA CareerLink® for individuals include job search and placement assistance, labor market information, 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 that the business may be eligible for by employing individuals from certain target populations, 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 – JobGateway® – that both employer and job seeker customers can access. JobGateway® is a comprehensive job-matching system that also allows individuals to assess their skills, prepare for an interview and explore career resources and employers to explore recruiting tools.

### Program Element: Industry Partnerships

Industry Partnerships are a key institutional innovation for meeting the skills needs of businesses, the career goals of workers, and the economic development goals of the commonwealth. Industry Partnerships are a particular kind of “workforce intermediary,” a so-called dual customer institution that helps connect and meet the needs of both workers and businesses. Partnerships bring together multiple employers, and workers or worker representatives when appropriate, in the same industry cluster to address common or overlapping human capital needs. The intended

goal of the Industry Partnership program is to encourage highly strategic partnership initiatives that develop cost-effective and financially sustainable means of producing quantitative outcomes by meeting the needs of an industry cluster and its regional workforce. The program has the ability to spur job advancement, growth, and creation by prioritizing funds to occupational areas of critical need.

Industry Partnerships uncover common challenges within industries and, using economies of scale, apply private and public resources across numerous employers to develop workers' skills. Tax dollars and matching employer investments support the entire partnership, not just one partnering 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, high school and career and technical education programs and other training programs. To enhance one-stop options and improve efficiencies, this budget proposes to move this program to the Department of Community and Economic Development.

### Program and Performance Outcomes

Program measurement for workforce program changes under WIOA may appear to be identical from WIA to WIOA; however, there were changes in the methods and criteria used in calculating performance. As such, the measures and outcomes under WIOA are not comparable to WIA performance measures. Further, all states in transition from WIA to WIOA performance measures and systems are undergoing the necessary modifications to accurately and appropriately capture meaningful outcomes. Performance estimates for 2016-17 are not available due to the significant adjustments needed with the implementation of the new law and the not-yet-finalized performance guidance from the federal Department of Labor.

Workforce Investment Act Title I	2013-14	2014-15	2015-16
Workforce Investment Act Adult Entered Employment Rate	71%	73.6%	75.4%
Dislocated Worker Entered Employment Rate	78.2%	80.3%	81.8%
Youth Placement Rate	63.1%	68.4%	68.9%
Workforce Investment Act Adult Employment Retention	84.8%	85.6%	85.0%
Dislocated Worker Employment Retention	89.1%	90.1%	91.0%
Youth Attainment (Individuals attaining a high school diploma, GED, postsecondary degree, or certification while enrolled in training)	86.1%	89.8%	86.4%
Number of Rapid Response Activities	250	295	217

## Program: Workforce Investment (continued)

Workforce Investment Act Title I <i>Continued</i>	2013-14	2014-15	2015-16
Number of Individuals Trained by Individual Training Accounts	3,960	3,501	3,567
<b>Wagner Peyser</b>			
Wagner-Peyser Entered Employment Rate	54.7%	65.6%	68.0%
Wagner-Peyser Employment Retention	83.7%	86.6%	86.8%
<b>Incumbent Workers</b>			
* Incumbent Worker Employment Retention Rate (Industry Partnership Participants)	92.2%	90.4%	93%
* Incumbent Worker Wage Change	8.1%	10.5%	8%
* Number of Incumbent Workers Trained (Industry Partnership Participants)	3,543	2,515	6,000
Apprentice completions-graduations	2,500	2,500	2,500
Registered Apprentices	14,500	15,000	15,000
Minorities Registered for Apprenticeship	1,500	1,500	1,500

\*2015-16 are estimated

### Program Element: Apprenticeship and Training Office

The Apprenticeship and Training Office (ATO) is responsible for providing outreach, advisory, and technical support in accordance with the Pennsylvania Apprenticeship and Training Act and Regulations. It is responsible for evaluating employment, education, and economic needs within specific geographic areas to create operational plans that meet Department's apprenticeship initiatives. It provides advice and technical support to current and prospective apprenticeship program sponsors and apprentices. It interprets all state and federal policies, standards, and regulations that govern registered apprenticeship programs throughout the Commonwealth. The ATO is also responsible for collecting data, maintaining records of agreements, and certifications of current apprenticeship and training programs. The goals of the ATO are to increase the number of Pennsylvania registered apprenticeship opportunities, educate the uninformed (employers and job seekers) about the benefits of registered apprenticeship and expand apprenticeship into non-traditional areas.

## Program Recommendations:

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

**New Choices / New Options**  
\$ -500 —program elimination.

**Industry Partnerships**  
\$ -1,813 —program moved to the Department of Community and Economic Development.

## Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
New Choices / New Options.....	\$ 500	\$ 500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Industry Partnerships.....	1,813	1,813	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 2,313</b>	<b>\$ 2,313</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>



## Program: Vocational Rehabilitation

*Goal: To enable eligible persons with disabilities to obtain competitive employment.*

The mission of the Office of Vocational Rehabilitation (OVR) is to assist Pennsylvanians with disabilities to secure and maintain employment and independence. OVR provides services in accordance with the Rehabilitation Act of 1973 as reauthorized in Title IV of the Workforce Innovation and Opportunities Act (WIOA) of 2014. OVR's Vocational Rehabilitation program is both state and federally funded. Every state dollar invested enables the department to draw down up to four times as much in federal funds.

OVR's strategic objectives focus on:

- Increasing employment opportunities for individuals with disabilities through the development of innovative and collaborative programs created in partnership with industries.
- Increasing the number of youth with disabilities, who have successfully completed secondary education, into the competitive, integrated labor market versus entering sub-minimum wage employment settings.
- Increasing the number of students served by collaborating with local education entities, career and technology centers, families, and other stakeholders.
- Increasing the number of work-based learning experiences for students with disabilities while they are enrolled in secondary education.
- Enhancing the comprehensive workforce system by increasing collaboration, physical and programmatic accessibility, and data sharing between workforce partner agencies, the Department of Health and Human Services and the Department of Education.

OVR assists people with disabilities by preparing them for and identifying appropriate careers, assisting with independent living and fostering community participation. Statewide, there are an estimated 790,000 men and women, ages 18-64, who reported a disability or impairment in 2015. Approximately 71,000 were served by OVR programs with 8,778 being placed into competitive, integrated employment. Primary emphasis is placed on serving individuals with the most significant disabilities. These individuals generally require extensive, comprehensive and unique services over an extended period of time. OVR utilizes a significant portion of funding for training and supported employment services. Supported employment combines job placement in the community with job training at the job site. A key component of OVR's mission is to serve the needs of Pennsylvania businesses through access to OVR's pre-screened talent base of qualified career seekers. OVR offers businesses no-cost

consultative services and partners with many businesses on hiring initiatives and on-the-job training reimbursement contracts.

The Commonwealth Technical Institute located at the Hiram G. Andrews Center (HGAC) in Johnstown is administered through OVR. HGAC offers a wide array of job training and vocational rehabilitation services in a campus-like environment. OVR, through the Bureau of Blindness and Visual Services (BBVS), provides independent living and specialized services to children and adults over 55 with blindness or visual impairments. These programs teach adaptive independent living skills and provide referral and information to community resources, assistive technology and tools or equipment that lead to greater independence and community access.

The Workforce Innovation and Opportunities Act requires OVR to reserve 15% of its federal vocational rehabilitation award for Pre-Employment Transition Services (PETS) to serve students with disabilities. The Pennsylvania Department of Education estimates that there are 100,000 students in PA schools that currently have an Individualized Education Plan (IEP) and could benefit from additional transition services through OVR. This federal requirement creates additional opportunities for students with disabilities as they transition from school to work or post-secondary education. Five core PETS services are job exploration counseling, work-based learning experiences, counseling on opportunities for post-secondary education, work-place readiness training and instruction in self-advocacy.

OVR also provides oversight and technical support for independent living services to nine community-based, non-profit Centers for Independent Living (CILs). The CILs provide information and referral services, peer counseling, transition services, independent living skills training and advocacy services to individuals with disabilities and assists them with living independently and accessing services.

Additionally, OVR administers initiatives that increase the availability and affordability of assistive technology through two, third-party programs. The Pennsylvania Assistive Technology Foundation provides financing for individuals with disabilities who wish to purchase technology. The Pennsylvania Assistive Technology Lending Library offers individuals with disabilities the opportunity to try new technology before they make such a purchase.

## Program: Vocational Rehabilitation (continued)

### Program Recommendations:

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

**Transfer to the Vocational Rehabilitation Fund**  
 \$ 5 —to continue current program.

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

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Transfer to Vocational Rehabilitation Fund	\$ 45,473	\$ 47,473	\$ 47,478	\$ 47,478	\$ 47,478	\$ 47,478	\$ 47,478
Supported Employment.....	397	397	397	397	397	397	397
Centers for Independent Living .....	1,912	1,912	1,912	1,912	1,912	1,912	1,912
Assistive Technology Devices .....	400	400	400	400	400	400	400
Assistive Technology Demonstration and Training .....	399	399	399	399	399	399	399
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 48,581</b>	<b>\$ 50,581</b>	<b>\$ 50,586</b>	<b>\$ 50,586</b>	<b>\$ 50,586</b>	<b>\$ 50,586</b>	<b>\$ 50,586</b>

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
--	---------	---------	---------	---------	---------	---------	---------

### Program: Community and Occupational Safety and Stability

**Objective: Workers who participate in Industry Partnerships skills upgrading will realize a wage increase of at least 5% one year after training is completed.**

Percentage of workers receiving wage increases of at least 5% within one year after receiving Partnership Skills training	N/A	50%	50%	50%	50%	50%	50%
---	-----	-----	-----	-----	-----	-----	-----

**Objective: Maintain and improve cooperative labor-management relations.**

#### Labor Relations

Mediated cases for public sector bargaining units involving work stoppages	2%	2%	2%	2%	2%	2%	2%
--	----	----	----	----	----	----	----

Mediated cases for private sector bargaining units involving work stoppages	10%	10%	10%	10%	10%	10%	10%
---	-----	-----	-----	-----	-----	-----	-----

#### Public Health and Safety Inspections

Incident reports received under the Underground Utility Line Protection Law	1,569	450	450	450	450	450	450
---	-------	-----	-----	-----	-----	-----	-----

### Program: Workforce Investment

**Objective: Increase the number of Pennsylvanians able to obtain, retain and advance in 21st-century careers, as well as improve the global competitiveness of Pennsylvania's employers.**

Trainings of Pennsylvania workers through Industry Partnership programs	6,000	6,000	3,500	3,500	3,500	3,500	3,500
---	-------	-------	-------	-------	-------	-------	-------

This budget proposes to transfer this program to the Department of Community and Economic Development.

### Program: Vocational Rehabilitation

**Objective: Increase the employment potential and personal independence of persons with disabilities.**

Number of eligible participants with active plans	41,579	40,000	40,000	45,000	45,000	45,000	45,000
---	--------	--------	--------	--------	--------	--------	--------

Number of participants closed as employed	8,404	8,250	8,000	7,500	7,500	7,500	7,500
---	-------	-------	-------	-------	-------	-------	-------

Number of persons successfully completing independent living/specialized services	1,306	1,500	1,500	1,500	1,500	1,500	1,500
---	-------	-------	-------	-------	-------	-------	-------

Number of persons moving into employment who received postsecondary education and who were referred to OVR while in secondary education	870	850	825	800	800	800	800
---	-----	-----	-----	-----	-----	-----	-----

Number of persons moving into employment without receiving postsecondary education and who were referred to OVR while in secondary education	1,124	1,100	1,050	1,000	1,000	1,000	1,000
--	-------	-------	-------	-------	-------	-------	-------



– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# LIQUOR CONTROL BOARD

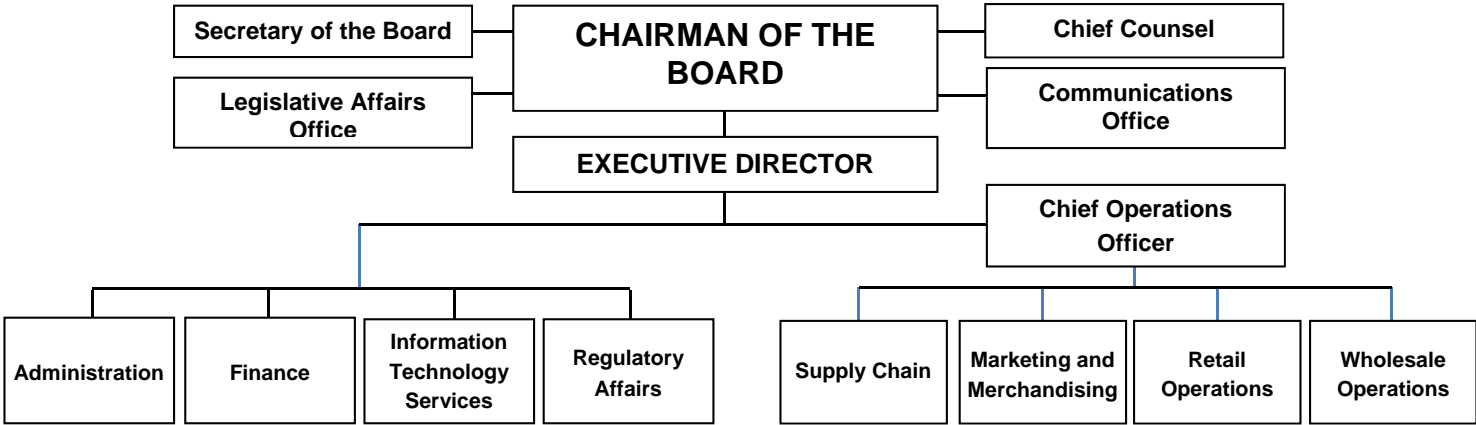
*The mission of the Liquor Control Board is to regulate Pennsylvania's alcohol beverage industry in accordance with the laws of the commonwealth; offer a comprehensive education program that promotes the responsible use of alcohol; provide superior service, selection and pricing to our customers and licensees; and operate efficiently and economically to generate revenue for the commonwealth.*

The board controls the manufacture, possession, sale, consumption, importation, use, storage, transportation and delivery of liquor, alcohol and malt or brewed beverages in the commonwealth.

## **Programs and Goals**

**Liquor Control:** *To control the manufacture, distribution and sale of alcoholic beverages in Pennsylvania.*

# Organization Overview



- **Administration** is responsible for developing, recommending and directing the implementation of policies, procedures and regulations. It also directs the operations and activities of the Bureaus of Human Resources, Talent Management and Support Services.
- **Finance** is responsible for budgeting, planning, forecasting, managing banking relationships, cash control, financial analyses and coordinating monthly accounting and reporting. Beyond the fiscal role, other functions include the procurement of all services, equipment and non-stock items.
- **Information Technology Services** is responsible for two major operational initiatives – the support of daily operations IT services and the innovation and upgrade to infrastructure, retail, regulatory and inventory management systems. This includes all portfolio and project management services, oversight of IT architecture and enterprise wide IT security. It also directs the activities of the Bureau of Enterprise Application Solutions and the Bureau of Enterprise Infrastructure and Operations.
- **Regulatory Affairs** oversees approximately 17,000 licensees throughout the commonwealth ensuring the licensed beverage industry complies with statutory requirements and regulatory mandates. It also provides leadership and resources to reduce alcohol misuse through alcohol education, training and guidance to owners and managers.
- **Supply Chain** purchases approximately 3,500 regular wine and spirits products from domestic and foreign suppliers, which includes controlling the flow of merchandise to meet customer demands. The office handles the importation, excise taxes, customs duties, warehousing and transportation of products to the retail stores.
- **Marketing and Merchandising** is responsible for directing the overall planning, organization, coordination, and direction of marketing programs, initiatives and projects for the PLCB. The Director serves as the principal advisor to the Board on all matters pertaining to the procurement and listing of wines and spirits. It also directs the activities of the Bureau of Product Selection and the Bureau of Marketing, Communication, Branding & Design.
- **Retail Operations** is responsible for overseeing the daily operations of approximately 600 Fine Wine & Good Spirits stores throughout the commonwealth. This includes store staffing, training, inventory control, various marketing/sales promotions, equipment enhancements, software upgrades and the implementation of new incentives.
- **Wholesale Operations** is responsible for directing, coordinating and planning all activities related to wholesale operations. It oversees and directs all activities concerning the ordering, processing and delivery of products and customer services for licensed retailers. It also directs the activities of the Bureau of Business Development and the Bureau of Consumer Relations.

## Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
3,276	3,276	3,270	3,270	3,270

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>OTHER FUNDS:</b>			
<b>STATE STORES FUND:</b>			
General Operations (EA).....	\$ 516,618	\$ 538,385	\$ 570,565
(A)Sale of Automobiles.....	15	20	20
Purchase of Liquor (EA).....	1,332,250	1,386,000	1,425,000
Comptroller Operations (EA).....	5,552	5,419	5,690
Transfer to the General Fund (EA).....	100,000	216,400	185,100
<b>STATE STORES FUND TOTAL.....</b>	<b>\$ 1,954,435</b>	<b>\$ 2,146,224</b>	<b>\$ 2,186,375</b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>LIQUOR CONTROL</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	1,954,435	2,146,224	2,186,375	2,259,198	2,333,934	2,403,620	2,483,293
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,954,435</b>	<b>\$ 2,146,224</b>	<b>\$ 2,186,375</b>	<b>\$ 2,259,198</b>	<b>\$ 2,333,934</b>	<b>\$ 2,403,620</b>	<b>\$ 2,483,293</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	1,954,435	2,146,224	2,186,375	2,259,198	2,333,934	2,403,620	2,483,293
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 1,954,435</b>	<b>\$ 2,146,224</b>	<b>\$ 2,186,375</b>	<b>\$ 2,259,198</b>	<b>\$ 2,333,934</b>	<b>\$ 2,403,620</b>	<b>\$ 2,483,293</b>

## Program: Liquor Control

*Goal: To control the manufacture, distribution and sale of alcoholic beverages in Pennsylvania.*

Prior to Act 39 of 2016, all bottle sales of wines and spirits in Pennsylvania, with the exception of sales by licensed Pennsylvania wineries and distilleries, were made through Wine and Spirits stores operated by the Pennsylvania Liquor Control Board (PLCB). This included both retail sales to individual consumers and wholesale sales to those private establishments that make retail sales of alcoholic beverages by the drink. With the implementation of Act 39, license holders who have obtained a “wine expanded permit” from the PLCB can now sell “wine to go” as a licensed retailer of wine. The PLCB currently operates approximately 600 Wine and Spirit stores, including 10 licensee service centers, two outlet stores, 19 one-stop shops located in grocery stores, 90 Premium Collection stores and 332 stores that are open on Sundays.

Acts 39, 85 and 166 of 2016 created significant liquor code changes which include: expanding wine sales to licensed retailers, expanding Sunday store openings and hours, Lottery sales, pricing flexibility, Special Liquor Order (SLO) changes, customer relationship management (CRM) and numerous licensing changes (wine expanded permits, license surcharge, Eatery to Restaurant conversions, auction of expired licenses, direct wine shipments, casino licenses and other changes). PLCB revenues from the sale of wines and spirits, as well as the legislative changes from Acts 39, 85 and 166, cover the cost of merchandise sold in the stores and all Liquor Control Board operating expenses including Office of the Comptroller for the PLCB, operations of the Pennsylvania State Police Bureau of Liquor Control Enforcement, drug and alcohol programs and expenses related to services provided by other state agencies such as the Office of Administration and Auditor General. Remaining proceeds from wine and spirit sales are transferred annually to the commonwealth’s General Fund.

The Liquor Control Board’s marketing strategy is geared toward offering increased service to customers of legal age while maintaining the necessary controls at the point of purchase of alcoholic beverages. Each year, more than 1.3 million minor challenges are documented 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 growth of the Chairman’s Selection™ and the Chairman’s Advantage programs, enhanced internet presence through the e-Commerce site and a make-over of the Liquor Control Board’s image through a complete rebranding 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 and redeemable coupons.

The PLCB licenses private establishments that make retail sales of alcoholic beverages by the drink, or by the bottle (to go) by wine expanded permit holders. It also regulates the sale of malt and brewed beverages by licensing the distributors, restaurants, hotels and clubs that sell these items. The license quota system is county-based to allow for flexibility of licenses in developing areas most needed within the counties. The PLCB is in the process of completing the implementation of a new online Regulatory System, PLCB+. This new system will allow licensees to conduct licensing and permitting business securely, quickly and simply over the Internet.

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. The Board typically rejects renewal of more than 150 licenses annually.

The Liquor Control Board formalizes its commitment to providing information about alcohol consumption through 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 a maximum of \$1.5 million in educational grants annually that enable colleges, communities and law enforcement agencies to combat underage and dangerous drinking. A comprehensive Responsible Alcohol Management Program (RAMP) offers responsible service training to licensees in Pennsylvania. The Bureau of Alcohol Education’s RAMP 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. Approximately 500,000 alcohol education resources are distributed annually.

## Program: Liquor Control (continued)

Responsible Alcohol Management Program (RAMP)	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Owners/Managers Trained	5,161	5,419	5,690	5,975	6,273	6,587	6,916
Servers/Sellers Trained	44,486	46,710	49,046	51,498	54,073	56,777	59,615
Establishments Certified	1,471	1,545	1,622	1,703	1,788	1,877	1,971

### Program Recommendations:

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

<b>STATE STORES FUND</b>					
<b>General Operations (EA)</b>					<b>Comptroller Operations (EA)</b>
\$ 35,930	—to continue current program.		\$ 271		—to continue current program.
-3,750	—nonrecurring information system upgrades.				
\$ 32,180	<i>Appropriation Increase</i>				
<b>Purchase of Liquor (EA)</b>					
\$ 39,000	—for inventory costs.				

This budget proposes a transfer of \$185.1 million from the State Stores Fund to the General Fund in 2017-18.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>STATE STORES FUND:</b>							
General Operations (EA) .....	\$ 516,618	\$ 538,385	\$ 570,565	\$ 593,388	\$ 617,124	\$ 641,810	\$ 667,483
Purchase of Liquor (EA) .....	1,332,250	1,386,000	1,425,000	1,475,000	1,526,000	1,571,000	1,625,000
Comptroller Operations (EA) .....	5,552	5,419	5,690	5,690	5,690	5,690	5,690
Transfer to the General Fund (EA) .....	100,000	216,400	185,100	185,100	185,100	185,100	185,100
<b>TOTAL STATE STORES FUND .....</b>	<b>\$ 1,954,420</b>	<b>\$ 2,146,204</b>	<b>\$ 2,186,355</b>	<b>\$ 2,259,178</b>	<b>\$ 2,333,914</b>	<b>\$ 2,403,600</b>	<b>\$ 2,483,273</b>

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
--	---------	---------	---------	---------	---------	---------	---------

**Program: Liquor Control**

**Objective: Increase revenue contributions to the General Fund by maximizing returns.**

Pennsylvania State Liquor Stores	601	606	608	610	612	614	616
Gross sales (in thousands excluding liquor sales taxes)	\$1,959,467	\$2,107,300	\$2,177,300	\$2,249,625	\$2,324,352	\$2,401,561	\$2,481,335
Total contributions from State Stores Fund (including liquor sales taxes and General Fund transfer)	\$591,936	\$748,849	\$735,304	\$753,581	\$772,465	\$791,976	\$812,135

**Objective: Increase the number of individuals that receive alcohol education to promote moderation and avoidance of abuse among legal consumers, and prevention of purchase and consumption by minors.**

Alcohol education grants awarded	65	65	69	69	74	74	78
Alcohol education grant money awarded (in thousands)	\$1,139	\$1,139	\$1,209	\$1,209	\$1,283	\$1,283	\$1,353



– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

*Pennsylvania's Department of Military and Veterans Affairs has a dual mission: to provide quality service to the commonwealth's veterans and their families, and to oversee and support the members of the Pennsylvania National Guard.*

*The department provides resources and assistance to nearly one million veterans and their families, and also provides quality care for aging and disabled veterans.*

*Military and Veterans Affairs prepares the Pennsylvania National Guard for combat, performing worldwide combat and combat support operations; provides global reach and the projection of United States military power in support of national objectives; and, at the command of the governor, also provides trained personnel to support state and local authorities in times of natural disaster or civil strife.*

The department consists of the Adjutant General, the State Armory Board, the State Veterans Commission, the Pennsylvania 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.

## **Programs and Goals**

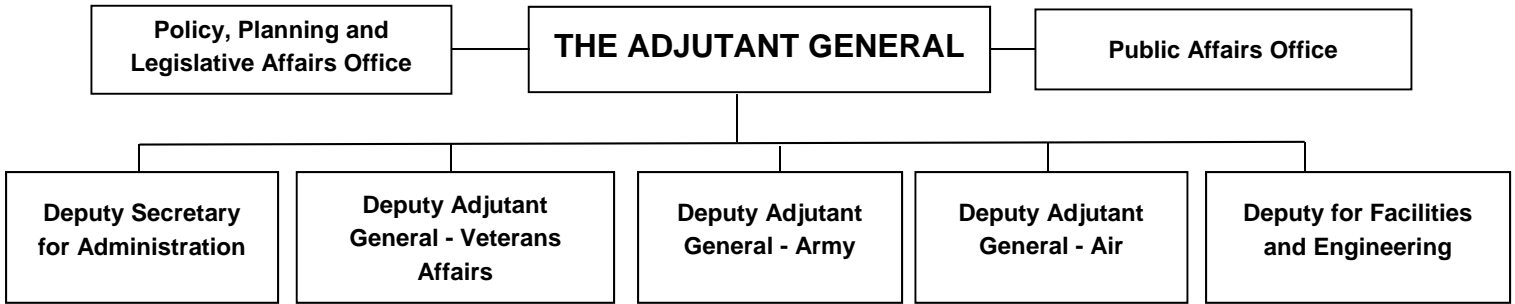
**State Military Readiness:** *To achieve and maintain a readiness capability in units of the Pennsylvania National Guard for quick and effective response to state or federal mobilization.*

**Veterans Homes:** *To provide nursing and domiciliary care for veterans.*

**Compensation and Assistance:** *To provide advisory and financial assistance to eligible Pennsylvania veterans, National Guardsmen and their dependents.*

---

## Organization Overview



- **Deputy Secretary for Administration** is responsible for monitoring the operations of the department to ensure adherence to federal and state policies and regulations. The office acts as liaison to the federal U.S. Property and Fiscal Office to process funds and reimbursements in support of federally funded state positions and operational maintenance agreements between the agency and the federal government. It is responsible for planning, supervising and implementing administrative and procedural matters and managing the administration, office service support and policy direction for the department.
- **Deputy Adjutant General for Veterans Affairs** is responsible for the administration and management of DMVA veterans programs, investigating the work of state agencies in administering laws affecting veterans, advising state agencies on veterans programs and managing the six state veterans homes. By legislative mandate, this office is the official liaison between federal, state and local governmental agencies on all matters concerning veterans' benefits. Its mission is to provide world-class advice and assistance to Pennsylvania's nearly one million veterans, and to provide the highest quality of care to our aging veterans.
- **Deputy Adjutant General for Army** is responsible for the manning, equipping and training of the Pennsylvania Army National Guard, as well as assisting The Adjutant General in supervision and management of the Department of Military and Veterans Affairs.
- **Deputy Adjutant General for Air** is responsible for the Pennsylvania Air National Guard reserve component of the United States Air Force and the fourth largest Air National Guard force in the country with 4,000 members. It plays an important role in the nation's defense and supporting the commonwealth in times of need. The organization has three diverse operational wings located at six separate bases ensuring both federal and state missions are efficiently and successfully accomplished.
- **Deputy for Facilities and Engineering** is responsible for the acquisition, management, maintenance, construction, operation and disposal of all land and facilities that support the Pennsylvania Army National Guard. This includes Fort Indiantown Gap National Guard training center, approximately 87 National Guard readiness centers, 25 National Guard field maintenance shops and six veterans homes.

## Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
2,236	2,218	2,226	2,226	2,212

# Military and Veterans Affairs

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 21,907</b>	<b>\$ 23,772</b>	<b>\$ 23,694</b>
(F)Facilities Maintenance.....	77,685	77,685	77,685
(F)Federal Construction Grants.....	110,000	110,000	50,000
(F)Domestic Preparedness (EA).....	80	13	0
(A)Rental of Armories and Other Facilities.....	122	122	122
(A)Housing Fees.....	74	76	80
(A)Utility Reimbursements.....	178	199	199
(A)Miscellaneous.....	140	95	102
<b>Burial Detail Honor Guard.....</b>	<b>99</b>	<b>99</b>	<b>99</b>
<b>American Battle Monuments.....</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>Armory Maintenance and Repair.....</b>	<b>245</b>	<b>245</b>	<b>160</b>
<b>Special State Duty.....</b>	<b>35</b>	<b>35</b>	<b>35</b>
Subtotal.....	\$ 210,615	\$ 212,391	\$ 152,226
Subtotal - State Funds.....	\$ 22,336	\$ 24,201	\$ 24,038
Subtotal - Federal Funds.....	187,765	187,698	127,685
Subtotal - Augmentations.....	514	492	503
Total - General Government.....	\$ 210,615	\$ 212,391	\$ 152,226
<i>Institutional:</i>			
<b>Veterans Homes.....</b>	<b>\$ 90,734</b>	<b>\$ 102,351</b>	<b>\$ 100,302</b>
(F)Operations and Maintenance.....	49,763	49,528	44,569
(F)Medical Reimbursements.....	225	225	164
(F)Enhanced Veterans Reimbursement.....	22,830	18,830	18,830
(A)Aid and Attendance Payments.....	7,385	7,634	7,434
(A)Residential Fees.....	19,928	20,009	19,529
(A)Estate Collections.....	3,601	2,774	2,774
(A)Insurance or Third Party Reimbursements.....	23	29	48
(A)Physical & Occupational Therapy Reimbursements.....	365	365	534
(A)Pharmaceutical Reimbursement.....	2,218	2,230	2,040
(A)Miscellaneous.....	61	4	4
(A)Sale of Land.....	0	0	2,550
Subtotal.....	\$ 197,133	\$ 203,979	\$ 198,778
Subtotal - State Funds.....	\$ 90,734	\$ 102,351	\$ 100,302
Subtotal - Federal Funds.....	72,818	68,583	63,563
Subtotal - Augmentations.....	33,581	33,045	34,913
Total - Institutional.....	\$ 197,133	\$ 203,979	\$ 198,778
<i>Grants and Subsidies:</i>			
<b>Education of Veterans Children.....</b>	<b>\$ 101</b>	<b>\$ 101</b>	<b>\$ 101</b>
<b>Transfer to Educational Assistance Program Fund.....</b>	<b>9,500</b>	<b>12,500</b>	<b>12,500</b>
<b>Blind Veterans Pension.....</b>	<b>222</b>	<b>222</b>	<b>222</b>
<b>Amputee and Paralyzed Veterans Pension.....</b>	<b>3,500</b>	<b>3,606</b>	<b>3,714</b>
<b>National Guard Pension.....</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Supplemental Life Insurance Premiums.....</b>	<b>164</b>	<b>164</b>	<b>164</b>
<b>Civil Air Patrol.....</b>	<b>100</b>	<b>100</b>	<b>0</b>
<b>Disabled American Veterans Transportation.....</b>	<b>336</b>	<b>336</b>	<b>336</b>
<b>Veterans Outreach Services.....</b>	<b>2,332</b>	<b>2,332</b>	<b>2,832</b>
Subtotal.....	\$ 16,260	\$ 19,366	\$ 19,874
Total - Grants and Subsidies.....	\$ 16,260	\$ 19,366	\$ 19,874

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2015-16	2016-17	2017-18
	ACTUAL	AVAILABLE	BUDGET
STATE FUNDS.....	\$ 129,330	\$ 145,918	\$ 144,214
FEDERAL FUNDS.....	260,583	256,281	191,248
AUGMENTATIONS.....	34,095	33,537	35,416
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 424,008</b>	<b>\$ 435,736</b>	<b>\$ 370,878</b>
 <b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Military Family Relief Assistance.....	\$ 80	\$ 200	\$ 200
State Military Justice.....	0	1	1
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 80</b>	<b>\$ 201</b>	<b>\$ 201</b>
<b>EDUCATIONAL ASSISTANCE PROGRAM FUND:</b>			
National Guard Education (EA).....	\$ 2,000 <sup>a</sup>	\$ 700 <sup>a</sup>	\$ 18 <sup>a</sup>
<b>PENNSYLVANIA VETERANS MEMORIAL TRUST FUND:</b>			
Veterans Memorial (EA).....	\$ 75	\$ 500	\$ 75
<b>STATE TREASURY ARMORY FUND:</b>			
Armory Improvements.....	\$ 0	\$ 2,000	\$ 1,585
<b>VETERANS TRUST FUND:</b>			
Grants and Assistance (EA).....	\$ 1,755	\$ 1,755	\$ 1,955
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 129,330	\$ 145,918	\$ 144,214
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	260,583	256,281	191,248
AUGMENTATIONS.....	34,095	33,537	35,416
OTHER FUNDS.....	3,910	5,156	3,834
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 427,918</b>	<b>\$ 440,892</b>	<b>\$ 374,712</b>

<sup>a</sup> Transfer to Educational Assistance Program Fund not added to the total to avoid double counting: 2015-16 Actual is \$9,500,000; 2016-17 Available is \$12,500,000; and 2017-18 Budget is \$12,500,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>STATE MILITARY READINESS</b>							
GENERAL FUND.....	\$ 22,336	\$ 24,201	\$ 24,038	\$ 24,038	\$ 24,038	\$ 24,038	\$ 24,038
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	187,765	187,698	127,685	127,685	127,685	127,685	127,685
OTHER FUNDS.....	589	2,992	2,163	2,163	2,163	2,163	2,163
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 210,690</b>	<b>\$ 214,891</b>	<b>\$ 153,886</b>	<b>\$ 153,886</b>	<b>\$ 153,886</b>	<b>\$ 153,886</b>	<b>\$ 153,886</b>
<b>VETERANS HOMES</b>							
GENERAL FUND.....	\$ 90,734	\$ 102,351	\$ 100,302	\$ 102,852	\$ 102,852	\$ 102,852	\$ 102,852
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	72,818	68,583	63,563	63,563	63,563	63,563	63,563
OTHER FUNDS.....	33,581	33,045	34,913	34,913	34,913	34,913	34,913
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 197,133</b>	<b>\$ 203,979</b>	<b>\$ 198,778</b>	<b>\$ 201,328</b>	<b>\$ 201,328</b>	<b>\$ 201,328</b>	<b>\$ 201,328</b>
<b>COMPENSATION AND ASSISTANCE</b>							
GENERAL FUND.....	\$ 16,260	\$ 19,366	\$ 19,874	\$ 19,874	\$ 19,874	\$ 19,874	\$ 19,874
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	3,835	2,656	2,174	2,156	2,156	2,156	2,156
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 20,095</b>	<b>\$ 22,022</b>	<b>\$ 22,048</b>	<b>\$ 22,030</b>	<b>\$ 22,030</b>	<b>\$ 22,030</b>	<b>\$ 22,030</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 129,330	\$ 145,918	\$ 144,214	\$ 146,764	\$ 146,764	\$ 146,764	\$ 146,764
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	260,583	256,281	191,248	191,248	191,248	191,248	191,248
OTHER FUNDS.....	38,005	38,693	39,250	39,232	39,232	39,232	39,232
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 427,918</b>	<b>\$ 440,892</b>	<b>\$ 374,712</b>	<b>\$ 377,244</b>	<b>\$ 377,244</b>	<b>\$ 377,244</b>	<b>\$ 377,244</b>

## Program: State Military Readiness

*Goal: To achieve and maintain a readiness capability in units of the Pennsylvania National Guard for quick and effective response to state or federal mobilization.*

This program provides the administrative, logistical and training support necessary for the Pennsylvania National Guard to maintain requisite readiness capability to serve during emergencies. Such emergencies may result in full or partial mobilization of the Pennsylvania National Guard for state service in the commonwealth or federal service anywhere in the world. In 2015-16, the Pennsylvania National Guard units were deployed a total of 626 state active duty days for statewide emergencies. Costs for military equipment, supplies and training, such as monthly training assemblies and 15 days annual training, are funded 100 percent by the federal government.

The readiness capability of Pennsylvania National Guard units is evaluated according to established federal inspection and training standards. Primary efforts are directed toward having the Pennsylvania National Guard in top readiness condition in order to perform state and federal

missions. The training of personnel is directly dependent upon the adequacy of the operation, maintenance and repair of numerous National Guard armories and readiness centers, support facilities, Air National Guard bases and installations. A statewide communications network 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 community armories and air bases serving as training locations for National Guard units. The commonwealth is responsible for providing for the operations, maintenance and repair of the armories and readiness centers, and air bases. These facilities may also be utilized as mass care centers for disaster victims in addition to providing meeting and recreational facilities for local civic and youth organizations.

### Program Recommendations:

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

<p><b>General Government Operations</b></p> <p>\$ 513 —to continue current program.</p> <p>–390 —Initiative - to implement complement savings.</p> <p>–201 —Initiative - cost savings realized through consolidation of administrative functions.</p> <hr/> <p>\$ –78 <i>Appropriation Decrease</i></p>	<p><b>Armory Maintenance and Repair</b></p> <p>\$ –85 —Initiative - cost savings realized through the reduction of real estate costs.</p>
---	---

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

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 21,907	\$ 23,772	\$ 23,694	\$ 23,694	\$ 23,694	\$ 23,694	\$ 23,694
Burial Detail Honor Guard .....	99	99	99	99	99	99	99
American Battle Monuments .....	50	50	50	50	50	50	50
Armory Maintenance and Repair.....	245	245	160	160	160	160	160
Special State Duty .....	35	35	35	35	35	35	35
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 22,336</b>	<b>\$ 24,201</b>	<b>\$ 24,038</b>	<b>\$ 24,038</b>	<b>\$ 24,038</b>	<b>\$ 24,038</b>	<b>\$ 24,038</b>

## Program: Veterans Homes

*Goal: To provide nursing and domiciliary care for veterans.*

The Department of Military and Veterans Affairs provides Pennsylvania veterans with different levels of care, including skilled nursing, dementia and domiciliary and personal care. There are six veterans homes located throughout the commonwealth: the Pennsylvania Soldiers and Sailors Home in Erie, the Hollidaysburg Veterans Home in Duncansville, 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 the County of Philadelphia.

For federal fiscal year 2016, the program will receive assistance from the United States Department of Veterans Affairs (USDVA) at the rate of \$44.72 per patient day for

domiciliary and personal care, \$103.61 per patient day for skilled nursing care and \$81.56 for adult day care.

Along with federal per diem funding, residents of these state veterans homes receive a personal needs allowance from the USDVA and are charged a monthly maintenance fee that is set upon admission and recalculated annually to determine their cost of care payment obligation.

DMVA maximizes federal funds and augmentations through participation in the Enhanced Veterans Reimbursement initiative for residents eligible for Medicaid reimbursement, Medicare Part B, Medicare Part D and PACE/PACENET. Aid and attendance funding is an additional federal benefit that veterans may be eligible to receive.

### Expenditures by Institution: (Dollar Amounts in Thousands)

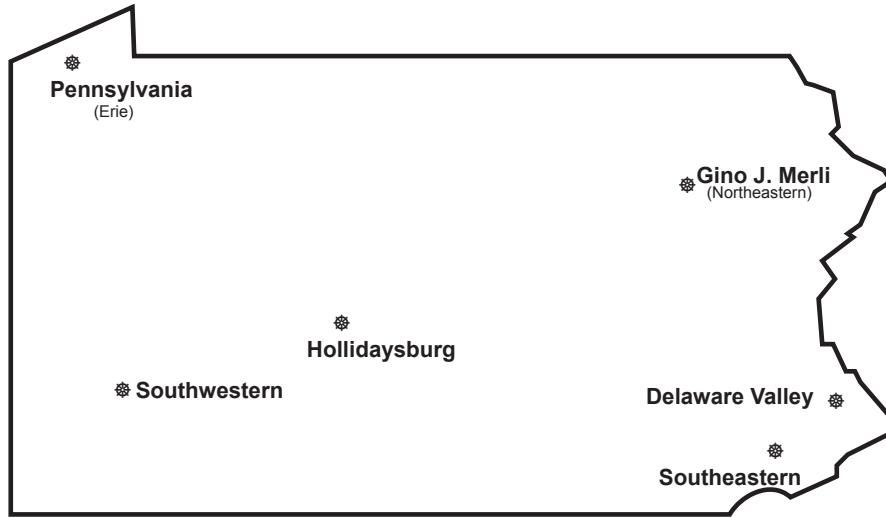
	2015-16 Actual	2016-17 Available	2017-18 Budget		2015-16 Actual	2016-17 Available	2017-18 Budget
<b>Pennsylvania Soldiers and Sailors Home</b>					<b>Southwestern Veterans Center</b>		
State Funds.....	\$ 10,002	\$ 9,647	\$ 9,699	State Funds.....	\$ 13,632	\$ 15,252	\$ 16,428
Federal Funds.....	8,681	8,925	9,351	Federal Funds.....	11,542	10,566	10,484
Augmentations.....	3,205	3,343	3,358	Augmentations.....	4,712	5,426	5,466
<b>TOTAL.....</b>	<b>\$ 21,888</b>	<b>\$ 21,915</b>	<b>\$ 22,408</b>	<b>TOTAL.....</b>	<b>\$ 29,886</b>	<b>\$ 31,244</b>	<b>\$ 32,378</b>
<b>Hollidaysburg Veterans Home</b>					<b>Delaware Valley Veterans Home</b>		
State Funds.....	\$ 27,469	\$ 28,165	\$ 20,189	State Funds.....	\$ 8,106	\$ 10,403	\$ 13,711
Federal Funds.....	18,749	18,325	18,015	Federal Funds.....	9,284	8,189	6,414
Augmentations.....	9,524	9,148	11,746	Augmentations.....	4,705	4,170	3,319
<b>TOTAL.....</b>	<b>\$ 55,742</b>	<b>\$ 55,638</b>	<b>\$ 49,950</b>	<b>TOTAL.....</b>	<b>\$ 22,095</b>	<b>\$ 22,762</b>	<b>\$ 23,444</b>
<b>Southeastern Veterans Center</b>					<b>Central Veterans Homes Services</b>		
State Funds.....	\$ 12,855	\$ 15,332	\$ 15,939	State Funds.....	\$ 8,793	\$ 10,380	\$ 10,475
Federal Funds.....	10,824	10,079	10,127	Federal Funds.....	2,359	3,405	-
Augmentations.....	6,607	6,837	6,865	Augmentations.....	-	-	-
<b>TOTAL.....</b>	<b>\$ 30,286</b>	<b>\$ 32,248</b>	<b>\$ 32,931</b>	<b>TOTAL.....</b>	<b>\$ 11,152</b>	<b>\$ 13,785</b>	<b>\$ 10,475</b>
<b>Gino J. Merli Veterans Center</b>							
State Funds.....	\$ 9,877	\$ 13,172	\$ 13,861				
Federal Funds.....	11,379	9,094	9,172				
Augmentations.....	4,828	4,121	4,159				
<b>TOTAL.....</b>	<b>\$ 26,084</b>	<b>\$ 26,387</b>	<b>\$ 27,192</b>				

Institution	Population and Capacity			
	Population Dec 2016	Projected Population Dec 2017	Projected Capacity Dec 2017	Projected Percent of Capacity
Pennsylvania Soldiers and Sailors Home.....	188	164	207	79%
Hollidaysburg Veterans Home.....	389	425	506	84%
Southeastern Veterans Center .....	271	281	292	96%
Gino J. Merli Veterans Center.....	149	150	156	96%
Southwestern Veterans Center .....	223	224	236	95%
Delaware Valley Veterans Home.....	170	130	171	76%
<b>Total.....</b>	<b>1,390</b>	<b>1,374</b>	<b>1,568</b>	<b>88%</b>



Program: Veterans Homes (continued)

## Veterans Homes



### Program Recommendations:

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

<b>Veterans Homes</b>	
\$ 6,178	—to continue current program.
\$ -251	—Initiative—cost savings from GO-TIME projects.
\$ -2,203	—Initiative—to implement complement savings.
\$ -226	—Initiative—cost savings realized through consolidation of administrative functions.
\$ -2,752	—Initiative—cost savings realized through contract efficiencies.
\$ -2,550	—Initiative—sale of a portion of Hollidaysburg Veterans Home land.
\$ -245	—Initiative—to modernize operations.
\$ -2,049	<i>Appropriation Decrease</i>

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Veterans Homes .....	\$ 90,734	\$ 102,351	\$ 100,302	\$ 102,852	\$ 102,852	\$ 102,852	\$ 102,852

## Program: Compensation and Assistance

*Goal: To provide advisory and financial assistance to eligible Pennsylvania veterans, National Guardsmen and their dependents.*

The Department of Military and Veterans Affairs administers several activities within this program.

### **Program Element: Education of Children of Deceased and Disabled Veterans**

Under current law, educational grants of up to \$500 per semester 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 or hostile fire in peacetime as certified by the United States Department of Veterans Affairs (USDVA). Under current law, children must be between 16 and 23 years of age and living in Pennsylvania five years prior to application. They must also attend a school within Pennsylvania and demonstrate financial need. Currently there are 134 recipients within this program.

### **Program Element: Educational Assistance — 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 Pennsylvania Higher Education Assistance Agency. Grants are available for full- and part-time students who do not possess a bachelor's degree. National Guard personnel receiving educational financial aid totals 2,606 in 2015-16 and is projected to be 2,800 in 2016-17. 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: Blind Veterans Pension**

Pensions of \$150 per month are provided for Pennsylvania veterans who incurred functional blindness while performing active military service and are rated as blinded through service connection by the USDVA. This program had 122 recipients in 2015-16 and it is anticipated that 120 veterans will participate during 2016-17.

### **Program Element: Amputee and Paralyzed Veterans Pension**

Pensions of \$150 per month are provided to Pennsylvania veterans who are rated by the USDVA to have a service-connected loss or loss of use of two or more extremities. In 2015-16 there were 1,811 recipients and it is anticipated that 1,868 will participate in 2016-17.

### **Program Element: National Guard Pension**

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**

DMVA pays or reimburses the cost, not otherwise paid for by the federal government, of service members' group life insurance premiums for eligible soldiers and airmen of the Pennsylvania National Guard.

### **Program Element: Veterans Outreach Services**

The Veterans Service Organizations grant program provides grants to organizations for the improvement of the administration and delivery of services to Pennsylvania veterans. Grants are used solely to support accredited veterans services officers and the associated costs, including: wages, benefits, other compensation and related personnel costs; training provided by accredited veterans services advocacy staff; and equipment to be used by accredited veterans services officer staff. The American Legion, American Veterans, Veterans of Foreign Wars and Disabled American Veterans are designated to receive grants under this program. Other veterans organizations, which are members of the State Veterans Commission, may also be designated to receive grant funding. Veterans Service Officers processed 18,371 claims in 2015-16 and it is projected that 20,208 claims will be processed in 2016-17.

### **Program Element: Persian Gulf Conflict Veterans Benefit Program**

Veterans and beneficiaries of deceased veterans may receive compensation of a one-time benefit of \$75 per month for each month of active service in the Persian Gulf Conflict Theater of Operations (August 1990 – August 1991). The maximum compensation is \$525. An additional one-time benefit of \$5,000 will be received if the service member was declared a prisoner of war while on active service in the Persian Gulf Conflict. Beneficiaries of deceased veterans may also receive an additional \$5,000

## Program: Compensation and Assistance (continued)

if the service member died while on active service or died as a result of injury or illness sustained in the Persian Gulf Conflict Theater. This program had 482 recipients in 2015-16 and it is anticipated 146 will receive this benefit in 2016-17.

### Program Element: Disabled Veterans Real Estate Tax Exemption Program

This program provides a real estate tax exemption for any honorably discharged veteran who is determined by the USDVA to be 100 percent permanently disabled. The veteran must be a resident of the commonwealth with a financial need who served during established war or armed conflict service dates and who resides in the property subject to the exemption as his or her principal dwelling. This exemption is 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. In 2015-16, 10,191 residences of disabled veterans and spouses were exempt and it is anticipated 11,691 will receive the benefit in 2016-17.

### Program Element: Military Family Relief Assistance Program

The Military Family Relief Assistance Program was created 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. The program has since been extended until January 1, 2018.

## Program Recommendations:

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

GENERAL FUND		VETERANS TRUST FUND	
\$	108	\$	200
	—to continue current program.		Grants and Assistance (EA) —additional support for veterans assistance.
\$	-100		
	Civil Air Patrol —program elimination.		
\$	500		
	Veterans Outreach Services —to increase outreach.		

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

## Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Education of Veterans Children.....	\$ 101	\$ 101	\$ 101	\$ 101	\$ 101	\$ 101	\$ 101
Transfer to Educational Assistance							
Program Fund.....	9,500	12,500	12,500	12,500	12,500	12,500	12,500
Blind Veterans Pension .....	222	222	222	222	222	222	222
Amputee and Paralyzed Veterans Pension	3,500	3,606	3,714	3,714	3,714	3,714	3,714
National Guard Pension .....	5	5	5	5	5	5	5
Supplemental Life Insurance Premiums....	164	164	164	164	164	164	164
Civil Air Patrol .....	100	100	0	0	0	0	0
Disabled American Veterans							
Transportation.....	336	336	336	336	336	336	336
Veterans Outreach Services.....	2,332	2,332	2,832	2,832	2,832	2,832	2,832
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 16,260</b>	<b>\$ 19,366</b>	<b>\$ 19,874</b>	<b>\$ 19,874</b>	<b>\$ 19,874</b>	<b>\$ 19,874</b>	<b>\$ 19,874</b>
<b>VETERANS TRUST FUND:</b>							
Grants and Assistance (EA) .....	\$ 1,755	\$ 1,755	\$ 1,955	\$ 1,955	\$ 1,955	\$ 1,955	\$ 1,955

## Program Measures

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

### Program: State Military Readiness

#### Objective: Maintain the strength and readiness of the Pennsylvania Army National Guard.

Pennsylvania Army National Guard End Strength Ceiling	15,381	15,381	15,381	15,381	15,381	15,381	15,381
Pennsylvania Army National Guard Assigned	15,597	15,597	15,597	15,597	15,597	15,597	15,597
Percentage of Pennsylvania Army National Guard Current Strength	101%	101%	101%	101%	101%	101%	101%
Department of Defense personnel receiving training at Fort Indiantown Gap	117,143	121,239	121,239	121,239	121,239	121,239	121,239
Non-Department of Defense personnel receiving training at Fort Indiantown Gap	7,121	8,023	8,023	8,023	8,023	8,023	8,023

#### Objective: Maintain the strength and readiness of the Pennsylvania Air National Guard.

Pennsylvania Air National Guard End Strength Ceiling	4,102	4,102	4,102	4,102	4,102	4,102	4,102
Pennsylvania Air National Guard Assigned	4,000	3,962	3,970	4,077	4,102	4,102	4,102
Percentage of the Pennsylvania Air National Guard Current Strength	98%	97%	97%	99%	100%	100%	100%

#### Objective: Maintain a network of facilities and Air National Guard bases that provide a professional working environment, ensure cost effectiveness and establish the National Guard as a good neighbor.

Percentage of armories and field sites rated adequate to satisfy the mission	45%	50%	54%	58%	61%	61%	61%
Readiness centers and field sites under major repair	26	34	20	14	5	1	0

### Program: Veterans Homes

#### Objective: Improve access and continuity of services for aging veterans.

Total Veterans 65 and older	473,382	464,333	455,504	443,683	432,868	423,073	414,493
Veterans 65 and older receiving compensation or Pension from USDVA	67,962	71,361	72,788	74,243	75,728	77,243	81,105
Percentage of Veteran population 65 and older	52%	52%	52%	52%	52%	52%	52%

### Program: Compensation and Assistance

#### Objective: Improve access and increase by 5 percent the number of eligible veterans and family members who receive federal, state and local benefits.

Veterans population accessing state/federal programs	5%	5%	6%	6%	7%	8%	8%
Veterans in Pennsylvania	916,638	894,681	873,340	852,356	831,923	812,092	792,883
Burial Honors Program	2,706	2,806	2,806	2,806	2,806	2,806	2,806

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Number of veterans who received benefits in accordance with the Veterans Temporary Assistance (VTA) Program	436	500	550	605	645	645	645
Number of new federal claims - for Pennsylvania Veterans (compensation and pension claims)	8,362	8,780	9,219	9,679	10,162	10,670	11,203
Number of new claims filed by participants in the Veterans Service Officer Outreach Grant Program (Act 66 of 2007)	18,371	20,208	22,229	24,452	26,897	29,587	32,545

**Objective: Increase placement and referral opportunities of transitioning service members, veterans and Pennsylvania reservists by 10 percent for behavioral health, education/training and career placement services.**

National Guard personnel receiving educational financial aid	2,606	2,800	3,000	3,200	3,275	3,300	3,300
National Guard personnel receiving Medical and Health Officer incentives	45	40	30	20	20	15	15
Number of Veterans assisted in this area through Veterans Trust Fund grants	7,000	10,200	10,200	10,200	10,200	10,200	10,200
Number of individuals registered through the Veterans Registry - Service in Armed Forces	3,409	7,945	12,481	17,017	21,553	26,089	30,625
Number of individuals registered through the Veterans Registry - No service in Armed Forces	70	334	598	862	1,126	1,390	1,654



---

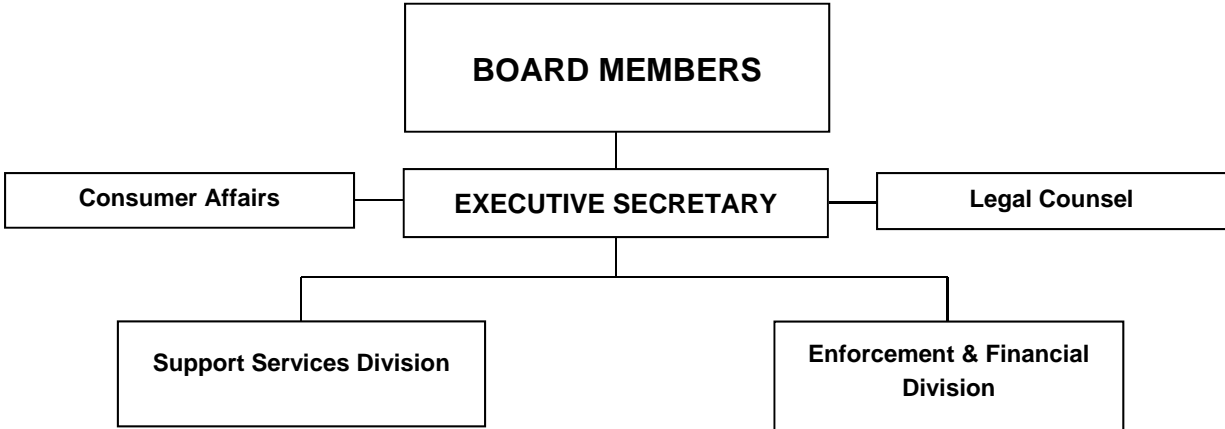
# MILK MARKETING BOARD

*The mission of the Milk Marketing Board is to ensure that Pennsylvania's dairy industry remains viable 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.*

## **Programs and Goals**

**Milk Industry Regulation:** *To maintain an adequate supply of wholesome fluid milk.*

# Organization Overview



- **Support Services Division Chief** is responsible for the administrative support services for the board, including fiscal and human resources oversight. Responsibilities also include licensing and bonding of dealers and subdealers.
- **Enforcement Director** is responsible for directing the Milk Marketing Auditors and the Milk Marketing Examiners in enforcing all official general orders, policies of the board, and compliance with the Milk Marketing Law and Board regulations. The division is also responsible for gathering, compiling, and interpreting financial and accounting information used by the board in hearings and other administrative proceedings; for issuing price announcements, and responding to violations of the minimum retail, wholesale, and farm-level prices issued by the board.

## Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
33	32	32	28	28

**Summary by Fund and Appropriation**

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b><u>OTHER FUNDS:</u></b>			
<b>MILK MARKETING FUND:</b>			
General Operations.....	\$ 2,840	\$ 2,840	\$ 2,840



## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>MILK INDUSTRY REGULATION</b>							
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.....	2,840	2,840	2,840	2,840	2,840	2,840	2,840
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 2,840</b>	<b>\$ 2,840</b>	<b>\$ 2,840</b>	<b>\$ 2,840</b>	<b>\$ 2,840</b>	<b>\$ 2,840</b>	<b>\$ 2,840</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	2,840	2,840	2,840	2,840	2,840	2,840	2,840
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 2,840</b>	<b>\$ 2,840</b>	<b>\$ 2,840</b>	<b>\$ 2,840</b>	<b>\$ 2,840</b>	<b>\$ 2,840</b>	<b>\$ 2,840</b>

## Program: Milk Industry Regulation

*Goal: To maintain an adequate supply of wholesome fluid milk.*

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. 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)

General Operations is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>MILK MARKETING FUND:</b>							
General Operations .....	\$ 2,840	\$ 2,840	\$ 2,840	\$ 2,840	\$ 2,840	\$ 2,840	\$ 2,840

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
--	---------	---------	---------	---------	---------	---------	---------

**Program: Milk Industry Regulation**

**Objective: Maintain producer payment compliance above 99% for all payment amounts due to Pennsylvania dairy farmers.**

Percentage of producer payments made adequately and on time	99%	99%	99%	99%	99%	99%	99%
---	-----	-----	-----	-----	-----	-----	-----

**Objective: Establish a Class 1 over-order premium based upon industry testimony which enhances Pennsylvania producer revenue that also maintains orderly milk marketing in Pennsylvania.**

Public hearings held to consider the level and duration of the Class 1 over-order premium	2	2	2	2	2	2	2
---	---	---	---	---	---	---	---

**Objective: Include current dealer and retail store costs in minimum resale prices.**

General and cost replacement hearings held to determine dealer and retailer costs	6	6	6	6	6	6	6
---	---	---	---	---	---	---	---

**Objective: Licenses and permits issued**

Licenses and permits issued	2,212	2,200	2,200	2,200	2,200	2,200	2,200
-----------------------------	-------	-------	-------	-------	-------	-------	-------

**Objective: Audits of milk dealers for compliance with milk sales rules and regulations.**

Audits of milk dealers for compliance with milk sales rules and regulations	1,028	1,000	1,000	1,000	1,000	1,000	1,000
---	-------	-------	-------	-------	-------	-------	-------



---

# PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

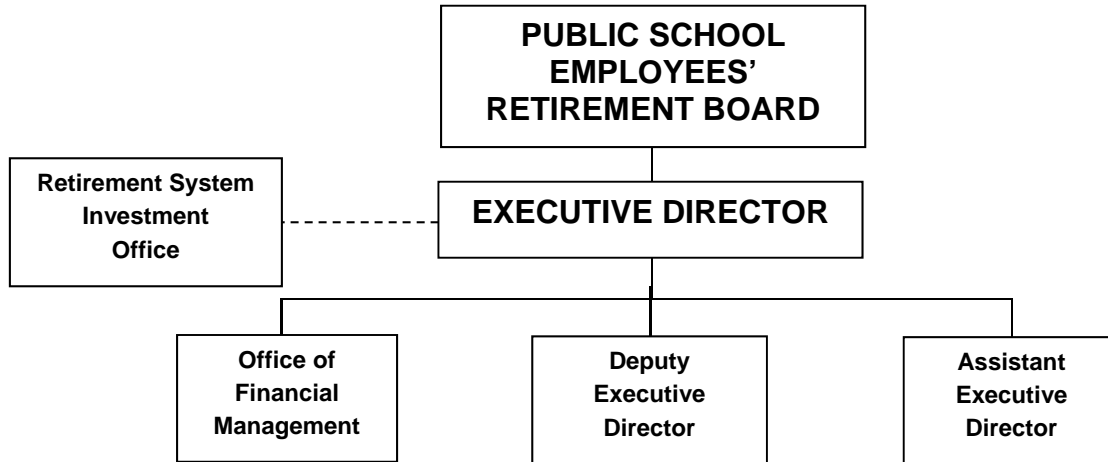
*The mission of the Public School Employees' Retirement System is to serve the members and stakeholders of the system by providing timely and accurate payment of benefits, maintaining a financially sound system, prudently investing the assets of the system, clearly communicating members' and employers' rights and responsibilities and effectively managing the resources of the system.*

The system is responsible for administering the School Employees' Retirement Fund, the School Employees' Health Insurance Fund and supplemental retirement allowances for annuitants.

## Programs and Goals

**Public School Employees' Retirement:** *To provide retirement benefits to public school employees of the Commonwealth of Pennsylvania.*

## Organization Overview



- **Office of Financial Management** is responsible for planning, organizing and directing a complete accounting and financial reporting system in conformance with generally accepted accounting principles. Oversight is provided for new systems development and maintenance of existing systems, and ensuring appropriate accounting controls. The office is the liaison for other state and federal agencies, reporting units, financial consultants, actuaries and investment advisors for all accounting matters.
- **Deputy Executive Director** directly oversees the benefit programs for all active and retired members of the system, the development and implementation of the member and employer communications programs and the member counseling programs, and the maintenance of agency policies, procedures and benefit-related data. Additionally, this position supervises a Chief Information Officer who oversees business and information technology strategic planning, policy development, and implementation. The organizational units directly reporting to this position include the Bureau of Benefits Administration, the Bureau of Communications and Counseling and the Information Technology Office.
- **Assistant Executive Director** administers the Health Options and Premium Assistance programs in addition to the facilities, human resources and procurement activities necessary to support, secure and optimize agency operations. Organizational units overseen by the Assistant Executive Director include the Bureau of Administration, the Human Resources Office and the Health Insurance Office.
- **Retirement System Investment Office** is responsible for the investment activities of the system. In accordance with the investment policy established by the board, the system's investment assets are allocated to numerous outside professional investment advisors and internal investment professionals.

### Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
310	314	314	316	316

# Public School Employees' Retirement System

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b><u>OTHER FUNDS:</u></b>			
<b>SCHOOL EMPLOYEES' RETIREMENT FUND:</b>			
Administration.....	\$ 44,011	\$ 44,739	\$ 45,841
Investment Related Expenses.....	20,748	19,771	20,959
Health Insurance Account.....	1,719	2,266	2,411
(A)Health Options - Administration Reimbursement.....	3,880	3,353	781
<b>SCHOOL EMPLOYEES' RETIREMENT FUND TOTAL.....</b>	<b>\$ 70,358</b>	<b>\$ 70,129</b>	<b>\$ 69,992</b>

# Public School Employees' Retirement System

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>PUBLIC SCHOOL EMPLOYEES' RETIREMENT</b>							
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.....	70,358	70,129	69,992	69,992	69,992	69,992	69,992
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 70,358</b>	<b>\$ 70,129</b>	<b>\$ 69,992</b>	<b>\$ 69,992</b>	<b>\$ 69,992</b>	<b>\$ 69,992</b>	<b>\$ 69,992</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	70,358	70,129	69,992	69,992	69,992	69,992	69,992
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 70,358</b>	<b>\$ 70,129</b>	<b>\$ 69,992</b>	<b>\$ 69,992</b>	<b>\$ 69,992</b>	<b>\$ 69,992</b>	<b>\$ 69,992</b>

# Public School Employees' Retirement System

## Program: Public School Employees' Retirement

*Goal: To provide retirement benefits to public school employees of the Commonwealth of Pennsylvania.*

The Public School Employees' Retirement System (PSERS) was established in 1917 to administer retirement benefits of eligible public school employees in any of the 781 reporting entities. The School Employees' Retirement Fund uses contributions from employees and their employers as well as earnings from investments to pay for annuities, disability benefits and administration of the system. The School Employees' Retirement Fund is shown in the Other Special Funds Appendix.

PSERS undergoes an annual independent actuarial valuation to calculate the assets and liabilities of the pension fund. Based on the actuarial valuation process and legal requirements, PSERS develops the recommended employer contribution rate. Normal retirement for most public school employees is at age 60, or at any age with 35 years of service. Retirement is possible after five years of service but is actuarially reduced to the equivalent of the annuity that would have been payable at normal system retirement age.

PSERS' investment portfolio is well diversified to emphasize a long-term investment approach. The overall objective of the system is to provide benefits to its members through a carefully planned and well-executed investment program. The return objectives are to (i) realize a return that exceeds the Policy Index (the Policy Index is a custom benchmark, based on the PSERS board-established asset allocation structure that seeks to generate a return that meets the actuarial rate of return assumption); and (ii) invest the assets to maximize returns for the level of risk taken.

PSERS' technology upgrade from the existing "classic" version to a new "browser-based" version not only helps ensure the viability of PSERS' core pension administration

system into the future, it provides an enhanced "baseline" platform with built-in features that will make future business process and member self-service enhancements much easier to implement. These enhancements will have a significant impact on PSERS' members and employers in how they interact with the system and the services that are available to them.

PSERS continued its efforts to provide retirement benefits in an efficient manner through a one-step process. Approximately 87% of the retirement benefits processed in 2015-16 were paid in one step. In the past, PSERS processed most initial retirements in two steps. The first step was the calculation and payment of an estimated monthly benefit and the second step was the calculation and payment of a finalized monthly benefit which occurred later. Combining these two steps shortens the initial payment process from ten weeks down to an average of less than four weeks.

As a part of the ongoing effort to ensure the accuracy of member accounts, PSERS expanded its program of reviewing member accounts at periodic milestones and event triggers to ensure each detail of a member's account is accurately portrayed prior to the member applying for retirement. Nearly 24,000 accounts were reviewed in 2015-16, which included the milestone of all members identified as having 35 or more years of service. In 2015-16, PSERS' Pension and Healthcare Premium Assistance benefit payments totaled \$6.47 billion.

PSERS 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

\$ 1,102 —to continue current program.

The School Employees' Retirement Administration appropriation includes \$1,000,000 for the final year of the Information Technology Upgrade Initiative.

In addition, \$20,959,000 in Investment Related Expenses will be used to support the financial activities of this program and the Retirement System Investment Office.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>SCHOOL EMPLOYEES' RETIREMENT FUND:</b>							
Administration.....	\$ 44,011	\$ 44,739	\$ 45,841	\$ 45,841	\$ 45,841	\$ 45,841	\$ 45,841
Investment Related Expenses .....	20,748	19,771	20,959	20,959	20,959	20,959	20,959
Health Insurance Account.....	1,719	2,266	2,411	2,411	2,411	2,411	2,411
(A)Health Options - Administration Reimbursement.....	3,880	3,353	781	781	781	781	781
<b>TOTAL SCHOOL EMPLOYEES' RETIREMENT FUND .....</b>	<b>\$ 70,358</b>	<b>\$ 70,129</b>	<b>\$ 69,992</b>	<b>\$ 69,992</b>	<b>\$ 69,992</b>	<b>\$ 69,992</b>	<b>\$ 69,992</b>



# Public School Employees' Retirement System

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
--	---------	---------	---------	---------	---------	---------	---------

**Program: Public School Employees' Retirement**

**Objective: Increase members' cognitive awareness of PSERS benefits.**

Percentage of retiring members attending counseling with PSERS	70.48%	71%	72%	73%	74%	75%	75%
--	--------	-----	-----	-----	-----	-----	-----

**Objective: Provide timely and accurate retirement benefit payments.**

Total number of retired employees (annuitants), beneficiaries, and survivor annuitants	229,714	236,515	242,580	248,010	252,760	257,050	260,800
--	---------	---------	---------	---------	---------	---------	---------

Total Pension and Healthcare Premium Assistance benefit payments (in billions)	\$6.53	\$6.70	\$6.90	\$7	\$7.20	\$7.40	\$7.50
--	--------	--------	--------	-----	--------	--------	--------



---

# PUBLIC UTILITY COMMISSION

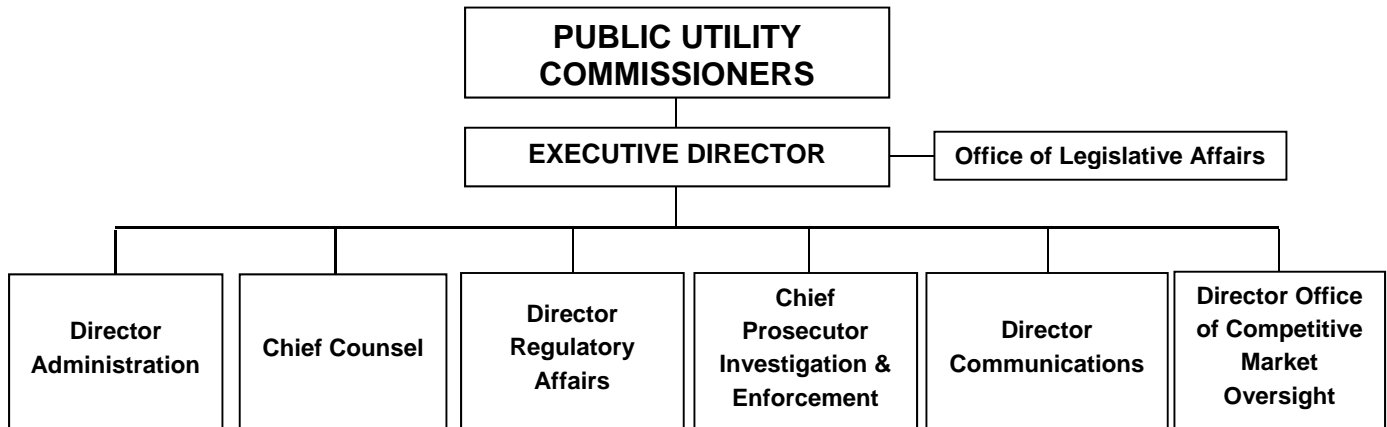
*The mission of the Public Utility Commission is to provide for regulation of public utilities and includes establishing reasonable rates, providing for safe service, conducting audits, and ensuring compliance with public utility regulations.*

The commission is comprised of five members appointed by the governor with senate confirmation.

## **Programs and Goals**

**Regulation of Public Utilities:** *To ensure that safe and adequate public utility services are available to the public at fair and reasonable rates.*

## Organization Overview



- **Director of Administration** is responsible for overseeing the Secretary’s Bureau and all fiscal, administrative and personnel functions including the budget, collection of assessments, and all human resources, information technology, and procurement functions.
- **Chief Counsel** oversees the Law Bureau and provides legal support to other commission bureaus and the commission directly on regulatory matters involving fixed utilities and common carriers. Law bureau attorneys represent the commission in all appellate and original jurisdiction actions before state and federal courts.
- **Director of Regulatory Affairs** oversees the PUC’s bureaus with regulatory functions, including the Bureau of Audits, the Bureau of Consumer Services, the Bureau of Technical Utility Services, the Office of Special Assistants and the Office of Administrative Law Judge. The Director of Regulatory Affairs also is responsible for planning, organizing, coordinating, directing and overseeing regulatory staff.
- **Chief Prosecutor of Investigation & Enforcement** oversees the Bureau of Investigation and Enforcement that serves as the prosecutory bureau for purposes of representing the public interest in ratemaking and service matters before the Office of Administrative Law Judge, and enforcing compliance with the state and federal motor carrier safety and gas safety laws and regulations.
- **Director of the Office of Communications** is accountable for commission media relations, employee communications and consumer education, in addition to acting as the lead staff for the Consumer Advisory Council.
- **Director of the Office of Competitive Market Oversight** serves as the commission’s electric retail choice ombudsman. In this capacity, the office will oversee the development and functioning of the competitive retail electric supply market. The office also similarly monitors the retail natural gas supply market.

### Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
532	520	520	503	503

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
(R)General Government Operations.....	\$ 69,640	\$ 71,947	\$ 72,766
(F)Natural Gas Pipeline Safety.....	2,095	1,425	3,840
(F)Motor Carrier Safety.....	966	1,255	1,697
Subtotal - Federal Funds.....	3,061	2,680	5,537
Subtotal - Restricted Revenues.....	69,640	71,947	72,766
Total - General Government.....	<u>\$ 72,701</u>	<u>\$ 74,627</u>	<u>\$ 78,303</u>
FEDERAL FUNDS.....	3,061	2,680	5,537
RESTRICTED REVENUES.....	69,640	71,947	72,766
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 72,701</u></b>	<b><u>\$ 74,627</u></b>	<b><u>\$ 78,303</u></b>
<b>OTHER FUNDS:</b>			
<b>MARCELLUS LEGACY FUND:</b>			
Transfer to Highway Bridge Improvement.....	\$ 16,967	\$ 15,608	\$ 15,588
Transfer to Environmental Stewardship Fund.....	26,787	26,243	6,235
Transfer to Hazardous Sites Cleanup Fund.....	8,393	8,122	18,118
County Recreational Planning, Development and Rehabilitation.....	10,180	9,365	9,353
Transfer to Commonwealth Financing Authority-H2O.....	8,483	7,804	7,794
Transfer to Commonwealth Financing Authority.....	13,573	12,486	12,471
<b>MARCELLUS LEGACY FUND TOTAL.....</b>	<b><u>\$ 84,383</u></b>	<b><u>\$ 79,628</u></b>	<b><u>\$ 69,559</u></b>
<b>UNCONVENTIONAL GAS WELL FUND:</b>			
Gas Well Fee Administration.....	\$ 1,000	\$ 1,000	\$ 1,000
Conservation District Grants.....	3,773	3,867	3,964
Transfer to Conservation District Fund.....	3,773	3,867	3,964
Transfer to Housing Affordability & Rehab Enhancement Fund.....	6,533	5,000	5,000
Host Counties.....	34,848	31,913	31,871
Host Municipalities.....	34,283	32,799	32,756
Local Municipalities.....	26,136	23,934	23,903
Transfer to Marcellus Legacy Fund.....	67,867	62,431	62,353
<b>UNCONVENTIONAL GAS WELL FUND TOTAL.....</b>	<b><u>\$ 178,213</u></b>	<b><u>\$ 164,811</u></b>	<b><u>\$ 164,811</u></b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	3,061	2,680	5,537
AUGMENTATIONS.....	0	0	0
RESTRICTED.....	69,640	71,947	72,766
OTHER FUNDS.....	262,596	244,439	234,370
<b>TOTAL ALL FUNDS.....</b>	<b><u>\$ 335,297</u></b>	<b><u>\$ 319,066</u></b>	<b><u>\$ 312,673</u></b>

Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>REGULATION OF PUBLIC UTILITIES</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	3,061	2,680	5,537	5,537	5,537	5,537	5,537
OTHER FUNDS.....	332,236	316,386	307,136	307,067	306,995	341,920	341,847
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 335,297</b>	<b>\$ 319,066</b>	<b>\$ 312,673</b>	<b>\$ 312,604</b>	<b>\$ 312,532</b>	<b>\$ 347,457</b>	<b>\$ 347,384</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	3,061	2,680	5,537	5,537	5,537	5,537	5,537
OTHER FUNDS.....	332,236	316,386	307,136	307,067	306,995	341,920	341,847
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 335,297</b>	<b>\$ 319,066</b>	<b>\$ 312,673</b>	<b>\$ 312,604</b>	<b>\$ 312,532</b>	<b>\$ 347,457</b>	<b>\$ 347,384</b>

## Program: Regulation of Public Utilities

*Goal: To ensure that safe and adequate public utility services are available to the public at fair and reasonable rates.*

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 approximately 8,000 entities 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.

Regulated Utilities-Fixed	2014-15	2015-16	2016-17
Electric Distribution	16	16	16*
Electric Generation	250	250	250*
Transportation	7,700	7,200	7,200*
Rate Requests Received	56	56	55*
Rate Cases Completed	40	42	42*

\* Estimated

The commission is funded by assessments on regulated public utilities, pipeline operators, electric generation and natural gas suppliers. Specifically, the commission is authorized to impose assessments on public utilities to reflect the approved budget. Public utility assessments and fees are deposited into a restricted account within the General Fund. The commission also receives and distributes funding under Act 13 of 2012 – unconventional gas well impact fees. Gas well impact fees are distributed to counties and municipalities where wells are located to address local environmental impacts. Impact fees are also distributed statewide for recreation, conservation, and environmental stewardship as well as flood control, water and sewer projects.

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.

The commission works to develop competitive markets in the electric, telecommunications, and natural gas industries by promptly and effectively addressing anti-competitive activity. Greater public awareness and understanding of the public utility industry and how it

affects customers is critical. Policies that encourage public utilities to operate in the most environmentally compatible, safe, fair, and cost-effective manner are established. Additional policies will be established to manage the replacement and repair of our aging water delivery, natural gas, and electric systems. The commission continues to experience a steady 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.

The commission continues to expend significant resources to ensure Pennsylvania's seven largest electric distribution companies develop energy efficiency and conservation plans and use other methods of reducing the amount of electricity consumed by residential and business consumers. Other directives include the deployment of smart meter technology and time-of-use rates over a 15-year period. Smart meter plans have been adopted for each of the utilities and the plans are at various stages of deployment.

The commission also continues to implement other major laws which establish 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 has finalized relevant regulations. Biennial reports on this activity are submitted to the General Assembly. The increased level of consumer call activity to the commission due to this law continues.

The commission enforces the law that 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. All electric distribution companies and electric generation suppliers complied with these requirements for the 2014 reporting year.

Telecommunication public utilities continue network modernization and deployment of high-speed internet service. The rollout will ensure broadband capabilities

## Program: Regulation of Public Utilities (continued)

become available to and remain accessible to businesses and consumers throughout Pennsylvania. The commission continues to ensure the telecommunication public utilities adhere to established schedules and federal standards.

The Energy Policy Act 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 continues with oversight of the development and functioning of the competitive retail electric supply market. The retail markets investigation provided a regulatory framework that encourages electric generation suppliers to invest in Pennsylvania's retail electric market. Work continues to ensure that citizens have access to a robust competitive market in which consumers have the choice of different competitive pricing options and a variety of innovative product offerings. The

commission also launched a retail markets investigation of the natural gas industry in order to increase the availability of options for consumers to shop for natural gas.

The commission is also empowered to enforce federal pipeline safety laws as they relate to non-public utility gas and hazardous liquids pipeline equipment and facilities within Pennsylvania.

Act 11 of 2012 allows jurisdictional water and wastewater, natural gas and electric utilities to petition the commission for approval to implement a distribution system improvement charge (DSIC) to fund infrastructure upgrades. The commission established procedures for implementing DSIC for utilities; filing long-term infrastructure improvement plans; revising the method used to fix the value of and return on the property for ratemaking purposes; establishing procedures for the use of a fully-projected test year in base rate proceedings; allowing utilities to combine for ratemaking purposes different types of utility service; and establishing customer protections and notifications.

## Program Recommendations:

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

**General Government Operations**  
 \$ 819 —to continue current program.

In addition, this budget includes distributions of \$69,559,000 from the Marcellus Legacy Fund and \$164,811,000 from the Unconventional Gas Well Fund in accordance with Act 13 of 2012.

## Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 69,640	\$ 71,947	\$ 72,766	\$ 72,766	\$ 72,766	\$ 72,766	\$ 72,766

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
--	---------	---------	---------	---------	---------	---------	---------

**Program: Regulation of Public Utilities****Objective: Maintain safe and reliable utility services at affordable rates for consumers.****Utilities Regulated**

Audits conducted - Fixed utilities:

Special	374	384	380	378	379	380	381
Management	10	9	9	9	9	9	10

Audits conducted - Enforcement/investigations:

Gas Safety	1,200	1,000	1,150	1,250	1,350	1,450	1,550
------------	-------	-------	-------	-------	-------	-------	-------

Audits conducted - Transportation:

Rail safety	2,056	1,900	2,000	2,050	2,050	2,050	2,050
Motor safety	8,000	8,000	8,500	8,500	8,500	8,500	8,500



– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# DEPARTMENT OF REVENUE

*The mission of the Department of Revenue is to fairly, efficiently and accurately administer the tax laws and other revenue programs of the commonwealth to fund necessary government services.*

The department 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.

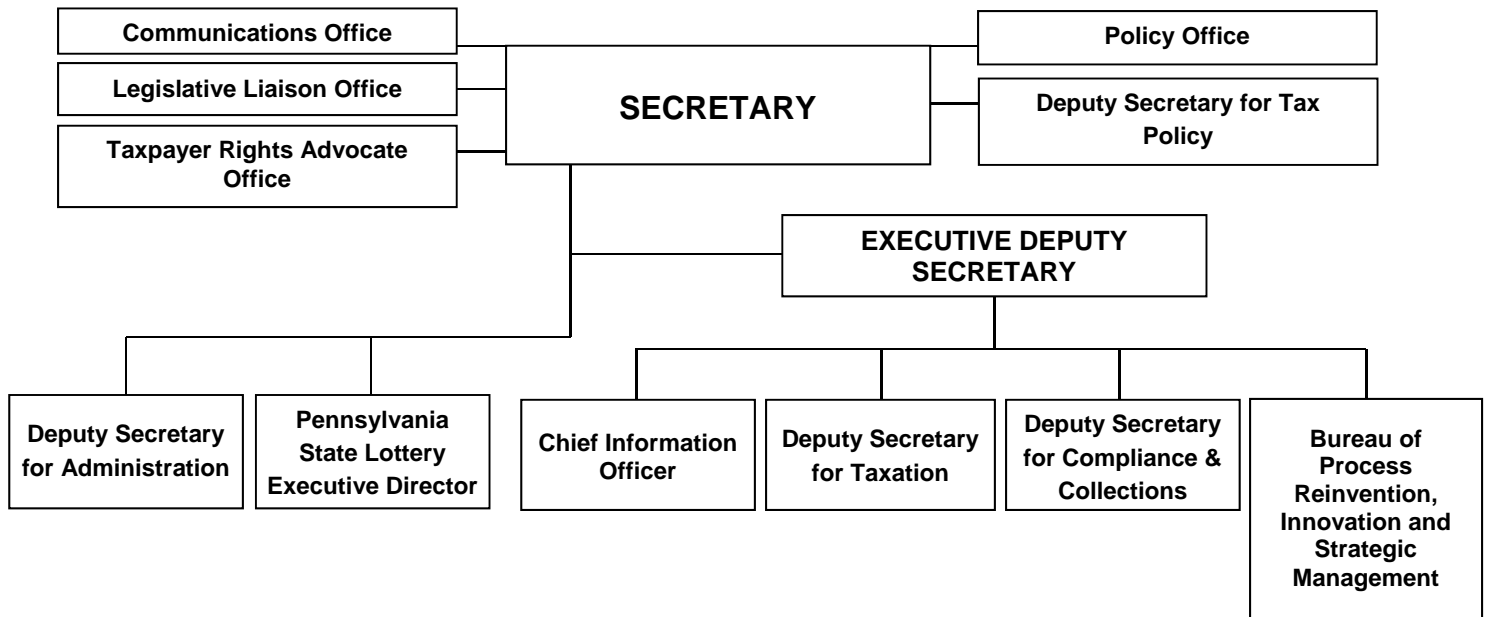
## **Programs and Goals**

**Revenue Collection and Administration:** *To assure the availability of resources for the commonwealth's programs through the equitable and efficient administration of Pennsylvania's revenue system.*

**Community Development and Preservation:** *To equitably distribute the Public Utility Realty Tax to all reporting local taxing authorities.*

**Homeowners and Renters Assistance:** *To increase economic stability by assisting eligible Pennsylvania citizens to maintain their homes.*

## Organization Overview



- **Deputy Secretary for Administration** oversees the bureaus of Financial Management, Human Resources, Administrative Services and Imaging and Document Management.
- **Pennsylvania State Lottery Executive Director** is responsible for the oversight of the Lottery's Security Office and the deputy executive directors for Administration and Finance, Marketing and Product Development, and Retailer Operations.
- **Deputy Secretary for Tax Policy** is responsible for the Board of Appeals and oversees the bureaus of Research and Audits and the Economic Development Coordinator.
- **Deputy Secretary for Taxation** oversees the Taxpayer Services and Information Center. The Deputy is also responsible for the bureaus of Corporation Taxes, Motor and Alternative Fuel Taxes, Individual Taxes, and Business Trust Fund Taxes.
- **Deputy Secretary for Compliance and Collections** is responsible for the Pass Through Business Office and the bureaus of Criminal Tax Investigations; Enforcement, Planning, Analysis and Discovery; Collections and Taxpayer Services; and Compliance.
- **Bureau of Process Reinvention, Innovation and Strategic Management (PRISM)** provides project management and process reinvention services to other areas of the Department. PRISM is responsible for the development and maintenance of the strategic and data governance plans and internal controls for the department.

### Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
2,128	2,012	2,001	2,046	2,046

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 126,396</b>	<b>\$ 132,965</b>	<b>\$ 141,632</b>
(A)Cigarette Fines and Penalties.....	29	37	37
(A)Cigarette Tax Enforcement.....	0	450	450
(A)Services to Special Funds.....	11,413	11,413	13,426
(A)EDP and Staff Support.....	7,054	8,069	7,610
(A)Tax Information.....	563	775	770
(A)Local Sales Tax.....	4,688	3,856	3,300
(A)Small Games of Chance.....	286	250	275
(A)Reimbursed Costs from Other Agencies.....	826	1,100	1,000
(A)BTFT - Fines and Penalties.....	0	100	70
(A)RTT Local Collection.....	220	175	185
(A)Sale of Equipment.....	25	0	0
(A)Enhanced Revenue Collections.....	25,000	25,000	25,000
(A)Prepaid Wireless E-911.....	10	5	5
(A)HR Consolidation Reimbursement.....	231	175	225
(A)Cost of Collecting Philadelphia Cigarette Tax.....	897	1,896	840
(A)Cost of 2016-17 Amnesty.....	0	19,192	0
<b>Commissions - Inheritance &amp; Realty Transfer Taxes (EA).....</b>	<b>8,244</b>	<b>8,646</b>	<b>9,040</b>
<b>Technology and Process Modernization.....</b>	<b>6,500</b>	<b>6,500</b>	<b>5,000</b>
Subtotal - State Funds.....	\$ 141,140	\$ 148,111	\$ 155,672
Subtotal - Augmentations.....	51,242	72,493	53,193
Total - General Government.....	<u>\$ 192,382</u>	<u>\$ 220,604</u>	<u>\$ 208,865</u>
<i>Grants and Subsidies:</i>			
<b>Distribution of Public Utility Realty Tax.....</b>	<b>\$ 29,216</b>	<b>\$ 30,677</b>	<b>\$ 30,576</b>
STATE FUNDS.....	\$ 170,356	\$ 178,788	\$ 186,248
AUGMENTATIONS.....	51,242	72,493	53,193
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 221,598</u></b>	<b><u>\$ 251,281</u></b>	<b><u>\$ 239,441</u></b>
<b>MOTOR LICENSE FUND:</b>			
<i>General Government:</i>			
<b>Collections - Liquid Fuels Tax.....</b>	<b>\$ 16,476</b>	<b>\$ 19,299</b>	<b>\$ 19,785</b>
(F)Federal Fuel Tax Evasion Project (EA).....	250	250	0
Subtotal - State Funds.....	\$ 16,476	\$ 19,299	\$ 19,785
Subtotal - Federal Funds.....	250	250	0
Total - General Government.....	<u>\$ 16,726</u>	<u>\$ 19,549</u>	<u>\$ 19,785</u>
<i>Refunds:</i>			
<b>Refunding Liquid Fuels Tax (EA).....</b>	<b>\$ 26,000</b>	<b>\$ 27,200</b>	<b>\$ 29,300</b>
STATE FUNDS.....	\$ 42,476	\$ 46,499	\$ 49,085
FEDERAL FUNDS.....	250	250	0
<b>MOTOR LICENSE FUND TOTAL.....</b>	<b><u>\$ 42,726</u></b>	<b><u>\$ 46,749</u></b>	<b><u>\$ 49,085</u></b>
<b>LOTTERY FUND:</b>			
<i>General Government:</i>			
<b>General Operations (EA).....</b>	<b>\$ 35,060</b>	<b>\$ 51,625</b>	<b>\$ 47,824</b>
(A)License Fees.....	145	150	150
(A)Sale of Automobiles and Other Vehicles.....	0	15	15
(A)Annuity Assignment Fees.....	8	15	15
<b>Lottery Advertising (EA).....</b>	<b>44,000</b>	<b>44,000</b>	<b>44,000</b>
<b>Property Tax Rent Rebate - General Operations (EA).....</b>	<b>14,909</b>	<b>15,224</b>	<b>15,577</b>
<b>Property Tax Rent Rebate Settlement 2016.....</b>	<b>0</b>	<b>20,000</b>	<b>0</b>
<b>On-Line Vendor Commissions (EA).....</b>	<b>41,598</b>	<b>40,500</b>	<b>42,345</b>
<b>Instant Vendor Commissions (EA).....</b>	<b>37,081</b>	<b>32,137</b>	<b>42,345</b>

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2015-16	2016-17	2017-18
	ACTUAL	AVAILABLE	BUDGET
<b>Payment of Prize Money (EA)</b> .....	<b>398,919</b>	<b>372,356</b>	<b>398,044</b>
<b>Loan Repayment to General Fund (EA)</b> .....	<b>50,000</b>	<b>0</b>	<b>0</b>
Subtotal - State Funds.....	\$ 621,567	\$ 575,842	\$ 590,135
Subtotal - Augmentations.....	153	180	180
Total - General Government.....	<u>\$ 621,720</u>	<u>\$ 576,022</u>	<u>\$ 590,315</u>
<b>Grants and Subsidies:</b>			
<b>Property Tax &amp; Rent Assistance for Older Pennsylvanians (EA)</b> .....	<b>\$ 271,200</b>	<b>\$ 269,900</b>	<b>\$ 264,700</b>
STATE FUNDS.....	\$ 892,767	\$ 845,742	\$ 854,835
AUGMENTATIONS.....	153	180	180
<b>LOTTERY FUND TOTAL</b> .....	<u><b>\$ 892,920</b></u>	<u><b>\$ 845,922</b></u>	<u><b>\$ 855,015</b></u>
<b>OTHER FUNDS:</b>			
<b>RACING FUND:</b>			
Collections - State Racing (EA).....	\$ 237	\$ 0	\$ 0
Collections - State Racing.....	0	238	238
Refunding Advance Deposit Wagering Tax (EA).....	1,737	0	0
<b>RACING FUND TOTAL</b> .....	<u><b>\$ 1,974</b></u>	<u><b>\$ 238</b></u>	<u><b>\$ 238</b></u>
<b>GENERAL FUND:</b>			
Host Municipality Tavern Games Local Share Account.....	\$ 111	\$ 58	\$ 100
<b>PROPERTY TAX RELIEF FUND:</b>			
Transfer to the State Lottery Fund.....	\$ 0 <sup>a</sup>	\$ 0 <sup>a</sup>	\$ 0 <sup>a</sup>
<b>PA RACE HORSE DEVELOPMENT FUND:</b>			
Transfer to State Racing - Drug Testing.....	\$ 0	\$ 8,555	\$ 8,836
Transfer to State Racing - Promotion of Racing.....	0	2,393	2,393
<b>PA RACE HORSE DEVELOPMENT FUND TOTAL</b> .....	<u><b>\$ 0</b></u>	<u><b>\$ 10,948</b></u>	<u><b>\$ 11,229</b></u>
<b>STATE GAMING FUND:</b>			
<b>General Government:</b>			
(R)General Operations.....	\$ 9,513	\$ 6,966	\$ 6,512
<b>OTHER FUNDS:</b>			
<b>STATE GAMING FUND:</b>			
Transfer to Compulsive/Problem Gambling Treatment Fund (EA).....	\$ 0 <sup>b</sup>	\$ 0 <sup>b</sup>	\$ 0 <sup>b</sup>
Transfer to the Property Tax Relief Fund (EA).....	0 <sup>c</sup>	0 <sup>c</sup>	0 <sup>c</sup>
<b>STATE GAMING FUND TOTAL</b> .....	<u><b>\$ 0</b></u>	<u><b>\$ 0</b></u>	<u><b>\$ 0</b></u>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 170,356	\$ 178,788	\$ 186,248
SPECIAL FUNDS.....	935,243	892,241	903,920
FEDERAL FUNDS.....	250	250	0
AUGMENTATIONS.....	51,395	72,673	53,373
RESTRICTED.....	9,513	6,966	6,512
OTHER FUNDS.....	2,085	11,244	11,567
<b>TOTAL ALL FUNDS</b> .....	<u><b>\$ 1,168,842</b></u>	<u><b>\$ 1,162,162</b></u>	<u><b>\$ 1,161,620</b></u>

<sup>a</sup> Not added to the total to avoid double counting with the program expenditures from the Lottery Fund: 2015-16 Actual is \$166,800,000, 2016-17 Available is \$148,000,000, and 2017-18 Budget is \$145,700,000.

<sup>b</sup> 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 Drug and Alcohol Programs: 2015-16 Actual is \$7,566,000, 2016-17 Available is \$7,612,000; as well as is the Department of Health and Human Services: 2017-18 Budget is \$7,800,000.

<sup>c</sup> 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: 2015-16 Actual is \$616,500,000, 2016-17 Available is \$617,900,000, and 2017-18 Budget is \$617,900,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>REVENUE COLLECTION AND ADMINISTRATION</b>							
GENERAL FUND.....	\$ 141,140	\$ 148,111	\$ 155,672	\$ 154,672	\$ 154,672	\$ 154,672	\$ 154,672
SPECIAL FUNDS.....	664,043	602,341	639,220	653,655	667,481	680,422	690,839
FEDERAL FUNDS.....	250	250	0	0	0	0	0
OTHER FUNDS.....	62,993	90,883	71,452	71,452	71,452	71,452	71,452
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 868,426</b>	<b>\$ 841,585</b>	<b>\$ 866,344</b>	<b>\$ 879,779</b>	<b>\$ 893,605</b>	<b>\$ 906,546</b>	<b>\$ 916,963</b>
<b>COMMUNITY DEVELOPMENT AND PRESERVATION</b>							
GENERAL FUND.....	\$ 29,216	\$ 30,677	\$ 30,576	\$ 30,576	\$ 30,576	\$ 30,576	\$ 30,576
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 29,216</b>	<b>\$ 30,677</b>	<b>\$ 30,576</b>	<b>\$ 30,576</b>	<b>\$ 30,576</b>	<b>\$ 30,576</b>	<b>\$ 30,576</b>
<b>HOMEOWNERS AND RENTERS ASSISTANCE</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	271,200	289,900	264,700	266,100	263,700	261,400	259,200
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 271,200</b>	<b>\$ 289,900</b>	<b>\$ 264,700</b>	<b>\$ 266,100</b>	<b>\$ 263,700</b>	<b>\$ 261,400</b>	<b>\$ 259,200</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 170,356	\$ 178,788	\$ 186,248	\$ 185,248	\$ 185,248	\$ 185,248	\$ 185,248
SPECIAL FUNDS.....	935,243	892,241	903,920	919,755	931,181	941,822	950,039
FEDERAL FUNDS.....	250	250	0	0	0	0	0
OTHER FUNDS.....	62,993	90,883	71,452	71,452	71,452	71,452	71,452
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 1,168,842</b>	<b>\$ 1,162,162</b>	<b>\$ 1,161,620</b>	<b>\$ 1,176,455</b>	<b>\$ 1,187,881</b>	<b>\$ 1,198,522</b>	<b>\$ 1,206,739</b>

## Program: Revenue Collection and Administration

*Goal: To assure the availability of resources for the commonwealth's programs through the equitable and efficient administration of Pennsylvania's revenue system.*

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 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 electronic systems for filing and payment of personal income tax. 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.

Active Filers by Tax Type	2014-15	2015-16	2016-17	2017-18	2018-19
Corporation	432,000	446,000	253,000	125,000	116,000
Sales and Use	338,058	342,115	366,852	370,524	374,229
Employer	352,160	356,386	382,603	386,429	388,352
Personal Income Tax	6,288,727	6,017,114	6,200,000	6,200,000	6,200,000
Liquid Fuels	802	793	800	830	840
Motor Carrier – IFTA	12,284	12,801	12,825	12,825	12,825
Motor Carrier – PA Only	11,627	11,544	11,850	11,975	12,000

### Program Recommendation:

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

<p><b>GENERAL FUND:</b>  <b>General Government Operations</b>            \$ 15,055 —to continue current program.            -5,736 —Initiative—to implement complement savings.            -642 —Initiative—cost savings realized through elimination of duplicative services.            -10 —Initiative—to modernize operations.            \$ 8,667 <i>Appropriation Increase</i></p> <p><b>Commissions - Inheritance &amp; Realty Transfer Taxes (EA)</b>            \$ 394 —to continue current program.</p> <p><b>Technology and Process Modernization</b>            \$ -1,500 —program reduction.</p> <p><b>MOTOR LICENSE FUND:</b>  <b>Collections - Liquid Fuels Tax</b>            \$ 486 —to continue current program.</p> <p><b>Refunding Liquid Fuels Tax (EA)</b>            \$ 2,100 —based on current estimates.</p>	<p><b>LOTTERY FUND:</b>  <b>General Operations (EA)</b>            \$ -3,801 —to continue current program.</p> <p><b>Property Tax Rent Rebate - General Operations</b>            \$ 353 —to continue current program.</p> <p><b>On-Line Vendor Commissions (EA)</b>            \$ 1,845 —based on the latest projection of program requirements.</p> <p><b>Instant Vendor Commissions (EA)</b>            \$ 10,208 —based on the latest projection of program requirements.</p> <p><b>Payment of Prize Money (EA)</b>            \$ 25,688 —based on the latest projection of program requirements.</p>
---	---

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

## Program: Revenue Collection and Administration (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 126,396	\$ 132,965	\$ 141,632	\$ 141,632	\$ 141,632	\$ 141,632	\$ 141,632
Commissions - Inheritance & Realty Transfer Taxes (EA) .....	8,244	8,646	9,040	9,040	9,040	9,040	9,040
Technology and Process Modernization....	6,500	6,500	5,000	4,000	4,000	4,000	4,000
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 141,140</b>	<b>\$ 148,111</b>	<b>\$ 155,672</b>	<b>\$ 154,672</b>	<b>\$ 154,672</b>	<b>\$ 154,672</b>	<b>\$ 154,672</b>
<b>MOTOR LICENSE FUND:</b>							
Collections - Liquid Fuels Tax.....	\$ 16,476	\$ 19,299	\$ 19,785	\$ 19,785	\$ 19,785	\$ 19,785	\$ 19,785
Refunding Liquid Fuels Tax (EA).....	26,000	27,200	29,300	29,400	29,400	29,500	29,500
<b>TOTAL MOTOR LICENSE FUND.....</b>	<b>\$ 42,476</b>	<b>\$ 46,499</b>	<b>\$ 49,085</b>	<b>\$ 49,185</b>	<b>\$ 49,185</b>	<b>\$ 49,285</b>	<b>\$ 49,285</b>
<b>LOTTERY FUND:</b>							
General Operations (EA).....	\$ 35,060	\$ 51,625	\$ 47,824	\$ 48,780	\$ 49,756	\$ 50,751	\$ 51,766
Lottery Advertising (EA).....	44,000	44,000	44,000	44,000	44,000	44,000	44,000
Property Tax Rent Rebate - General Operations (EA) .....	14,909	15,224	15,577	16,125	16,477	16,847	17,235
On-Line Vendor Commissions (EA).....	41,598	40,500	42,345	43,471	44,567	45,574	46,364
Instant Vendor Commissions (EA).....	37,081	32,137	42,345	43,471	44,567	45,574	46,364
Payment of Prize Money (EA) .....	398,919	372,356	398,044	408,623	418,929	428,391	435,825
Loan Repayment to General Fund (EA)....	50,000	0	0	0	0	0	0
<b>TOTAL LOTTERY FUND .....</b>	<b>\$ 621,567</b>	<b>\$ 555,842</b>	<b>\$ 590,135</b>	<b>\$ 604,470</b>	<b>\$ 618,296</b>	<b>\$ 631,137</b>	<b>\$ 641,554</b>
<b>RACING FUND:</b>							
Collections - State Racing (EA).....	\$ 237	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Collections - State Racing .....	0	238	238	238	238	238	238
Refunding Advance Deposit Wagering Tax (EA).....	1,737	0	0	0	0	0	0
<b>TOTAL RACING FUND.....</b>	<b>\$ 1,974</b>	<b>\$ 238</b>	<b>\$ 238</b>	<b>\$ 238</b>	<b>\$ 238</b>	<b>\$ 238</b>	<b>\$ 238</b>



**Program: Community Development and Preservation**

*Goal: To equitably distribute the Public Utility Realty Tax to all reporting local taxing authorities.*

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.

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)

\$ -101 **Distribution of Public Utility Realty Tax**  
—reflects normal fluctuations in tax assessments.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Distribution of Public Utility Realty Tax .....	\$ 29,216	\$ 30,677	\$ 30,576	\$ 30,576	\$ 30,576	\$ 30,576	\$ 30,576

## Program: Homeowners and Renters Assistance

*Goal: To increase economic stability by assisting eligible Pennsylvania citizens to maintain their homes.*

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 1 of Special Session No. 1 of 2006 expanded the Property Tax and Rent Rebate Program to give more Pennsylvanians a rebate while also increasing the amounts of the rebates. The expansion included increasing the household income limit from \$15,000 to \$35,000 and

increasing the maximum rebate from \$500 to \$650. Certain homeowners with income under \$30,000 may be eligible for supplemental rebates up to \$975. As a result of Act 156 of 2014, income eligibility guidelines for the Property Tax and Rent Rebate Program were changed so that income increases due solely to Social Security cost-of-living adjustments (COLAs) will no longer disqualify claimants from receiving rebates.

In 2015-16, the average tax assistance payment was \$439.86, and the average rent rebate was \$542.92.

### Program Recommendation:

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

	<b>Property Tax Rent Rebate Settlement 2016</b>
\$ —20,000	—non-recurring prior year costs.
	<b>Property Tax &amp; Rent Assistance for Older Pennsylvanians (EA)</b>
\$ —5,200	—based on current estimates for participation.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>LOTTERY FUND:</b>							
Property Tax Rent Rebate Settlement 2016.....	\$ 0	\$ 20,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Property Tax & Rent Assistance for Older Pennsylvanians (EA).....	271,200	269,900	264,700	266,100	263,700	261,400	259,200
<b>TOTAL LOTTERY FUND.....</b>	<b>\$ 271,200</b>	<b>\$ 289,900</b>	<b>\$ 264,700</b>	<b>\$ 266,100</b>	<b>\$ 263,700</b>	<b>\$ 261,400</b>	<b>\$ 259,200</b>

## Program Measures

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

### Program: Revenue Collection and Administration

**Objective: Efficiently maintain active accounts for all individuals and businesses with tax reporting and payment obligations, and increase voluntary compliance through quality taxpayer service.**

Appeals filed with the Board of Appeals (all tax types)	28,396	29,532	30,713	31,942	33,219	34,548	35,930
Average time to close Board of Appeals cases (in days)	89	100	104	108	112	116	121

#### Taxpayer Services Provided

Taxpayer Service and Information Center calls answered	410,329	400,000	400,000	400,000	400,000	400,000	400,000
Average wait time for Taxpayer Service & Information Center calls (in minutes)	7.55	10	9.30	9	8.30	8	8
Cases opened by the Taxpayer Rights Advocate (TRA)	2,138	1,000	1,000	800	500	500	500

#### Operating Efficiency

Percentage of administrative and IT personnel to total personnel (all funds)	13%	13%	13%	13%	13%	13%	13%
Average wait time of all taxpayer phone calls (in minutes)	5.33	5.30	5.27	5.24	5.21	5.18	5.15
Average cost to process a tax return	\$2.89	\$2.86	\$2.83	\$2.80	\$2.77	\$2.74	\$2.71

**Objective: Increase the use of electronic tax filing.**

#### Electronic Filings

Percentage of corporation tax returns filed electronically	67%	80%	80%	85%	85%	90%	92%
Percentage of sales and use tax returns filed electronically	99%	99%	99%	99%	99%	99%	99%
Percentage of employer tax returns filed electronically	99%	99%	99%	99%	99%	99%	99%
Percentage of personal income tax returns filed electronically	85%	85%	87%	87%	88%	88%	88%
Percentage of motor fuels tax returns filed electronically	43%	100%	100%	100%	100%	100%	100%

**Objective: Increase delinquent tax collections.**

Collections from delinquent accounts (in millions)	\$629	\$571	\$562	\$592	\$600	\$600	\$600
Delinquent taxes collected per dollar spent	\$8.06	\$7	\$6.66	\$6.74	\$6.57	\$6.32	\$6.08

#### Delinquent Collections

Enhanced Revenue Collections Account collections (in millions)	\$330.90	\$281.40	\$310	\$310	\$310	\$0	\$0
Enhanced Revenue Collection Account collections per dollar spent	\$13.24	\$11.26	\$12.40	\$12.40	\$12.40	\$0	\$0

## Program Measures

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

**Objective: Increase Lottery revenues for the support of programs for older Pennsylvanians.**

### Lottery Operations

Lottery operating costs as a percentage of ticket sales (includes advertising and commissions)	3.81%	4%	3.92%	3.91%	3.91%	3.91%	3.91%
Lottery operating costs as a percentage of ticket sales (includes cost of lottery administration only)	0.85%	1.23%	1.14%	1.15%	1.16%	1.18%	1.19%
Lottery active points of sale	16,228	17,323	17,323	17,323	17,323	17,323	17,323

### Program: Community Development and Preservation

**Objective: Ensure all eligible taxing authorities receive accurate distributions of public utility realty tax funds collected.**

Taxing authorities receiving funds	2,801	3,052	3,052	3,052	3,052	3,052	3,052
------------------------------------	-------	-------	-------	-------	-------	-------	-------

### Program: Homeowners and Renters Assistance

**Objective: Maximize the number of households provided property tax or rent assistance.**

Households provided property tax or rent assistance	517,645	578,000	573,000	569,000	565,000	565,000	560,000
Households applying by June 30	532,264	545,000	545,000	545,000	545,000	545,000	535,000
Rebates mailed by July 31	495,878	500,000	500,000	500,000	500,000	500,000	500,000

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# DEPARTMENT OF STATE

*The mission of the Department of State is to promote the integrity of the electoral process; to provide the initial infrastructure for economic development through corporate organizations and transactions; and to protect the health, safety and welfare of the public. The department will encourage the highest standards of ethics and competence in the areas of elections, campaign finance, notarization, professional and occupational licensure, charitable solicitation and professional boxing and wrestling. Through the implementation of the latest technology, the department will provide exceptional public service and will remain a leader in all regulatory and enforcement policies and practices aimed at protecting every resident of the commonwealth.*

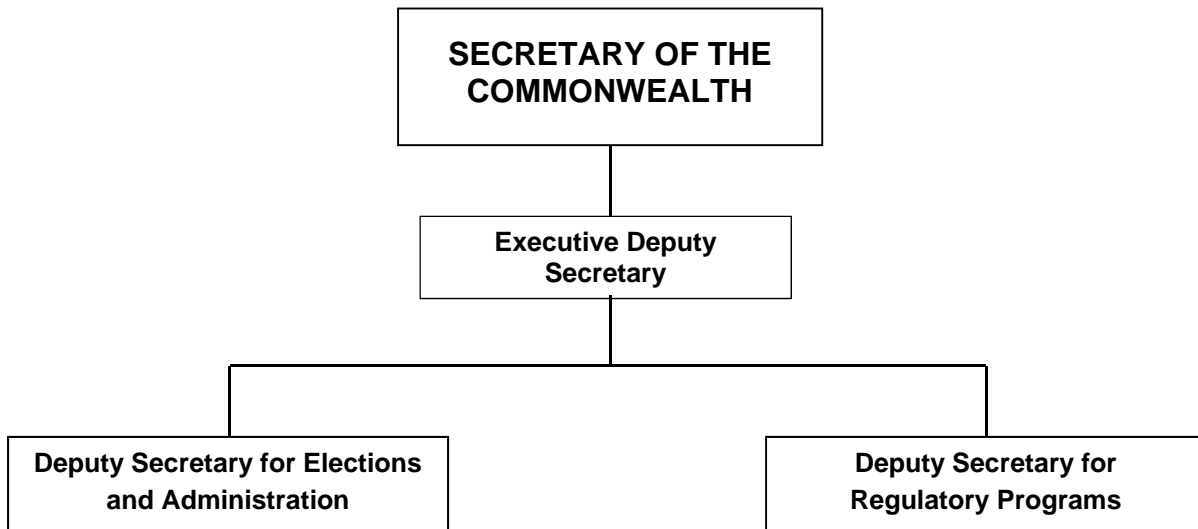
The Department of State is administered by the Secretary of the Commonwealth and includes the Bureau of Corporations and Charitable Organizations; the Bureau of Commissions, Elections and Legislation; the State Athletic Commission; the Bureau of Enforcement and Investigation and the Bureau of Professional and Occupational Affairs, which provides support to 29 professional and occupational licensing boards and commissions.

## **Programs and Goals**

**Consumer Protection:** *To protect the consumer from fraudulent solicitation and unqualified professional and occupational practitioners and establishments.*

---

# Organization Overview



- **Executive Deputy Secretary** acts as the Chief of Staff, providing coordinated supervision over executive staff and internal operations of the executive offices. The Executive Deputy is responsible for, on behalf of the Secretary of the Commonwealth, coordinating the Department of State’s Office of Legislative Affairs, Office of Policy, and the Office of Communications and Press.
- **Deputy Secretary for Elections and Administration** is responsible for the Bureau of Commissions, Elections and Legislation. The Deputy is also responsible for the administrative duties of the Department of State including the Bureau of Human Resources, the Bureau of Finance and Operations and the Bureau of Management Information Systems.
- **Deputy Secretary for Regulatory Programs** is responsible for the Bureau of Professional and Occupational Affairs, the Bureau of Enforcement and Investigation, the Bureau of Corporations and Charitable Organizations and the State Athletic Commission.

## Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
506	499	496	497	497

# Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 3,811</b>	<b>\$ 3,947</b>	<b>\$ 3,717</b>
(F)Federal Election Reform.....	13,653	12,507	10,557
(A)Departmental Services.....	0 <sup>a</sup>	0 <sup>a</sup>	0 <sup>a</sup>
(R)Professional and Occupational Affairs.....	43,946 <sup>b</sup>	45,383 <sup>b</sup>	48,039 <sup>b</sup>
(R)State Board of Medicine.....	8,184 <sup>b</sup>	8,405 <sup>b</sup>	8,934 <sup>b</sup>
(R)State Board of Osteopathic Medicine.....	1,523 <sup>b</sup>	1,563 <sup>b</sup>	1,818 <sup>b</sup>
(R)State Board of Podiatry.....	245 <sup>b</sup>	250 <sup>b</sup>	277 <sup>b</sup>
(R)State Athletic Commission.....	560 <sup>b</sup>	592 <sup>b</sup>	639 <sup>b</sup>
(R)Bureau of Corporations and Charitable Organizations (EA).....	6,738	7,973	7,229
Subtotal.....	<u>\$ 78,660</u>	<u>\$ 80,620</u>	<u>\$ 81,210</u>
<b>Statewide Uniform Registry of Electors.....</b>	<b>4,045</b>	<b>4,045</b>	<b>4,107</b>
<b>Voter Registration and Education.....</b>	<b>391</b>	<b>395</b>	<b>494</b>
(F)Elections Assistance - Grants to Counties.....	763	453	0
Subtotal.....	<u>\$ 1,154</u>	<u>\$ 848</u>	<u>\$ 494</u>
<b>Lobbying Disclosure.....</b>	<b>457</b>	<b>264</b>	<b>291</b>
<b>Publishing Constitutional Amendments (EA).....</b>	<b>2,700</b>	<b>2,700</b>	<b>1,500</b>
<b>Electoral College.....</b>	<b>0</b>	<b>10</b>	<b>0</b>
Subtotal - State Funds.....	\$ 11,404	\$ 11,361	\$ 10,109
Subtotal - Federal Funds.....	14,416	12,960	10,557
Subtotal - Restricted Revenues.....	61,196	64,166	66,936
Total - General Government.....	<u>\$ 87,016</u>	<u>\$ 88,487</u>	<u>\$ 87,602</u>
<i>Grants and Subsidies:</i>			
<b>Voting of Citizens in Military Service.....</b>	<b>\$ 20</b>	<b>\$ 20</b>	<b>\$ 20</b>
<b>County Election Expenses (EA).....</b>	<b>911</b>	<b>400</b>	<b>400</b>
Total - Grants and Subsidies.....	<u>\$ 931</u>	<u>\$ 420</u>	<u>\$ 420</u>
STATE FUNDS.....	\$ 12,335	\$ 11,781	\$ 10,529
FEDERAL FUNDS.....	14,416	12,960	10,557
RESTRICTED REVENUES.....	61,196	64,166	66,936
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 87,947</u></b>	<b><u>\$ 88,907</u></b>	<b><u>\$ 88,022</u></b>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Lobbying Disclosure (R).....	\$ 337	\$ 550	\$ 550
<b>REAL ESTATE RECOVERY FUND:</b>			
Real Estate Recovery Payments (EA).....	\$ 150	\$ 150	\$ 150
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 12,335	\$ 11,781	\$ 10,529
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	14,416	12,960	10,557
AUGMENTATIONS.....	0	0	0
RESTRICTED.....	61,196	64,166	66,936
OTHER FUNDS.....	487	700	700
<b>TOTAL ALL FUNDS.....</b>	<b><u>\$ 88,434</u></b>	<b><u>\$ 89,607</u></b>	<b><u>\$ 88,722</u></b>

<sup>a</sup> Not added to the total to avoid double counting: 2015-16 Actual is \$6,010,000, 2016-17 Available is \$6,249,000 and 2017-18 Budget is \$6,933,000.

<sup>b</sup> Appropriated from a restricted revenue account.



## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>CONSUMER PROTECTION</b>							
GENERAL FUND.....	\$ 12,335	\$ 11,781	\$ 10,529	\$ 9,002	\$ 9,029	\$ 9,012	\$ 9,029
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	14,416	12,960	10,557	5,500	0	0	0
OTHER FUNDS.....	61,683	64,866	67,636	67,636	67,636	67,636	67,636
SUBCATEGORY TOTAL.....	<u>\$ 88,434</u>	<u>\$ 89,607</u>	<u>\$ 88,722</u>	<u>\$ 82,138</u>	<u>\$ 76,665</u>	<u>\$ 76,648</u>	<u>\$ 76,665</u>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 12,335	\$ 11,781	\$ 10,529	\$ 9,002	\$ 9,029	\$ 9,012	\$ 9,029
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	14,416	12,960	10,557	5,500	0	0	0
OTHER FUNDS.....	61,683	64,866	67,636	67,636	67,636	67,636	67,636
DEPARTMENT TOTAL.....	<u>\$ 88,434</u>	<u>\$ 89,607</u>	<u>\$ 88,722</u>	<u>\$ 82,138</u>	<u>\$ 76,665</u>	<u>\$ 76,648</u>	<u>\$ 76,665</u>

## Program: Consumer Protection

*Goal: To protect the consumer from fraudulent solicitation and unqualified professional and occupational practitioners and establishments.*

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 9,163 election precincts.

The department developed and maintains an integrated voter registration database containing all electors in the commonwealth. The department also created an advisory board to establish the requirements of the Statewide Uniform Registry of Electors system. The department developed an electronic voter registration application that makes registration easier and more convenient and enhances the accuracy of the voter rolls.

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.

The department is also responsible for the registration and monitoring of the commonwealth's lobbyists. The department receives lobbyist filings and reports, and makes this information available to the public, produces annual reports and a biennial directory, conducts audits and provides 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 and commissions 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.

Physicians, other health care workers and medical facilities are required to report malpractice complaints, disciplinary actions by another jurisdiction, controlled substance violations, any arrests for criminal offenses, as well as care of a patient that results in an unanticipated death or injury.

The Professional Licensure Augmentation Restricted Account enables this program to be funded from fees and fines collected by the Bureau of Professional and Occupational Affairs. The bureau operates entirely out of restricted funds, considered for budgetary purposes as Other Funds.

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 Bureau of Corporations and Charitable Organizations and the State Athletic Commission.

The Bureau of Corporations and Charitable Organizations is responsible for both profit and nonprofit business incorporation filings, submission of Uniform Commercial Code (UCC) filings and registration of charitable organizations, professional fundraisers and solicitors, as well as regulation of the actual solicitation and distribution of collected funds.

The primary goals of the Bureau of Corporations and Charitable Organizations are to make the registration process as efficient as possible, enhance public access, promote transparency and disclosure by charities, educate consumers and aggressively pursue fraudulent solicitation activities.

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: Consumer Protection (continued)

**Program Recommendations:**

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

<b>GENERAL FUND</b>	
<b>General Government Operations</b>	
\$ 7	—to continue current program.
-155	—Initiative—to implement complement savings.
-82	—Initiative—cost savings realized through consolidation of administrative functions.
<u>\$ -230</u>	<i>Appropriation Decrease</i>
<b>Statewide Uniform Registry of Electors</b>	
\$ 140	—to continue current program.
-78	—Initiative—to modernize operations.
<u>\$ 62</u>	<i>Appropriation Increase</i>
<b>Voter Registration and Education</b>	
\$ 99	—to continue current program.
<b>Lobbying Disclosure</b>	
\$ 27	—based on most recent projection of biennial fees.
<b>Publishing Constitutional Amendments (EA)</b>	
\$ -1,200	—nonrecurring costs associated with advertising and publishing proposed Constitutional Amendments.
<b>Electoral College</b>	
\$ -10	—nonrecurring travel and contingent expenses of presidential electors.

This budget also recommends the following changes in appropriations and executive authorizations from restricted accounts:

<b>Professional and Occupational Affairs</b>	
\$ 2,656	—to continue current program.
<b>State Board of Medicine</b>	
\$ 529	—to continue current program.
<b>State Board of Osteopathic Medicine</b>	
\$ 255	—to continue current program.
<b>State Board of Podiatry</b>	
\$ 27	—to continue current program.
<b>State Athletic Commission</b>	
\$ 47	—to continue current program.
<b>Bureau of Corporations and Charitable Organizations (EA)</b>	
\$ -744	—reduction in administrative costs.

Recommendations assume that fees for all boards will be sufficient to fund the recommended expenditure level.

The Voting of Citizens in Military Service and County Election Expenses (EA) appropriations are recommended at the current year funding levels.

This budget includes \$550,000 in augmentations to support Lobbying Disclosure. This augmentation is provided through a \$300 biennial fee.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 3,811	\$ 3,947	\$ 3,717	\$ 3,717	\$ 3,717	\$ 3,717	\$ 3,717
Statewide Uniform Registry of Electors .....	4,045	4,045	4,107	4,107	4,107	4,107	4,107
Voter Registration and Education .....	391	395	494	494	494	494	494
Lobbying Disclosure .....	457	264	291	264	291	264	291
Publishing Constitutional Amendments (EA) .....	2,700	2,700	1,500	0	0	0	0
Electoral College .....	0	10	0	0	0	10	0
Voting of Citizens in Military Service .....	20	20	20	20	20	20	20
County Election Expenses (EA) .....	911	400	400	400	400	400	400
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 12,335</b>	<b>\$ 11,781</b>	<b>\$ 10,529</b>	<b>\$ 9,002</b>	<b>\$ 9,029</b>	<b>\$ 9,012</b>	<b>\$ 9,029</b>

## Program Measures

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

### Program: Consumer Protection

**Objective: Add 75,000 new registered Pennsylvanians to the voter rolls by making it easier and more convenient for eligible citizens to register to vote.**

#### Electoral Process

New voter registration transactions - Online	161,432	240,000	140,000	280,000	180,000	290,000	185,000
New voter registration transactions - PennDOT	284,539	280,000	250,000	250,000	290,000	275,000	290,000
New voter registration transactions - Paper	126,632	204,000	120,000	136,000	127,500	118,000	105,000

**Objective: Reduce the processing time of professional licensure complaints 10 percent and increase efficiency in prosecutions with improved technology to strengthen public safety and enhance transparency.**

#### Enforcement and Investigation

Average number of days it takes to close an investigation	102	120	120	120	120	120	120
Inspections completed	21,655	22,000	22,000	22,000	22,000	22,000	22,000
Investigations opened	5,785	5,000	5,000	5,000	5,000	5,000	5,000
Investigations closed	5,421	5,000	5,000	5,000	5,000	5,000	5,000

#### Professional Licensing

Average number of days it takes to close a complaint	282	400	410	420	430	440	450
Cases opened	16,376	16,250	16,500	16,750	17,000	17,250	17,500
Cases closed	14,482	13,200	13,200	13,400	13,400	13,650	14,000
Disciplinary actions	2,588	2,800	2,900	3,000	3,000	3,100	3,200
Regulation packages proposed and approved	9	25	25	25	25	25	25

**Objective: Enhance the public's customer service experience with the Department of State by reducing the processing time of professional licensure applications by 20 percent.**

#### Professional Licensing

Percentage of licenses renewed online	92%	96%	96%	96%	96%	96%	97%
Active Professional Licenses	987,192	1,011,330	1,025,510	1,039,680	1,053,860	1,068,040	1,082,220
Processing Times - Professional Licenses (in days)	13	16	10	9	8	7	7

**Objective: Increase number of electoral process transactions, to include voter registrations, notary public commissions, certifications and apostilles, and commissions.**

#### Professional Licensing

Notary public commissions issued	7,189	7,200	7,200	7,250	7,250	7,300	7,300
Notary public commissions renewed	13,958	14,500	15,000	15,000	15,500	15,500	16,000
Certifications and apostilles completed	35,361	35,500	35,500	35,500	35,750	35,750	35,750
Commissions processed	525	600	600	550	650	550	550

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Electoral Process</b>							
Total voter registration transactions - Online	413,775	500,000	400,000	425,000	500,000	700,000	550,000
Total voter registration transactions - PennDOT	966,410	975,000	975,000	1,000,000	1,000,000	1,000,025	1,000,025
Total voter registration transactions - paper	377,507	600,000	350,000	400,000	375,000	350,000	300,000

### Objective: Increase the number of campaign finance reports filed online.

<b>Electoral Process</b>							
Percentage of campaign finance reports filed online	40%	40%	40%	40%	40%	40%	40%
Campaign finance reports filed	11,180	9,500	11,500	9,500	11,500	9,500	11,500

### Objective: Increase the number of licensed professionals in the rehabilitation program that successfully complete the program.

<b>Professional Licensing</b>							
Health Monitoring Program:							
Percentage of licensees who started and successfully completed a PHMP program	68%	68%	68%	68%	68%	68%	68%
Cases opened	2,390	2,025	2,050	2,075	2,100	2,550	2,575
Cases closed	2,163	2,025	2,050	2,075	2,100	2,525	2,550
Licensees who completed a recovery program	250	255	265	275	285	305	315

### Objective: Maintain timely processing of corporate and charitable organization registrations and Uniform Commercial Code financing statements.

<b>Enforcement and Investigation</b>							
Charities investigations opened	243	240	240	240	240	240	240
Charities investigations closed	233	240	240	240	240	240	240
<b>Corporations and Charitable Organizations</b>							
Business Entity and Trademark filings	152,128	163,000	165,000	167,000	169,000	171,000	173,000
Uniform Commercial Code filings	131,215	133,000	135,000	137,000	139,000	141,000	143,000
Corporation and Uniform Commercial Code Requests	72,845	78,000	80,000	82,000	84,000	88,000	92,000
Charity registrations	12,882	13,500	14,500	15,500	16,500	17,500	18,500
Professional fundraiser registrations	314	375	400	425	450	475	500
Processing Times - UCC (in days)	4	3	3	3	3	3	3

## Program Measures

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

**Objective: Regulate all State Athletic Commission sports in a safe and orderly manner by professionally licensing athletes and ensuring rules and regulations are followed at all wrestling, boxing and mixed martial arts events.**

### State Athletic Commission

Professionals licensed	2,100	2,400	2,400	2,400	2,400	2,400	2,400
Wrestling events	369	340	340	340	340	340	340
Boxing events (professional, amateur and kickboxing) and mixed martial arts events	134	150	150	150	150	150	150

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# STATE EMPLOYEES' RETIREMENT SYSTEM

*The mission of the State Employees' Retirement System is to provide retirement benefits and services to its members through sound administration and prudent investments.*

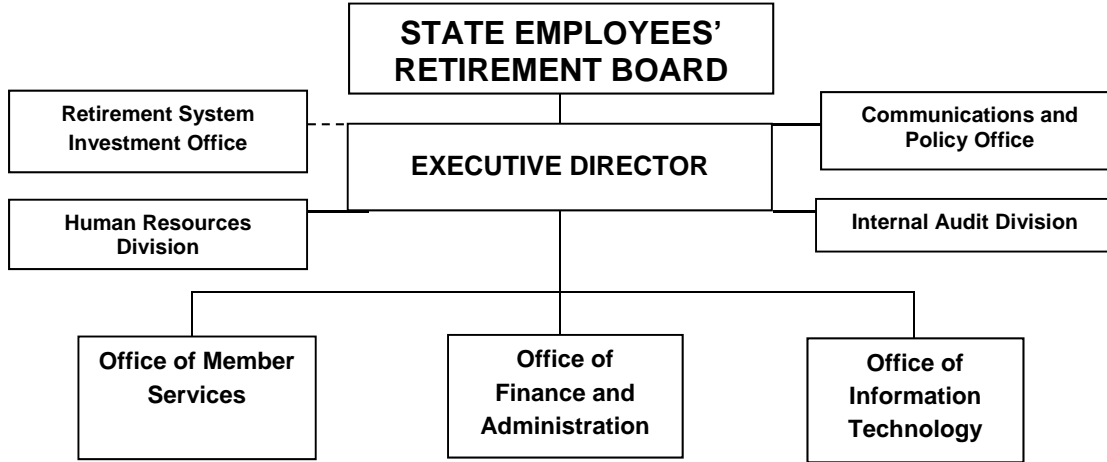
The system is responsible for administering the State Employees' Retirement Fund, the supplemental retirement allowances and cost-of-living increases for annuitants. The system also administers the commonwealth's Deferred Compensation Program.

## **Programs and Goals**

**State Employees' Retirement:** *To provide retirement benefits to employees of the Commonwealth of Pennsylvania.*



## Organization Overview



- **Director of the Office of Member Services** is responsible for the Bureau of Member Services and the Bureau of Benefit Administration.
- **Director of the Office of Finance and Administration** is responsible for the divisions of General Accounting and the Deferred Compensation Program; Budget, Procurement and Operations; Investment Control; and Compliance and Quality Control.
- **Director of the Office of Information Technology** is responsible for the divisions of Applications, Database Administration and Technical Support.
- **Retirement System Investment Office** is responsible for the investment activities of the system. In accordance with the investment policy established by the board, the system's investment assets are allocated to numerous outside professional investment advisors and internal investment professionals.

## Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
197	197	197	197	197

# State Employees' Retirement System

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b><u>OTHER FUNDS:</u></b>			
<b>STATE EMPLOYEES' RETIREMENT FUND:</b>			
State Employees' Retirement Administration.....	\$ 23,743	\$ 24,567	\$ 26,192
Investment Related Expenses.....	7,150	9,800	9,251
STATE EMPLOYEES' RETIREMENT FUND TOTAL.....	<u>\$ 30,893</u>	<u>\$ 34,367</u>	<u>\$ 35,443</u>

# State Employees' Retirement System

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>STATE EMPLOYEES' RETIREMENT</b>							
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.....	30,893	34,367	35,443	35,443	35,443	35,443	35,443
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 30,893</b>	<b>\$ 34,367</b>	<b>\$ 35,443</b>	<b>\$ 35,443</b>	<b>\$ 35,443</b>	<b>\$ 35,443</b>	<b>\$ 35,443</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	30,893	34,367	35,443	35,443	35,443	35,443	35,443
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 30,893</b>	<b>\$ 34,367</b>	<b>\$ 35,443</b>	<b>\$ 35,443</b>	<b>\$ 35,443</b>	<b>\$ 35,443</b>	<b>\$ 35,443</b>

# State Employees' Retirement System

## Program: State Employees' Retirement

*Goal: To provide retirement benefits to employees of the Commonwealth of Pennsylvania.*

The State Employees' Retirement System (SERS) was established in 1923 to administer the commonwealth's employee pension program. The State Employees' Retirement Fund uses contributions from employees and their employing agencies as well as earnings from investments to pay for annuities, disability benefits and administration of the system. The State Employees' Retirement Fund is shown in the Other Special Funds Appendix.

SERS undergoes an annual independent actuarial valuation to calculate the assets and liabilities of the pension fund. Based on the actuarial valuation process and legal requirements, SERS develops the recommended employer contribution rate.

Employer contribution rates differ by class of employee. As a result of Act 9 of 2001, most system members, depending upon individual employee election of membership, contribute 6.25 percent of pay to the system. Normal retirement for most employees is age 60, age 50 for safety employees and members of the legislature or at any age with 35 years of service. Retirement is possible after five years of service but is actuarially reduced to the equivalent of the annuity that would have been payable at normal system retirement age.

Act 120 of 2010 made significant changes to the pension system. Act 120 amended the benefit structure for new employees hired after December 31, 2010 and amended key funding provisions. Benefit changes included: 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; and implementing a shared risk provision that could raise or lower member contribution rates based on the rate assumed for SERS' actuarial valuations. Act 120 also included changes to key funding provisions including re-amortizing existing liabilities and future experience gains and losses over 30 years with level dollar payments, and implementing employer contribution rate collars which limit year-over-year increases in the employer contribution rate. The collars established by Act 120 were 3 percent for 2011-12, 3.5 percent for 2012-13 and 4.5 percent for all subsequent years. The collars will end when the actuarial calculated rate is below the collared rate.

SERS is also responsible for the administration of the commonwealth's Deferred Compensation Program that allows commonwealth employees to voluntarily 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	
\$ 1,785	—to continue current program.
—160	—Initiative—cost savings from GO-TIME projects.
<u>\$ 1,625</u>	<i>Appropriation Increase</i>

In addition, \$9,251,000 in Investment Related Expenses will be used to support the financial activities of this program and the Retirement System Investment Office.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>STATE EMPLOYEES' RETIREMENT FUND:</b>							
State Employees' Retirement Administration .....	\$ 23,743	\$ 24,567	\$ 26,192	\$ 26,192	\$ 26,192	\$ 26,192	\$ 26,192
Investment Related Expenses .....	7,150	9,800	9,251	9,251	9,251	9,251	9,251
<b>TOTAL STATE EMPLOYEES' RETIREMENT FUND .....</b>	<u>\$ 30,893</u>	<u>\$ 34,367</u>	<u>\$ 35,443</u>	<u>\$ 35,443</u>	<u>\$ 35,443</u>	<u>\$ 35,443</u>	<u>\$ 35,443</u>

# State Employees' Retirement System

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
--	---------	---------	---------	---------	---------	---------	---------

**Program: State Employees' Retirement**

**Objective: Provide adequate retirement counseling sessions to our members as requested.**

Retirement counseling sessions	5,300	5,200	5,900	5,100	4,900	4,700	4,800
--------------------------------	-------	-------	-------	-------	-------	-------	-------

**Objective: Maintain a record of the total number of retired employees.**

Total number of retired employees and beneficiaries	124,670	127,100	129,200	131,070	132,760	134,140	135,330
---	---------	---------	---------	---------	---------	---------	---------

**Objective: Maintain a record of total benefit payments (in billions).**

Total benefit payments (in billions)	\$3.10	\$3.20	\$3.40	\$3.50	\$3.70	\$3.80	\$3.90
--------------------------------------	--------	--------	--------	--------	--------	--------	--------



---

# STATE POLICE

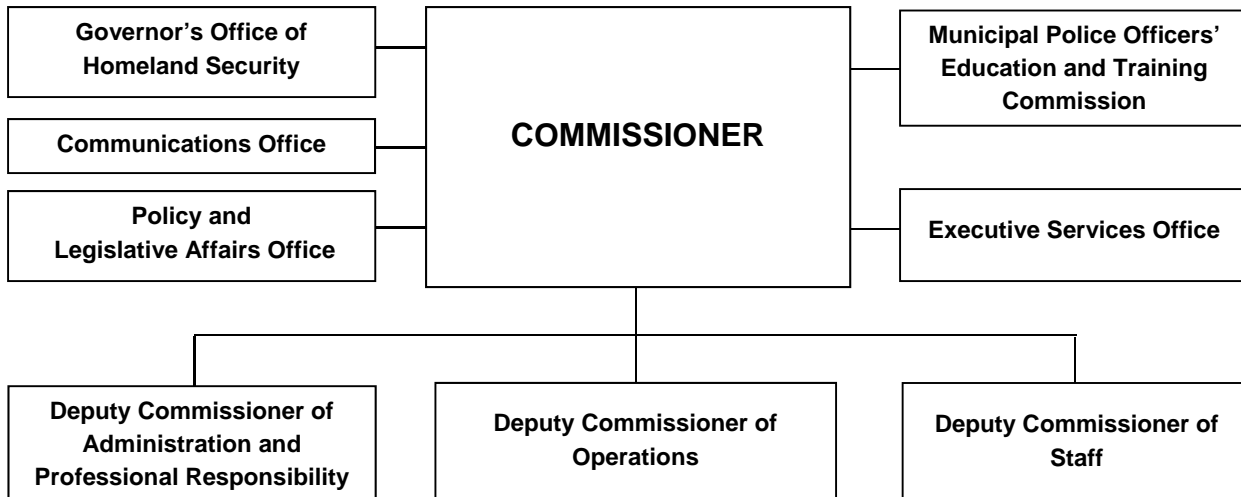
*The mission of the Pennsylvania State Police is to seek justice, preserve peace and improve the quality of life for all.*

The State Police promotes traffic safety, investigates crime and reduces criminal activity, and provides 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, 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.

## **Programs and Goals**

**Public Protection and Law Enforcement:** *To 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.*

## Organization Overview



- **Deputy Commissioner of Administration and Professional Responsibility** oversees the bureaus of Human Resources, Training and Education, Integrity and Professional Standards, Discipline Office, Member Assistance Office and the Equality and Inclusion Office.
- **Deputy Commissioner of Operations** oversees bureaus of Patrol, Criminal Investigation, Liquor Control Enforcement, Emergency and Special Operations, and Area Commands I, II, III and IV.
- **Deputy Commissioner of Staff** oversees the bureaus of Forensic Services, Staff Services, Records and Identification, Research and Development, Communications and Information Services, and Information Technology.

### Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
6,434	6,514	6,531	6,561	6,660

# Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 229,195</b>	<b>\$ 241,430</b>	<b>\$ 216,247</b>
(F)Area Computer Crime.....	5,468	5,670	5,465
(F)Homeland Security Grants (EA).....	2,570	1,592	2,480
(F)Law Enforcement Preparedness (EA).....	5,719	5,912	5,630
(F)Combat Underage Drinking (EA).....	22	0	0
(F)Law Enforcement Projects (EA).....	1,270	3,055	1,835
(A)Municipality Police Coverage.....	0	0	63,124
(A)Criminal History Record Checks.....	14,807	13,300	41,300
(A)Turnpike Commission.....	43,733	41,177	44,886
(A)Delaware River Toll Bridge.....	2,621	2,400	2,400
(A)Construction Zone Patrolling.....	3,656	3,700	3,700
(A)Fingerprint Record Checks.....	3,459	2,250	2,250
(A)Reimbursement for Services.....	1,676	2,200	2,200
(A)Superload Reimbursements.....	2,168	1,700	1,700
(A)Sale of Automobiles.....	121	100	100
(A)Registry of Protection.....	139	150	150
(A)Electronic Surveillance.....	59	40	40
(A)Miscellaneous.....	1,585	1,323	1,323
Subtotal.....	<u>\$ 318,268</u>	<u>\$ 325,999</u>	<u>\$ 394,830</u>
(F)Office of Homeland Security (EA).....	4,420	1,920	1,977
<b>Statewide Public Safety Radio System.....</b>	<b>6,004</b>	<b>6,004</b>	<b>13,092</b>
(F)Broadband Network Planning.....	4,050	4,050	4,050
Subtotal.....	<u>\$ 10,054</u>	<u>\$ 10,054</u>	<u>\$ 17,142</u>
<b>Law Enforcement Information Technology.....</b>	<b>6,899</b>	<b>6,899</b>	<b>6,899</b>
<b>Municipal Police Training.....</b>	<b>1,256</b>	<b>1,744</b>	<b>1,828</b>
(A)Pre-Employment Testing.....	70	50	50
(A)Retired Law Enforcement Identification.....	9	5	5
Subtotal.....	<u>\$ 1,335</u>	<u>\$ 1,799</u>	<u>\$ 1,883</u>
<b>Automated Fingerprint Identification System.....</b>	<b>861</b>	<b>861</b>	<b>946</b>
<b>Gun Checks.....</b>	<b>1,658</b>	<b>0</b>	<b>4,575</b>
(R)Firearm Records Check.....	1,054	7,894	4,182
Subtotal.....	<u>\$ 2,712</u>	<u>\$ 7,894</u>	<u>\$ 8,757</u>
Subtotal - State Funds.....	\$ 245,873	\$ 256,938	\$ 243,587
Subtotal - Federal Funds.....	23,519	22,199	21,437
Subtotal - Augmentations.....	74,103	68,395	163,228
Subtotal - Restricted Revenues.....	1,054	7,894	4,182
Total - General Government.....	<u>\$ 344,549</u>	<u>\$ 355,426</u>	<u>\$ 432,434</u>
STATE FUNDS.....	\$ 245,873	\$ 256,938	\$ 243,587
FEDERAL FUNDS.....	23,519	22,199	21,437
AUGMENTATIONS.....	74,103	68,395	163,228
RESTRICTED REVENUES.....	1,054	7,894	4,182
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 344,549</b>	<b>\$ 355,426</b>	<b>\$ 432,434</b>

## MOTOR LICENSE FUND:

### General Government:

<b>General Government Operations.....</b>	<b>\$ 687,585</b>	<b>\$ 724,290</b>	<b>\$ 648,741</b>
<b>Statewide Public Safety Radio System.....</b>	<b>18,012</b>	<b>26,868</b>	<b>39,276</b>
<b>Law Enforcement Information Technology.....</b>	<b>20,697</b>	<b>20,697</b>	<b>20,697</b>
<b>Municipal Police Training.....</b>	<b>1,256</b>	<b>1,744</b>	<b>1,828</b>
<b>Automated Fingerprint Identification System.....</b>	<b>85</b>	<b>85</b>	<b>0</b>



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>Patrol Vehicles</b> .....	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>
<b>Commercial Vehicle Inspections</b> .....	<b>9,979</b>	<b>11,055</b>	<b>10,971</b>
(F)Motor Carrier Safety.....	9,295 <sup>a</sup>	9,295	9,602
(A)Sale of Vehicles.....	19	35	35
(A)Waste Transportation Safety Enforcement.....	550	750	750
Subtotal.....	<u>\$ 759,478</u>	<u>\$ 806,819</u>	<u>\$ 743,900</u>
Subtotal - State Funds.....	\$ 749,614	\$ 796,739	\$ 733,513
Subtotal - Federal Funds.....	9,295	9,295	9,602
Subtotal - Augmentations.....	569	785	785
Total - General Government.....	<u>\$ 759,478</u>	<u>\$ 806,819</u>	<u>\$ 743,900</u>
<b>Grants and Subsidies:</b>			
<b>Municipal Police Training Grants</b> .....	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>
STATE FUNDS.....	\$ 754,614	\$ 801,739	\$ 738,513
FEDERAL FUNDS.....	9,295	9,295	9,602
AUGMENTATIONS.....	569	785	785
<b>MOTOR LICENSE FUND TOTAL</b> .....	<b><u>\$ 764,478</u></b>	<b><u>\$ 811,819</u></b>	<b><u>\$ 748,900</u></b>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Federal Property Forfeiture.....	\$ 3,618	\$ 2,100	\$ 2,925
State Drug Act Forfeiture.....	6,971	2,145	3,809
State Criminal Enforcement Forfeiture.....	493	65	65
Crime Lab User Fees.....	47	1,100	5,955
Auto Theft & Insurance Fraud Investigation.....	2,309	2,650	2,650
Firearms License Validation System.....	0	150	500
Vehicle Code Fines.....	0	900	1,300
Radio Systems Development Project.....	165	1,000	4,210
Tower Management.....	0	300	1,727
Broadband Middle Mile.....	0	5	5
GENERAL FUND TOTAL.....	<u>\$ 13,603</u>	<u>\$ 10,415</u>	<u>\$ 23,146</u>
<b>MOTOR LICENSE FUND:</b>			
Vehicle Sales and Purchases.....	\$ 2,212	\$ 2,000	\$ 2,000
<b>DNA DETECTION FUND:</b>			
DNA Detection of Offenders (EA).....	\$ 4,191	\$ 4,191	\$ 4,191
<b>STATE GAMING FUND:</b>			
(R)Gaming Enforcement.....	\$ 27,700	\$ 28,485	\$ 30,699
<b>STATE STORES FUND:</b>			
Liquor Control Enforcement.....	\$ 29,746	\$ 29,746	\$ 31,486
(A)Enforcement Reimbursement.....	1	25	25
(A)Sale of Vehicles.....	20	10	10
STATE STORES FUND TOTAL.....	<u>\$ 29,767</u>	<u>\$ 29,781</u>	<u>\$ 31,521</u>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 245,873	\$ 256,938	\$ 243,587
SPECIAL FUNDS.....	754,614	801,739	738,513
FEDERAL FUNDS.....	32,814	31,494	31,039
AUGMENTATIONS.....	74,672	69,180	164,013
RESTRICTED.....	1,054	7,894	4,182
OTHER FUNDS.....	77,473	74,872	91,557
<b>TOTAL ALL FUNDS</b> .....	<b><u>\$ 1,186,500</u></b>	<b><u>\$ 1,242,117</u></b>	<b><u>\$ 1,272,891</u></b>

<sup>a</sup> Previously appropriated in the General Fund.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>PUBLIC PROTECTION AND LAW ENFORCEMENT</b>							
GENERAL FUND.....	\$ 245,873	\$ 256,938	\$ 243,587	\$ 242,850	\$ 242,671	\$ 272,123	\$ 277,390
SPECIAL FUNDS.....	754,614	801,739	738,513	736,303	735,765	705,530	673,461
FEDERAL FUNDS.....	32,814	31,494	31,039	31,039	31,039	31,039	31,039
OTHER FUNDS.....	153,199	151,946	259,752	260,699	261,660	262,635	263,626
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,186,500</b>	<b>\$ 1,242,117</b>	<b>\$ 1,272,891</b>	<b>\$ 1,270,891</b>	<b>\$ 1,271,135</b>	<b>\$ 1,271,327</b>	<b>\$ 1,245,516</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 245,873	\$ 256,938	\$ 243,587	\$ 242,850	\$ 242,671	\$ 272,123	\$ 277,390
SPECIAL FUNDS.....	754,614	801,739	738,513	736,303	735,765	705,530	673,461
FEDERAL FUNDS.....	32,814	31,494	31,039	31,039	31,039	31,039	31,039
OTHER FUNDS.....	153,199	151,946	259,752	260,699	261,660	262,635	263,626
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 1,186,500</b>	<b>\$ 1,242,117</b>	<b>\$ 1,272,891</b>	<b>\$ 1,270,891</b>	<b>\$ 1,271,135</b>	<b>\$ 1,271,327</b>	<b>\$ 1,245,516</b>

## Program: Public Protection and Law Enforcement

*Goal: To 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 Element: Traffic Supervision**

Enforcing the commonwealth's traffic laws is a major responsibility of the State Police. The State Police has jurisdiction in all political sub-divisions within the commonwealth and routinely provides assistance to municipal, state and federal law enforcement agencies. The department patrols 60 percent of the commonwealth's roadways while providing various levels of police services and traffic enforcement to the majority of municipalities in the commonwealth. The State Police is also responsible for providing primary police services and traffic enforcement on the Pennsylvania Turnpike and the interstate highway system.

The department emphasizes reducing traffic crashes and bringing the motoring public into voluntary compliance with all traffic laws through routine patrol and enforcement activities. The very presence of visible police patrols continues to have the greatest impact on reducing traffic crashes. Supplemental patrols are provided in construction zones for the safety of motorists, as well as construction workers. Enforcement efforts continue to be concentrated in areas identified through the problem specific policing initiative. The goals of problem specific policing are to reduce crashes and crime, and improve the quality of life of citizens.

The department continues the use of DUI sobriety checkpoints and roving DUI patrols to combat drunk driving. The use of trained drug recognition experts is contributing to the steady increase in identifying and removing drug-impaired drivers from our highways. The department routinely conducts traffic safety education programs aimed at preventing DUI-related crashes.

The goal of commercial vehicle enforcement is to reduce commercial motor vehicle crashes, fatalities and injuries through consistent, uniform and effective commercial motor vehicle safety programs. Enforcement of the federal motor carrier safety regulations pertaining to drivers, equipment, documents, loads and hazardous materials transportation. State Police personnel also enforce the commonwealth's laws pertaining to the size, weight and load of commercial vehicles.

State Police identify, collect and analyze roadway evidence, debris patterns, vehicle damage and occupant injuries to reconstruct the circumstances surrounding serious, complicated and fatal motor vehicle crashes. Forensic mapping is also conducted, providing for scaled, computer-generated diagrams of crash and crime scenes.

### **Program Element: Vehicle Standards Control**

Vehicle fraud investigation was established to enforce vehicle equipment laws and regulations, and to assist in

the removal of unsafe vehicles from the commonwealth's highways through supervision of motor vehicle safety inspection stations and mechanics, emissions inspection stations, and motor vehicle dealers.

### **Program Element: Criminal Law Enforcement**

Most State Police efforts in criminal law enforcement are performed at the station level and consist of investigations of violent crimes and property crimes. At the statewide level, the department conducts special investigations of drug and narcotics offenses, 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 administers and manages the Pennsylvania Amber Alert System, a child abduction alert notification system. Amber Alert utilizes the Emergency Alert System and the commonwealth's "Alert-PA" website 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. A Missing Endangered Person Advisory System was implemented to supplement the Amber Alert System and notify the public of missing endangered persons of any age.

The State Police 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 program task force is equipped with the newest technology, including a central forensic server that allows investigators to complete forensic examinations from remote locations across the state.

### **Program Element: Crime Prevention**

The State Police crime prevention mission is to reduce the incidence of crime through citizen involvement and educational crime prevention techniques. This includes initiatives such as Neighborhood Crime Watch, block parents, Crime Stoppers and business tip programs developed to encourage the reporting of suspicious activity for follow-up investigation in support of the department's homeland security mission.

The State Police provides assistance to municipalities in suppression of violent crime through saturation patrols. Community involvement and intelligence gathering are essential components of these operations.

The State Police ensures the timely exchange of relevant information pertaining to sexually violent predators

**Program: Public Protection and Law Enforcement (continued)**

and other sexual offenders between public agencies and officials, and the release of information regarding offenders to the general public as required by Megan's Law.

The State Police is responsible for managing the Pennsylvania Instant Check System. PICS provides instant access to background records on an individual to determine if the person is eligible to acquire a firearm or a license to carry a firearm.

**Program Element: Emergency Assistance**

The State Police has primary police jurisdiction in 82 percent of the commonwealth's land area while providing assistance to a variety of local, state and federal entities. The State Police is normally called upon whenever a medium to large-scale emergency situation occurs within the commonwealth. The department classifies emergency assistance into two separate categories: civil disorder and emergency management.

Civil disorders are incidents that are or may become criminal in nature, such as prison disturbances, labor disorders, strikes, educational campus disorders, youth group disorders, terrorism and hostage situations. Emergency management is the 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 State Police Watch Center provides situational awareness of emergencies to all levels of the department by establishing a standard alert condition procedure. The Statewide Radio Network Division, known as PA-STARNet, develops and manages the two-way public safety radio system used by the State Police and various other commonwealth agencies. PA-STARNet is connected by an extensive microwave network, carrying voice and data communications for public safety and emergency response across the commonwealth.

The State Police administers and coordinates numerous homeland and domestic security responsibilities. The department's primary mission in this area includes emergency planning and preparedness, continuity of operations, National Incident Management System implementation, liaison to the Pennsylvania Emergency Management Agency, nuclear and radiological security, school safety support, facility security for department installations, risk and vulnerability assessments for commercial/public facilities and critical infrastructures, and management of federal homeland security grants.

The department's Special Emergency Response Team is responsible for an incident-specific approach to high-risk

and special emergency situations. K-9 detection teams provide drug, explosive and human remains detection during emergency and disaster incidents. The department's aircraft fleet provides assistance, search-and-rescue operations, and enforcement during emergencies. The department provides response and render-safe operations for suspicious packages and improvised explosive devices, along with security-sweep operations. The department's tactical mounted resources include 28 horses and several specialty transport vehicles that support large-scale security and emergency operations. The Clandestine Laboratory Response Team is responsible for coordinating the safe and effective response to all clandestine laboratory incidents and hazardous indoor marijuana growing operations investigated by the State Police.

**Program Element: Liquor Control and Gaming Enforcement**

The State Police 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 is responsible for investigating and prosecuting criminal infractions, conducting various background checks and providing overall law enforcement services at Pennsylvania's gaming facilities.

**Program Element: Management**

The department's management program provides direction and coordination for all line and staff activities including administrative and overhead systems for the operation of various law enforcement programs. General Government Operations includes \$4.7 million in GO-TIME productivity savings through system modernization.

State-of-the-art technology continues to automate a broad range of department functions. The Commonwealth Law Enforcement Assistance Network is utilized 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 item queries, wanted persons files, and a host of other law enforcement services.

The Pennsylvania Criminal Intelligence Center provides analytical assistance to Pennsylvania law enforcement agencies, emergency managers, and the owners and operators of critical infrastructure.

## Program: Public Protection and Law Enforcement (continued)

### Program Recommendations:

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

	<b>GENERAL FUND AND MOTOR LICENSE FUND COMBINED:</b>			
	<b>General Government Operations</b>	\$	640	<b>Statewide Public Safety Radio System</b>
\$ -24,310	—complement cost savings through controls and attrition.		19,344	—to continue current program.
16,130	—Initiative—Trooper Replacement Cadet Classes. Funding for cadet class schedule, including three new classes beginning in 2017-18.		-416	—Initiative—to continue statewide radio system upgrade.
-63,124	—Initiative—to charge municipalities for police services.		-72	—Initiative—to modernize operations.
-28,000	—Initiative—to enhance criminal history record check revenues.		\$ 19,496	—Initiative—to implement complement savings.
-1,008	—Initiative—to modernize operations.			<i>Appropriation Increase</i>
-352	—Initiative—cost savings realized through the reduction of real estate costs.	\$	4,575	<b>Municipal Police Training</b>
-68	—Initiative—cost savings realized through elimination of duplicative services.			—to continue current program.
\$ -100,732	<i>Appropriation Decrease</i>	\$	-84	<b>Gun Checks</b>
				—to supplement gun check fees to cover Pennsylvania Instant Check System (PICS) costs.
				<b>Commercial Vehicles Inspection</b>
				—to continue current program.

Automated Fingerprint Identification System, Law Enforcement Information Technology, Patrol Vehicles and Municipal Police Training Grants appropriations are recommended at the current year funding levels.

In addition, funding for the Pennsylvania Instant Check System includes \$4,182,000 from the Firearm Records Check restricted account.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 229,195	\$ 241,430	\$ 216,247	\$ 216,010	\$ 215,770	\$ 245,174	\$ 256,894
Statewide Public Safety Radio System .....	6,004	6,004	13,092	12,592	12,653	12,701	6,248
Law Enforcement Information Technology .....	6,899	6,899	6,899	6,899	6,899	6,899	6,899
Municipal Police Training .....	1,256	1,744	1,828	1,828	1,828	1,828	1,828
Automated Fingerprint Identification System .....	861	861	946	946	946	946	946
Gun Checks .....	1,658	0	4,575	4,575	4,575	4,575	4,575
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 245,873</b>	<b>\$ 256,938</b>	<b>\$ 243,587</b>	<b>\$ 242,850</b>	<b>\$ 242,671</b>	<b>\$ 272,123</b>	<b>\$ 277,390</b>
<b>MOTOR LICENSE FUND:</b>							
General Government Operations .....	\$ 687,585	\$ 724,290	\$ 648,741	\$ 648,031	\$ 647,310	\$ 616,931	\$ 604,221
Statewide Public Safety Radio System .....	18,012	26,868	39,276	37,776	37,959	38,103	18,744
Law Enforcement Information Technology .....	20,697	20,697	20,697	20,697	20,697	20,697	20,697
Municipal Police Training .....	1,256	1,744	1,828	1,828	1,828	1,828	1,828
Automated Fingerprint Identification System .....	85	85	0	0	0	0	0
Patrol Vehicles .....	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Commercial Vehicle Inspections .....	9,979	11,055	10,971	10,971	10,971	10,971	10,971
Municipal Police Training Grants .....	5,000	5,000	5,000	5,000	5,000	5,000	5,000
<b>TOTAL MOTOR LICENSE FUND .....</b>	<b>\$ 754,614</b>	<b>\$ 801,739</b>	<b>\$ 738,513</b>	<b>\$ 736,303</b>	<b>\$ 735,765</b>	<b>\$ 705,530</b>	<b>\$ 673,461</b>

## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Program: Public Protection and Law Enforcement</b>							
<b>Objective: Reduce motor vehicle crashes.</b>							
<b>Vehicle Traffic Supervision</b>							
Number of motor vehicle crashes	76,960	75,700	74,400	73,100	71,900	70,700	69,500
Traffic citations issued	623,399	634,000	644,000	655,000	665,000	676,000	687,000
Written warnings issued for traffic violations	296,436	301,000	306,000	311,000	316,000	322,000	327,000
<b>Vehicle Standards Control</b>							
Commercial vehicle safety inspections	80,305	81,600	83,000	84,300	85,700	87,100	88,500
Percentage of commercial vehicle safety inspections resulting in vehicles being placed out of service	13%	13%	13%	13%	13%	13%	13%
<b>Objective: Reduce fatal motor vehicle crashes.</b>							
<b>Vehicle Traffic Supervision</b>							
Number of fatal motor vehicle crashes	543	530	530	520	510	500	490
Traffic citations issued for occupant restraint violations	18,970	19,300	19,600	19,900	20,300	20,600	20,900
<b>Objective: Reduce DUI-related crashes.</b>							
<b>Vehicle Traffic Supervision</b>							
DUI-related crashes	4,465	4,390	4,320	4,240	4,170	4,100	4,030
DUI arrests	19,649	20,000	20,300	20,600	21,000	21,300	21,700
DUI sobriety checkpoints	55	60	60	60	60	60	60
<b>Objective: Reduce violent crime.</b>							
<b>Criminal Law Enforcement and Crime Prevention</b>							
Crimes per 100,000 population in State Police jurisdiction areas:							
Number of violent crimes per 100,000 population	113	111	109	107	106	104	102
Arrests for violent crimes per 100,000 population	79	80	82	83	84	86	87
Percentage of violent crimes cleared (i.e. cases solved and prosecuted or disposed of through other legal means)	72%	73%	74%	75%	76%	78%	79%
<b>Enforcement and Investigation</b>							
Megan's Law - registered sex offenders	19,690	20,000	20,300	20,700	21,000	21,400	21,700
<b>Crime Lab</b>							
Convicted offender DNA submissions	17,135	17,400	17,700	18,000	18,300	18,600	18,900
DNA evidence submissions	3,460	3,520	3,580	3,630	3,690	3,750	3,820
Criminal suspects identified through DNA evidence submissions	928	940	960	970	990	1,010	1,020



## Program Measures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Background Checks</b>							
Pennsylvania Instant Check System firearms purchase background checks	1,092,820	1,110,000	1,130,000	1,150,000	1,170,000	1,190,000	1,200,000
Pennsylvania Instant Check System firearms purchase initial denials	13,107	13,300	13,500	13,800	14,000	14,200	14,500
<b>Emergency Preparedness and Response</b>							
Requests for Special Emergency Response Team	260	260	270	270	280	280	290
<b>Objective: Reduce property crime.</b>							
<b>Criminal Law Enforcement and Crime Prevention</b>							
Crimes per 100,000 population in State Police jurisdiction areas:							
Number of property crimes per 100,000 population	922	910	890	880	860	850	830
Arrests for property crimes per 100,000 population	294	300	300	310	310	320	320
Percentage of property crimes cleared (i.e. cases solved and prosecuted or disposed of through other legal means)	35%	36%	36%	37%	37%	38%	39%
<b>Crime Lab</b>							
Fingerprint card submissions	1,417,593	1,440,000	1,460,000	1,490,000	1,510,000	1,540,000	1,560,000
Number of latent prints identified to criminal suspects	3,916	3,980	4,050	4,110	4,180	4,250	4,320
<b>Objective: Achieve and maintain a clearance rate at or above the state and national averages for Crime Index offenses.</b>							
<b>Criminal Law Enforcement and Crime Prevention</b>							
Crimes per 100,000 population in State Police jurisdiction areas:							
Crime Index offenses per 100,000 population	1,036	1,020	1,000	980	970	950	940
Arrests for Crime Index offenses per 100,000 population	373	380	390	390	400	400	410
Percentage of Crime Index offenses cleared (i.e. cases solved and prosecuted or disposed of through other legal means)	39%	40%	40%	41%	42%	42%	43%
<b>Objective: Increase drug enforcement efforts.</b>							
<b>Enforcement and Investigation</b>							
Drug offenses	10,449	10,280	10,100	9,930	9,760	9,600	9,430
Drug-related arrests	8,923	9,070	9,220	9,370	9,530	9,680	9,840
Clandestine Laboratory Response Team deployments for illegal drug manufacturing facilities (e.g. methamphetamine labs, etc.)	327	330	340	340	350	360	360
<b>Crime and Terrorism Tip Lines</b>							
Drug tips	984	1,000	1,020	1,030	1,050	1,070	1,090

## Program Measures

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

### Objective: Increase compliance with liquor laws at licensed establishments.

#### Liquor Control Enforcement

Liquor law investigations	33,437	34,000	34,600	35,100	35,700	36,300	36,900
Routine liquor law inspections	5,293	5,380	5,470	5,560	5,650	5,740	5,840
Liquor law violations	12,195	12,000	11,800	11,600	11,400	11,200	11,000
Administrative citation letters issued for liquor law violations	2,055	2,020	1,990	1,950	1,920	1,890	1,860
Administrative warning letters issued for liquor law violations	3,197	3,140	3,090	3,040	2,990	2,940	2,890

### Objective: Prevent terrorist attacks from occurring within the commonwealth through effective analysis and assessment of potential domestic terrorism threats.

#### Crime and Terrorism Tip Lines

Terrorism tips	627	640	650	660	670	680	690
----------------	-----	-----	-----	-----	-----	-----	-----

#### Emergency Preparedness and Response

Requests for Hazardous Device and Explosives Section services	338	340	350	360	360	370	370
Domestic terrorism threat assessments conducted	76	77	79	80	81	82	84

### Objective: Ensure intelligence information obtained concerning criminal activity and possible terrorism is shared with law enforcement agencies throughout the commonwealth.

#### Enforcement and Investigation

Municipal law enforcement agencies receiving information from the Pennsylvania Criminal Intelligence Center	1,074	1,090	1,110	1,130	1,150	1,170	1,180
Requests for intelligence information from Pennsylvania Criminal Intelligence Center	29,144	29,600	30,100	30,600	31,100	31,600	32,100
Intelligence products disseminated by the Pennsylvania Criminal Intelligence Center	54,744	55,700	56,600	57,500	58,400	59,400	60,400
CLEAN/NCIC confirmed responses (i.e. computer checks resulting in the identification of wanted persons, stolen property, etc.)	95,694	97,300	98,900	100,500	102,200	103,800	105,500

### Objective: Ensure the rapid collection and appropriate dissemination of accurate information on emergency situations throughout the commonwealth.

#### Emergency Preparedness and Response

Municipal public safety agencies receiving immediate reports from the Department Watch Center	1,270	1,290	1,310	1,330	1,360	1,380	1,400
Department Watch Center immediate reports	2,451	2,490	2,530	2,570	2,620	2,660	2,700



## Program Measures

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

**Objective: Augment our enforcement efforts through public education programs aimed at preventing crime and reducing motor vehicle crashes.**

### Criminal Law Enforcement and Crime Prevention

Community-based crime prevention programs (total)	2,274	2,310	2,350	2,390	2,430	2,470	2,510
Community-based crime prevention programs targeting violent crime	868	880	900	910	930	940	960
Community-based crime prevention programs targeting property crime	419	430	430	440	450	460	460
Community-based drug-prevention programs	257	260	270	270	270	280	280
Other community-based crime prevention programs	730	740	750	770	780	790	810

### Vehicle Traffic Supervision

Traffic safety education programs (total)	2,558	2,600	2,640	2,690	2,730	2,780	2,820
---	-------	-------	-------	-------	-------	-------	-------

**Objective: Increase the effectiveness of the Pennsylvania Statewide Radio Network (PA-STARNet).**

### Public Safety Radio System

Average monthly transmissions on PA-STARNet	4,024,423	4,090,000	4,160,000	4,230,000	4,300,000	4,370,000	4,440,000
Radios deployed statewide	29,611	30,100	30,600	31,100	31,600	32,100	32,600
High-profile site locations on air	259	259	259	259	259	259	259
Microcell site locations on air	769	769	769	769	769	769	769

**Objective: Increase the number of cadet applications, applicant retention rates and applicants from traditionally underrepresented groups to build and maintain a police force reflective of the commonwealth's diverse population demographics.**

### Emergency Preparedness and Response

Total number of individuals graduating from the Academy	294	264	320	320	320	320	320
Cadet applications	11,506	11,600	11,700	11,900	12,000	12,100	12,200
Cadet applications from traditionally underrepresented groups	4,321	4,390	4,470	4,540	4,610	4,690	4,760
Total number of individuals from traditionally underrepresented groups graduating from the Academy	47	48	49	49	50	51	52
Average length of time in months from application date until Academy start date	20	19	19	19	18	18	18

**Objective: Foster, build and maintain strong professional partnerships, while remaining at the forefront of technology, innovation and training.**

### Emergency Preparedness and Response

Number of speed enforcement agreements between State Police and municipal/regional law enforcement partners	129	131	133	135	138	140	142
---	-----	-----	-----	-----	-----	-----	-----



---

# DEPARTMENT OF TRANSPORTATION

*The mission of the Department of Transportation is to provide a sustainable transportation system and quality services that are embraced by our communities and add value to our customers.*

## **Programs and Goals**

**Transportation Support Services:** *To provide an effective administrative system supporting both non-highway and highway transportation programs.*

**Highways and Bridges:** *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.*

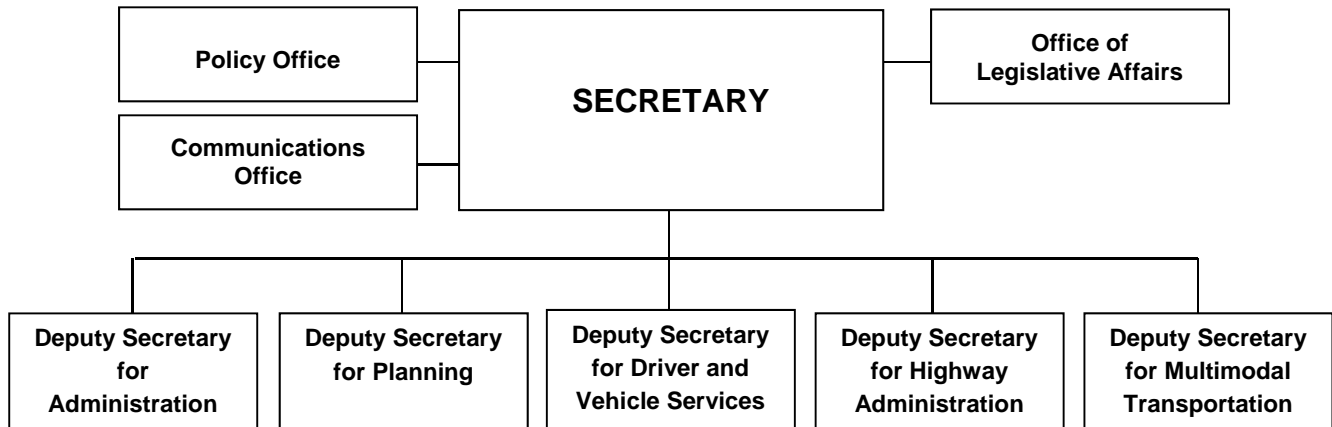
**Local Highway and Bridge Assistance:** *To assist local governments in the maintenance and construction of their portion of the total highway and bridge system.*

**Multimodal Transportation:** *To support public transportation, intercity bus, intercity rail, rail freight, ports, aviation and bicycle and pedestrian facilities options that improve the mobility and the quality of life for urban and rural Pennsylvanians, and enhance economic activity throughout the commonwealth.*

**Driver and Vehicle Services:** *To minimize traffic accidents attributable to driver error and mechanically defective vehicles and to promote highway safety programs.*

---

## Organization Overview



- **Deputy Secretary for Administration** provides leadership and direction for the bureaus of Human Resources, Information Systems Technology Office, Transportation Innovations Office, Fiscal Management, Office Services, Equal Opportunity, and Tourism Services.
- **Deputy Secretary for Planning** is responsible for statewide transportation planning and programming activities and for developing and managing the commonwealth's multi-modal Twelve Year Transportation Program. Key to these activities is the management of federal highway and bridge funds, which leverage a construction program of \$2.4 billion per year.
- **Deputy Secretary for Driver and Vehicle Services** oversees nearly 1,200 driver and vehicle services employees who provide quality customer service, while keeping the safety and security of the commonwealth's 8.9 million licensed drivers and approximately 12 million registered vehicles a paramount focus.
- **Deputy Secretary for Highway Administration** directs a team of over 9,600 employees in central office and eleven engineering districts. Responsibilities include oversight of maintenance, operations, design and construction of Pennsylvania's highways and bridges.
- **Deputy Secretary for Multimodal Transportation** supports public transportation, intercity bus, intercity rail, rail freight, ports, aviation and bicycle and pedestrian facilities to improve the mobility and quality of life for all Pennsylvanians.

### Authorized Complement

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
11,876	11,876	11,883	11,883	11,898

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
Vehicle Sales Tax Collections.....	\$ 1,024	\$ 977	\$ 1,095
Voter Registration.....	529	529	530
Total - General Government.....	\$ 1,553	\$ 1,506	\$ 1,625
<i>Grants and Subsidies:</i>			
(F)Title IV Rail Assistance.....	\$ 36	\$ 0	\$ 0
(F)Surface Transportation Assistance.....	750	500	500
(F)FTA - Capital Improvement Grants.....	32,000	30,000	30,000
(F)TEA 21 - Access to Jobs.....	8,000	4,000	4,000
(F)Surface Transportation - Operating.....	26,000	18,000	18,000
(F)Surface Transportation Assistance Capital.....	14,000	25,000	25,000
(F)FTA - Safety Oversight.....	4,212	2,600	2,600
(F)FTA - Keystone Corridor Equipment & Purchases.....	40,000	40,000	40,000
(F)FTA - Hybrid Mass Transit Vehicles.....	30,000	30,000	30,000
(F)Rail Line Relocation.....	6,002	0	0
(F)Line and Track Improvement.....	0	2,398	2,398
(F)ARRA - National Railroad Passenger Corporation.....	20,000	0	0
(F)ARRA - Supplemental Rail Freight Projects.....	22,000	0	0
(F)ARRA - High Speed Rail.....	50,000	3,000	3,000
Total - Grants and Subsidies.....	\$ 253,000	\$ 155,498	\$ 155,498
STATE FUNDS.....	\$ 1,553	\$ 1,506	\$ 1,625
FEDERAL FUNDS.....	253,000	155,498	155,498
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 254,553</b>	<b>\$ 157,004</b>	<b>\$ 157,123</b>
<b>MOTOR LICENSE FUND:</b>			
<i>General Government:</i>			
General Government Operations.....	\$ 51,849	\$ 58,586	\$ 60,921
(A)Reimbursements.....	1,075	1,136	1,136
(A)Duplicating Services.....	260	300	300
(A)Administrative Hearings.....	6	40	40
Welcome Centers.....	3,588	3,900	4,115
Subtotal.....	\$ 56,778	\$ 63,962	\$ 66,512
<b>Highway and Safety Improvements.....</b>	<b>268,000</b>	<b>70,000</b>	<b>232,000</b>
(F)Highway Research, Planning and Construction.....	1,161,129	1,275,000	1,275,000
(A)Proceeds from Bond Sales - Highway Projects.....	195,000	206,621	0
(A)Highway Construction Contributions and Reimbursements.....	4,087	13,000	13,000
(A)Proceeds from Sale of Right-of-Way.....	4,984	0	0
(A)Joint Use Leases.....	428	0	0
(A)Reimbursements.....	1,307	0	0
(A)Licensing Fees - Engineering Software.....	9	0	0
<b>Highway Capital Projects (EA).....</b>	<b>220,000</b>	<b>220,000</b>	<b>230,000</b>
(R)Highway Capital Projects - Excise Tax (EA).....	301,530	361,034	404,635
(R)Bridges - Excise Tax (EA).....	111,557	116,493	132,572
(R)Highway Bridge Projects (EA).....	180,000	175,000	155,000
(F)Federal Aid - Highway Bridge Projects.....	389,553	500,000	500,000
(A)Proceeds from Bond Sales - Bridge Projects.....	116	0	0
(A)Bridge Construction Contributions.....	2,071	2,800	2,800
(A)Reimbursements From Local Governments.....	0	200	200
Subtotal.....	\$ 2,839,771	\$ 2,940,148	\$ 2,945,207
<b>Highway Maintenance.....</b>	<b>859,000</b>	<b>908,899</b>	<b>860,542</b>
(F)Highway Research, Planning and Construction.....	77,682	150,000	150,000
(F)Disaster Recovery - FHWA.....	1,994	12,500	12,500
(F)Disaster Recovery - FEMA.....	774	12,500	12,500
(F)Highway Safety - Maintenance (EA).....	4,000	4,000	4,000
(A)Highway Maintenance Contributions.....	5,084	20,000	20,000

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
(A) Sale of Equipment and Supplies.....	3,470	5,000	5,000
(A) Accident Damage Claims.....	6,888	0	0
(A) Marcellus Shale Road Damage.....	1,541	0	0
(A) Heavy Hauling - Bonded Roads.....	789	0	0
(A) Miscellaneous.....	354	100	100
(R) Highway Maintenance - Excise Tax (EA).....	221,652	168,843	194,178
(R) Highway Maintenance Enhancement (EA).....	248,655	252,676	285,598
(R) Expanded Highway and Bridge Maintenance (EA).....	296,335	295,170	341,072
(A) Expanded Maintenance Contributions.....	1,878	2,000	1,000
<b>Reinvestment in Facilities.....</b>	<b>16,000</b>	<b>16,000</b>	<b>16,000</b>
Subtotal.....	<b>\$ 1,746,096</b>	<b>\$ 1,847,688</b>	<b>\$ 1,902,490</b>
<b>Driver and Vehicle Services.....</b>	<b>143,175</b>	<b>157,971</b>	<b>167,082</b>
(F) Motor Carrier Safety Improvement (EA).....	1,000	3,000	3,000
(F) Judicial Outreach Liaison (EA).....	50	0	0
(F) Pedestrian Safety (EA).....	525	0	0
(A) Photo ID Program.....	27,163	30,700	30,700
(A) Postage.....	681	474	474
(A) Miscellaneous.....	295	426	426
Subtotal.....	<b>\$ 172,889</b>	<b>\$ 192,571</b>	<b>\$ 201,682</b>
(R) Aviation Operations.....	4,104	3,219	4,051
(F) Aviation Planning.....	516	300	300
(F) Airport Inspections (EA).....	30	0	0
(A) Reimbursement - Flight Operations.....	379	360	360
(A) Airport Inspections and Licensing.....	19	40	40
Subtotal.....	<b>\$ 5,048</b>	<b>\$ 3,919</b>	<b>\$ 4,751</b>
Subtotal - State Funds.....	\$ 1,561,612	\$ 1,435,356	\$ 1,570,660
Subtotal - Federal Funds.....	1,637,253	1,957,300	1,957,300
Subtotal - Augmentations.....	257,884	283,197	75,576
Subtotal - Restricted Revenues.....	1,363,833	1,372,435	1,517,106
Total - General Government.....	<b>\$ 4,820,582</b>	<b>\$ 5,048,288</b>	<b>\$ 5,120,642</b>
<b>Grants and Subsidies:</b>			
<b>Local Road Maintenance and Construction Payments.....</b>	<b>\$ 238,503</b>	<b>\$ 248,235</b>	<b>\$ 253,072</b>
<b>Supplemental Local Road Maintenance &amp; Construction Payments.....</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>
<b>Municipal Roads and Bridges.....</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>
<b>Maintenance and Construction of County Bridges.....</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>
<b>Municipal Traffic Signals.....</b>	<b>0</b>	<b>40,000</b>	<b>40,000</b>
<b>Payment to Turnpike Commission (EA).....</b>	<b>28,000</b>	<b>28,000</b>	<b>28,000</b>
(R) Local Road Payments - Excise Tax (EA).....	101,600	107,534	122,298
(R) Payments to Municipalities (EA).....	71,012	75,423	84,680
(R) Local Grants for Bridge Projects (EA).....	25,000	25,000	25,000
(F) Federal Aid - Local Grants for Bridge Projects.....	5,021	12,500	12,500
(A) Bridge Reimbursements From Local Governments.....	123	100	100
(R) Local Bridge Projects (EA).....	18,840	22,000	27,350
(R) County Bridges - Excise Tax (EA).....	21,950	21,215	20,859
(F) Federal Aid - County Bridges.....	169	200	200
(R) County Bridge Projects - Marcellus Shale (EA).....	20,550	16,967	15,608
(R) Toll Roads - Excise Tax (EA).....	119,804	129,765	141,962
(R) Annual Maintenance Payments - Highway Transfer (EA).....	19,032	19,088	19,064
(R) Restoration Projects - Highway Transfer (EA).....	11,000	11,000	11,000
(R) Airport Development.....	6,000	5,500	5,500
(F) Airport Development (EA).....	21,000	49,547	49,547
(R) Real Estate Tax Rebate.....	250	250	250
Subtotal.....	<b>\$ 747,854</b>	<b>\$ 852,324</b>	<b>\$ 896,990</b>

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
Subtotal - State Funds.....	\$ 306,503	\$ 356,235	\$ 361,072
Subtotal - Federal Funds.....	26,190	62,247	62,247
Subtotal - Augmentations.....	123	100	100
Subtotal - Restricted Revenues.....	415,038	433,742	473,571
<b>Total - Grants and Subsidies.....</b>	<b>\$ 747,854</b>	<b>\$ 852,324</b>	<b>\$ 896,990</b>
<b>Refunds:</b>			
<b>Refunding Collected Monies (EA).....</b>	<b>\$ 1,890</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>
Subtotal.....	\$ 1,890	\$ 2,500	\$ 2,500
STATE FUNDS.....	\$ 1,870,005	\$ 1,794,091	\$ 1,934,232
FEDERAL FUNDS.....	1,663,443	2,019,547	2,019,547
AUGMENTATIONS.....	258,007	283,297	75,676
RESTRICTED REVENUES.....	1,778,871	1,806,177	1,990,677
<b>MOTOR LICENSE FUND TOTAL.....</b>	<b>\$ 5,570,326</b>	<b>\$ 5,903,112</b>	<b>\$ 6,020,132</b>
<b>LOTTERY FUND:</b>			
<b>Grants and Subsidies:</b>			
<b>Older Pennsylvanians Shared Rides (EA).....</b>	<b>\$ 85,975</b>	<b>\$ 82,975</b>	<b>\$ 82,975</b>
<b>Transfer to Public Transportation Trust Fund (EA).....</b>	<b>95,907</b>	<b>95,907</b>	<b>95,907</b>
Total - Grants and Subsidies.....	\$ 181,882	\$ 178,882	\$ 178,882
<b>LOTTERY FUND TOTAL.....</b>	<b>\$ 181,882</b>	<b>\$ 178,882</b>	<b>\$ 178,882</b>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Reimbursements to Municipalities - Vehicle Code Fines.....	\$ 6,455	\$ 6,500	\$ 6,500
Federal Grants - Railroad Freight Rehabilitation.....	0	200	200
Child Passenger Restraint Fund.....	258	300	300
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 6,713</b>	<b>\$ 7,000</b>	<b>\$ 7,000</b>
<b>MOTOR LICENSE FUND:</b>			
Federal Reimbursements - Highway Safety Program.....	\$ 15,970	\$ 15,000	\$ 15,000
Reimbursements to Other States - Apportioned Registration.....	13,677	18,000	16,000
Federal Reimbursements - Local Bridge Projects.....	68,204	75,000	75,000
Motorcycle Safety Education.....	3,757	5,000	5,000
Federal Reimbursements - Political Subdivisions.....	144,640	140,000	140,000
PA Unified Certification.....	0	10	10
CDL - Hazardous Material Fees.....	418	500	500
Fee for Local Use.....	3,738	18,000	19,000
Red Light Photo Enforcement.....	8,216	7,000	7,000
Delegated Facility Projects.....	4,115	5,000	5,000
<b>MOTOR LICENSE FUND TOTAL.....</b>	<b>\$ 262,735</b>	<b>\$ 283,510</b>	<b>\$ 282,510</b>
<b>HIGHWAY BEAUTIFICATION FUND:</b>			
Control of Outdoor Advertising (EA).....	\$ 408	\$ 408	\$ 408
<b>LIQUID FUELS TAX FUND:</b>			
Payments to Counties.....	\$ 29,392	\$ 31,619	\$ 29,623
Auditor General's Audit Costs (EA).....	700	700	700
<b>LIQUID FUELS TAX FUND TOTAL.....</b>	<b>\$ 30,092</b>	<b>\$ 32,319</b>	<b>\$ 30,323</b>
<b>MOTOR VEHICLE TRANSACTION RECOVERY FUND:</b>			
Reimbursement to Transportation.....	\$ 13	\$ 45	\$ 45
<b>MULTIMODAL TRANSPORTATION FUND:</b>			
Aviation Grants (EA).....	\$ 6,003	\$ 6,003	\$ 6,363
Rail Freight Grants (EA).....	10,005	10,005	10,605

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2015-16	2016-17	2017-18
	ACTUAL	AVAILABLE	BUDGET
Passenger Rail Grants (EA).....	8,004	8,004	8,484
Ports and Waterways Grants (EA).....	10,005	10,005	10,605
Bicycle and Pedestrian Facilities Grants (EA).....	2,001	2,001	2,121
Statewide Programs Grants (EA).....	40,000	40,000	40,000
Multimodal Administration and Oversight (EA).....	3,818	3,688	4,317
(A)Reimbursements.....	2	0	0
Transfer to Commonwealth Financing Authority (EA).....	53,476	54,552	56,794
PennPORTS-Philadelphia Regional Port Authority Debt Service.....	4,612	4,608	4,609
<b>MULTIMODAL TRANSPORTATION FUND TOTAL.....</b>	<b>\$ 137,926</b>	<b>\$ 138,866</b>	<b>\$ 143,898</b>
<b>PENNSYLVANIA INFRASTRUCTURE BANK FUND:</b>			
Infrastructure Bank Loans (EA).....	\$ 30,000	\$ 30,000	\$ 30,000
<b>PUBLIC TRANSPORTATION ASSISTANCE FUND:</b>			
Mass Transit (EA).....	\$ 202,341	\$ 215,580	\$ 226,621
Transfer to Public Transportation Trust Fund (EA).....	0 <sup>a</sup>	0 <sup>a</sup>	0 <sup>a</sup>
<b>PUBLIC TRANSPORTATION ASSISTANCE FUND TOTAL.....</b>	<b>\$ 202,341</b>	<b>\$ 215,580</b>	<b>\$ 226,621</b>
<b>PUBLIC TRANSPORTATION TRUST FUND:</b>			
Mass Transit Operating (EA).....	\$ 837,000 <sup>b</sup>	\$ 766,093 <sup>b</sup>	\$ 784,093 <sup>b</sup>
Asset Improvement (EA).....	353,156	421,000	350,000
Capital Improvement (EA).....	37,000	56,250	25,000
Programs of Statewide Significance (EA).....	79,000	80,000	90,000
Transit Administration and Oversight (EA).....	4,488	4,488	4,488
<b>PUBLIC TRANSPORTATION TRUST FUND TOTAL.....</b>	<b>\$ 1,310,644</b>	<b>\$ 1,327,831</b>	<b>\$ 1,253,581</b>
<b>UNCONVENTIONAL GAS WELL FUND:</b>			
Rail Freight Assistance.....	\$ 1,000	\$ 1,000	\$ 1,000
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 1,553	\$ 1,506	\$ 1,625
SPECIAL FUNDS.....	2,051,887	1,972,973	2,113,114
FEDERAL FUNDS.....	1,916,443	2,175,045	2,175,045
AUGMENTATIONS.....	258,007	283,297	75,676
RESTRICTED.....	1,778,871	1,806,177	1,990,677
OTHER FUNDS.....	1,981,872	2,036,559	1,975,386
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 7,988,633</b>	<b>\$ 8,275,557</b>	<b>\$ 8,331,523</b>

<sup>a</sup> Not added to the total to avoid double counting: 2015-16 Actual is \$20,178,000, 2016-17 Available is \$21,208,000 and 2017-18 Budget is \$22,067,000.

<sup>b</sup> Lottery Fund Transfer to Public Transportation Trust Fund not added to the total to avoid double counting: 2015-16 Actual is \$95,907,000, 2016-17 Available is \$95,907,000 and 2017-18 Budget is \$95,907,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>TRANSPORTATION SUPPORT SERVICES</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	53,739	61,086	63,421	63,421	63,421	63,421	63,421
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	1,599	1,786	1,786	1,786	1,786	1,786	1,786
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 55,338</b>	<b>\$ 62,872</b>	<b>\$ 65,207</b>	<b>\$ 65,207</b>	<b>\$ 65,207</b>	<b>\$ 65,207</b>	<b>\$ 65,207</b>
<b>HIGHWAYS AND BRIDGES</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	1,394,588	1,246,799	1,370,657	1,391,315	1,428,922	1,473,693	1,549,393
FEDERAL FUNDS.....	1,635,132	1,954,000	1,954,000	1,954,000	1,954,000	1,954,000	1,954,000
OTHER FUNDS.....	1,758,450	1,799,610	1,748,025	1,761,426	1,763,514	1,765,598	1,767,767
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 4,788,170</b>	<b>\$ 5,000,409</b>	<b>\$ 5,072,682</b>	<b>\$ 5,106,741</b>	<b>\$ 5,146,436</b>	<b>\$ 5,193,291</b>	<b>\$ 5,271,160</b>
<b>LOCAL HIGHWAY AND BRIDGE ASSISTANCE</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	278,503	328,235	333,072	339,878	335,987	336,359	336,743
FEDERAL FUNDS.....	5,190	12,700	12,700	12,700	12,700	12,700	12,700
OTHER FUNDS.....	550,452	577,146	603,782	595,589	597,013	598,439	599,876
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 834,145</b>	<b>\$ 918,081</b>	<b>\$ 949,554</b>	<b>\$ 948,167</b>	<b>\$ 945,700</b>	<b>\$ 947,498</b>	<b>\$ 949,319</b>
<b>MULTIMODAL TRANSPORTATION</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	181,882	178,882	178,882	178,882	178,882	178,882	178,882
FEDERAL FUNDS.....	274,546	205,345	205,345	205,345	205,345	205,345	205,345
OTHER FUNDS.....	1,662,663	1,692,846	1,635,501	1,642,517	1,675,206	1,691,976	1,727,142
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 2,119,091</b>	<b>\$ 2,077,073</b>	<b>\$ 2,019,728</b>	<b>\$ 2,026,744</b>	<b>\$ 2,059,433</b>	<b>\$ 2,076,203</b>	<b>\$ 2,111,369</b>
<b>DRIVER AND VEHICLE SERVICES</b>							
GENERAL FUND.....	\$ 1,553	\$ 1,506	\$ 1,625	\$ 1,625	\$ 1,625	\$ 1,625	\$ 1,625
SPECIAL FUNDS.....	143,175	157,971	167,082	167,070	162,265	159,778	159,778
FEDERAL FUNDS.....	1,575	3,000	3,000	3,000	3,000	3,000	3,000
OTHER FUNDS.....	45,586	54,645	52,645	52,680	52,680	52,680	52,680
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 191,889</b>	<b>\$ 217,122</b>	<b>\$ 224,352</b>	<b>\$ 224,375</b>	<b>\$ 219,570</b>	<b>\$ 217,083</b>	<b>\$ 217,083</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 1,553	\$ 1,506	\$ 1,625	\$ 1,625	\$ 1,625	\$ 1,625	\$ 1,625
SPECIAL FUNDS.....	2,051,887	1,972,973	2,113,114	2,140,566	2,169,477	2,212,133	2,288,217
FEDERAL FUNDS.....	1,916,443	2,175,045	2,175,045	2,175,045	2,175,045	2,175,045	2,175,045
OTHER FUNDS.....	4,018,750	4,126,033	4,041,739	4,053,998	4,090,199	4,110,479	4,149,251
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 7,988,633</b>	<b>\$ 8,275,557</b>	<b>\$ 8,331,523</b>	<b>\$ 8,371,234</b>	<b>\$ 8,436,346</b>	<b>\$ 8,499,282</b>	<b>\$ 8,614,138</b>



## Program: Transportation Support Services

*Goal: To provide an effective administrative system supporting both non-highway and highway transportation programs.*

This program provides for administrative and overhead services that support the operation of activities necessary for the achievement of commonwealth transportation 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 discussed under the Highways and Bridges program and the Driver and Vehicle Services program. Managerial responsibilities include providing support in legal, budgetary, accounting, personnel, procurement, information systems and public relations matters. A central municipal services staff handles grant allocations to local

governments and coordinates highway transfer activities which are discussed under the Local Highway and Bridge Assistance program. In addition, the State Transportation Commission and the Transportation Advisory Committee are funded within this appropriation.

Funding for direct supervision and oversight of aviation, mass transportation, rail freight, ports and waterways, and bicycle and pedestrian facilities activities is shown under the Multimodal Transportation program.

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)

		<b>General Government Operations</b>
\$	2,494	—to continue current program.
	—159	—Initiative—cost savings from GO-TIME projects.
	<u>2,335</u>	<i>Appropriation Increase</i>

Refunding Collected Monies is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>MOTOR LICENSE FUND:</b>							
General Government Operations .....	\$ 51,849	\$ 58,586	\$ 60,921	\$ 60,921	\$ 60,921	\$ 60,921	\$ 60,921
Refunding Collected Monies (EA) .....	1,890	2,500	2,500	2,500	2,500	2,500	2,500
<b>TOTAL MOTOR LICENSE FUND.....</b>	<b>\$ 53,739</b>	<b>\$ 61,086</b>	<b>\$ 63,421</b>	<b>\$ 63,421</b>	<b>\$ 63,421</b>	<b>\$ 63,421</b>	<b>\$ 63,421</b>

## Program: Highways and Bridges

*Goal: 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 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. The commonwealth is responsible for nearly 40,000 miles of roadway and approximately 25,000 state-owned bridges that are more than eight feet in length.

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.

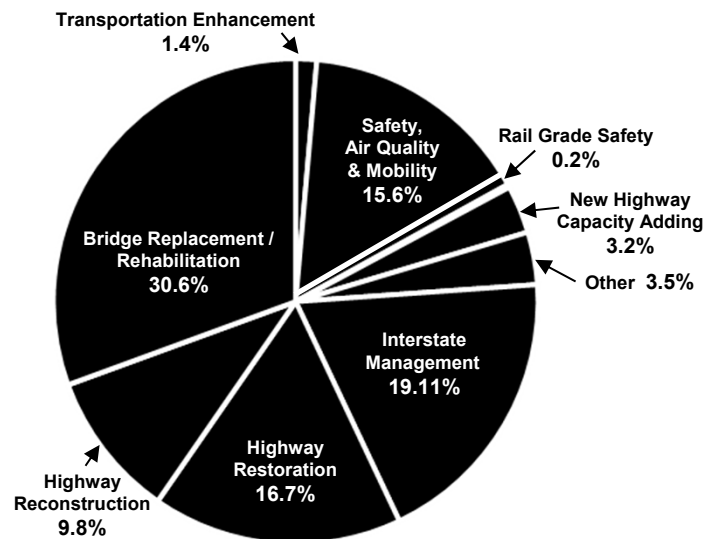
Federal surface transportation legislation authorizes grants to states and also addresses planning, program development and management. The department, the State Transportation Commission and the Metropolitan and Rural Transportation Planning Organizations closely coordinate public input and public comment 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.

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.

### **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. Maintenance work is performed by the department or by private contractors. Roadway treatments that prolong the useful life of existing infrastructure 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

### **Current Four-Year Project Distribution (October 2016 – September 2020)**



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.

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 approximately half of the total costs incurred. Owners of motor vehicles that cause damage to bridges, guidrails or other transportation assets are required to reimburse the maintenance program for the costs incurred as a result of an accident.

## Program: Highways and Bridges (continued)

The department issues special hauling permits to truck operators with excess weight or size loads for the use of specific 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 software to identify those highway locations that have experienced more accidents than similar roads with similar traffic volumes. Another program identifies locations that have had an inordinate number of accidents in which vehicles

run 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 the Oil Company Franchise Tax. In addition, special maintenance-related appropriations may be approved for accelerated restoration, preventive maintenance and emergency repair based on the financial status of the Motor License Fund.

### Program Recommendations:

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

<p><b>Welcome Centers</b> \$ 215 —to continue current program.</p> <p><b>Highway and Safety Improvement</b> \$ 162,000 —to continue current program. New highway construction and reconstruction focuses on projects that will spur economic development.</p> <p><b>Highway Capital Projects (EA)</b> \$ 10,000 —to continue current program.</p>	<p><b>Highway Maintenance</b> \$ -48,357 —To continue current program with distribution to all 67 counties through a needs-based formula. Additional funding for highway maintenance is available from restricted sources.</p> <p>Reinvestment and Facilities and Payment to Turnpike Commission (EA) are recommended at the current year funding levels.</p>
---	---

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>MOTOR LICENSE FUND:</b>							
Welcome Centers .....	\$ 3,588	\$ 3,900	\$ 4,115	\$ 4,115	\$ 4,115	\$ 4,115	\$ 4,115
Highway Systems Technology and Innovation .....	0	0	0	15,000	15,000	15,000	15,000
Highway and Safety Improvements.....	268,000	70,000	232,000	232,000	251,000	287,000	336,000
Highway Capital Projects (EA) .....	220,000	220,000	230,000	230,000	230,000	230,000	238,000
Highway Maintenance .....	859,000	908,899	860,542	866,200	884,807	893,578	912,278
Reinvestment in Facilities.....	16,000	16,000	16,000	16,000	16,000	16,000	16,000
Payment to Turnpike Commission (EA).....	28,000	28,000	28,000	28,000	28,000	28,000	28,000
<b>TOTAL MOTOR LICENSE FUND.....</b>	<b>\$1,394,588</b>	<b>\$1,246,799</b>	<b>\$1,370,657</b>	<b>\$1,391,315</b>	<b>\$1,428,922</b>	<b>\$1,473,693</b>	<b>\$1,549,393</b>

## Program: Local Highway and Bridge Assistance

*Goal: To assist local governments in the maintenance and construction of their portion of the total highway and bridge system.*

The commonwealth provides a number of programs to assist municipal and county governments in the maintenance and construction of their approximately 78,000 miles of roadway (roughly two-thirds of Pennsylvania highways) and 6,500 bridges that are greater than twenty feet. The majority of state funds are distributed by statutory formula, while federal funds are allocated in partnership with the Metropolitan and Rural Transportation Planning Organizations.

A portion of the revenues from motor fuel taxes, certain Vehicle Code fines and other sources are directed by law to municipal payments. The distribution of funds to the commonwealth's 2,562 municipalities is made in accordance with a statutory formula based on 50 percent road mileage and 50 percent population. Grants may be used for a broad range of highway and bridge activities. The department provides technical assistance to local governments and is responsible for assuring expenditures are made in accordance with the law.

Dedicated Motor License Fund revenues are received from a portion of the Oil Company Franchise Tax and annual registration fees of 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 6,500 bridges greater than 20 feet long owned by these political subdivisions. Projects are selected by the Metropolitan and Rural Planning Organizations and must be approved

in the commonwealth's capital budget.

The Highway Transfer program was created to restore and turn back local service roads. Dedicated Motor License Fund revenues are received from a portion of the 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 the program's inception in 1983, approximately 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 is funded from 4.17 percent of the additional Oil Company Franchise Tax from Act 89 of 2013, which replaced the 12 cent flat tax. About \$31 million is distributed to the 67 counties each fiscal year based on a statutory formula. A second program is funded from a share of the Oil Company Franchise Tax to assist economically distressed counties in funding the local share of bridge improvement projects. A third program for maintenance and construction of county bridges 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 of all counties in the state.

### Program Recommendations:

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

#### Local Road Maintenance and Construction Payments

\$ 4,837 —to continue current program.

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

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>MOTOR LICENSE FUND:</b>							
Local Road Maintenance and Construction Payments.....	\$ 238,503	\$ 248,235	\$ 253,072	\$ 259,878	\$ 255,987	\$ 256,359	\$ 256,743
Supplemental Local Road Maintenance & Construction Payments .....	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Municipal Roads and Bridges Maintenance and Construction of County Bridges .....	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Municipal Traffic Signals.....	5,000	5,000	5,000	5,000	5,000	5,000	5,000
	0	40,000	40,000	40,000	40,000	40,000	40,000
<b>TOTAL MOTOR LICENSE FUND.....</b>	<b>\$ 278,503</b>	<b>\$ 328,235</b>	<b>\$ 333,072</b>	<b>\$ 339,878</b>	<b>\$ 335,987</b>	<b>\$ 336,359</b>	<b>\$ 336,743</b>

## Program: Multimodal Transportation

*Goal: To support public transportation, intercity bus, intercity rail, rail freight, ports and aviation options that improve the mobility and the quality of life for urban and rural Pennsylvanians, and enhance economic activity throughout the commonwealth.*

Multimodal Transportation provides support for the commonwealth's non-highway infrastructure that includes public transportation, aviation, bicycle, pedestrian, passenger and freight rail, and ports. Improvements and programs for non-highway transportation are funded through various sources.

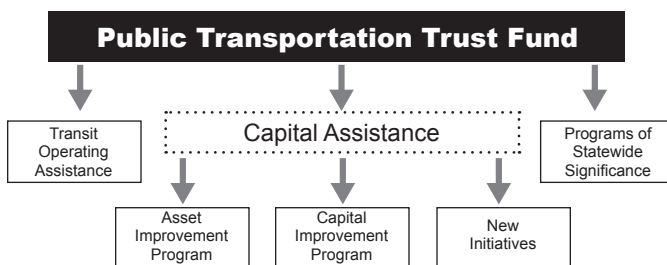
### **Program Element: Public Transportation**

Public transportation service within Pennsylvania is provided by 35 transit systems. Operating grants to these organizations are determined by a base allocation equal to the prior year subsidy and supplemental funding distributed on four performance factors. The factors are total passengers, senior passengers, revenue vehicle miles and revenue vehicle hours.

The Asset Improvement account provides public transportation capital funding to maintain and improve vehicles, communication equipment, technology and transit facilities. Through the Programs of Statewide Significance account the commonwealth supports affordable access to demographic groups whose mobility would otherwise be more limited.

### **Program Element: Older Pennsylvanians Transit**

The commonwealth's older citizens have benefited from greater mobility through the implementation of the Free Transit and the Shared Ride programs. Both programs are funded from a portion of the revenues received from state lottery sales.



The Free Transit Program provides free rides on participating local fixed route operations to Pennsylvanians who are 65 years of age or older, while the Shared Ride Program enables senior citizens 65 years or older to use demand responsive service at a significant fare discount. These programs both serve to 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 the National Railroad Passenger Corporation (Amtrak).

The commonwealth's intercity bus program supports operations on routes where, without state assistance, essential service would be terminated. 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 Amtrak. The department has contracted with Amtrak to supplement Amtrak's national system schedule in the Harrisburg to Philadelphia Corridor (The Keystone) and to sustain service between Harrisburg and Pittsburgh (The Pennsylvanian).

### **Program Element: PennPORTS**

Pennsylvania's ports provide a competitive advantage for the commonwealth in attracting and retaining business and a cost effective method of freight movement. Pennsylvania boasts a deepwater port in Philadelphia, a busy, sprawling inland port in Pittsburgh and a Great Lakes port in Erie with access to the world through the St. Lawrence Seaway, as well as a number of privately-owned and operated terminals throughout the commonwealth.

PennPORTS supports the operation and maintenance of the ports of Erie, Pittsburgh and Philadelphia as well as strategic planning and policy development. The program also works with privately-owned and operated terminals engaged in waterborne commerce to increase jobs and cargo opportunities throughout the commonwealth. The funds are distributed among the ports based upon need demonstrated through a competitive application process. State funds aid in the development of port assets to facilitate the efficient, cost effective and environmentally sound movement of goods. These assets generate port and shipping-related jobs and assist Pennsylvania firms to better compete in the global marketplace.

### **Program Element: Rail Freight**

The department administers programs to assist railroad owners with infrastructure improvements, acquisition, accelerated maintenance and new construction. Through the Rail Freight Assistance Program and the Rail



## Program: Multimodal Transportation (continued)

Transportation Assistance Program, 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 Rail 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).

The department also receives annual funding from the Unconventional Gas Well Fund to provide rail freight grants for projects related to or directly benefitting the commonwealth's Marcellus Shale gas drilling industry.

### Program Element: Aviation

Aviation plays a major role in the movement of passengers and cargo throughout the commonwealth with 130 public use airports and heliports. The department provides programs to improve the safety and effectiveness of the commonwealth's aviation network including an airport inspection and licensing program. The department administers state and federal grant programs that are available for the commonwealth's public use airports. The State Aviation Development program is used for public use airports to meet safety, security, capacity, environmental and planning needs. The Real Estate Tax Rebate program allows for private and public-use airports to receive rebates on real estate taxes for land that is essential for airport public use. In addition, capital bond funds are available through the Aviation Transportation Assistance program for airports that have a public sector sponsor.

### Program Recommendations:

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

#### LOTTERY FUND

Older Pennsylvanians Shared Rides (EA) and Transfer to Transportation Trust Fund (EA) are recommended at the current year funding level.

### Appropriations within this Program:

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>LOTTERY FUND:</b>							
Older Pennsylvanians Shared Rides (EA)	\$ 85,975	\$ 82,975	\$ 82,975	\$ 82,975	\$ 82,975	\$ 82,975	\$ 82,975
Transfer to Public Transportation Trust Fund (EA)	95,907	95,907	95,907	95,907	95,907	95,907	95,907
<b>TOTAL LOTTERY FUND</b>	<b>\$ 181,882</b>	<b>\$ 178,882</b>	<b>\$ 178,882</b>	<b>\$ 178,882</b>	<b>\$ 178,882</b>	<b>\$ 178,882</b>	<b>\$ 178,882</b>
<b>PUBLIC TRANSPORTATION TRUST FUND:</b>							
Mass Transit Operating (EA)	\$ 837,000	\$ 766,093	\$ 784,093	\$ 784,093	\$ 819,093	\$ 829,093	\$ 849,093
Asset Improvement (EA)	353,156	421,000	350,000	350,000	360,000	360,000	365,000
Capital Improvement (EA)	37,000	56,250	25,000	25,009	0	0	0
Programs of Statewide Significance (EA)	79,000	80,000	90,000	90,000	92,000	92,000	92,000
Transit Administration and Oversight (EA)	4,488	4,488	4,488	4,488	4,488	4,488	4,488
<b>TOTAL PUBLIC TRANSPORTATION TRUST FUND</b>	<b>\$ 1,310,644</b>	<b>\$ 1,327,831</b>	<b>\$ 1,253,581</b>	<b>\$ 1,253,590</b>	<b>\$ 1,275,581</b>	<b>\$ 1,285,581</b>	<b>\$ 1,310,581</b>
<b>MULTIMODAL TRANSPORTATION FUND:</b>							
Aviation Grants (EA)	\$ 6,003	\$ 6,003	\$ 6,363	\$ 6,363	\$ 6,745	\$ 6,745	\$ 7,150
Rail Freight Grants (EA)	10,005	10,005	10,605	10,605	11,241	11,241	11,915
Passenger Rail Grants (EA)	8,004	8,004	8,484	8,484	8,993	8,993	9,533
Ports and Waterways Grants (EA)	10,005	10,005	10,605	10,605	11,241	11,241	11,915
Bicycle and Pedestrian Facilities Grants (EA)	2,001	2,001	2,121	2,121	2,248	2,248	2,383
Statewide Programs Grants (EA)	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Multimodal Administration and Oversight (EA)	3,818	3,688	4,317	4,317	4,460	4,460	4,612
Transfer to Commonwealth Financing Authority (EA)	53,476	54,552	56,794	56,797	59,136	59,135	61,618
PennPORTS-Philadelphia Regional Port Authority Debt Service	4,612	4,608	4,609	4,606	4,607	4,608	4,608
<b>TOTAL MULTIMODAL TRANSPORTATION FUND</b>	<b>\$ 137,924</b>	<b>\$ 138,866</b>	<b>\$ 143,898</b>	<b>\$ 143,898</b>	<b>\$ 148,671</b>	<b>\$ 148,671</b>	<b>\$ 153,734</b>

## Program: Driver and Vehicle Services

*Goal: To minimize traffic accidents attributable to driver error and mechanically defective vehicles and to promote highway safety programs.*

Driver and Vehicle Services 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. Pennsylvania has more than 12 million registered vehicles including individual automobiles, commercial vehicles, trailers and fleet vehicles, as well as fee-exempt vehicles owned by state and local governments and certain non-profit organizations. This total includes over 217,000 heavy trucks greater than 17,000 pounds and more than 226,000 trailers greater than 10,000 pounds. The number of licensed drivers has remained constant over the past few years at 8.9 million, including 400,000 commercial drivers. Renewals are staggered so that approximately one-quarter of licensed drivers renew their license in a given year. The Driver and Vehicle Services program oversees operator and vehicular licensing activities such as testing, inspections and revocations. The department also operates the Driver's License Examination program. Over 525,000 driving knowledge and skills tests were conducted in 2015-16 to certify applicants to operate passenger and commercial vehicles and motorcycles. A statewide network of facilities conducts written, oral and skills tests. Generally, around 300,000 new drivers are licensed each year, either as first-time drivers or drivers from other states.

The Vehicle Safety Inspection program for the commonwealth's more than 12 million motor vehicles is intended to minimize traffic accidents due to mechanical failure. The commonwealth operates an annual Vehicle Emissions Inspection program in 25 counties affecting approximately 7 million vehicles. In the remaining 42 counties not required to participate in the Vehicle Emissions Inspection program, the annual Vehicle 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. Approximately 560,000 of the 1.2 million citations issued in 2015-16 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, revokes, disqualifies or recalls driver's licenses

for many violations, including accumulation of points. Commercial drivers may be sanctioned by having their commercial driving privilege revoked for certain offenses. This program area also administers the Motor Voter program and the commonwealth's Organ Donor program.

The department 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 who do not have insurance, can result in a revocation or suspension of vehicle registration or payment of a \$500 civil penalty. A total of 97,000 vehicle suspensions were imposed during 2015-16 for insurance infractions.

The department currently has 97 offices statewide offering 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 2015-16, over 2.2 million customers visited driver license centers and over 3.2 million customers came to get their pictures taken for their photo license and photo identification cards. Additionally, as part of its ongoing efforts to enhance customer service options and provide customers with another convenient option for taking their driver's skills test, PennDOT has authorized a limited number of third party entities to administer driver skills testing. In 2015-16, 104 CDL Third Party Testers conducted 20,000 CDL tests. Expansion to non-commercial Third Party Testers began in May 2016, and over 1,600 non-commercial driver's tests were conducted in the first four months of the pilot. Customers can also process transactions on the department's Internet renewal system. During 2015-16, approximately 4.7 million customers renewed their non-commercial driver's license, photo identification card or vehicle registration via the Internet.

There are currently 268 messenger sites processing approximately a 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. As of December 31, 2016, vehicle owners may elect to renew their vehicle registration for one or two years, and vehicle registration stickers will no longer be issued.

## Program: Driver and Vehicle Services (continued)

### Program Recommendations:

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

GENERAL FUND		MOTOR LICENSE FUND	
	<b>Vehicle Sales Tax Collections</b>		<b>Driver and Vehicle Services</b>
\$ 118	—to continue current program.	\$ 10,233	—to continue current program.
		—1,122	—Initiative—cost savings from GO-TIME projects.
	<b>Voter Registration</b>		
\$ 1	—to continue current program.	\$ 9,111	<i>Appropriation Increase</i>

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Vehicle Sales Tax Collections.....	\$ 1,024	\$ 977	\$ 1,095	\$ 1,095	\$ 1,095	\$ 1,095	\$ 1,095
Voter Registration.....	529	529	530	530	530	530	530
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 1,553</b>	<b>\$ 1,506</b>	<b>\$ 1,625</b>	<b>\$ 1,625</b>	<b>\$ 1,625</b>	<b>\$ 1,625</b>	<b>\$ 1,625</b>
<b>MOTOR LICENSE FUND:</b>							
Driver and Vehicle Services.....	\$ 143,175	\$ 157,971	\$ 167,082	\$ 167,070	\$ 162,265	\$ 159,778	\$ 159,778



## Program Measures

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

### Program: Transportation Support Services

**Objective: Maintain low overhead costs while providing timely, quality service in order to create the best value for all customers.**

Overhead costs as a percentage of department budget (state funds)	1%	1.06%	1.05%	1.09%	1.09%	1.09%	1.10%
---	----	-------	-------	-------	-------	-------	-------

### Program: Highways and Bridges

**Objective: Increase the percentage of highway system in good or excellent condition.**

#### Highway and Bridge Construction/Reconstruction

Miles of new highway construction	28	25	19	32	32	32	32
Miles of Interstate reconstruction or restoration	56	120	60	90	60	60	70
Miles of non-Interstate reconstruction or restoration	141	169	190	175	175	165	175
Percentage of interstate highway system in good or excellent condition	81.60%	81.90%	82.20%	82.40%	82.70%	83%	83.30%
Interstate Highway System in poor condition	3.20%	3.20%	3.10%	3.10%	3.10%	3%	3%
National Highway System non-Interstate highways in good or excellent condition	63.70%	64.90%	66.10%	67.30%	68.50%	69.70%	70.90%
National Highway System non-Interstate highways in poor condition	13.60%	13.20%	12.70%	12.30%	11.80%	11.40%	11%
Structurally deficient bridges replaced/repared	550	613	395	300	300	300	300
Structurally deficient bridges by deck area	9.20%	8.40%	7.90%	7.80%	7.80%	7.90%	8.10%
Variance of final cost of construction versus original contract amount	2.90%	3%	3%	3%	3%	3%	3%
Number of bridges preserved	234	231	230	200	200	200	200

#### Highway and Bridge Maintenance

Miles of state maintained highways improved:

Structural restoration	71	57	55	53	50	48	17
Structural resurfacing	724	897	834	753	658	561	472
Non-structural resurfacing	1,086	1,054	1,044	947	855	770	723
Surface Repairs	3,410	3,308	3,802	3,581	3,506	3,339	2,850
Total miles of state maintained highways improved	5,291	5,317	5,735	5,333	5,069	4,718	4,062

## Program Measures

2015-16      2016-17      2017-18      2018-19      2019-20      2020-21      2021-22

### Program: Multimodal Transportation

**Objective: Implement the use of alternative fuels at transit agencies throughout the state to achieve operating cost savings.**

#### Mass Transportation

Passengers carried by state-assisted operators	425,700,000	425,700,000	425,700,000	425,700,000	425,700,000	425,700,000	425,700,000
Passengers per vehicle hour	38.50	38.50	38.50	38.50	38.50	38.50	38.50

#### Older Pennsylvanians Transit

Number of free transit trips	34,580,000	34,580,000	34,580,000	34,580,000	34,580,000	34,580,000	34,580,000
Trips on state assisted shared ride vehicles	3,920,000	3,920,000	3,920,000	3,920,000	3,920,000	3,920,000	3,920,000

Cost to the commonwealth per trip:

Free Transit	\$2.77	\$2.77	\$2.77	\$2.77	\$2.77	\$2.77	\$2.77
State assisted shared ride vehicles	\$18.72	\$19.09	\$19.47	\$19.86	\$20.26	\$20.67	\$21.08

#### Intercity Transportation

Intercity Bus:

Passengers handled	236,309	236,309	236,309	236,309	236,309	236,309	236,309
Subsidy per passenger trip	\$6.57	\$6.57	\$6.57	\$6.57	\$6.57	\$6.57	\$6.57

Intercity Rail:

Passengers handled	1,638,969	1,659,456	1,680,199	1,701,201	1,722,466	1,743,996	1,765,796
Subsidy per passenger mile	\$0.11	\$0.12	\$0.12	\$0.13	\$0.13	\$0.13	\$0.13

Rail Freight:

Direct and indirect jobs created by state-supported rail freight improvements	48,349	25,000	25,000	25,000	25,000	25,000	25,000
Additional trucks that would be needed without rail freight bulk cargo service	375,128	100,000	100,000	100,000	100,000	100,000	100,000

Aviation:

Runways with a pavement condition index of fair or better	94%	96%	86%	90%	90%	90%	90%
---	-----	-----	-----	-----	-----	-----	-----

### Program: Driver and Vehicle Services

**Objective: Provide exceptional customer service through a customer focused business approach.**

Photo identification cards renewed (non-driver photos)	389,280	397,800	405,756	413,911	422,189	430,632	439,244
Percentage of service center customers served within 30 minutes	80.30%	81%	82%	83%	84%	85%	86%
Access rate of driver and vehicle services call center	99.60%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# LEGISLATURE

*The mission of the General Assembly of Pennsylvania is to formulate and enact the public policy of the commonwealth.*

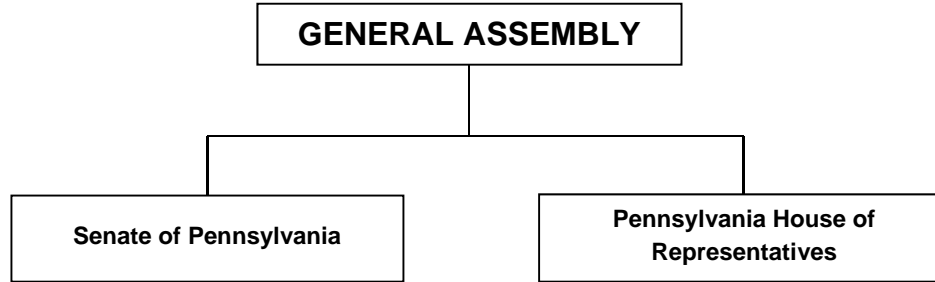
Through legislation and resolution, the General Assembly defines the functions of state government, provides for revenue for the commonwealth and appropriates money for the operation of state agencies and other purposes.

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.

## **Programs and Goals**

**Legislature:** *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.*

## Organization Overview



- **Senate of Pennsylvania** has 50 members who are elected by district. Senators are elected for four-year terms, staggered every two years such that half of the seats are contested at each election. Even-numbered seats and odd-numbered seats are contested in separate election years. Senators have office staff at the state capitol in Harrisburg and in their district offices.
- **Pennsylvania House of Representatives** has 203 members, elected for two-year terms from single member districts. Representatives have office staff at the state capitol in Harrisburg and in their district offices.

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
Senate:			
Senators' Salaries.....	\$ 7,365	\$ 7,586	\$ 7,586
Senate President - Expenses.....	258	307	317
Employees of Chief Clerk.....	2,604	2,682	2,682
Salaried Officers and Employees.....	9,168	11,860	12,360
Incidental Expenses.....	2,228	3,026	3,026
Expenses - Senators.....	1,270	1,308	1,308
Legislative Printing and Expenses.....	6,886	7,093	7,093
Committee on Appropriations (R).....	1,280	1,318	0
Committee on Appropriations (D).....	1,280	1,319	0
Committee on Appropriations (R) and (D).....	0	0	2,637
Caucus Operations (R) and (D).....	8,136	0	70,063
Caucus Operations (R).....	22,889	39,235	0
Caucus Operations (D).....	18,254	30,828	0
Subtotal.....	\$ 81,618	\$ 106,562	\$ 107,072
House of Representatives:			
Members' Salaries, Speaker's Extra Compensation.....	\$ 27,663	\$ 25,861	\$ 25,861
Caucus Operations (R) and (D).....	8,000	0	118,375
Caucus Operations (R).....	54,921	60,375	0
Caucus Operations (D).....	47,006	58,000	0
Speaker's Office.....	1,757	1,810	1,810
Bi-Partisan Committee, Chief Clerk, Comptroller and EMS.....	14,402	14,834	14,834
Mileage - Representatives, Officers and Employees.....	361	372	372
Chief Clerk and Legislative Journal.....	2,712	2,793	2,793
Speaker.....	20	20	0
Chief Clerk.....	570	591	0
Floor Leader (R).....	7	7	0
Floor Leader (D).....	7	7	0
Whip (R).....	6	6	0
Whip (D).....	6	6	0
Chairman - Caucus (R).....	3	3	0
Chairman - Caucus (D).....	3	3	0
Secretary - Caucus (R).....	3	3	0
Secretary - Caucus (D).....	3	3	0
Chairman - Appropriations Committee (R).....	6	6	0
Chairman - Appropriations Committee (D).....	6	6	0
Chairman - Policy Committee (R).....	2	2	0
Chairman - Policy Committee (D).....	2	2	0
Caucus Administrator (R).....	2	2	0
Caucus Administrator (D).....	2	2	0
Administrator for Staff (R).....	20	20	0
Administrator for Staff (D).....	20	20	0
Contingent Expenses (R) and (D).....	0	0	709
Incidental Expenses.....	4,921	5,069	5,069
Expenses - Representatives.....	4,127	4,251	4,251
Legislative Printing and Expenses.....	10,363	10,674	10,674
National Legislative Conference - Expenses.....	0	511	511
Committee on Appropriations (R).....	3,129	3,223	3,223
Committee on Appropriations (D).....	3,129	5,855	5,855
Special Leadership Account (R).....	5,869	6,045	6,045
Special Leadership Account (D).....	5,869	6,045	6,045
Subtotal.....	\$ 194,917	\$ 206,427	\$ 206,427
Total - General Government.....	\$ 276,535	\$ 312,989	\$ 313,499
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 276,535</b>	<b>\$ 312,989</b>	<b>\$ 313,499</b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>LEGISLATURE</b>							
GENERAL FUND.....	\$ 276,535	\$ 312,989	\$ 313,499	\$ 313,499	\$ 313,499	\$ 313,499	\$ 313,499
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 276,535</b>	<b>\$ 312,989</b>	<b>\$ 313,499</b>	<b>\$ 313,499</b>	<b>\$ 313,499</b>	<b>\$ 313,499</b>	<b>\$ 313,499</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 276,535	\$ 312,989	\$ 313,499	\$ 313,499	\$ 313,499	\$ 313,499	\$ 313,499
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 276,535</b>	<b>\$ 312,989</b>	<b>\$ 313,499</b>	<b>\$ 313,499</b>	<b>\$ 313,499</b>	<b>\$ 313,499</b>	<b>\$ 313,499</b>

## Program: Legislature

*Goal: 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.*

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**  
 \$ 510 —to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
TOTAL GENERAL FUND .....	\$ 276,535	\$ 312,989	\$ 313,499	\$ 313,499	\$ 313,499	\$ 313,499	\$ 313,499



– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# JUDICIARY

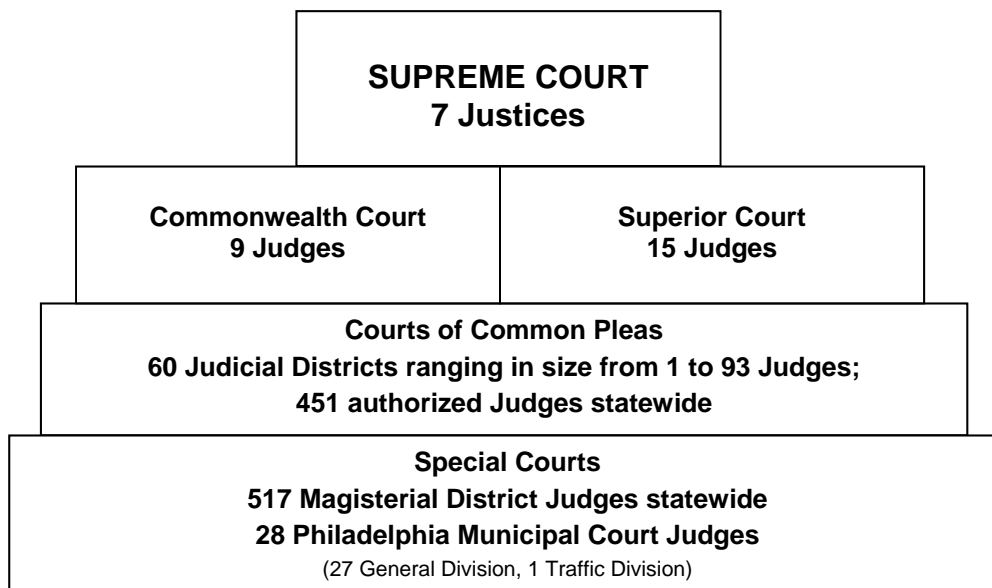
*The mission of the judicial system of the commonwealth is to provide citizens with prompt and equitable justice under the law.*

The court system includes the Supreme Court, Superior Court, Commonwealth Court, Courts of Common Pleas and community courts including Philadelphia Municipal Court, Pittsburgh Municipal Court and magisterial district courts.

## **Programs and Goals**

**State Judicial System:** *To provide the citizens of the commonwealth with prompt and equitable justice under the law.*

# Organization Overview



- **Supreme Court** is the commonwealth's court of last resort. The judiciary's administrative powers and jurisdictional responsibilities are vested with the seven-member court by the Pennsylvania State Constitution and a collection of statutes known as the Judicial Code. The Administrative Office of Pennsylvania Courts carries out the majority of the Supreme Court's administrative duties. The Supreme Court has various committees and boards responsible for advising the court on procedural rules for judges, attorneys and litigants to ensure an efficient and fair judicial review.
- **Commonwealth Court** is one of Pennsylvania's two statewide intermediate appellate courts. The Commonwealth Court is primarily responsible for matters involving state and local governments and regulatory agencies. It also acts as a trial court when lawsuits are filed by or against the commonwealth.
- **Superior Court** is one of Pennsylvania's two statewide intermediate appellate courts. The Superior Court is responsible for appeals in criminal and civil cases from the Courts of Common Pleas and appeals on matters involving children and families. In such matters, it is often the final arbiter of legal disputes.
- **Courts of Common Pleas** are the general trial courts of Pennsylvania. These courts are responsible for appeals from the minor courts, appeals not exclusively assigned to another court and matters involving children and families.
- **Special Courts** are the first level of Pennsylvania's judiciary. They are responsible for determining whether serious criminal cases go to the Court of Common Pleas, preliminary arraignments and preliminary hearings, and setting and accepting bail.

## Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual
2,198	2,199	2,198	2,203	2,195

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>Supreme Court:</b>			
Supreme Court.....	\$ 14,020	\$ 17,150	\$ 17,150
Subtotal.....	\$ 14,020	\$ 17,150	\$ 17,150
Justice Expenses.....	\$ 118	\$ 118	\$ 118
Judicial Center Operations.....	851	814	814
Judicial Council.....	141	141	141
District Court Administrators.....	19,140	19,657	19,657
<b>Supreme Court:</b>			
Interbranch Commission.....	\$ 350	\$ 350	\$ 350
Court Management Education.....	73	73	73
Office of Elder Justice.....	0	496	496
Rules Committees.....	1,571	1,595	1,595
Court Administrator.....	10,915	11,577	11,577
(F)Court Improvement Project.....	1,130	1,130	1,130
(F)PA Weighted Caseload Project.....	17	0	17
(F)Smart Defense.....	0	320	0
(F)Adult Drug Court Outcome Evaluation.....	0	300	300
(F)STOP Violence Against Women (EA).....	266	295	311
Integrated Criminal Justice System.....	2,372	2,372	2,372
(R)Judicial Computer System.....	48,645	57,048	57,048
Unified Judicial System Security.....	2,002	2,002	2,002
Subtotal.....	\$ 67,341	\$ 77,558	\$ 77,271
<b>Superior Court:</b>			
Superior Court.....	\$ 29,730	\$ 32,377	\$ 32,377
Judges Expenses.....	183	183	183
Subtotal.....	\$ 29,913	\$ 32,560	\$ 32,560
<b>Commonwealth Court:</b>			
Commonwealth Court.....	\$ 18,183	\$ 21,192	\$ 21,192
Judges Expenses.....	132	132	132
Subtotal.....	\$ 18,315	\$ 21,324	\$ 21,324
<b>Courts of Common Pleas:</b>			
Courts of Common Pleas.....	\$ 107,948	\$ 117,739	\$ 117,739
Senior Judges.....	4,004	4,004	4,004
Judicial Education.....	1,247	1,247	1,247
Ethics Committee.....	62	62	62
Problem-Solving Courts.....	103	1,103	1,103
Subtotal.....	\$ 113,364	\$ 124,155	\$ 124,155
<b>Magisterial District Judges:</b>			
Magisterial District Judges.....	\$ 79,697	\$ 82,802	\$ 82,802
Magisterial District Judge Education.....	715	744	744
Subtotal.....	\$ 80,412	\$ 83,546	\$ 83,546
<b>Philadelphia Courts:</b>			
Municipal Court.....	\$ 7,322	\$ 7,794	\$ 7,794
Subtotal.....	\$ 7,322	\$ 7,794	\$ 7,794

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>Judicial Conduct:</b>			
Judicial Conduct Board.....	\$ 1,956	\$ 2,182	\$ 2,182
Court of Judicial Discipline.....	468	468	468
Subtotal.....	<u>\$ 2,424</u>	<u>\$ 2,650</u>	<u>\$ 2,650</u>
Subtotal - State Funds.....	\$ 303,303	\$ 328,374	\$ 328,374
Subtotal - Federal Funds.....	1,413	2,045	1,758
Subtotal - Restricted Revenues.....	48,645	57,048	57,048
Total - General Government.....	<u>\$ 353,361</u>	<u>\$ 387,467</u>	<u>\$ 387,180</u>
<b>Grants and Subsidies:</b>			
<b>Reimbursement of County Costs:</b>			
Jurors Cost Reimbursement.....	\$ 1,118	\$ 1,118	\$ 1,118
County Courts Reimbursement.....	35,135	23,136	23,136
Senior Judge Reimbursement.....	1,375	1,375	1,375
Court Interpreter County Grant.....	1,500	1,500	1,500
Subtotal.....	<u>\$ 39,128</u>	<u>\$ 27,129</u>	<u>\$ 27,129</u>
Total - Grants and Subsidies.....	<u>\$ 39,128</u>	<u>\$ 27,129</u>	<u>\$ 27,129</u>
STATE FUNDS.....	\$ 342,431	\$ 355,503	\$ 355,503
FEDERAL FUNDS.....	1,413	2,045	1,758
RESTRICTED REVENUES.....	48,645	57,048	57,048
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 392,489</u></b>	<b><u>\$ 414,596</u></b>	<b><u>\$ 414,309</u></b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>STATE JUDICIAL SYSTEM</b>							
GENERAL FUND.....	\$ 342,431	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,413	2,045	1,758	1,758	1,758	1,758	1,758
OTHER FUNDS.....	48,645	57,048	57,048	57,048	57,048	57,048	57,048
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 392,489</b>	<b>\$ 414,596</b>	<b>\$ 414,309</b>	<b>\$ 414,309</b>	<b>\$ 414,309</b>	<b>\$ 414,309</b>	<b>\$ 414,309</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 342,431	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,413	2,045	1,758	1,758	1,758	1,758	1,758
OTHER FUNDS.....	48,645	57,048	57,048	57,048	57,048	57,048	57,048
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 392,489</b>	<b>\$ 414,596</b>	<b>\$ 414,309</b>	<b>\$ 414,309</b>	<b>\$ 414,309</b>	<b>\$ 414,309</b>	<b>\$ 414,309</b>

## Program: State Judicial System

*Goal: To provide the citizens of the commonwealth with prompt and equitable justice under the law.*

Pennsylvania's Unified Judicial System is a layered court system consisting of the Supreme Court, Commonwealth Court, Superior Court, Courts of Common Pleas, the magisterial district courts, and Philadelphia Municipal Court.

In counties other than Philadelphia, courts at the first level of the system 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.

In Philadelphia, the Municipal Court, including the Traffic Division created by Act 17 of 2013 to assume the functions of the Traffic Court abolished by constitutional amendment approved by the voters in May, 2016, is the initial level of the court system. Municipal Court is a court of record whose judges must be lawyers. Its limited jurisdiction is analogous to that of the Magisterial District Judges. The judge of the Traffic Division need not be a lawyer but must complete an education course and pass the qualifying examination.

The second level in the court system is the Courts of Common Pleas, which are courts of general trial jurisdiction. They have original jurisdiction over all cases 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.

Appeals from the Courts of Common Pleas are generally handled by one of the two intermediate-level appellate courts: Commonwealth Court and Superior Court. Commonwealth Court has jurisdiction over appeals involving government agencies and officials and not-for-profit corporations, as well as original jurisdiction over Election Code matters and cases involving state officials. Superior Court has jurisdiction over all direct appeals not within the specific statutory jurisdiction of another appellate court.

The Supreme Court is Pennsylvania's court of last resort and is responsible for administration of the entire Unified Judicial System.

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 in the court's oversight responsibility of the Unified Judicial System.

The Supreme Court has initiated a number of programs in recent years, including the creation within AOPC of the Office of Elder Justice in the Courts; 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. A long-standing automation program has been underway since the mid-1980s with the goal of computerization of the entire Judiciary, most notably through the development and operation of an integrated case and financial management system to allow the seamless transfer of cases from the first level of the Judiciary through the court of last resort. Among the first of its scope nationally, the Judicial Computer System (now known as AOPC/IT) has been an unqualified success in each of its stages, beginning with the Magisterial District Judge System, the Pennsylvania Appellate Courts Case Management System, and the Common Pleas Criminal Case Management System which automated the criminal courts statewide. These systems also enable the Judiciary to be a keystone in providing the commonwealth's multi-agency Integrated Criminal Justice Network (commonly known as JNET) with important case data.

Through exercise of its statutory realignment responsibilities over the magisterial districts, the Supreme Court has eliminated 29 districts to date as a cost-cutting measure. By the end of the process in January 2018, the Supreme Court will have reduced the count of magisterial districts by 32, from 545 districts at the start of the process in January 2010 to 513 by January 2018 saving an estimated \$5 million annually at current costs.

### Program Recommendations:

Judiciary is recommended at the current year funding level.

## Program: State Judicial System (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Supreme Court .....	\$ 14,020	\$ 17,150	\$ 17,150	\$ 16,820	\$ 16,988	\$ 17,158	\$ 17,329
Justice Expenses.....	118	118	118	0	0	0	0
Judicial Center Operations .....	851	814	814	0	0	0	0
Judicial Council.....	141	141	141	0	0	0	0
District Court Administrators.....	19,140	19,657	19,657	0	0	0	0
Interbranch Commission.....	350	350	350	350	350	350	350
Court Management Education.....	73	73	73	73	73	73	73
Office of Elder Justice.....	0	496	496	354	357	361	364
Rules Committees .....	1,571	1,595	1,595	1,623	1,639	1,656	1,672
Court Administrator.....	10,915	11,577	11,577	11,024	11,134	11,246	11,358
Integrated Criminal Justice System.....	2,372	2,372	2,372	2,372	2,372	2,372	2,372
Unified Judicial System Security .....	2,002	2,002	2,002	2,002	2,002	2,002	2,002
Superior Court .....	29,730	32,377	32,377	32,770	33,098	33,429	33,763
Judges Expenses .....	183	183	183	183	183	183	183
Commonwealth Court.....	18,183	21,192	21,192	19,548	19,743	19,940	20,140
Judges Expenses .....	132	132	132	132	132	132	132
Courts of Common Pleas .....	107,948	117,739	117,739	117,070	118,241	119,423	120,617
Senior Judges.....	4,004	4,004	4,004	4,004	4,004	4,004	4,004
Judicial Education.....	1,247	1,247	1,247	1,247	1,247	1,247	1,247
Ethics Committee .....	62	62	62	62	62	62	62
Problem-Solving Courts.....	103	1,103	1,103	103	103	103	103
Magisterial District Judges.....	79,697	82,802	82,802	86,003	86,863	87,731	88,608
Magisterial District Judge Education .....	715	744	744	748	748	748	748
Municipal Court.....	7,322	7,794	7,794	7,954	8,033	8,114	8,195
Judicial Conduct Board.....	1,956	2,182	2,182	2,055	2,076	2,097	2,118
Court of Judicial Discipline .....	468	468	468	468	468	468	468
Jurors Cost Reimbursement.....	1,118	1,118	1,118	1,118	1,118	1,118	1,118
County Courts Reimbursement .....	35,135	23,136	23,136	35,136	35,136	35,136	35,136
Senior Judge Reimbursement.....	1,375	1,375	1,375	1,375	1,375	1,375	1,375
Court Interpreter County Grant.....	1,500	1,500	1,500	1,500	1,500	1,500	1,500
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 342,431</b>	<b>\$ 355,503</b>	<b>\$ 355,503</b>	<b>\$ 346,094</b>	<b>\$ 349,045</b>	<b>\$ 352,028</b>	<b>\$ 355,037</b>



– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# GOVERNMENT SUPPORT AGENCIES

*The mission of the Government Support Agencies is to serve the members of the legislature, legislative committees, the governor, heads of state agencies and, in certain cases, citizens of the commonwealth, by providing research, fiscal and regulatory review, and administrative and operational support.*

## **Programs and Goals**

**Government Support Agencies:** *To provide research, fiscal and regulatory review, and administrative and operational support.*

## Organization Overview

- **Legislative Reference Bureau** prepares requested legislative bills and resolutions for introduction in the General Assembly; advises members of the legislature and legislative committees; and, from time to time, prepares proposed codifications of existing general statutes for adoption or rejection by the General Assembly.
- **Legislative Budget and Finance Committee** conducts studies and makes recommendations aimed at eliminating unnecessary expenditures, promoting economy in the government of the commonwealth and assuring that state funds are being expended in accordance with legislative intent and law.
- **Legislative Data Processing Center** establishes and operates computer systems capable of storing and retrieving all of the financial, factual, procedural and legal information necessary to serve all of the committees, officers and agencies of the Pennsylvania General Assembly.
- **Joint State Government Commission** is the primary non-partisan research organization that serves the General Assembly. It provides the legislature with a readily available mechanism for conducting interdisciplinary studies.
- **Local Government Commission** is a bipartisan legislative service agency affording research assistance to propose legislation that will enable local governments to be more effective and efficient in providing services.
- **Joint Legislative Air and Water Pollution Control Committee** conducts studies, holds hearings and makes recommendations to the General Assembly on environmental issues. It also makes recommendations with regard to the custodianship and care of our land, water and air to determine where there are problems, what solutions are found and what can be done to bring about positive change.
- **Legislative Audit Advisory Commission** plans and performs the audit of the General Assembly's financial transactions.
- **Independent Regulatory Review Commission** reviews commonwealth agency regulations to make certain that the agency has the statutory authority to enact the regulation and determine whether the regulation is consistent with legislative intent. The commission then considers other criteria, such as economic impact, public health and safety, reasonableness, impact on small businesses and clarity. It also acts as a clearinghouse for complaints, comments and other input from the General Assembly and the public regarding proposed and final regulations.
- **Capitol Preservation Committee** serves the citizens of the commonwealth by restoring and preserving the art, architecture and history of the Pennsylvania State Capitol and Capitol Complex.
- **Commission on Sentencing** is charged with creating and maintaining a consistent and rational statewide sentencing policy through the adoption of guidelines that promote fairer and more uniform sentencing throughout the commonwealth.
- **Center for Rural Pennsylvania** is a bipartisan, bicameral legislative agency that serves as a resource for rural policy within the Pennsylvania General Assembly. The center works with the legislature, educators, state and federal executive branch agencies and national, statewide, regional and local organizations to maximize resources and strategies that can better serve Pennsylvania's nearly 3.5 million rural residents.
- **Commonwealth Mail Processing Center** receives and performs a security scan of all incoming mail, overnight packages, and parcels and delivers to offices of the legislature, departments under the governor's jurisdiction and the judiciary.
- **Legislative Reapportionment Commission**, in accordance with the Pennsylvania Constitution, redistricts the state Senate and the state House in the year following the federal decennial census.
- **Independent Fiscal Office** provides revenue projections for use in the state budget process along with impartial and timely analysis of fiscal, economic and budgetary issues to assist commonwealth residents and the General Assembly in their evaluation of policy decisions.

# Government Support Agencies

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2015-16 ACTUAL	2016-17 AVAILABLE	2017-18 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
Legislative Reference Bureau - Salaries and Expenses.....	\$ 8,449	\$ 9,011	\$ 9,011
Printing of PA Bulletin and PA Code.....	811	867	867
Subtotal.....	\$ 9,260	\$ 9,878	\$ 9,878
Legislative Budget and Finance Committee.....	1,750	1,872	1,872
Legislative Data Processing Center.....	21,643	22,704	22,704
Joint State Government Commission.....	1,475	1,577	1,577
Local Government Commission.....	1,111	1,188	1,188
Local Government Codes.....	20	22	22
Joint Legislative Air and Water Pollution Control Committee.....	515	551	551
Legislative Audit Advisory Commission.....	247	264	264
Independent Regulatory Review Commission.....	1,869	1,998	1,998
Capitol Preservation Committee.....	717	766	766
Capitol Restoration.....	1,869	1,998	1,998
Commission on Sentencing.....	1,818	1,944	1,944
(F)JAG - Consolidated Project Grants (EA).....	1,280	1,280	1,280
Center for Rural Pennsylvania.....	884	1,046	1,046
Commonwealth Mail Processing Center.....	2,923	3,125	3,125
Legislative Reapportionment Commission.....	707	756	756
Independent Fiscal Office.....	1,692	2,076	2,076
Subtotal.....	\$ 40,520	\$ 43,167	\$ 43,167
Subtotal - State Funds.....	\$ 48,500	\$ 51,765	\$ 51,765
Subtotal - Federal Funds.....	1,280	1,280	1,280
Total - General Government.....	\$ 49,780	\$ 53,045	\$ 53,045
STATE FUNDS.....	\$ 48,500	\$ 51,765	\$ 51,765
FEDERAL FUNDS.....	1,280	1,280	1,280
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 49,780</b>	<b>\$ 53,045</b>	<b>\$ 53,045</b>
<b>OTHER FUNDS:</b>			
<b>JUSTICE REINVESTMENT FUND:</b>			
Commission on Sentencing.....	\$ 400	\$ 400	\$ 400
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 48,500	\$ 51,765	\$ 51,765
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	1,280	1,280	1,280
AUGMENTATIONS.....	0	0	0
OTHER FUNDS.....	400	400	400
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 50,180</b>	<b>\$ 53,445</b>	<b>\$ 53,445</b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GOVERNMENT SUPPORT AGENCIES</b>							
GENERAL FUND.....	\$ 48,500	\$ 51,765	\$ 51,765	\$ 51,765	\$ 51,765	\$ 51,765	\$ 51,765
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,280	1,280	1,280	1,280	1,280	1,280	1,280
OTHER FUNDS.....	400	400	400	400	400	400	400
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 50,180</b>	<b>\$ 53,445</b>	<b>\$ 53,445</b>	<b>\$ 53,445</b>	<b>\$ 53,445</b>	<b>\$ 53,445</b>	<b>\$ 53,445</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 48,500	\$ 51,765	\$ 51,765	\$ 51,765	\$ 51,765	\$ 51,765	\$ 51,765
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,280	1,280	1,280	1,280	1,280	1,280	1,280
OTHER FUNDS.....	400	400	400	400	400	400	400
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 50,180</b>	<b>\$ 53,445</b>	<b>\$ 53,445</b>	<b>\$ 53,445</b>	<b>\$ 53,445</b>	<b>\$ 53,445</b>	<b>\$ 53,445</b>

# Government Support Agencies

## Program: Government Support Agencies

*Goal: To provide research, fiscal and regulatory review, and administrative and operational support.*

This program primarily supports state government legislative operations by providing research, fiscal and regulatory review, and administrative and operational support.

The Legislative Reference Bureau prepares requested legislative bills and resolutions for introduction in the General Assembly; advises members of the Legislature and legislative committees; and, from time to time, prepares proposed codifications of existing general statutes for adoption or rejection by the General Assembly.

The Legislative Budget and Finance Committee is a bipartisan, bicameral legislative service agency that conducts studies and makes recommendations aimed at eliminating unnecessary expenditures, promoting economy in the government of the commonwealth and assuring that state funds are being expended in accordance with legislative intent and law.

The Legislative Data Processing Center establishes and operates computer systems capable of storing and retrieving all of the financial, factual, procedural and legal information necessary to serve all of the committees, officers and agencies of the General Assembly.

The Joint State Government Commission serves as the bipartisan and bicameral research agency of the General Assembly.

The Local Government Commission is a bipartisan legislative service agency affording research assistance on proposed legislation that will enable local governments to be more effective and efficient in providing services.

The Joint Legislative Air and Water Pollution Control Committee conducts studies regarding air, water and

mining practices in the state and makes recommendations to the General Assembly.

The Legislative Audit Advisory Commission plans and performs the audit of the General Assembly's financial transactions.

The Independent Regulatory Review Commission reviews commonwealth agency regulations to ensure that they are in the public interest.

The Capitol Preservation Committee works to preserve the art, architecture and history of the Pennsylvania Capitol Building and Complex.

The Commission on Sentencing adopts statewide sentencing guidelines. Act 196 of 2012 has distributed funds to the commission since 2013-14 from the Justice Reinvestment Fund to establish models for risk assessment.

The Center for Rural Pennsylvania serves as a resource for rural policy within the General Assembly.

The Commonwealth Mail Processing Center screens and dispatches correspondence, packages and parcels.

The Legislative Reapportionment Commission receives the Census Bureau redistricting data in each year following the year of the federal decennial census. It is used as a basis for apportioning seats in the U.S. House of Representatives. Census data is also used to redraw legislative districts for the House of Representatives and the State Senate.

The Independent Fiscal Office provides nonpartisan budget information and analysis.

### Program Recommendations:

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

**GENERAL FUND**  
**Government Support Agencies**

All appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>GENERAL FUND:</b>							
Government Support Agencies.....	\$ 48,500	\$ 51,765	\$ 51,765	\$ 51,765	\$ 51,765	\$ 51,765	\$ 51,765

– THIS PAGE INTENTIONALLY LEFT BLANK –



Commonwealth of Pennsylvania

Governor's Executive Budget

# *CAPITAL BUDGET*



– THIS PAGE INTENTIONALLY LEFT BLANK –

## Program Summary

This section presents the 2017-18 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 six 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 renovation projects and new buildings, nonstructural improvements and the acquisition of land. The Department of General Services administers design and construction for the majority of these projects. However, Keystone Recreation, Park and Conservation and 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

**Transportation Assistance Projects** — this category of projects includes: the purchase of rolling stock and construction or improvement of facilities operated by mass transportation agencies throughout the commonwealth; the acquisition, construction and equipping of rural and intercity common carrier surface transportation systems or any components thereof; and air transportation systems. These projects are administered by the Department of Transportation.

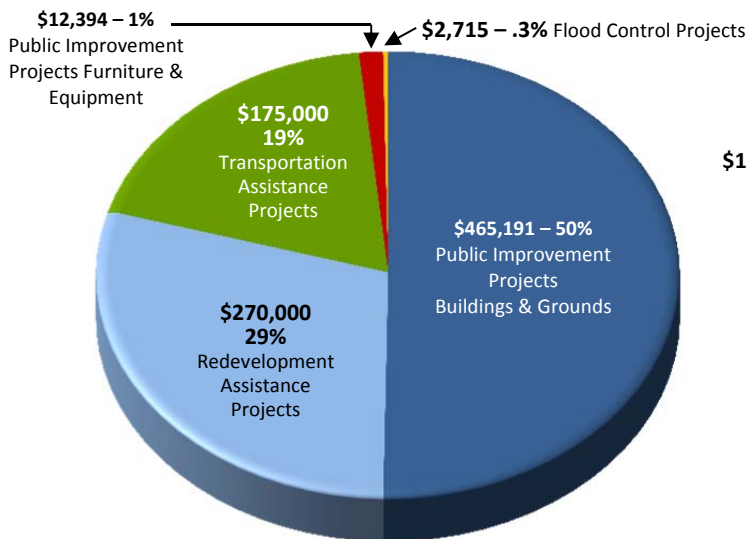
**Redevelopment Assistance Projects** — this category provides grants for the acquisition of land and the construction of buildings and other property appurtenances for municipal agencies and authorities for economic development and the prevention and elimination of blight.

**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.

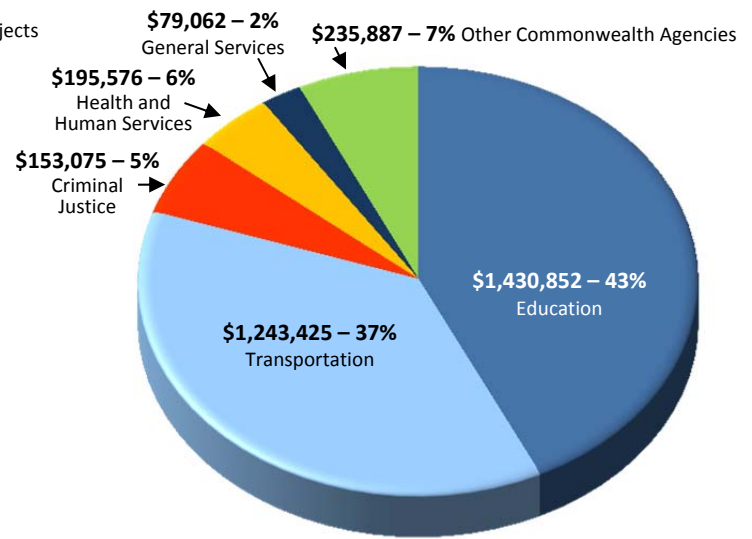
**2017-18 Estimated Capital Expenditures  
Capital Facilities Bond Fund**

(Dollar Amounts in Thousands)



**Recommended 2017-18 New Project Authorizations  
Capital Facilities Bond Fund**

(Dollar Amounts in Thousands)



**Capital Budget Financing.** Most project authorizations recommended in the capital budget are debt financed by General Obligation Bonds. However, other capital projects are financed by current revenues either from dedicated sources or appropriations through operating budgets. An additional \$1.1 billion in 2017-18 new project authorizations (mostly highway projects) is financed by current revenues.

The Capital Budget section consists of the following three subsections.

**2017-18 New Project Authorizations** — this section itemizes and describes the new capital projects recommended for authorization in 2017-18 and their proposed source of funding. The projects are listed by department and capital project category.

**Impact on Operating Costs.** The description of each recommended capital project 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 large-scale project is implemented which will dramatically change efficiencies and other components of an operating budget. In this case, the expected change in operating expenses is quantified. The net change in operating cost also is quantified when new construction will result in a significant increase in the capital asset base. 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 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 and universities, among others. Any change in operating costs will, therefore, be borne by an entity other than the commonwealth.

Finally, the Highway Projects category also will not provide a statement of operating cost impact. 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, high maintenance costs are avoided. These avoided maintenance costs are then shifted to other segments of roadway where repair needs are relatively significant. As a result, the total highway operating budget experiences little net change.

**Future New Project Authorizations** — this section contains a dollar forecast of new capital projects requested during each of the fiscal years 2018-19 through 2021-22. The projections are grouped by department and capital project category.

**Estimated Capital Project 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 2017-18 and projects which will be authorized in the future (through 2021-22).

## 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)

	<u>2017-18</u> <u>Estimated</u>	<u>2018-19</u> <u>Estimated</u>	<u>2019-20</u> <u>Estimated</u>	<u>2020-21</u> <u>Estimated</u>	<u>2021-22</u> <u>Estimated</u>
<b>GENERAL OBLIGATION BOND FUNDING</b>					
<b>Revenues</b>					
Capital Facilities Bonds:					
Public Improvement Projects - Buildings and Structures.....	\$ 1,075,000	\$ 550,000	\$ 560,000	\$ 570,000	\$ 580,000
Public Improvement Projects - Furniture and Equipment.....	10,000	10,000	10,000	10,000	10,000
Redevelopment Assistance Projects.....	150,000	200,000	270,000	275,000	280,000
Flood Control Projects.....	0	0	0	0	0
Transportation Assistance Projects.....	175,000	175,000	175,000	175,000	175,000
Less: Costs of Issue.....	-5,000	-5,000	-5,000	-5,000	-5,000
Miscellaneous Revenue.....	5,615	5,615	5,615	5,615	5,615
Change in Available Cash.....	-485,315	174,466	387,469	777,030	1,044,926
Total.....	<u>\$ 925,300</u>	<u>\$ 1,110,081</u>	<u>\$ 1,403,084</u>	<u>\$ 1,807,645</u>	<u>\$ 2,090,541</u>
<b>Expenditures</b>					
Capital Facilities Fund:					
Public Improvement Projects - Buildings and Structures.....	\$ 465,191	\$ 623,374	\$ 936,059	\$ 1,314,370	\$ 1,564,980
Public Improvement Projects - Furniture and Equipment.....	12,394	37,181	0	0	0
Redevelopment Assistance Projects.....	270,000	270,000	270,000	270,000	270,000
Flood Control Projects.....	2,715	4,525	4,525	4,525	1,810
Transportation Assistance Projects.....	175,000	175,000	192,500	218,750	253,750
Total - General Obligation Bonds.....	<u>\$ 925,300</u>	<u>\$ 1,110,081</u>	<u>\$ 1,403,084</u>	<u>\$ 1,807,645</u>	<u>\$ 2,090,541</u>
<b>FROM CURRENT REVENUES</b>					
Public Improvement Projects - Fish and Boat Fund.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Acquisition, Improvement and Restoration Projects - Keystone Recreation, Park and Conservation Fund.....	17,677	18,325	18,325	22,402	31,019
Acquisition, Rehabilitation and Development Projects Environmental Stewardship Fund.....	7,905	11,761	12,173	12,599	13,040
Highway Projects - Motor License Fund.....	436,061	431,426	426,398	450,645	478,979
Total Current Revenues.....	<u>\$ 461,643</u>	<u>\$ 461,512</u>	<u>\$ 456,896</u>	<u>\$ 485,646</u>	<u>\$ 523,037</u>
<b>TOTAL - ALL FUNDS .....</b>	<b><u>\$ 1,386,943</u></b>	<b><u>\$ 1,571,592</u></b>	<b><u>\$ 1,859,980</u></b>	<b><u>\$ 2,293,291</u></b>	<b><u>\$ 2,613,577</u></b>

## FORECAST OF NEW PROJECT AUTHORIZATIONS State Funds

This table provides a summary of the budget recommendations and potential future authorizations by department.

(Dollar Amounts in Thousands)

	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Agriculture.....	\$ 38,227	\$ 28,202	\$ 26,291	\$ 24,380	\$ 18,646	\$ 135,746
Conservation and Natural Resources.....	148,375	184,911	177,493	170,074	147,818	828,670
Criminal Justice.....	145,075	82,236	74,583	66,929	43,968	412,790
Education.....	1,430,852	448,002	583,050	345,000	190,000	2,996,904
Environmental Protection.....	50,485	27,894	25,370	22,845	15,273	141,866
General Services.....	79,062	95,852	91,899	87,946	76,086	430,844
Health and Human Services.....	27,800	99,569	89,790	80,011	50,675	347,844
Historical and Museum Commission.....	195,576	27,800	28,550	29,050	32,000	312,976
Military and Veterans Affairs.....	74,145	37,288	34,298	31,308	22,338	199,377
State Police.....	31,000	37,771	36,221	34,671	30,021	169,684
Transportation.....	2,204,436	1,418,414	1,381,118	1,343,821	1,231,933	7,579,721
<b>TOTAL.....</b>	<b>\$ 4,425,033</b>	<b>\$ 2,487,939</b>	<b>\$ 2,548,661</b>	<b>\$ 2,236,034</b>	<b>\$ 1,858,756</b>	<b>\$ 13,556,422</b>

## RECOMMENDED 2017-18 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.....	\$ 38,227	\$ 0	\$ 0	\$ 0
Conservation and Natural Resources.....	25,800	0	0	0
Criminal Justice.....	145,075	0	0	0
Education.....	1,384,052	46,800	0	0
Environmental Protection.....	50,485	0	0	0
General Services.....	79,062	0	0	0
Health and Human Services.....	195,576	0	0	0
Historical and Museum Commission.....	27,800	0	0	0
Military and Veterans Affairs.....	59,800	2,775	0	0
State Police.....	31,000	0	0	0
Transportation.....	745,925	0	497,500	0
<b>TOTAL.....</b>	<b>\$ 2,782,802</b>	<b>\$ 49,575</b>	<b>\$ 497,500</b>	<b>\$ 0</b>

	Current Revenues		All Funds
	Highway Projects	Public Improvement Projects	
Agriculture.....	\$ 0	\$ 0	\$ 38,227
Conservation and Natural Resources.....	0	122,575	148,375
Criminal Justice.....	0	0	145,075
Education.....	0	0	1,430,852
Environmental Protection.....	0	0	50,485
General Services.....	0	0	79,062
Health and Human Services.....	0	0	195,576
Historical and Museum Commission.....	0	0	27,800
Military and Veterans Affairs.....	0	11,570	74,145
State Police.....	0	0	31,000
Transportation.....	961,011	0	2,204,436
<b>TOTAL.....</b>	<b>\$ 961,011</b>	<b>\$ 134,145</b>	<b>\$ 4,425,033</b>

## DEPARTMENT OF AGRICULTURE

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

**Total  
Project  
Cost**

#### 2017-18 PUBLIC IMPROVEMENT PROJECTS

Protection and Development of Agricultural Industries.....	\$ 38,227
TOTAL.....	<u>\$ 38,227</u>

#### SOURCE OF FUNDS

##### General Obligation Bond Issues

Capital Facilities Fund - Buildings and Structures.....	\$ 38,227
TOTAL.....	<u>\$ 38,227</u>

## Department of Agriculture 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Protection and Development of Agricultural Industries

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>CENTRE COUNTY</u></b>	
<b>Diagnostic Laboratory</b>	\$ 2,057
MODERNIZE ANIMAL DIAGNOSTIC LABORATORY: This project will provide for modernization and upgrades of facilities at the Penn State University Animal Diagnostic Laboratory.	
<b>Diagnostic Laboratory</b>	4,400
PURCHASE ANIMAL INCINERATOR: This project will provide for the purchase and replacement of an incinerator at the Penn State University Animal Diagnostic Laboratory.	
<b>Diagnostic Laboratory</b>	5,770
CONSTRUCT ANNEX: This project will provide for the construction of a permanent annex at the Penn State University Animal Diagnostic Laboratory to replace temporary trailers.	
<b><u>DAUPHIN COUNTY</u></b>	
<b>Farm Show Complex</b>	14,000
RENOVATE FARM SHOW COMPLEX: This project will provide for renovation and upgrades to the Farm Show Complex facilities and grounds.	
<b>Plant Laboratory</b>	10,000
CONSTRUCT PLANT LABORATORY: This project will provide for the construction of a new plant laboratory to satisfy modern testing procedures and provide appropriate repository to store and protect heritage seeds/ germplasm.	
<b><u>VARIOUS COUNTIES</u></b>	
<b>Commonwealth Fairgrounds</b>	2,000
RENOVATE FACILITIES: This project will provide for the renovation and upgrades to various fairground facilities throughout the commonwealth.	
 PROGRAM TOTAL.....	 <u>\$ 38,227</u>



## DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b>2017-18 PUBLIC IMPROVEMENT PROJECTS</b>	
Parks and Forest Management.....	\$ 148,375
TOTAL.....	<u>\$ 148,375</u>
 <b>SOURCE OF FUNDS</b>	
<b>General Obligation Bond Issues</b>	
Capital Facilities Fund - Buildings and Structures.....	\$ 25,800
Capital Facilities Fund - Furniture and Equipment.....	<u>0</u>
Subtotal General Obligation Bond Issues.....	<u>\$ 25,800</u>
<b>Current Revenues</b>	
Keystone Recreation, Park and Conservation Fund - Improvements and Rehabilitation.....	\$ 87,712
Growing Greener 'Environmental Stewardship Fund - Acquisition, Improvements and Rehabilitation.....	19,135
State Forestry Bridge - Parks and Forest Management.....	11,970
ATV/Snowmobile Funds - Parks and Forest Management.....	0
Dirt and Gravel Funds - Acquisition, Improvements and Rehabilitation.....	<u>3,758</u>
Subtotal Current Revenues.....	<u>\$ 122,575</u>
TOTAL.....	<u><u>\$ 148,375</u></u>

## Department of Conservation and Natural Resources 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>ERIE COUNTY</u></b>	
<b>Presque Isle State Park</b>	\$ 20,000
GREENWAY DEVELOPMENT: This project will provide for the construction a pedestrian and hike/bike access to park including land acquisition.	
<b><u>NORTHUMBERLAND COUNTY</u></b>	
<b>Shikellamy State Park</b>	1,800
ADDITIONAL FUNDING: This project will provide for additional funding for 148-1 for construction of fish passageway at the inflatable dam.	
<b><u>POTTER COUNTY</u></b>	
<b>Denton Hill State Park</b>	4,000
REHABILITATE FACILITIES: This project will provide for the rehabilitation of the park including construction of overnight facilities, restrooms, parking, access roads, trails, and trail connections to enhance and compliment both snow ski operations and year-round park usage.	
PROGRAM TOTAL.....	\$ 25,800

## Department of Conservation and Natural Resources 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES

#### Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>ADAMS COUNTY</u></b>	
<b>Michaux State Forest</b>	\$ 300
REPLACE HVAC: This project will replace the district office HVAC.	
<b>Michaux State Forest</b>	6,000
CONSTRUCT RESOURCE CENTER: This project will provide for the construction of a resource management center with a fire/history museum.	
<b><u>ALLEGHENY COUNTY</u></b>	
<b>Point State Park</b>	1,250
REPLACE WALKWAY: This project will provide for the replacement of terrazzo walkway surface within the park.	
<b><u>BLAIR COUNTY</u></b>	
<b>Canoe Creek State Park</b>	300
REHABILITATE SEWAGE TREATMENT PLANT: This project will provide for the rehabilitation of the sewage treatment plant to meet modern needs and codes.	
<b><u>BUCKS COUNTY</u></b>	
<b>Delaware Canal State Park</b>	300
RELOCATE STRUCTURE: This project will provide for the relocation of historic Odette's structure.	
<b>Delaware Canal State Park</b>	750
REPLACE AQUEDUCT: This project will replace an aqueduct at Fry's Run.	
<b>Nockamixon State Park</b>	250
REHABILITATE SEWAGE TREATMENT PLANT: This project will provide for the rehabilitation of the sewage treatment plant to meet modern needs and codes.	
<b><u>BUTLER COUNTY</u></b>	
<b>Clear Creek State Forest</b>	20
REHABILITATE SITE: This project will provide for the rehabilitation of historic oil well site.	
<b><u>CAMBRIA COUNTY</u></b>	
<b>Gallitzin State Forest</b>	1,800
REHABILITATE SITE: This project will provide for the rehabilitation and/or replacement of Babcock Foreman's Headquarters, Pole Building and Mechanic Shop.	
<b><u>CAMERON COUNTY</u></b>	
<b>Sizerville State Park</b>	2,500
REHABILITATE FACILITY: This project will rehabilitate the bathhouses restrooms and sewage facilities within the park.	
<b>Elk State Forest</b>	2,500
CONSTRUCT FACILITY: This project will Construct Brooks Run Forest Maintenance Headquarters and Pole Building.	
<b><u>CARBON COUNTY</u></b>	
<b>Lehigh Gorge State Park</b>	500
REPLACE BRIDGE: This project will replace Rockport Bridge #1400 including supports.	

## Department of Conservation and Natural Resources 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES (continued)

Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	Total Project Cost
<b><u>CLARION COUNTY</u></b>	
<b>Cook Forest State Park</b>	\$ 150
REPAIR SEWAGE TREATMENT PLANT: This project will provide for repairs to the sewage treatment plant.	
<b><u>CLEARFIELD COUNTY</u></b>	
<b>Moshannon State Forest</b>	3,000
REHABILITATE MECHANIC SHOP: This project will rehabilitate Dague auto mechanics shop.	
<b>Parker Dam State Park</b>	2,000
REPLACE SEWAGE TREATMENT PLANT: This project will provide for replacement to the sewage treatment plant.	
<b><u>CLINTON COUNTY</u></b>	
<b>Sproul State Forest</b>	1,750
REHABILITATE WORKSHOP: This project will provide for the rehabilitation of Hyner Workshop including infrastructure.	
<b>Sproul State Forest</b>	2,500
REHABILITATE MAINTENANCE SHOP: This project will provide for the rehabilitation of Snow Show Forest Maintenance Headquarters.	
<b><u>COLUMBIA COUNTY</u></b>	
<b>Weiser State Forest</b>	450
CONSTRUCT POLE BUILDING: This project will construct a pole building at Bear Gap Fire Control Station.	
<b>Weiser State Forest</b>	450
CONSTRUCT POLE BUILDING: This project will construct a pole building at Locust Valley Fire Control Station.	
<b>Weiser State Forest</b>	300
CONSTRUCT POLE BUILDING: This project will construct a pole building at Roaring Creek Tract.	
<b>Weiser State Forest</b>	350
RECONSTRUCT FIRE TOWER: This project will reconstruct a fire tower at Keffers Fire Tower	
<b><u>CRAWFORD COUNTY</u></b>	
<b>Pymatuning State Park</b>	400
REPLACE STORAGE TANKS: This project will provide for the removal of underground storage tanks at Jamestown Livery and Linesville Livery and replace with above ground storage tanks at liveries.	
<b><u>CUMBERLAND COUNTY</u></b>	
<b>Kings Gap Environmental Education Center</b>	250
REHABILITATE WATER TOWER: This project will provide for the rehabilitation of a water tower at Kings Gap Environmental Education Center.	
<b><u>DAUPHIN COUNTY</u></b>	
<b>Forestry Central Office</b>	350
CONSTRUCT POLE BUILDING: This project will provide for the construction of a five bay standard pole building at Fire Cache (Haldeman) and fire operations base at Hazelton Airport	
<b>Forestry Central Office</b>	4,000
CONSTRUCT BUILDING: This project will provide for the construction of a fire operations base at Hazelton Airport.	

## Department of Conservation and Natural Resources 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES (continued)

Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	Total Project Cost
<b><u>DELAWARE COUNTY</u></b>	
<b>Ridley Creek State Park</b>	\$ 5,000
REPAVE ROADS: This project will provide for the repaving of roads throughout the park.	
<b><u>ERIE COUNTY</u></b>	
<b>Presque Isle State Park</b>	800
CONNECT MUNICIPAL SEWAGE: This project will provide for phase II of the connection to the municipal sewage treatment facility.	
<b>Presque Isle State Park</b>	400
REHABILITATE STULL CENTER: This project will provide for the rehabilitation of Stull Center to meet current needs.	
<b><u>FAYETTE COUNTY</u></b>	
<b>Ohioypyle State Park</b>	1,100
REHABILITATE CHANGEHOUSE: This project will provide for the rehabilitation of the Private Boaters Change House.	
<b>Ohioypyle State Park</b>	100
REHABILITATE BRIDGE: This project will provide for the rehabilitation of Bridge No. 26 7935 6211 0960 within the park.	
<b><u>FRANKLIN COUNTY</u></b>	
<b>Penn Nursery</b>	3,100
CONSTRUCT SEED EXTRACTOR: This project will provide for the construction of a seed extraction building along with a seed storage cooler.	
<b>Penn Nursery</b>	400
REPAVE PARKING: This project will repave nursery parking lots along with travel lanes.	
<b><u>FULTON COUNTY</u></b>	
<b>Buchanan State Forest</b>	350
CONSTRUCT POLE BUILDING: This project will provide for the construction of a five bay standard pole building at Bear Valley.	
<b>Buchanan State Forest</b>	80
PAVE ROAD: This project will provide for the paving of an access road and yard at Bear Valley Forest Maintenance Headquarters.	
<b>Buchanan State Forest</b>	800
CONSTRUCT MAINTENANCE BUILDING: This project will provide for the construction of a maintenance/mechanic shop at Sideling Hill.	
<b><u>HUNTINGDON COUNTY</u></b>	
<b>Greenwood Furnace State Park</b>	200
RENOVATE MANSION: This project will provide for interior mansion renovations.	
<b>Rothrock State Forest</b>	250
CONSTRUCT GARAGE: This project will provide for the construction of a garage/shop at the District Office.	

## Department of Conservation and Natural Resources 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES (continued)

#### Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>JUNIATA COUNTY</u></b>	
<b>Tuscarora State Forest</b>	\$ 3,000
CONSTRUCT HEADQUARTERS: This project will provide for the construction of East Licking Creek Forest Maintenance Headquarters Building.	
<b><u>LACKAWANNA COUNTY</u></b>	
<b>Lackawanna State Forest</b>	2,500
CONSTRUCT HEADQUARTERS: This project will provide for the construction Luzerne County Forestry Headquarters Building.	
<b>Lackawanna State Forest</b>	3,000
BREACH DAM: This project will provide for the Laurel Run Dam breach and replacement.	
<b>Lackawanna State Forest</b>	800
BREACH DAM: This project will provide for the Edgerton Dam breach.	
<b>Pinchot State Forest</b>	2,500
BREACH DAM: This project will provide for the Olyphant Dam #2 breach and replacement.	
<b>Pinchot State Forest</b>	1,500
CONSTRUCT MAINTENACE BUILDING: This project will provide for the construction of a maintenance building at District Headquarters.	
<b><u>LUZERNE COUNTY</u></b>	
<b>Hickory Run State Park</b>	3,500
REPLACE PIT LATRINES: This project will provide for the removal of pit latrines and replace with modern comfort stations.	
<b><u>LYCOMING COUNTY</u></b>	
<b>Tiadaghton State Forest</b>	10,000
REHABILITATE FISHWAY: This project will provide for the rehabilitation of the Hepburn Street fishway.	
<b><u>MONROE COUNTY</u></b>	
<b>Delaware State Forest</b>	275
INSTALL FURNACE: This project will provide for the installation of a wood pellet furnace at Owego Forest Maintenance Headquarters.	
<b>Gouldsboro State Park</b>	162
REPAVE ROADWAY: This project will provide for the paving of roadway at park entrance.	
<b><u>MONTGOMERY COUNTY</u></b>	
<b>Evansburg State Park</b>	150
REHABILITATE ROAD: This project will provide for phase 3 rehabilitation of Skippack Creek Road.	
<b><u>NORTHUMBERLAND COUNTY</u></b>	
<b>Shikellamy State Park</b>	1,500
UPGRADE DAM CONTROLS: This project will provide for the upgrade dam control facilities and place stream sensors for dam operation.	
<b>Shikellamy State Park</b>	100
REHABILITATE KURY POINT: This project will provide for the rehabilitation of the Kury Point within the park.	

## Department of Conservation and Natural Resources 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES (continued)

Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	Total Project Cost
<b><u>SCHUYLKILL COUNTY</u></b>	
<b>Locust Lake State Park</b>	\$ 700
PAVE ROAD: This project will provide for the paving of park roads.	
<b><u>SOMERSET COUNTY</u></b>	
<b>Laurel Hill State Park</b>	100
CONSTRUCT LAGOON: This project will provide for the construction of sewage treatment plant lagoon underdrain.	
<b>Laurel Ridge State Park</b>	100
REHABILITATE CAGE: This project will provide for the rehabilitation of a turnpike bridge cage.	
<b><u>SULLIVAN COUNTY</u></b>	
<b>Loyalsock State Forest</b>	265
REHABILITATE PICNIC AREA: This project will provide for the rehabilitation of the Dry Run picnic area including comfort station.	
<b>Loyalsock State Forest</b>	100
REPAIR PONDS: This project will provide for the repair of Shanerburg Pond, Big Hollow Little Pond and Big Hollow Big Pond outlets with varmint guards.	
<b><u>TIOGA COUNTY</u></b>	
<b>Hills Creek State Park</b>	1,500
CONSTRUCT ADDITION: This project will provide for the construction of an addition at Hills Creek Office.	
<b>Leonard Harrison State Park</b>	1,000
REHABILITATION SITE: This project will provide for phase 2 of the parking, pedestrian and site rehabilitation within the	
<b>Tioga State Forest</b>	300
CONSTRUCT POLE BUILDING: This project will provide for the construction of a pole building at Armenia Maintenance Headquarters.	
<b>Tioga State Forest, Tioga County</b>	350
CONSTRUCT BUILDING: This project will provide for the construction of a groomer storage building at Ansonia Forest Maintenance Headquarters.	
<b><u>VARIOUS COUNTIES</u></b>	
<b>PARK REGION 1</b>	110
REMOVE UNDERGROUND TANKS: This project will provide for the removal existing underground diesel tanks and install 500 gallon above ground tanks.	
<b><u>WARREN COUNTY</u></b>	
<b>Cornplanter State Forest</b>	8,000
CONSTRUCT BUILDINGS: This project will provide for the construction of a resource management center & storage building/garage.	

## Department of Conservation and Natural Resources 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES (continued)

Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b>Gifford Pinchot State Park</b>	\$ 300
CONSTRUCT POLE BUILDING: This project will provide for the construction of a pole storage building.	
<b>Gifford Pinchot State Park</b>	400
REHABILITATE SEWAGE TREATMENT PLANT: This project will provide for the rehabilitation of the sewage treatment plant to meet modern needs and codes.	
<b>Gifford Pinchot State Park</b>	500
REHABILITATE SHOWER HOUSES: This project will provide for the rehabilitation of shower houses #1, 2 and 3 - phase 2.	
 PROGRAM TOTAL.....	 <u><u>\$ 87,712</u></u>



## Department of Conservation and Natural Resources 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM GROWING GREENER ENVIRONMENTAL STEWARDSHIP FUND CURRENT REVENUES

#### Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>BEAVER COUNTY</u></b>	
<b>Raccoon Creek State Park</b>	\$ 180
FIRE RESTORATION: This project will provide for the the fire restoration in the maintenance building.	
<b><u>BERKS COUNTY</u></b>	
<b>French Creek State Park</b>	185
REPLACE POOL DECK: This project will provide for the replacement of the pool deck.	
<b>French Creek State Park</b>	500
REPAIR DAM: This project will provide for the repair of dam at Scotts Run and Hopewell.	
<b><u>CAMERON COUNTY</u></b>	
<b>Elk State Forest</b>	2,500
CONSTRUCT OFFICE: This project will provide for the construction of the Hicks Run Forest Maintenance Headquarters and 5-bay pole building.	
<b><u>CARBON COUNTY</u></b>	
<b>Beltzville State Park</b>	250
REPAVE ROADS: This project will provide for the repaving of roads and parking lots throughout the park.	
<b><u>CENTRE COUNTY</u></b>	
<b>Bald Eagle State Park</b>	345
CONSTRUCT LOOP: This project will provide for the completion camping cottage loop in modern campground.	
<b>Black Moshannon State Park</b>	1,500
CONSTRUCT ADDITION: This project will provide for the construction of an addition at Environmental Learning Center and expand parking lot at park office.	
<b>Black Moshannon State Park</b>	300
RENOVATE SKI LODGE: This project will provide for the renovation of cabin 20 ski lodge.	
<b><u>CLEARFIELD COUNTY</u></b>	
<b>Moshannon State Forest</b>	125
REHABILITATE OFFICE: This project will provide for the rehabilitation of the front office reception area and bathroom.	
<b>Moshannon State Forest</b>	350
CONSTRUCT POLE BUILDING: This project will provide for the construction of a standard pole building for excess federal equipment.	
<b><u>CLINTON COUNTY</u></b>	
<b>Hyner Run State Park</b>	3,000
REHABILITATE POOL: This project will provide for the rehabilitation of the Hyner Run Pool within the park.	
<b><u>COLUMBIA COUNTY</u></b>	
<b>Weiser State Forest</b>	200
REPAVE ROADS: This project will provide for the repaving of RMC Drive and MB Lot.	

## Department of Conservation and Natural Resources 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

FROM GROWING GREENER ENVIRONMENTAL STEWARDSHIP FUND CURRENT REVENUES (continued)

Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>DELAWARE COUNTY</u></b>	
<b>Ridley Creek State Park</b>	\$ 1,650
RESURFACE TRAIL: This project will provide for the resurfacing of 2.25 miles of a multi-use trail.	
<b><u>FULTON COUNTY</u></b>	
<b>Buchanan State Forest</b>	350
CONSTRUCT POLE BUILDING: This project will provide for the construction of a standard 5 bay pole building at Sideling Hill.	
<b><u>HUNTINGDON COUNTY</u></b>	
<b>Whipple Dam State Park</b>	1,500
DESILT LAKE: This project will provide for the desilting of the lake at Whipple Dam.	
<b><u>INDIANA COUNTY</u></b>	
<b>Yellow Creek State Park</b>	800
REHABILITATE BUILDINGS: This project will provide for the rehabilitation of beach area buildings.	
<b><u>LUZERNE COUNTY</u></b>	
<b>Hickory Run State Park</b>	200
REPLACE BRIDGE: This project will provide for the replacement of pool access bridge.	
<b>Nescopeck State Park</b>	300
CONSTRUCT BUILDING: This project will provide for the construction of a storage/garage building at regional office.	
<b>Ricketts Glen State Park</b>	345
CONSTRUCT LOOP: This project will provide for the construction of a campground loop within the park.	
<b>Rothrock State Forest</b>	100
UPGRADE HVAC: This project will provide for the replacement and upgrade of the HVAC system in the district office.	
<b>Rothrock State Forest</b>	250
CONSTRUCT CONTACT STATION: This project will provide for the construction of a public contact station at Pine Grove Mountain.	
<b><u>MONROE COUNTY</u></b>	
<b>Delaware State Forest</b>	350
DEMOLISH BUILDING: This project will provide for the demolition of Promethian Building and 3 cabins.	
<b><u>MONTGOMERY COUNTY</u></b>	
<b>Norristown Farm State Park</b>	200
DEMOLISH BRIDGE: This project will provide for the demolition of a bridge within the park.	

## Department of Conservation and Natural Resources 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

FROM GROWING GREENER ENVIRONMENTAL STEWARDSHIP FUND CURRENT REVENUES (continued)

#### Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>SULLIVAN COUNTY</u></b>	
<b>Loyalsock State Forest</b>	\$ 275
CONSTRUCT BUILDING: This project will provide for the construction of a standard 3 bay pole building at Little Bear.	
<b><u>UNION COUNTY</u></b>	
<b>Bald Eagle State Forest</b>	2,000
BREACH DAM: This project will provide for the Stony Run Dam breach and removal.	
<b><u>WESTMORELAND COUNTY</u></b>	
<b>Forbes State Forest</b>	280
CONSTRUCT BUILDING: This project will provide for the construction of a standard pole building at Braddock Division.	
<b>Laurel Ridge State Park</b>	300
CONSTRUCT BUILDING: This project will provide for the construction of a standard pole building.	
<b><u>YORK COUNTY</u></b>	
<b>Gifford Pinchot State Park</b>	800
REHABILITATE SHOWER HOUSES: This project will provide for the multi-phase rehabilitation of shower houses - #4,5,6 & 7.	
 PROGRAM TOTAL.....	 <u>\$ 19,135</u>

## Department of Conservation and Natural Resources 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM STATE FORESTRY BRIDGE CURRENT REVENUES

#### Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>BERKS COUNTY</u></b>	
<b>William Penn State Forest</b>	\$ 200
REPLACE BRIDGE: This project will provide for the replacement of the Goat Hill Bridge on an unnamed road over an unnamed creek.	
<b><u>CAMERON COUNTY</u></b>	
<b>Elk State Forest</b>	200
REHABILITATE VIEWING AREA: This project will rehabilitate Miller Run Wildlife Viewin Area.	
<b>Elk State Forest</b>	200
REPLACE STRUCTURE: This project will replace a structure at Mix Run Road over Archie Barr Hollow.	
<b>Elk State Forest</b>	60
REPLACE STRUCTURE: This project will replace a structure at Fee Hollow Run over West Crowley Run.	
<b>Elk State Forest</b>	200
REPLACE STRUCTURE: This project will replace a structure at Boundary Line Road over Doe Run.	
<b>Elk State Forest</b>	200
REPLACE STRUCTURE: This project will replace a structure at Buck Run Road over East Branch of Clarion River.	
<b>Elk State Forest</b>	300
REPLACE STRUCTURE: This project will replace structure and site preparation at Hicks Run Maintenance Headquarters.	
<b>Elk State Forest</b>	200
REPLACE STRUCTURE: This project will replace a structure at Huffman Farm Road over Red Mill Brook.	
<b>Elk State Forest</b>	200
REPLACE STRUCTURE: This project will replace a structure at Straight Creek Road over Straight Creek.	
<b>Elk State Forest</b>	200
REPLACE STRUCTURE: This project will replace a structure at Doe Run Road over County Line Run.	
<b><u>CLEARFIELD COUNTY</u></b>	
<b>Moshannon State Forest</b>	200
REPLACE STRUCTURE: This project will replace a structure at Medix Grade Road over a tributary to Medix Run & Wilson Switchback Road.	
<b>Moshannon State Forest</b>	200
REPLACE STRUCTURE: This project will replace a structure at Tyler Road over Abbot Run.	
<b>Moshannon State Forest</b>	200
REPLACE STRUCTURE: This project will replace a structure at Crystal Springs Road over Lick Run.	
<b>Moshannon State Forest</b>	350
REPLACE STRUCTURE: This project will replace a structure at Medix Grade Road over Medix Run.	
<b>Moshannon State Forest</b>	350
REPLACE STRUCTURE: This project will replace a structure at Mill Run Road over tributary to Mill Run.	
<b>Moshannon State Forest</b>	200
REPLACE STRUCTURE: This project will replace a structure at Reservoir Road over an unnamed tributary.	

## Department of Conservation and Natural Resources 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM STATE FORESTRY BRIDGE CURRENT REVENUES (continued)

#### Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>CLINTON COUNTY</u></b>	
<b>Sproul State Forest</b>	\$ 200
REPLACE STRUCTURE: This project will replace a structure at Cooks Run Road over an unnamed tributary to Cole Run.	
<b>Sproul State Forest</b>	200
REPLACE STRUCTURE: This project will replace a structure at Coon Run Road over Swamp Branch Big Run.	
<b>Sproul State Forest</b>	200
REPLACE STRUCTURE: This project will replace a structure at Crowley Road over an unnamed tributary to Crowley Run.	
<b>Sproul State Forest</b>	200
REPLACE STRUCTURE: This project will replace a structure at State Line Road over Panther Run.	
<b>Sproul State Forest</b>	400
REPLACE STRUCTURE: This project will replace a structure at Green Lick Road over Green Lick Run.	
<b>Sproul State Forest</b>	200
REPLACE STRUCTURE: This project will replace a structure at Sugar Camp Road over Rattlesnake Run.	
<b><u>COLUMBIA COUNTY</u></b>	
<b>Weiser State Forest</b>	200
REPLACE STRUCTURE: This project will replace a structure at Weaver Road over Panther Creek.	
<b>Weiser State Forest</b>	200
REPLACE STRUCTURE: This project will replace a structure at McWilliams Trail over Roaring Creek.	
<b><u>FRANKLIN COUNTY</u></b>	
<b>Michaux State Forest</b>	200
REPLACE CULVERT: This project will replace a box culvert on an unnamed road off Mount Hope Road over Middle Creek.	
<b><u>FULTON COUNTY</u></b>	
<b>Buchanan State Forest</b>	420
REPLACE STRUCTURE: This project will replace a structure Bridge A No. 02-0006 at Oregon Road over Oregon Creek.	
<b>Buchanan State Forest</b>	350
CONSTRUCT BRIDGE: This project will provide for the construction of a bridge at Tailgate Road over an unnamed tributary to Licking Creek.	
<b><u>LACKAWANNA COUNTY</u></b>	
<b>Pinchot State Forest</b>	400
REPLACE CULVERTS: This project will provide for the replacement of two box culverts on Crystal Lake Road over Ten Mile Run.	
<b><u>LYCOMING COUNTY</u></b>	
<b>Tiadaghton State Forest</b>	350
REPLACE STRUCTURE: This project will replace a structure at Cove Road over White Deer Hole Creek.	
<b>Tiadaghton State Forest</b>	200
REPLACE STRUCTURE: This project will replace a structure at Trout Run Road over Trout Run.	

## Department of Conservation and Natural Resources 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM STATE FORESTRY BRIDGE CURRENT REVENUES (continued)

#### Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>LYCOMING COUNTY (continued)</u></b>	
<b>Tiadaghton State Forest</b>	\$ 180
REPLACE STRUCTURE: This project will replace a structure at Yaris Road over Fourth Gap.	
<b><u>MONROE COUNTY</u></b>	
<b>Delaware State Forest</b>	180
INSTALL CULVERT: This project will provide for the installation of a new culvert at Stairway Road over Unnamed Tributary to Delaware River.	
<b>Delaware State Forest</b>	540
INSTALL CULVERTS: This project will provide for the installation of three new box culverts at Maple Run Haul Road over un named tributary.	
<b>Delaware State Forest</b>	200
INSTALL CULVERT: This project will provide for the installation of a new culvert at Whittaker Road over tributary to Saw Creek	
<b><u>PERRY COUNTY</u></b>	
<b>Tuscarora State Forest</b>	350
REPLACE STRUCTURE: This project will replace Bridge A: No. 03-0038, Byner Run Road over Eby Run and Bridge B: No. 07-0037, Big Spring State Forest Picnic Area Access over Big Spring Run.	
<b>Tuscarora State Forest</b>	400
REPLACE STRUCTURE: This project will replace Bridge A. No. 03-0019, at Doubling Gap Road.	
<b><u>POTTER COUNTY</u></b>	
<b>Susquehannock State Forest</b>	100
REPLACE STRUCTURE: This project will replace structure at Nelson Run Road over Big Nelson Run.	
<b>Susquehannock State Forest</b>	500
REPLACE STRUCTURE: This project will replace structure at Eleven Mile Road over tributary to South Woods Branch.	
<b><u>SULLIVAN COUNTY</u></b>	
<b>Loyalsock State Forest</b>	570
REPLACE STRUCTURE: This project will replace a structure at Bridge 41763551200054, Pleasant Stream Road over Pleasant Stream.	
<b>Loyalsock State Forest</b>	190
REPLACE STRUCTURE: This project will replace a structure at Bridge 41763551200051, Little Bear Road over Sand Spring Run.	
<b><u>TIOGA COUNTY</u></b>	
<b>Tioga State Forest</b>	250
REPLACE STRUCTURE: This project will replace a structure at Right ASPH Road over Bear Wallow Branch.	

## Department of Conservation and Natural Resources 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM STATE FORESTRY BRIDGE CURRENT REVENUES (continued)

#### Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>TIOGA COUNTY (continued)</u></b>	
<b>Tioga State Forest</b>	\$ 190
REPLACE STRUCTURE: This project will replace a structure at Reynolds Spring & Bear Run Intersection over Bear Run.	
 <b>Tioga State Forest</b>	 190
REPLACE STRUCTURE: This project will replace a structure at Painter Run Road over Painter Run.	
 <b>Tioga State Forest</b>	 200
REPLACE STRUCTURE: This project will replace a structure at Cedar Mountain Road over Buck Run.	
 <b>Tioga State Forest</b>	 200
REPLACE STRUCTURE: This project will replace a structure at Painter Leetonia Road over Painter Run.	
 <b><u>UNION COUNTY</u></b>	
<b>Bald Eagle State Forest</b>	200
REPLACE BRIDGE: This project will replace Bridge No. 07-0055, at Rainsares Road.	
 <b>Bald Eagle State Forest</b>	 350
REPLACE BRIDGE: This project will replace Bridge A No. 07-0037 and Bridge B, No. 7-9009, Stony Run Road over Stony Run.	
 PROGRAM TOTAL.....	 <u>\$ 11,970</u>

## Department of Conservation and Natural Resources 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM DIRT AND GRAVEL ROAD FUNDS CURRENT REVENUES

#### Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>BUTLER COUNTY</u></b>	
<b>Clear Creek State Forest</b>	\$ 350
RELOCATE ROAD: This project will provide for the relocation/construction of Highland Drive Road and a new parking lot.	
<b><u>CENTRE COUNTY</u></b>	
<b>Bald Eagle State Park</b>	250
PAVE ROAD: This project will provide for the paving Rustic Campground Access Road and Loop Road.	
<b><u>CLINTON COUNTY</u></b>	
<b>Sproul State Forest</b>	308
REHABILITATE ROAD: This project will provide for the rehabilitation of Birch Island Road.	
<b><u>FAYETTE COUNTY</u></b>	
<b>Ohiopyle State Park</b>	1,400
PAVE ROADS: This project will provide for the paving of 2.6 miles of camp ground roads within the park.	
<b><u>HUNTINGDON COUNTY</u></b>	
<b>Rothrock State Forest</b>	600
ROAD RECLAMATION: This project will provide for the reclamation of Diamond Valley/PA Furnace Roads.	
<b><u>LYCOMING COUNTY</u></b>	
<b>Tiadaughton State Forest</b>	550
ROAD RECLAMATION: This project will provide for the reclamation of State Run Road and paving.	
<b><u>UNION COUNTY</u></b>	
<b>Bald Eagle State Forest</b>	300
PAVE ROADS: This project will provide for the repaving of McCall Dam Road - 2 Road Segments as combined project.	
 PROGRAM TOTAL.....	 <u>\$ 3,758</u>



DEPARTMENT OF CRIMINAL JUSTICE

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

Total  
Project  
Cost

2017-18 PUBLIC IMPROVEMENT PROJECTS

Institutionalization of Offenders.....	\$ 145,075
TOTAL.....	<u>\$ 145,075</u>

SOURCE OF FUNDS

General Obligation Bond Issues

Capital Facilities Fund - Buildings and Structures.....	\$ 145,075
Capital Facilities Fund - Furniture and Equipment.....	<u>0</u>
Subtotal General Obligation Bond Issues.....	<u>145,075</u>

Other Revenues

Buildings and Structures.....	<u>\$ 0</u>
TOTAL.....	<u>\$ 145,075</u>

## Department of Criminal Justice 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Institutionalization of Offenders

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>BERKS COUNTY</u></b>	
<b>Wernersville Community Corrections Center</b>	2,250
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	
<b><u>CENTRE COUNTY</u></b>	
<b>State Correctional Institution at Benner</b>	3,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	
<b>State Correctional Institution at Rockview</b>	11,700
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	
<b><u>CLEARFIELD COUNTY</u></b>	
<b>State Correctional Institution at Houtzdale</b>	3,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	
<b>Quehanna Motivational Boot Camp</b>	1,500
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	
<b><u>CRAWFORD COUNTY</u></b>	
<b>State Correctional Institution at Cambridge Springs</b>	7,750
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	
<b><u>CUMBERLAND COUNTY</u></b>	
<b>State Correctional Institution at Camp Hill</b>	30,750
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	
<b><u>DELAWARE COUNTY</u></b>	
<b>State Correctional Institution at Chester</b>	2,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	
<b><u>ERIE COUNTY</u></b>	
<b>State Correctional Institution at Albion</b>	3,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	
<b><u>FAYETTE COUNTY</u></b>	
<b>State Correctional Institution at Fayette</b>	8,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	

## Department of Criminal Justice 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS (continued)

#### Program: Institutionalization of Offenders

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>FOREST COUNTY</u></b>	
<b>State Correctional Institution at Forest</b>	\$ 3,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	
<b><u>GREENE COUNTY</u></b>	
<b>State Correctional Institution at Greene</b>	13,750
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	
<b><u>HUNTINGDON COUNTY</u></b>	
<b>State Correctional Institution at Huntingdon</b>	3,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	
<b>State Correctional Institution at Smithfield</b>	3,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	
<b><u>INDIANA COUNTY</u></b>	
<b>State Correctional Institution at Pine Grove</b>	3,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	
<b><u>LANCASTER COUNTY</u></b>	
<b>Elizabethtown Training Academy</b>	8,625
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	
<b><u>LUZERNE COUNTY</u></b>	
<b>State Correctional Institution at Dallas</b>	9,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	
<b>State Correctional Institution at Retreat</b>	2,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	
<b><u>LYCOMING COUNTY</u></b>	
<b>State Correctional Institution at Muncy</b>	3,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	
<b><u>MERCER COUNTY</u></b>	
<b>State Correctional Institution at Mercer</b>	2,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	
<b><u>NORTHUMBERLAND COUNTY</u></b>	
<b>State Correctional Institution at Coal</b>	3,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	

**Department of Criminal Justice 2017-18 Projects**

**PUBLIC IMPROVEMENT PROJECTS**

**FROM CAPITAL FACILITIES BOND FUNDS (continued)**

**Program: Institutionalization of Offenders**

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project</b>
<b><u>SCHUYLKILL COUNTY</u></b>	
<b>State Correctional Institution at Frackville</b>	\$ 3,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	
<b>State Correctional Institution at Mahanoy</b>	3,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	
<b><u>SOMERSET COUNTY</u></b>	
<b>State Correctional Institution at Laurel Highlands</b>	3,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	
<b>State Correctional Institution at Somerset</b>	3,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.	
<b><u>WAYNE COUNTY</u></b>	
<b>State Correctional Institution at Waymart</b>	6,750
RENOVATE HOUSING: This project will provide for the renovation of housing units including ADA improvements, electrical upgrades, HVAC Systems, and replacement of windows and doors.	
 PROGRAM TOTAL.....	 <u><u>\$ 145,075</u></u>

## DEPARTMENT OF EDUCATION

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b>2017-18 PUBLIC IMPROVEMENT PROJECTS</b>	
Higher Education - State-Related Universities.....	\$ 1,208,952
Higher Education - State System of Higher Education.....	220,900
Educational Support Services.....	1,000
TOTAL.....	<u>\$ 1,430,852</u>
<b>SOURCE OF FUNDS</b>	
<b>General Obligation Bond Issues</b>	
Capital Facilities Fund - Buildings and Structures.....	\$ 1,384,052
Capital Facilities Fund - Furniture and Equipment.....	46,800
Subtotal General Obligation Bond Issues.....	1,430,852
TOTAL.....	<u>\$ 1,430,852</u>

## Department of Education 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Higher Education - State-Related Universities

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>ALLEGHENY COUNTY</u></b>	
<b>University of Pittsburgh</b>	
CONSTRUCT NEW CLASSROOM: This project will provide for the construction of a new classroom and research building to replace Crabtree Hall.	\$ 110,000
RENOVATE SCAIFE HALL: This project will provide for the renovation and addition to Scaife Hall.	95,000
RENOVATE VICTORIA HALL: This project will provide for the renovation and addition to Victoria Hall including infrastructure.	40,000
DEFERRED MAINTENANCE: This project will provide for the upgrade and deferred maintenance phase VIII for all campuses.	20,000
BUILDING INFRASTRUCTURE: This project will provide for the programmatic and building infrastructure renovations phase I for all campuses.	20,000
<b><u>CHESTER COUNTY</u></b>	
<b>Lincoln University</b>	
CONSTRUCT COMMUNICATION CENTER: This project will provide for the construction of a new mass communications and visual arts center.	35,000
ORIGINAL FURNITURE, FIXTURES & EQUIPMENT: This project will provide furniture, fixtures and equipment for the Vail Hall Renovation.	7,000
ORIGINAL FURNITURE, FIXTURES & EQUIPMENT: This project will provide furniture, fixtures and equipment for the Manuel Rivero Gymnasium	7,000
ORIGINAL FURNITURE, FIXTURES & EQUIPMENT: This project will provide furniture, fixtures and equipment for the Physical Plant Facilities	6,000
<b><u>LANCASTER COUNTY</u></b>	
<b>Thaddeus Stevens College of Technology</b>	
RENOVATE TECHNOLOGY CENTER: This project will provide for the renovation and expansion of three buildings adjacent to the main campus.	5,000
EXPAND JONES DINING HALL: This project will provide for the expansion of Jones Dining Hall.	5,750
EXPAND HARTZELL INSTRUCTION BUILDING: This project will provide for the addition of a second floor to the Hartzell Instructional Building with a catwalk to the Jones Dining Hall.	5,000
UPGRADE CAMPUS ELECTRICAL: This project will provide for the upgrade of main campus electrical system to bring into code and safety.	2,875
UPGRADE CAMPUS TECHNOLOGY WIRING: This project will provide for the upgrade of information technology wiring system and distribution throughout the campus.	5,000
UPGRADE CAMPUS METALS FABRICATION & WELDING SHOP: This project will provide for the upgrade of the metals fabrication and welding shop including state of the art exhaust system.	250
REPLACE BUILDING HVAC: This project will provide for the replacement of HVAC in three buildings including controls on the main campus to meet future needs and efficiency.	400

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS (continued)

#### Program: Higher Education - State-Related Universities

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>LANCASTER COUNTY (continued)</u></b>	
RENOVATE MELIOR BUILDING: This project will provide for the renovation of the Melior Building on the main campus to meet codes and efficiency.	\$ 1,017
<b>Thaddeus Stevens College of Technology</b>	
PAINT BUILDINGS: This project will provide for the abatement of lead paint on two campus buildings and repaint.	230
RENOVATE LEARNING RESOURCE CENTER: This project will provide for the renovation of the Learning Resource Center on the main campus to meet codes and efficiency.	230
<b><u>PHILADELPHIA COUNTY</u></b>	
<b>Temple University</b>	
RENOVATE PUBLIC HEALTH: This project will provide for the renovation for the consolidation and expansion of the College of Public Health.	90,000
CONSTRUCT TEACHING FACILITY: This project will provide for the construction of interdisciplinary teaching and research facility on the main campus.	205,000
RENOVATE RITTER HALL: This project will provide for the renovation of Ritter Hall and Annex to meet current needs and codes.	35,000
EXPAND MEDICAL EDUCATION BUILDING: This project will provide for the expansion of the Medical Education and Research Building.	90,000
EXPAND ANNENBERG HALL: This project will provide for the expansion of the Annenberg Hall and Tomlinson Theater.	100,000
RENOVATE HEALTH SCIENCE: This project will provide for the renovation and expansion of the Health Science Campus to meet current and future needs.	100,000
RENOVATE SCHOOL OF BUSINESS: This project will provide for the renovation and expansion of the Fox School of Business to meet current and future needs.	75,000
<b><u>CENTRE COUNTY</u></b>	
<b>Pennsylvania State University</b>	
RENOVATE HOSLER BUILDING: This project will provide for the renovation of the Hosler Building to meet current needs and codes.	42,000
EXPAND NURSE SCIENCES BUILDING: This project will provide for the renovation and expansion of the of the Nurse Sciences Building to meet current codes and future needs.	25,000
ORIGINAL FURNITURE FIXTURES & EQUIPMENT: This project will provide for original FF&E for the renovation and expansion of the Hosler Building.	8,400
ORIGINAL FURNITURE FIXTURES & EQUIPMENT: This project will provide for original FF&E for the renovation and expansion of the Nurse Sciences Building.	5,000
<b><u>DELAWARE COUNTY</u></b>	
<b>Pennsylvania State University</b>	
RENOVATE VAIRO LIBRARY: This project will provide for the renovation of the Vairo Library to meet current needs and codes.	12,000
ORIGINAL FURNITURE FIXTURES & EQUIPMENT: This project will provide for original FF&E for the renovation of the Vairo Library.	1,800

**PUBLIC IMPROVEMENT PROJECTS**

**FROM CAPITAL FACILITIES BOND FUNDS (continued)**

**Program: Higher Education - State-Related Universities**

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
	<hr/>
<b><u>MONTGOMERY COUNTY</u></b>	
<b>Pennsylvania State University</b>	
CONSTRUCT CLASSROOM BUILDING: This project will provide for the construction of a new classroom and lab building with offices and support staff space to meet current needs and codes.	\$ 45,000
ORIGINAL FURNITURE FIXTURES & EQUIPMENT: This project will provide for original FF&E for the construction of a	9,000
PROGRAM TOTAL.....	<hr/> <b>\$ 1,208,952</b> <hr/>



### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Higher Education - State System of Higher Education

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>BERKS COUNTY</u></b>	
<b>Kutztown University</b>	\$ 1,000
RENOVATE POPLAR HOUSE ADDITIONAL FUNDING: This project will provide additional funding for the renovation of the Poplar House to meet modern needs and codes.	
RENOVATE KEYSTONE HALL ADDITIONAL FUNDING: This project will provide additional funding for the renovation of the Keystone Hall to meet modern needs and codes.	8,000
RENOVATE BEEKY EDUCATION BUILDING ADDITIONAL FUNDING: This project will provide additional funding for the renovation of the Beeky Education Building to meet modern needs and codes.	7,000
ORIGINAL FURNITURE & EQUIPMENT RENOVATE POPLAR HOUSE: This project will provide for FF&E for renovation to Poplar House.	600
<b><u>BUTLER COUNTY</u></b>	
<b>Slippery Rock University</b>	
UPGRADE ELECTRICAL INFRASTRUCTURE: This project will provide for the renovation and upgrade of electrical infrastructure.	20,000
RENOVATE MORROW FIELD HOUSE ADDITIONAL FUNDING: This project will provide additional funding for the renovation of the Morrow Field House.	12,000
<b><u>CALIFORNIA COUNTY</u></b>	
<b>California University</b>	
ORIGINAL FURNITURE FIXTURES & EQUIPMENT: This project will provide for original FF&E for the construction of a new science classroom building.	5,000
RENOVATE KEYSTONE HALL ADDITIONAL FUNDING: This project will provide additional funding for the renovation of the Keystone Hall.	20,000
<b><u>CHESTER COUNTY</u></b>	
<b>West Chester University</b>	
RENOVATE F.H. GREEN LIBRARY ADDITIONAL FUNDING: This project will provide additional funding for the renovation of the F.H. Green Library.	30,000
<b><u>CLARION COUNTY</u></b>	
<b>Clarion University</b>	
RENOVATE BUILDINGS: This project will provide for the renovation and consolidation of underused buildings and demolish buildings into fewer campus facilities.	12,000
ORIGINAL FURNITURE FIXTURES AND EQUIPMENT - RENOVATE BUILDINGS: This project will provide for FF&E for consolidated buildings.	1,000
<b><u>CLINTON COUNTY</u></b>	
<b>Lock Haven University</b>	
RENOVATE ZIMMERLI GYMNASIUM ADDITIONAL FUNDING: This project will provide additional funding for the renovation of the Zimmerli Gymnasium.	15,000
ORIGINAL FURNITURE FIXTURES & EQUIPMENT: This project will provide original furniture, fixtures & equipment for the Robinson Learning Center renovation.	2,000
ORIGINAL FURNITURE FIXTURES & EQUIPMENT: This project will provide original furniture, fixtures & equipment for the Stevenson Library renovation.	3,000

### PUBLIC IMPROVEMENT PROJECTS

**FROM CAPITAL FACILITIES BOND FUNDS (continued)**

**Program: Higher Education - State System of Higher Education**

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project</b>
<b><u>COLUMBIA COUNTY</u></b>	
<b>Bloomsburg University</b>	
CONSTRUCT FACILITIES COMPLEX ADDITIONAL FUNDING: This project will provide additional funding for the construction of a facilities management complex.	\$ 15,000
<b><u>CUMBERLAND COUNTY</u></b>	
<b>Shippensburg University</b>	
RENOVATE HENDERSON HALL ADDITIONAL FUNDING: This project will provide additional funding for the renovation of the Henderson Hall.	5,000
<b><u>ERIE COUNTY</u></b>	
<b>Edinboro University</b>	
RENOVATE WILEY ARTS AND SCIENCE BUILDING: his project will provide for the renovation of Wiley Arts and Sciences Building with the demolition of Centennial Hall.	12,000
<b><u>LANCASTER COUNTY</u></b>	
<b>Millersville University</b>	
RENOVATE SLAYER/JEFFERSON HALL FF&E ADDITIONAL FUNDING: This project will provide additional funding for original furniture fixtures & equipment the renovation of the Slayer/Jefferson Hall.	1,000
RENOVATE PUCILLO HALL ADDITIONAL FUNDING: This project will provide additional funding for the renovation of the Pucillo Hall.	5,000
<b><u>MONROE COUNTY</u></b>	
<b>East Stroudsburg University</b>	
DEMOLISH OBSOLETE BUILDINGS: This project will provide for the demolition of obsolete buildings and remediate sites campus wide.	8,000
UPGRADE HEATING SYSTEM: This project will provide for the upgrade of central heating system for greater efficiency.	19,800
<b><u>TIOGA COUNTY</u></b>	
<b>Mansfield University</b>	
DEMOLISH MAPLE HALL ADDITIONAL FUNDING: This project will provide additional funding for the demolition of the Maple Hall.	1,500
RENOVATE BUTLER MUSIC CENTER ADDITIONAL FUNDING: This project will provide additional funding for the renovation of Butler Music Center.	2,000
UPGRADE UTILITIES ADDITIONAL FUNDING: This project will provide additional funding for the upgrade of utilities campus wide.	15,000
 PROGRAM TOTAL.....	 <u><u>\$ 220,900</u></u>

**PUBLIC IMPROVEMENT PROJECTS**

**FROM CAPITAL FACILITIES BOND FUNDS**

**Program: Higher Education - Department of Education**

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>DAUPHIN COUNTY</u></b>	
<b>Department of Education</b>	\$ 1,000
RENOVATE DEPARTMENT HEADQUARTERS: This project will provide for the renovation of two floors of the Department Headquarters.	
 PROGRAM TOTAL.....	 <u>\$ 1,000</u>

**DEPARTMENT OF ENVIRONMENTAL PROTECTION**

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

**Total  
Project  
Cost**

**2017-18 PUBLIC IMPROVEMENT PROJECTS**

Environmental Protection and Management..... \$ 50,485

**SOURCE OF FUNDS**

**General Obligation Bond Issues**

Capital Facilities Fund - Buildings and Structures..... \$ 50,485

TOTAL..... \$ 50,485

## Department of Environmental Protection 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Environmental Protection and Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>BRADFORD COUNTY</u></b>	
<b>Monroe Flood Protection</b>	\$ 5,000
ADDITIONAL FUNDING: This project will provide additional funding for the for project 181-26 construct 8900 linear feet of earthen levee along Towanda Creek.	
<b><u>CAMBRIA COUNTY</u></b>	
<b>Little Conemaugh Acid Mine Drainagetreatment Plant</b>	6,000
ADDITIONAL FUNDING: This project will provide additional funding for the construction of a new AMD treatment facility in Cambria County.	
<b><u>FAYETTE COUNTY</u></b>	
<b>Ohiopyle Mine Water Treatment System</b>	300
UPGRADE FACILITIES: This project will provide for the upgrade to mine water treatment system to prevent degradation of waterways used for recreation.	
<b><u>INDIANA COUNTY</u></b>	
<b>Wehum Acid Mine Drainagetreatment Plant</b>	5,000
ADDITIONAL FUNDING: This project will provide additional funding for project 193-38 for the construction of a new AMD treatment facility in Indiana County.	
<b><u>LACKAWANNA COUNTY</u></b>	
<b>Rushbrook Creek Project</b>	1,000
ADDITIONAL FUNDING: This project will provide additional funding for the for project 181-21 construct 2200 linear feet of walled channel with 5 box culvert road crossings.	
<b><u>NORTHUMBERLAND COUNTY</u></b>	
<b>Butternut Creek Project</b>	1,000
ADDITIONAL FUNDING: This project will provide additional funding for the for project 182-19 construct 1700 linear feet of concrete channel along Butternut Creek.	
<b><u>TIOGA COUNTY</u></b>	
<b>Elkland Project</b>	2,000
ADDITIONAL FUNDING: This project will provide additional funding for the for project 182-23 construct 11,000 linear feet of earthen levee along Camp Brook.	
<b><u>WARREN COUNTY</u></b>	
<b>Glade Run Project</b>	4,000
ADDITIONAL FUNDING: This project will provide additional funding for the for project 183-14 construct 1,500 linear feet of concrete channel and culvert and repair 3200 linear feet of earthen levee along Camp Brook.	
<b><u>WESTMORELAND COUNTY</u></b>	
<b>Greenburg Project</b>	1,500
ADDITIONAL FUNDING: This project will provide additional funding for the for project 183-10 construct 1,700 linear feet of concrete channel and culvert and repair 1,700 linear feet of earthen levee along Jacks Run.	
<b>Euclid/Banning#4 Acid Mine Treatment Facilities</b>	24,685
REHABILITATE EUCLID/BANNING #4: This project will provide for the construction of a combined acid mine drainage facility to replace two independent facilities.	
PROGRAM TOTAL.....	<u>\$ 50,485</u>

**DEPARTMENT OF GENERAL SERVICES**

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

Total  
Project  
Cost

**2017-18 PUBLIC IMPROVEMENT PROJECTS**

Facility, Property and Commodity Management.....	\$ 79,062
TOTAL.....	<u>\$ 79,062</u>

**SOURCE OF FUNDS**

**General Obligation Bond Issues**

Capital Facilities Fund - Buildings and Structures.....	\$ 79,062
Capital Facilities Fund - Furniture and Equipment.....	0
TOTAL.....	<u>\$ 79,062</u>

## Department of General Services 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Facility, Property and Commodity Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>DAUPHIN COUNTY</u></b>	
<b>Capitol Complex - Central Plant</b>	\$ 9,500
UPGRADE DISTRIBUTION SYSTEM: This project will provide for the upgrade and replacement of outdated water distribution system.	
<b>Capitol Complex - Arsenal Building</b>	5,000
RENOVATE BUILDING: This project will provide for the renovations and upgrades throughout the building.	
<b>Capitol Complex</b>	11,500
UPGRADE LIFE SAFETY SYSTEMS: This project will provide for the upgrade of life safety systems on various buildings in the capitol complex.	
<b>Capitol Complex</b>	4,000
UPGRADE AUTOMATION SYSTEMS: This project will provide for the upgrade of automated systems, which have meet their useful life.	
<b>Capitol Complex - East Wing</b>	2,500
REPLACE GENERATORS: This project will provide for the replacement of emergency generators servicing the East Wing and Main Capitol.	
<b>Capitol Complex - Health &amp; Welfare Building</b>	1,000
REPLACE WINDOWS: This project will provide for the replacement of windows on the first floor with high efficiency windows.	
<b>Capitol Complex - Health &amp; Welfare, Labor &amp; Industry Bldgs.</b>	4,000
CAULK EXTERIORS: This project will provide for the caulking of the exterior of the buildings to prevent water intrusion and make more energy efficient.	
<b>Capitol Complex - Irvis Building</b>	5,000
REPLACE ELEVATORS: This project will provide for the replacement of elevators within the Irvis Building, which have outlived their useful life.	
<b>Capitol Complex - Main Capitol Plaza</b>	1,500
REPOINT BALUSTRADES: This project will provide for the repointing of concrete balustrades due to failing material weather and age.	
<b>Capitol Complex - North South Tunnels</b>	2,200
REPAIR CONCRETE: This project will provide for the repair of spalling concrete tunnel ceilings in steam tunnels to the central plant.	
<b>Capitol Complex -State Street Bridge</b>	6,000
UPGRADE BRIDGE: This project will provide for the repair and upgrades of the State Street Bridge.	
<b>Capitol Complex-Finance Building</b>	6,862
ADDITIONAL FUNDING ELEVATOR RENOVATIONS: This project will provide for additional funding for project 948-84 elevator renovations within the Finance Building.	
<b>Capitol Complex - East Wing</b>	3,000
ADDITIONAL FUNDING EAST WING RENOVATIONS: This project will provide for additional funding for project 948-81 renovations to the East Wing of the Main Capitol.	

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS (continued)

#### Program: Facility, Property and Commodity Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>DAUPHIN COUNTY (continued)</u></b>	
<b>Capitol Complex -State Museum</b>	\$ 3,000
ADDITIONAL FUNDING PAVER REPLACEMENT: This project will provide for additional funding for project 948-87 paver repair and/or replacement to the State Museum.	
<b><u>VARIOUS COUNTIES</u></b>	
<b>Various Buildings</b>	6,000
REPLACE ROOFS: This project will provide for the replacement of roofs on various DGS owned buildings throughout the commonwealth.	
<b>Various Buildings</b>	8,000
UPGRADE SECURITY SYSTEMS: This project will provide for the upgrades of security systems in various DGS owned buildings throughout the commonwealth.	
 PROGRAM TOTAL.....	 <u><u>\$ 79,062</u></u>



## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b>2017-18 PUBLIC IMPROVEMENT PROJECTS</b>	
Human Services.....	\$ 195,576
TOTAL.....	<u>\$ 195,576</u>
<b>SOURCE OF FUNDS</b>	
<b>General Obligation Bond Issues</b>	
Capital Facilities Fund - Buildings and Structures.....	\$ 195,576
Capital Facilities Fund - Furniture and Equipment.....	0
TOTAL.....	<u>\$ 195,576</u>

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Human Services

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	Total Project Cost
<b><u>BERKS COUNTY</u></b>	
<b>Wernersville State Hospital</b>	\$ 1,800
UPGRADE ELEVATORS: This project will provide for the upgrade or replacement including infrastructure of passenger and freight elevators in buildings 34, 35, and 37.	
<b>Wernersville State Hospital</b>	2,160
ELECTRICAL UPGRADE: This project will provide for an upgrade to main transfer switchgear, transformers and switch panels in Buildings 34 and 35.	
<b>Wernersville State Hospital</b>	3,000
REPLACE ROOFS: This project will provide for the replacement of roofs on various buildings.	
<b><u>CAMBRIA COUNTY</u></b>	
<b>Ebensburg Center</b>	1,440
REPLACE CHILLER UNITS: This project will provide for the replacement of chiller units and pumps in buildings 2, 3, and 5.	
<b>Ebensburg Center</b>	5,040
REMOVE WATER TOWER AND STORAGE TANK: This project will provide for the removal of a water tower and underground storage tank, remediate site and provide secondary water source.	
<b><u>DAUPHIN COUNTY</u></b>	
<b>Information Systems</b>	48,000
CONSTRUCT FACILITY: This project will provide for the construction of a new facility to house the Bureau of Information Systems currently located at DGS Annex Complex.	
<b><u>FRANKLIN COUNTY</u></b>	
<b>South Mountain Center</b>	1,000
DAM BREECH AND LAND RESTORATION: This project will provide additional funding for project 557-21, breach dam and land restoration.	
<b><u>HUNTINGDON COUNTY</u></b>	
<b>Youth Forestry Camp 3</b>	1,140
UPGRADE ELECTRICAL: This project will provide for the upgrade of the existing electrical system.	
<b><u>LACKAWANNA COUNTY</u></b>	
<b>Clarks Summit State Hospital</b>	1,560
INSTALL AIR CONDITIONING: This project will provide for the installation of air conditioning for the dietary department including all necessary infrastructure.	
<b>Clarks Summit State Hospital</b>	1,440
RENOVATE RECREATION CENTER: This project will provide for the renovation of the recreation center to meet current needs and codes.	
<b>Clarks Summit State Hospital</b>	1,200
REPLACE ROOFS: This project will provide for the replacement of roofs on various buildings.	
<b><u>LUZERNE COUNTY</u></b>	
<b>White Haven Center</b>	1,300
UPGRADE ELECTRICAL: This project will provide for the upgrade of the existing electrical system.	

## Department of Health and Human Services 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS (continued)

#### Program: Human Services

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>MONTGOMERY COUNTY</u></b>	
<b>Norristown State Hospital</b>	\$ 98,400
CONSTRUCT ADDITION: This project will provide for the construction of a 150 bed unit addition to the Forensic Building.	
<b><u>MONTOUR COUNTY</u></b>	
<b>North Central Secure Treatment</b>	6,000
CONSTRUCT MULTI PURPOSE BUILDING: This project will provide for the construction of a multi purpose building including gymnasium for the female offenders at NCSTU at Danville Hospital.	
<b>North Central Secure Treatment</b>	2,500
REPLACE WINDOWS: This project will provide additional funding for project 503-301, replacement of windows in the Admissions Building and the Reeds Building Danville Hospital.	
<b><u>PERRY COUNTY</u></b>	
<b>Loysville Youth Development Center</b>	3,000
UPGRADE HVAC SYSTEM: This project will provide additional funding for the upgrade of existing HVAC systems throughout the campus.	
<b><u>SNYDER COUNTY</u></b>	
<b>Selinsgrove Center</b>	996
INSTALL HEATING SYSTEM: This project will provide for the installation of separate heating systems in Buildings 9, 17, 18, 19, 20 and 21.	
<b>Selinsgrove Center</b>	2,160
RENOVATE RECREATION BUILDING: This project will provide for the renovation of the indoor pool and recreation building for programmatic, therapeutic and recreational use to meet current codes and requirements.	
<b><u>VENANGO COUNTY</u></b>	
<b>Polk Center</b>	7,440
REMOVE BOILERS: This project will provide for the removal of old coal boilers and install gas boilers to meet emissions requirements.	
<b>Polk Center</b>	1,200
REPLACE WINDOWS: This project will provide for the replacement of windows in residential buildings with more efficient units.	
<b><u>WARREN COUNTY</u></b>	
<b>Warren State Hospital</b>	1,200
REPLACE WATER LINES: This project will provide for the replacement of 1500 feet of underground steam condensate and hot water lines and install local hot water generators.	
<b><u>WESTMORELAND COUNTY</u></b>	
<b>Torrance State Hospital</b>	3,600
REPLACE ROOFS: This project will provide for the replacement of roofs on various buildings.	
 PROGRAM TOTAL.....	 <u>\$ 195,576</u>

## HISTORICAL AND MUSEUM COMMISSION

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

**Total  
Project  
Cost**

### 2017-18 PUBLIC IMPROVEMENT PROJECTS

State Historic Preservation.....	\$ 27,800
TOTAL.....	<u>\$ 27,800</u>

### SOURCE OF FUNDS

#### General Obligation Bond Issues

Capital Facilities Fund - Buildings and Structures.....	\$ 27,800
TOTAL.....	<u>\$ 27,800</u>

## Historical and Museum Commission 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: State Historic Preservation

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>BERKS COUNTY</u></b>	
<b>Conrad Weiser Homestead</b>	\$ 1,000
LAND ACQUISITION AND SITE IMPROVEMENTS: This project will provide for the purchase of two adjacent parcels, remove two structures and remediate land as necessary to allow expansion of parking.	
<b><u>BUCKS COUNTY</u></b>	
<b>Pennsbury Manor</b>	3,000
BUILDING SITE INFRASTRUCTURE IMPROVEMENTS: This project will provide for the rehabilitation of various buildings including site and infrastructure improvements to restore buildings to preservation.	
<b><u>DAUPHIN COUNTY</u></b>	
<b>State Museum</b>	8,000
EXHIBIT IMPROVEMENTS: This project will provide for the removal of old exhibits and replace with new exhibits including but not limited to fabrication refurbishing and installation of exhibit cases and artifact mounts.	
<b><u>LANCASTER COUNTY</u></b>	
<b>Ephrata Cloister Museum</b>	4,000
RENOVATE BUILDINGS: This project will provide for the renovation of exterior and interior components of various buildings including infrastructure and other operating systems.	
<b>Railroad Museum</b>	10,000
RENOVATE ROLLING STOCK HALL AND MUSEUM: This project will provide for the renovation and expansion of the of the rolling stock hall and visitors' center including HVAC, water and sewage, and other systems.	
<b><u>MONTGOMERY COUNTY</u></b>	
<b>GRAEME PARK</b>	1,000
RENOVATE BARN: This project will provide for the renovation of exterior and interior components of the barn to be used as a visitors' center including infrastructure and other operating systems.	
<b>HOPE LODGE</b>	800
RENOVATE BUILDINGS: This project will provide for the renovation of exterior and interior components of various buildings including infrastructure and other operating systems.	
PROGRAM TOTAL.....	<u>\$ 27,800</u>

## DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b>2017-18 PUBLIC IMPROVEMENT PROJECTS</b>	
State Military Readiness.....	\$ 29,000
Veterans Homes.....	45,145
TOTAL.....	<u>\$ 74,145</u>
<b>SOURCE OF FUNDS</b>	
<b>General Obligation Bond Issues</b>	
Capital Facilities Fund - Buildings and Structures.....	\$ 59,800
Capital Facilities Fund - Furniture and Equipment.....	<u>\$ 2,775</u>
<b>Other Revenues</b>	
Federal Funds.....	\$ 11,570
TOTAL.....	<u>\$ 74,145</u>

## Department of Military and Veterans Affairs 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: State Military Readiness

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>CENTRE COUNTY</u></b>	
<b>State College Readiness Center</b> State	\$ 6,000
REHABILITATE READINESS CENTER: This project will provide for the rehabilitation and infrastructure upgrades to utilities roadways and associated facilities for the readiness center.	
<b><u>DAUPHIN COUNTY</u></b>	
<b>Harrisburg Military Post Readiness Center</b> State	6,000
REHABILITATE READINESS CENTER: This project will provide for the rehabilitation of infrastructure to roads and parking, utilities, and associated facilities.	
<b><u>LANCASTER COUNTY</u></b>	
<b>Elizabethtown Readiness Center</b> State	3,000
REHABILITATE READINESS CENTER: This project will provide for the rehabilitation of infrastructure to roads and parking, utilities, and associated facilities.	
<b><u>LEBANON COUNTY</u></b>	
<b>Fort Indiantown Gap Readiness Center</b> State	8,000
REHABILITATE READINESS CENTER: This project will provide for the rehabilitation of infrastructure to roads, parking, utilities, and associated facilities.	
<b>Fort Indiantown Gap Readiness Center</b> State	6,000
PURCHASE LAND: This project will provide for the purchase of in-holdings on FTIG property and surrounding properties to the base.	
PROGRAM TOTAL.....	<u>\$ 29,000</u>

## Department of Military and Veterans Affairs 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Veterans Homes

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

		<u>Total Project Cost</u>
<b><u>BLAIR COUNTY</u></b>		
<b>Holidaysburg Veterans Home</b>	State	\$ 5,000
	Fed.	0
DEMOLISH VACANT BUILDINGS: This project will provide for the demolition and remediation of vacant buildings and facilities.		
<b>Hollidaysburg Veterans Home</b>	State	6,000
	Fed.	3,900
EXPANSION OF MACARTHUR HALL: This project will provide for the the expansion of existing dietary department at MacArthur Hall (Personal Care Facility) of the Hollidaysburg Veterans Home.		
<b>Hollidaysburg Veterans Home</b>	State	2,275
	Fed.	4,225
ORIGINAL FURNITURE FIXTURES & EQUIPMENT: This project will provide for the the original FF&E in support of HVH's new replacement community living center.		
<b>Hollidaysburg Veterans Home</b>	State	500
	Fed.	325
ORIGINAL FURNITURE FIXTURES & EQUIPMENT: This project will provide for the the original FF&E in support of expansion of dietary department at MacArthur Hall (personal care facility).		
<b><u>ERIE COUNTY</u></b>		
<b>Pennsylvania Soldiers and Sailors Home</b>	State	6,250
	Fed.	0
RENOVATION OF SOLDIERS & SAILORS HOME: This project will provide for the renovation of soldiers and sailors home including expansion to nursing care dining room and therapy department, installation of sprinkler system in personal care building and window replacement throughout the personal care building.		
<b><u>LACKAWANNA COUNTY</u></b>		
<b>Gino J. Merli Veterans Center</b>	State	4,800
	Fed.	3,120
EXPANSION OF DINING ROOM: This project will provide for the the expansion of existing dining room in nursing care unit on the first floor.		
<b>Gino J. Merli Veterans Center</b>	State	8,750
	Fed.	0
RENOVATION OF GINO J. MERLI VETERANS CENTER: This project will provide for the renovation of the Gino J. Merli Veterans Center including parking lot upgrades, exterior masonry, window replacement, thermostat upgrades and additional storage.		
Total State.....		\$ 33,575
Total Federal.....		11,570
PROGRAM TOTAL.....		<u>\$ 45,145</u>



**STATE POLICE**

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

Total  
Project  
Cost

**2017-18 PUBLIC IMPROVEMENT PROJECTS**

Public Protection and Law Enforcement.....	\$ 31,000
TOTAL.....	<u>\$ 31,000</u>

**SOURCE OF FUNDS**

**General Obligation Bond Issues**

Capital Facilities Fund - Buildings and Structures.....	\$ 31,000
Capital Facilities Fund - Furniture and Equipment.....	0
TOTAL.....	<u>\$ 31,000</u>

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Public Protection and Law Enforcement

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>DAUPHIN COUNTY</u></b>	
<b>Communications Builising</b>	
PURCHASE BUILDING: This project will provide for the purchase upgrade and rehabilitation of the CDC Building currently occupied by the Bureau of Communication and Information.	\$ 1,000
<b><u>MONTGOMERY COUNTY</u></b>	
<b>Skippack Station</b>	
CONSTRUCT NEW STATION: This project will provide for construction of a new headquarters for Troop K to meet current and future needs.	30,000
 PROGRAM TOTAL.....	 <u>\$ 31,000</u>

## DEPARTMENT OF TRANSPORTATION

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b>2017-18 PUBLIC IMPROVEMENT PROJECTS</b>	
State Highway, Bridge & Administration Construction/Reconstruction.....	\$ 1,535,925
<b>HIGHWAY AND BRIDGE PROJECTS</b>	
State Highway and Bridge Maintenance.....	\$ 171,011
<b>TRANSPORTATION ASSISTANCE PROJECTS</b>	
Urban Mass Transportation.....	\$ 469,500
Rail Freight Transportation.....	28,000
Subtotal.....	<u>\$ 497,500</u>
<b>TOTAL.....</b>	<b><u><u>\$ 2,204,436</u></u></b>
<b>SOURCE OF FUNDS</b>	
<b>General Obligation Bond Issues</b>	
Capital Facilities Fund - Public Improvement Projects.....	\$ 745,925
Capital Facilities Fund - Transportation Assistance.....	497,500
Subtotal.....	<u>\$ 1,243,425</u>
<b>Current Revenues</b>	
Motor License Fund.....	\$ 961,011
Federal Funds.....	0
Local Funds.....	0
Subtotal.....	<u>\$ 961,011</u>
<b>TOTAL.....</b>	<b><u><u>\$ 2,204,436</u></u></b>

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUND

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>ADAMS COUNTY</u></b>	
<b>Maintenance Facility</b>	\$ 3,975
UPGRADE MAINTENANCE FACILITY: This project will provide for additional funding for project 251-60 the upgrade of the maintenance facility.	
<b><u>ALLEGHENY COUNTY</u></b>	
<b>Safety Rest Area</b>	11,000
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 11, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	
<b>Safety Rest Area</b>	11,000
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 12, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	
<b>Drivers License Center</b>	350
INSTALL SECURITY CAMERA: This project will provide for the installation, replacement or upgrades necessary to the Driver Licensing Center's security camera system (Greensburg Road Site).	
<b>Drivers License Center</b>	350
INSTALL SECURITY CAMERA: This project will provide for the installation, replacement or upgrades necessary to the Driver Licensing Center's security camera system (Smithfield Street Site).	
<b>Drivers License Center</b>	2,450
RENOVATE AND EXPAND FACILITY: This project will provide for the renovation and expansion including; roof replacement, upgrade building systems, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades.	
<b><u>ARMSTRONG COUNTY</u></b>	
<b>Maintenance Garage</b>	6,000
CONSTRUCT MAINTENANCE FACILITY: This project will provide for additional funding for project 251-51 construction of a maintenance garage.	
<b><u>BEAVER COUNTY</u></b>	
<b>Maintenance Garage</b>	1,250
CONSTRUCT MAINTENANCE FACILITY: This project will provide for additional funding for project 251-65 construction of a maintenance garage.	
<b><u>BRADFORD COUNTY</u></b>	
<b>Maintenance Garage</b>	10,500
CONSTRUCT MAINTENANCE FACILITY: This project will provide for additional funding for project 251-72 construction of a maintenance garage.	
<b><u>BUTLER COUNTY</u></b>	
<b>Maintenance Garage</b>	3,500
RENOVATE MAINTENANCE GARAGE: This project will provide for additional funding for project 251-70 renovation of maintenance garage including building systems, program requirements, and energy efficiency.	
<b><u>BUCKS COUNTY</u></b>	
<b>Maintenance Garage</b>	11,000
CONSTRUCT NEW GARAGE: This project will provide additional funding for project 251-38 for the construction of a new maintenance garage.	
<b><u>CAMBRIA COUNTY</u></b>	
<b>Drivers License Center</b>	350
INSTALL SECURITY CAMERA: This project will provide for the installation, replacement or upgrades necessary to the	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUND (continued)

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>CAMBRIA COUNTY (continued)</u></b>	
<b>Drivers License Center</b>	\$ 2,450
RENOVATE AND EXPAND FACILITY: This project will provide for the renovation and expansion including; roof replacement, upgrade building systems, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades.	
<b><u>CAMERON COUNTY</u></b>	
<b>Maintenance Facility</b>	4,500
UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	
<b><u>CARBON COUNTY</u></b>	
<b>Maintenance Garage</b>	8,500
CONSTRUCT NEW GARAGE: This project will provide additional funding for project 251-58 for the construction of a new maintenance garage.	
<b><u>CENTRE COUNTY</u></b>	
<b>Drivers License Center</b>	350
INSTALL SECURITY CAMERA: This project will provide for the installation, replacement or upgrades necessary to the Driver Licensing Center's security camera system (Walters Avenue Site).	
<b>Drivers License Center</b>	2,450
RENOVATE AND EXPAND FACILITY: This project will provide for the renovation and expansion including; roof replacement, upgrade building systems, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades.	
<b>Safety Rest Area</b>	11,000
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 29, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	
<b>Safety Rest Area</b>	11,000
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 30, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	
<b><u>CHESTER COUNTY</u></b>	
<b>Maintenance Facility</b>	4,500
UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	
<b><u>CLARION COUNTY</u></b>	
<b>Maintenance Facility</b>	16,000
CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.	
<b><u>CLEARFIELD COUNTY</u></b>	
<b>District Office 2-0</b>	4,000
RENOVATE DISTRICT 2-0 OFFICE: This project will provide for the renovation of District Office 2-0 to bring building into code compliance including building systems, program requirements, and energy efficiency.	
<b>Maintenance Facility</b>	4,500
UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	
<b><u>COLUMBIA COUNTY</u></b>	
<b>Safety Rest Area</b>	11,000
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 37, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUND (continued)

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>COLUMBIA COUNTY (continued)</u></b>	
<b>Safety Rest Area</b>	\$ 11,000
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 38, including roof	
<b><u>CRAWFORD COUNTY</u></b>	
<b>Drivers License Center</b>	350
INSTALL SECURITY CAMERA: This project will provide for the installation, replacement or upgrades necessary to the Driver Licensing Center's security camera system (Patricia Drive Site).	
<b>Drivers License Center</b>	2,450
RENOVATE AND EXPAND FACILITY: This project will provide for the renovation and expansion including; roof replacement, upgrade building systems, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades.	
<b>Safety Rest Area</b>	11,000
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 19, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	
<b>Safety Rest Area</b>	11,000
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 20, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	
<b><u>CUMBERLAND COUNTY</u></b>	
<b>Maintenance Facility</b>	4,500
UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	
<b>Safety Rest Area</b>	10,500
CONSTRUCT REST AREA: This project will provide for the construction of a Safety Rest Area Site 45, including site acquisition and development, utilities, and a Pennsylvania State Police inspection lane.	
<b>Safety Rest Area</b>	10,500
CONSTRUCT REST AREA: This project will provide for the construction of a Safety Rest Area Site 46, including site acquisition and development, utilities, and a Pennsylvania State Police inspection lane.	
<b><u>DAUPHIN COUNTY</u></b>	
<b>Drivers License Center</b>	350
INSTALL SECURITY CAMERA: This project will provide for the installation, replacement or upgrades necessary to the Driver Licensing Center's security camera system (Elmerton Avenue Site).	
<b>Drivers License Center</b>	350
INSTALL SECURITY CAMERA: This project will provide for the installation, replacement or upgrades necessary to the Driver Licensing Center's security camera system (ROC Site).	
<b>Safety Rest Area</b>	10,000
RENOVATE REST AREA: This project will provide additional funding for project 251-45 renovation of Safety Rest Area Sites 47 and 48.	
<b>Maintenance Garage</b>	3,975
RENOVATE MAINTENANCE GARAGE: This project will provide for additional funding for project 251-61 renovation of maintenance garage.	
<b>Sign Shop Facility</b>	4,000
RENOVATE SIGN SHOP FACILITY: This project will provide for additional funding for project 251-73 renovation and expansion of facility.	
<b>Materials Testing Laboratory</b>	5,000
RENOVATE MATERIALS TESTING LABORATORY: This project will provide additional funding for project 251-39 renovation and expansion of facility .	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUND (continued)

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>DAUPHIN COUNTY (continued)</u></b>	
<b>Fleet Management Facility</b>	\$ 6,000
RENOVATE FLEET MANAGEMENT FACILITY: This project will provide for renovation and expansion for code compliance, upgrade building systems, improved program requirements and energy efficiency.	
<b><u>ELK COUNTY</u></b>	
<b>Maintenance Facility</b>	2,500
UPGRADE MAINTENANCE FACILITY: This project will provide for renovation of a maintenance facility to bring building into code compliance including building systems, program requirements, and energy efficiency.	
<b><u>ERIE COUNTY</u></b>	
<b>Welcome Center</b>	11,000
CONSTRUCT WELCOME CENTER: This project will provide for the construction of a welcome center including; auxiliary buildings, site work and site acquisition at Site L.	
<b><u>FAYETTE COUNTY</u></b>	
<b>Drivers License Center</b>	350
INSTALL SECURITY CAMERA: This project will provide for the installation, replacement or upgrades necessary to the Driver Licensing Center's security camera system (North Gallatin Avenue Site).	
<b>Drivers License Center</b>	2,450
RENOVATE AND EXPAND FACILITY: This project will provide for the renovation and expansion including; roof replacement, upgrade building systems, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades.	
<b>District Office 12-0</b>	4,000
RENOVATE AND EXPAND FACILITY: This project will provide additional funding for project 251-66 renovation and expansion of District Office 12-0.	
<b><u>FRANKLIN COUNTY</u></b>	
<b>Maintenance Garage</b>	11,000
RENOVATE MAINTENANCE GARAGE: This project will provide for additional funding for project 251-75 renovation of maintenance garage.	
<b><u>FULTON COUNTY</u></b>	
<b>Safety Rest Area</b>	11,000
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 3, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	
<b>Welcome Center</b>	11,000
CONSTRUCT WELCOME CENTER: This project will provide for the construction of a welcome center including; auxiliary buildings, site work and site acquisition at Site B.	
<b><u>GREENE COUNTY</u></b>	
<b>Drivers License Center</b>	350
INSTALL SECURITY CAMERA: This project will provide for the installation, replacement or upgrades necessary to the Driver Licensing Center's security camera system (North Gallatin Avenue Site).	
<b>Drivers License Center</b>	2,450
RENOVATE AND EXPAND FACILITY: This project will provide for the renovation and expansion including; roof replacement, upgrade building systems, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades.	
<b><u>HUNTINGDON COUNTY</u></b>	
<b>Maintenance Facility</b>	16,000
CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUND (continued)

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>INDIANA COUNTY</u></b>	
<b>District Office 10-0</b>	\$ 4,000
RENOVATE DISTRICT 10-0 OFFICE: This project will provide for the renovation of District Office 10-0 to bring the building into code compliance including building systems, program requirements, and energy efficiency.	
<b>Maintenance Facility</b>	16,000
CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.	
<b><u>JEFFERSON COUNTY</u></b>	
<b>Safety Rest Area</b>	11,000
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 25, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	
<b>Safety Rest Area</b>	11,000
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 26, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	
<b><u>LACKAWANNA COUNTY</u></b>	
<b>District Office 4-0-0</b>	4,000
RENOVATE AND EXPAND FACILITY: This project will provide additional funding for project 251-64 renovation and expansion of District Office 4-0.	
<b>Safety Rest Area</b>	11,000
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 55, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	
<b><u>LANCASTER COUNTY</u></b>	
<b>Maintenance Facility</b>	4,500
UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	
<b><u>LAWRENCE COUNTY</u></b>	
<b>Drivers License Center</b>	350
INSTALL SECURITY CAMERA: This project will provide for the installation, replacement or upgrades necessary to the Driver Licensing Center's security camera system (North Gallatin Avenue Site).	
<b>Drivers License Center</b>	2,450
RENOVATE AND EXPAND FACILITY: This project will provide for the renovation and expansion including; roof replacement, upgrade building systems, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades.	
<b>Safety Rest Area</b>	11,000
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 25, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	
<b>Safety Rest Area</b>	11,000
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 26, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	
<b>Maintenance Garage</b>	3,975
RENOVATE MAINTENANCE GARAGE: This project will provide for additional funding for project 251-62 renovation of maintenance garage.	
<b><u>LEBANON COUNTY</u></b>	
<b>Drivers License Center</b>	350
INSTALL SECURITY CAMERA: This project will provide for the installation, replacement or upgrades necessary to the Driver Licensing Center's security camera system (North Gallatin Avenue Site).	



## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUND (continued)

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>LEBANON COUNTY (continued)</u></b>	
<b>Drivers License Center</b> RENOVATE AND EXPAND FACILITY: This project will provide for the renovation and expansion including; roof replacement, upgrade building systems, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades.	\$ 2,450
<b><u>LEHIGH COUNTY</u></b>	
<b>District Office 5-0</b> RENOVATE DISTRICT 5-0 OFFICE: This project will provide for the renovation of District Office 5-0 to bring the building into code compliance including building systems, program requirements, and energy efficiency.	4,000
<b>Maintenance Facility</b> UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	4,500
<b>Maintenance Facility</b> UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	4,500
<b>Safety Rest Area</b> RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 39, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	3,500
<b>Safety Rest Area</b> RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 53, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	3,500
<b><u>LUZERNE COUNTY</u></b>	
<b>Drivers License Center</b> INSTALL SECURITY CAMERA: This project will provide for the installation, replacement or upgrades necessary to the Driver Licensing Center's security camera system (Hanover Street Site).	350
<b>Safety Rest Area</b> RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 39, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	11,000
<b>Safety Rest Area</b> RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 53, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	11,000
<b>Safety Rest Area</b> RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 54, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	11,000
<b>Maintenance Garage</b> RENOVATE MAINTENANCE GARAGE: This project will provide for additional funding for project 251-63 renovation of maintenance garage.	3,500
<b><u>LYCOMING COUNTY</u></b>	
<b>District Office 3-0</b> RENOVATE DISTRICT 3-0 OFFICE: This project will provide for the renovation of District Office 3-0 to the bring building into code compliance including building systems, program requirements, and energy efficiency.	4,000
<b>Maintenance Facility</b> UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	4,500

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUND (continued)

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>MERCER COUNTY</u></b>	
<b>Drivers License Center</b>	\$ 350
INSTALL SECURITY CAMERA: This project will provide for the installation, replacement or upgrades necessary to the Driver Licensing Center's security camera system (North Gallatin Avenue Site).	
<b>Drivers License Center</b>	2,450
RENOVATE AND EXPAND FACILITY: This project will provide for the renovation and expansion including; roof replacement, upgrade building systems, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades.	
<b><u>MIFFLIN COUNTY</u></b>	
<b>Drivers License Center</b>	350
INSTALL SECURITY CAMERA: This project will provide for the installation, replacement or upgrades necessary to the Driver Licensing Center's security camera system (North Gallatin Avenue Site).	
<b>Drivers License Center</b>	2,450
RENOVATE AND EXPAND FACILITY: This project will provide for the renovation and expansion including; roof replacement, upgrade building systems, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades.	
<b>Maintenance Garage</b>	5,000
RENOVATE MAINTENANCE GARAGE: This project will provide for additional funding for project 251-48 renovation of maintenance garage.	
<b><u>MONROE COUNTY</u></b>	
<b>Drivers License Center</b>	350
INSTALL SECURITY CAMERA: This project will provide for the installation, replacement or upgrades necessary to the Driver Licensing Center's security camera system (Manor Drive Site).	
<b>Welcome Center</b>	2,500
RENOVATE AND EXPAND FACILITY: This project will provide additional funding for project 251-68 renovation and expansion of Welcome Center.	
<b><u>MONTGOMERY COUNTY</u></b>	
<b>District Office 6-0</b>	2,250
RENOVATE AND EXPAND FACILITY: This project will provide additional funding for project 251-56 renovation and expansion of District Office 6-0.	
<b>Maintenance Facility</b>	4,500
UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	
<b>Parking Garage</b>	5,000
REPLACE PARKING GARAGE: This project will provide for the replacement of the District Office parking garage including site development and lighting.	
<b>Traffic Management Center</b>	30,000
RENOVATE TRAFFIC MANAGEMENT CENTER: This project will provide for the renovation and upgrade of the Traffic Management Center to meet current requirements.	
<b><u>MONTOUR COUNTY</u></b>	
<b>Safety Rest Area</b>	11,000
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 35, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	
<b>Safety Rest Area</b>	11,000
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 36, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUND (continued)

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>NORTHAMPTON COUNTY</u></b>	
<b>Maintenance Facility</b>	\$ 10,000
CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.	
<b><u>NORTHUMBERLAND COUNTY</u></b>	
<b>Maintenance Facility</b>	10,000
CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.	
<b><u>PERRY COUNTY</u></b>	
<b>Maintenance Garage</b>	6,000
RENOVATE MAINTENANCE GARAGE: This project will provide for additional funding for project 251-54 renovation of maintenance garage.	
<b><u>PHILADELPHIA COUNTY</u></b>	
<b>Maintenance Facility</b>	10,000
CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.	
<b><u>PIKE COUNTY</u></b>	
<b>Safety Rest Area</b>	11,000
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 61, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	
<b>Safety Rest Area</b>	11,000
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 62, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	
<b>Maintenance Garage</b>	6,750
RENOVATE MAINTENANCE GARAGE: This project will provide for additional funding for project 251-42 renovation of maintenance garage.	
<b>Welcome Center</b>	2,500
RENOVATE AND EXPAND FACILITY: This project will provide additional funding for project 251-67 renovation and expansion of Welcome Center.	
<b><u>POTTER COUNTY</u></b>	
<b>Maintenance Facility</b>	4,500
UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	
<b><u>SCHUYLKILL COUNTY</u></b>	
<b>Drivers License Center</b>	350
INSTALL SECURITY CAMERA: This project will provide for the installation, replacement or upgrades necessary to the Driver Licensing Center's security camera system (East Main Street Site).	
<b>Drivers License Center</b>	2,450
RENOVATE AND EXPAND FACILITY: This project will provide for the renovation and expansion including; roof replacement, upgrade building systems, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades.	
<b><u>SNYDER COUNTY</u></b>	
<b>Drivers License Center</b>	350
INSTALL SECURITY CAMERA: This project will provide for the installation, replacement or upgrades necessary to the Driver Licensing Center's security camera system (Route 522 Site).	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUND (continued)

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>SNYDER COUNTY (continued)</u></b>	
<b>Drivers License Center</b>	\$ 2,450
RENOVATE AND EXPAND FACILITY: This project will provide for the renovation and expansion including; roof replacement, upgrade building systems, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades.	
<b><u>SOMERSET COUNTY</u></b>	
<b>Drivers License Center</b>	350
INSTALL SECURITY CAMERA: This project will provide for the installation, replacement or upgrades necessary to the Driver Licensing Center's security camera system (Glades Pike Site).	
<b>Drivers License Center</b>	2,450
RENOVATE AND EXPAND FACILITY: This project will provide for the renovation and expansion including; roof replacement, upgrade building systems, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades.	
<b><u>SULLIVAN COUNTY</u></b>	
<b>Maintenance Facility</b>	4,500
UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	
<b><u>SUSQUEHANNA COUNTY</u></b>	
<b>Maintenance Facility</b>	4,500
UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	
<b>Safety Rest Area</b>	3,500
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 56, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	
<b>Welcome Center</b>	3,500
RENOVATE WELCOME CENTER: This project will provide for the renovation of the Welcome Center to bring building into code compliance including building systems, program requirements, and energy efficiency.	
<b><u>TIOGA COUNTY</u></b>	
<b>Maintenance Facility</b>	4,500
UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	
<b>Welcome Center</b>	3,500
RENOVATE WELCOME CENTER: This project will provide for the renovation of the Welcome Center to bring building into code compliance including building systems, program requirements, and energy efficiency.	
<b><u>UNDETERMINED COUNTY</u></b>	
<b>Bridge Beam Facilities</b>	6,000
CONSTRUCT BRIDGE BEAM FACILITIES: This project will provide for the design and construction of a new bridge beam fabrication facilities in District 1 yet to be determined.	
<b><u>UNION COUNTY</u></b>	
<b>Maintenance Facility</b>	4,500
UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	
<b><u>VENANGO COUNTY</u></b>	
<b>District Office 1-0</b>	4,000
RENOVATE AND EXPAND FACILITY: This project will provide additional funding for project 251-746 renovation and expansion of District Office 1-0.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUND (continued)

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>VENANGO COUNTY (continued)</u></b>	
<b>Drivers License Center</b>	\$ 350
INSTALL SECURITY CAMERA: This project will provide for the installation, replacement or upgrades necessary to the Driver Licensing Center's security camera system (Airport Road Site).	
<b>Drivers License Center</b>	2,450
RENOVATE AND EXPAND FACILITY: This project will provide for the renovation and expansion including; roof replacement, upgrade building systems, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades.	
<b>Safety Rest Area</b>	11,000
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 21, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	
<b>Safety Rest Area</b>	11,000
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 22, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	
<b><u>WARREN COUNTY</u></b>	
<b>Drivers License Center</b>	350
INSTALL SECURITY CAMERA: This project will provide for the installation, replacement or upgrades necessary to the Driver Licensing Center's security camera system (Hatch Run Road Site).	
<b>Drivers License Center</b>	2,450
RENOVATE AND EXPAND FACILITY: This project will provide for the renovation and expansion including; roof replacement, upgrade building systems, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant	
<b><u>WASHINGTON COUNTY</u></b>	
<b>Maintenance Facility</b>	5,000
UPGRADE MAINTENANCE FACILITY: This project will provide for additional funding for project 251-37 the upgrade of the maintenance facility.	
<b><u>WAYNE COUNTY</u></b>	
<b>Maintenance Facility</b>	10,000
CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.	
<b><u>WESTMORELAND COUNTY</u></b>	
<b>Maintenance Facility</b>	16,000
CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.	
<b><u>WYOMING COUNTY</u></b>	
<b>Maintenance Facility</b>	10,000
CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.	
<b><u>YORK COUNTY</u></b>	
<b>Welcome Center</b>	11,000
CONSTRUCT WELCOME CENTER: This project will provide for the construction of the Welcome Center - site J including auxiliary buildings, site work and site acquisition.	
<b>Maintenance Garage</b>	7,000
RENOVATE MAINTENANCE GARAGE: This project will provide for additional funding for project 251-714 renovation of maintenance garage.	
	<b><u>\$ 745,925</u></b>

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>ADAMS COUNTY</u></b>	
<b>Salt Storage Building</b>	\$ 3,200
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b><u>ALLEGHENY COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>ARMSTRONG COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>BEAVER COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>BEAVER COUNTY (continued)</u></b>	
<b>Personnel Staging Building</b>	\$ 2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>BEDFORD COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>BERKS COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b><u>BLAIR COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	



## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>BLAIR COUNTY (continued)</u></b>	
<b>Vehicle Wash Facility</b>	\$ 1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>BRADFORD COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>BUCKS COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>BUTLER COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	



## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>BUTLER COUNTY (continued)</u></b>	
<b>Personnel Staging Building</b>	\$ 2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>CAMBRIA COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>CAMERON COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>CARBON COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>CARBON COUNTY (continued)</u></b>	
<b>Personnel Staging Building</b>	\$ 2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>CENTRE COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>CHESTER COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>CLARION COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>CLARION COUNTY (continued)</u></b>	
<b>Personnel Staging Building</b>	\$ 2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>CLEARFIELD COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>CLINTON COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>COLUMBIA COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>COLUMBIA COUNTY (continued)</u></b>	
<b>Personnel Staging Building</b> CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging	\$ 2,000
<b>Vehicle Wash Facility</b> CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	1,500
<b><u>CRAWFORD COUNTY</u></b>	
<b>Salt Storage Building</b> CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	3,200
<b>High Capacity Salt Storage Building</b> CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	5,600
<b>Personnel Staging Building</b> CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	2,000
<b><u>CUMBERLAND COUNTY</u></b>	
<b>Salt Storage Building</b> CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	3,200
<b>High Capacity Salt Storage Building</b> CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	5,600
<b>Personnel Staging Building</b> CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	2,000
<b>Vehicle Wash Facility</b> CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	1,500
<b><u>DAUPHIN COUNTY</u></b>	
<b>Server Farm Building</b> RENOVATE SERVER FARM BUILDING: This project will provide for renovate, expand, upgrade and repair to bring building into code compliance and energy efficiency.	4,000
<b>Salt Storage Building</b> CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	3,200
<b>High Capacity Salt Storage Building</b> CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	5,600
<b>Personnel Staging Building</b> CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	2,000

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>DELAWARE COUNTY</u></b>	
<b>Salt Storage Building</b>	\$ 3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b><u>ELK COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>ERIE COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b><u>FAYETTE COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>FAYETTE COUNTY (continued)</u></b>	
<b>Personnel Staging Building</b>	\$ 2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>FOREST COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>FRANKLIN COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>FULTON COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging	

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>GREENE COUNTY</u></b>	
<b>Salt Storage Building</b>	\$ 3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>INDIANA COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b><u>JEFFERSON COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	



## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>JUNIATA COUNTY</u></b>	
<b>Salt Storage Building</b>	\$ 3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b><u>LACKAWANNA COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b><u>LANCASTER COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b><u>LAWRENCE COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility	



## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>LEBANON COUNTY</u></b>	
<b>Salt Storage Building</b>	\$ 3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b><u>LEHIGH COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b><u>LUZERNE COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>LYCOMING COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>MCKEAN COUNTY</u></b>	
<b>Salt Storage Building</b>	\$ 3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>MERCER COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b><u>MIFFLIN COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>MONROE COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>MONROE COUNTY continued</u></b>	
<b>Personnel Staging Building</b>	\$ 2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b><u>MONTGOMERY COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b><u>MONTOUR COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>NORTHAMPTON COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>NORTHUMBERLAND COUNTY</u></b>	
<b>Salt Storage Building</b>	\$ 3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>PERRY COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b><u>PHILADELPHIA COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b><u>PIKE COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>PIKE COUNTY continued</u></b>	
<b>Vehicle Wash Facility</b>	\$ 1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>POTTER COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>SCHUYLKILL COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b><u>SNYDER COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>SOMERSET COUNTY</u></b>	
<b>Salt Storage Building</b>	\$ 3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>SULLIVAN COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>SUSQUEHANNA COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b><u>TIOGA COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>TIOGA COUNTY continued</u></b>	
<b>Personnel Staging Building</b>	\$ 2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>UNION COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>VENANGO COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>WARREN COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	



## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>WASHINGTON COUNTY</u></b>	
<b>Salt Storage Building</b>	\$ 3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>WAYNE COUNTY</u></b>	
<b>Salt Storage Building</b>	3,200
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b><u>WESTMORELAND COUNTY</u></b>	
<b>Salt Storage Building</b>	2,500
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	
<b>Personnel Staging Building</b>	2,000
CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	
<b>Vehicle Wash Facility</b>	1,500
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	
<b><u>WYOMING COUNTY</u></b>	
<b>Salt Storage Building</b>	2,500
CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	
<b>High Capacity Salt Storage Building</b>	5,600
CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	



## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>WYOMING COUNTY continued</u></b>	
<b>Personnel Staging Building</b> CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	\$ 2,000
<b>Vehicle Wash Facility</b> CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.	1,500
<b><u>YORK COUNTY</u></b>	
<b>Salt Storage Building</b> CONSTRUCT SALT STORAGE BUILDINGS: This project will provide for the construction or renovation of four (4) salt storage buildings.	2,500
<b>High Capacity Salt Storage Building</b> CONSTRUCT HIGH CAPACITY SALT STORAGE BUILDINGS: This project will provide for the construction of four (4) high capacity salt storage buildings.	5,600
<b>Personnel Staging Building</b> CONSTRUCT PERSONNEL STAGING AREA; This project will provide for the construction of five (5) personnel staging buildings.	2,000
 PROGRAM TOTAL.....	 <u><u>\$ 790,000</u></u>

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway and Bridge Maintenance - Highway

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>ALLEGHENY COUNTY</u></b>	
<b>Adaptive Traffic Signal System</b>	\$ 371
INSTALL ADAPTIVE TRAFFIC SIGNAL: This project will provide for the installment of an adaptive traffic signal system on Ardmore Blvd.	
<b>Adaptive Traffic Signal System</b>	213
INSTALL ADAPTIVE TRAFFIC SIGNAL: This project will provide for the installment of an adaptive traffic signal system on William Flynn Hwy.	
<b>Adaptive Traffic Signal System</b>	397
INSTALL ADAPTIVE TRAFFIC SIGNAL: This project will provide for the installment of an adaptive traffic signal system on McNight Rd/Perry Hwy.	
<b>Road Overlay</b>	1,869
RESURFACE FORBES AVE/PARKWAY RAMP: This project will provide for the mill and overlay of Forbes Ave from Parkway ramps to Beeler St.	
<b>Signal Improvement</b>	1,100
SIGNAL IMPROVEMENT: This project will provide for the signal improvement in the central business district of the city of Pittsburgh - phase 3.	
<b>ADA Ramps</b>	350
INSTALL ADA CURB RAMPS: This project will provide for the installation of ADA curb ramps at various locations.	
<b>Widen Turning Lanes</b>	4,900
WIDEN TURNING LANES: This project will provide for the widening of turning lanes including bridge replacements in Bethel Park Borough.	
<b><u>BEAVER COUNTY</u></b>	
<b>Road Remediation</b>	217
ROAD REMEDIATION: This project will provide for the slide remediation on SR 1022 Sunflower Road in Pulaski Township.	
<b>Road Overlay</b>	1,030
RESURFACE ROAD: This project will provide for the mill and overlay SR 18 from YMCA Drive to 5TH Ave. in New Brighton Boro.	
<b>Road Overlay</b>	1,030
RESURFACE ROAD: This project will provide for the mill and overlay SR 18 from Frankfort Rd to Rochester Monaca Bridge including bridge repair/preservation.	
<b>Road Overlay</b>	3,082
RESURFACE ROAD: This project will provide for the mill and overlay SR 65 from the county line north to Crows Run including bridge repair/preservation.	
<b><u>BERKS COUNTY</u></b>	
<b>Road Overlay</b>	100
RESURFACE SR 2011: This project will provide for the mill and overlay of SR 2011 from 5th Street to Muhlenberg Township Line.	
<b>Bridge Rehabilitation</b>	551
REHABILITATE DREIBELBIS COVERED BRIDGE: This project will provide for the rehabilitation of Dreibelbis covered bridge over Maiden Creek.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway and Bridge Maintenance - Highway

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>BERKS COUNTY (continued)</u></b>	
<b>Road Overlay</b>	\$ 183
RESURFACE MILL ROAD: This project will provide for the mill and overlay of Hartz Mill Bridge/Mill Road (SR7207) over Conestoga Creek.	
<b><u>CAMERON COUNTY</u></b>	
<b>Road Rehabilitation</b>	18
REHABILITATE VARIOUS ROADS: This project will provide for the rehabilitation of various roads county wide including safety improvements.	
<b>Road Overlay</b>	1,450
RESURFACE SR 872: This project will provide for the mill and overlay of SR 872 First Fork Road from Stevenson Dam to county line.	
<b><u>CARBON COUNTY</u></b>	
<b>Road Overlay</b>	1,120
RESURFACE SR 209: This project will provide for the mill repair and overlay of US 209 to PA 54 in Summit Hill and Nesquehoning Boroughs.	
<b>Road Overlay</b>	515
RESURFACE SR 2009: This project will provide for the mill repair and overlay of SR 2009 from Blue Mountain Resorts to Lower Smith Gap Road.	
<b><u>CENTRE COUNTY</u></b>	
<b>Add Turn Lane</b>	10
ADD TURN LANE SR 26: This project will provide for the addition of a left turn lane on SR26 in Centre County.	
<b>Road Overlay</b>	3,345
RESURFACE SR 45: This project will provide for the mill and overlay of SR 45 Cedar Run Road to Old Fort Road.	
<b>Road Overlay</b>	1,510
RESURFACE MT NITTANY BYPASS: This project will provide for the mill and overlay of Interstate 99 from mile makers 556 to 725 Blair County Line.	
<b>Road Overlay</b>	1,405
RESURFACE SR 144: This project will provide for the mill and overlay of SR 144 from PA 26 to PA 550.	
<b>Road Overlay</b>	5,395
RESURFACE SR 445: This project will provide for the mill and overlay of SR 445 in various municipalities.	
<b>Road Overlay</b>	1,690
RESURFACE SR 550/ SR 8038: This project will provide for the mill and overlay of SR 550/SR 8038 to SR 1005.	
<b>Road Overlay</b>	2,560
RESURFACE ATHERTON STREET: This project will provide for the mill and overlay of Atherton Street (SR 3014) from Westerly Parkway to Scenery Drive.	
<b>Highway Restoration</b>	500
RESURFACE I-80 RAMPS: This project will provide for the restoration of Interstate 80 ramps and highway.	
<b>Traffic Study</b>	977
STUDY TRAFFIC MANAGEMENT/TRAVELER INFORMATION: This project will provide for the study of traffic management and traveler information system for US 322 corridor between Skytop and Seven Mountains.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway and Bridge Maintenance - Highway

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>CLEARFIELD COUNTY</u></b>	
<b>Road Overlay</b>	\$ 1,785
RESURFACE INTERSTATE 80 HIGHWAY: This project will provide for the mill and overlay of Interstate 80 mile marker 120 to 138.	
<b>Lane Widening</b>	8,360
LANE WIDENING BOONE MOUNTAIN ROAD: This project will provide for the additional lane widening of Boone Mountain Road SR 0153.	
<b>Road Overlay</b>	9,426
RESURFACE SR 153: This project will provide for the mill repair and overlay of Clearfield Paving Corridor.	
<b>Road Overlay</b>	700
RESURFACE DUBOIS LIBERTY BOULEVARD SR 219: This project will provide for the mill and overlay of SR219 Liberty Boulevard.	
<b>Install Traffic Signal</b>	18
INSTALL TRAFFIC SIGNAL: This project will provide for the installation of traffic signal at the intersection of SR 255 and McCracken Run Road.	
<b>Road Overlay</b>	1,500
RESURFACE LEFT TURN LANE SR 255: This project will provide for the resurfacing of SR 255 Tyler Road.	
<b><u>CLINTON COUNTY</u></b>	
<b>Road Widening</b>	220
ROAD WIDENING SR 2002: This project will provide for the widening of Sugar Run Road SR 2002.	
<b><u>ELK COUNTY</u></b>	
<b>Road Overlay</b>	900
RESURFACE ROAD: This project will provide for the mill and overlay of SR 2219, Boot Jack Bypass in Ridgeway Township.	
<b><u>JUNIATA COUNTY</u></b>	
<b>Road Overlay</b>	1,091
RESURFACE ROAD: This project will provide for the mill and overlay of SR 35 in Fermanagh Township.	
<b>Road Overlay</b>	1,000
RESURFACE BRIDGE SURFACES: This project will provide for the mill and overlay of various bridge road surfaces.	
<b><u>LAWRENCE COUNTY</u></b>	
<b>Road Enhancements</b>	1,731
INSTALL SAFETY IMPROVEMENTS: This project will provide for US 422 Benjamin Franklin Highway safety improvements from Harbor Village Drive to I-376.	
<b><u>LEHIGH COUNTY</u></b>	
<b>Road Overlay</b>	353
RESURFACE ROAD: This project will provide for the mill and overlay of Schoenersville Road SR 1009 from Avenue C/Stoke Park Road to 8th Avenue.	
<b>Road Overlay</b>	694
RESURFACE ROAD: This project will provide for the mill and overlay of 15th Street from Hamilton Street to Tighman Street.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway and Bridge Maintenance - Highway

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>MCKEAN COUNTY</u></b>	
<b>Road Overlay</b>	\$ 800
RESURFACE ROAD: This project will provide for the mill and overlay of SR 44 Shinglehouse Area in Ceres Township.	
<b>Road Overlay</b>	437
RESURFACE ROAD: This project will provide for the mill repair and overlay of SR 66 South of Kane to Elk County Line in Wetmore Township.	
<b>Road Overlay</b>	200
RESURFACE ROAD: This project will provide for mill and overlay of SR 155 in Annin Township.	
<b>Road Overlay</b>	900
RESURFACE ROAD: This project will provide for mill and overlay SR 219 Bradford Bypass to Custer City.	
<b>Road Overlay</b>	900
RESURFACE ROAD: This project will provide for the mill and overlay of SR 646 Ormsby to Aiken in Keating Township.	
<b><u>MIFFLIN COUNTY</u></b>	
<b>Road Overlay</b>	200
RESURFACE ROAD: This project will provide for the mill and overlay of SR 22-199 Greenbriar Road to T-357 Atkinson Mills including interchange improvements at Climbing Lane.	
<b>Paint Steel Structures</b>	3,486
PAINT STRUCTURES: This project will provide for the painting of bridge structures in various municipalities.	
<b><u>NORTHAMPTON COUNTY</u></b>	
<b>Road Overlay</b>	417
RESURFACE BRIDGES: This project will provide for the mill and overlay Easton Avenue from Stefko Boulevard to Willow Park Road.	
 TOTAL STATE FUNDS.....	 \$ 71,006
TOTAL FEDERAL FUNDS.....	0
TOTAL LOCAL FUNDS.....	<u>0</u>
 PROGRAM TOTAL.....	 <u>\$ 71,006</u>

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway and Bridge Maintenance - Bridge

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>ALLEGHENY COUNTY</u></b>	
<b>Rehabilitate Clairton Boulevard Brkey 731</b>	\$ 1,170
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over the Lebanon Church Road in Pleasant Hills Borough.	
<b>Rehabilitate Spruce Run Road Bridge Brkey 836</b>	1,100
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Spruce Run Creek in Ben Avon Borough.	
<b>Rehabilitate Penn Lincoln Parkway Bridge Brkey 1152</b>	4,418
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Bates Street in the City of Pittsburgh.	
<b>Replace McMillan Road Bridge Brkey 1756</b>	3,475
REPLACE BRIDGE: This project will provide for the replacement of a bridge over McLaughlin Run in Upper St Clair Township.	
<b>Replace Lesnett Road Bridge Brkey 1755</b>	3,475
REPLACE BRIDGE: This project will provide for the replacement of a bridge over McLaughlin Run in Upper St Clair Township.	
<b>Rehabilitate Sample Road Bridge Brkey 1967</b>	2,100
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Pine Creek in Hampton Township.	
<b>Rehabilitate Ramp D Brkey 2749</b>	1,174
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge/ramp over Hodge Street in the City of Pittsburgh.	
<b>Replace Library Road Brkey 928</b>	2,597
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Piney Fork Creek in Bethel Park Borough.	
<b>Replace Library Road Brkey 927</b>	2,303
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Piney Fork Creek in Bethel Park Borough.	
<b><u>BEAVER COUNTY</u></b>	
<b>Rehabilitate Broadhead Road Bridge Brkey 41585</b>	250
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Markeys Run in Monaca Borough.	
<b>Rehabilitate Pennsylvania Avenue Bridge Brkey 3439</b>	300
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Markeys Run in Monaca Borough.	
<b>Rehabilitate Pennsylvania Avenue Bridge Brkey 3438</b>	260
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Markeys Run in Center Township.	
<b>Rehabilitate Broadhead Road Bridge Brkey 3437</b>	200
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Markeys Run in Center Township.	
<b>Rehabilitate Broadhead Road Bridge Brkey 3436</b>	200
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Markeys Run in Center Township.	
<b>Rehabilitate SR 0018 Bridge Brkey 3448</b>	350
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Blockhouse Run Creek in New Brighton Borough.	
<b>Rehabilitate Ohio River Boulevard Bridge Brkey 3542</b>	50
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Crows Run in Conway Borough.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway and Bridge Maintenance - Bridge

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>BEAVER COUNTY (continued)</u></b>	
<b>Rehabilitate Ohio River Boulevard Bridge Brkey 3544</b>	\$ 50
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over small stream in Economy Borough.	
<b>Rehabilitate Ohio River Boulevard Bridge Brkey 3542</b>	50
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Tevebau Run in Baden Borough.	
<b>Rehabilitate Ohio River Boulevard Bridge Brkey 3539</b>	50
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over South Branch in Harmony Township.	
<b>Rehabilitate Ohio River Boulevard Bridge Brkey 3538</b>	50
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over French Point Creek in Ambridge Borough.	
<b><u>BERKS COUNTY</u></b>	
<b>Rehabilitate SR 1015 Bridge Brkey 4981</b>	450
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Stoney Run in Albany Township.	
<b>Rehabilitate SR 1018 Bridge Brkey 4984</b>	630
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Maiden Creek in Albany Township.	
<b>Rehabilitate Washington Bridge Brkey 5040</b>	585
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Norfolk Southern RR in the City of Reading.	
<b>Rehabilitate SR 2034 Bridge Brkey 5095</b>	180
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Antietam Creek in the St. Lawrence Borough.	
<b>Rehabilitate SR 2036 Bridge Brkey 5097</b>	585
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Manatawny Creek in the Douglas Township.	
<b>Rehabilitate SR 2041 Bridge Brkey 5105</b>	180
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Monocacy Creek in the Amity Township.	
<b>Rehabilitate SR 3008 Bridge Brkey 5145</b>	225
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Plum Creek in the Bern Township.	
<b>Rehabilitate SR 3036 Bridge Brkey 5181</b>	180
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Norfolk Southern RR in Heidelberg Township.	
<b>Rehabilitate SR 4021 Bridge Brkey 5260</b>	630
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Irish Creek in Centerport Borough.	
<b>Rehabilitate Old Route 22 Bridge Brkey 47409</b>	900
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Northkill Creek in Upper Tulpehocken Township.	
<b>Rehabilitate SR 7207 Bridge Brkey 5342</b>	174
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Conestoga Creek in Caernarvon Township.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway and Bridge Maintenance - Bridge

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>CAMERON COUNTY</u></b>	
<b>Replace SR 4004 Bridge Brkey 8942</b>	\$ 1,950
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Driftwood Branch Sinnemahon in Shippen Township.	
<b><u>CARBON COUNTY</u></b>	
<b>Rehabilitate SR 2002 Bridge Brkey 9057</b>	366
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Palmer Creek in Palmerton Borough.	
<b><u>CENTRE COUNTY</u></b>	
<b>Rehabilitate SR 144 Bridge Brkey 9361</b>	2,150
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Bald Eagle Creek in Milesburg Borough.	
<b>Rehabilitate SR 504 Bridge Brkey 9453</b>	256
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Bush Hollow in Union Township.	
<b>Rehabilitate SR 2011 Bridge Brkey 9646</b>	2,150
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Penns Creek in Penn Township.	
<b>Rehabilitate SR 2012 Bridge Brkey 9674</b>	500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Penns Creek in Penn Township.	
<b>Rehabilitate SR 2012 Bridge Brkey 9675</b>	500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Greenbriar Gap Run in Penn Township.	
<b>Rehabilitate SR 3006 Bridge Brkey 9703</b>	750
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Buffalo Run in Spring Township.	
<b>Rehabilitate SR 3010 Bridge Brkey 9709</b>	800
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over SR 322-US 322 Slab Cabin in College Township.	
<b>Rehabilitate TSR 535 Bridge Brkey 9770</b>	500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over One Mile Run in Rush Township.	
<b><u>CLEARFIELD COUNTY</u></b>	
<b>Rehabilitate SR 80-I 80 Bridge Brkey 11314</b>	2,250
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over SR 1012 in Bradford Township.	
<b>Rehabilitate SR 80-I 80 Bridge Brkey 11312</b>	2,250
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over SR 1012 in Bradford Township.	
<b>Rehabilitate SR 219-US 219 Bridge Brkey 43018</b>	80
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Clear Run in the City of Dubois.	
<b>Rehabilitate SR 255 Bridge Brkey 11463</b>	500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Tyler Run in Huston Township.	
<b>Rehabilitate SR 322-US 322 Bridge Brkey 11476</b>	2,250
REPLACE BRIDGE: This project will provide for the replacement of a bridge over West Branch Susquehanna River in Clearfield Borough.	
<b>Rehabilitate SR 322-US 322 Bridge Brkey 11495</b>	500
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Laurel Run in Decatur Township.	



## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway and Bridge Maintenance - Bridge

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>CLEARFIELD COUNTY (continued)</u></b>	
<b>Rehabilitate SR 410 Bridge Brkey 11497</b>	\$ 500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Stump Creek in Brady Township.	
<b>Rehabilitate SR 453 Bridge Brkey 11512</b>	500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Potts Run in Knox Township.	
<b>Rehabilitate SR 1006 Bridge Brkey 11650</b>	760
REPLACE BRIDGE: This project will provide for the replacement of a bridge over SR 80-I 80 in Lawrence Township.	
<b>Rehabilitate SR 2007 Bridge Brkey 11692</b>	500
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Little Beaver Run in Decatur Township.	
<b>Rehabilitate SR 2022 Bridge Brkey 11717</b>	750
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Branch Clearfield Creek in Pike Township.	
<b>Rehabilitate SR 2024 Bridge Brkey 11729</b>	950
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Clearfield Creek in Boggs Township.	
<b>Rehabilitate SR 3011 Bridge Brkey 11810</b>	1,575
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Bell Run in Penn Township.	
<b><u>CLINTON COUNTY</u></b>	
<b>Rehabilitate SR 120 Bridge Brkey 12113</b>	700
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Mill Run in Grugan Township.	
<b>Rehabilitate SR 120 Bridge Brkey 12069</b>	500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Milligan Run in Noyes Township.	
<b>Rehabilitate SR 120 Bridge Brkey 12131</b>	700
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Grimes Run in Bald Eagle Township.	
<b>Rehabilitate SR 120 Bridge Brkey 12065</b>	500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Upper Stimpson Run in East Keating Township.	
<b>Rehabilitate SR 150 Bridge Brkey 12164</b>	950
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Laurel Run in Bald Eagle Township.	
<b>Rehabilitate SR 220-US 220 Bridge Brkey 12230</b>	1,000
REPLACE BRIDGE: This project will provide for the replacement of a bridge over West Branch Susquehanna River and T-425 in Pine Creek Township.	
<b>Rehabilitate SR 477 Bridge Brkey 46426</b>	350
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Mill Race in Lamar Township.	
<b>Rehabilitate SR 1005 Bridge Brkey 12280</b>	7,000
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Susquehanna River T-425 and T-565 in Wayne Township.	
<b>Rehabilitate TSR 349 Bridge Brkey 12311</b>	630
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Bucks Run in Greene Township.	
<b>Rehabilitate SR 2004 Bridge Brkey 12324</b>	750
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Cedar Run in Lamar Township.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway and Bridge Maintenance - Bridge

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>CLINTON COUNTY (continued)</u></b>	
<b>Rehabilitate TSR 323 Bridge Brkey 12313</b>	\$ 700
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Big Fishing Creek in Portor Township.	
<b>Rehabilitate SR 2008 Bridge Brkey 12327</b>	3,100
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Fishing Creek in Lamar Township.	
<b>Rehabilitate TSR 425 Bridge Brkey 12330</b>	600
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Raughtown Creek in Crawford Township.	
<b>Rehabilitate SR 2019 Bridge Brkey 12354</b>	113
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Laurel Run in Bald Eagle Township.	
<b>Rehabilitate TSR 2019 Bridge Brkey 12369</b>	601
REPLACE BRIDGE: This project will provide for the replacement of two bridges over Two Mile Run in Noyes Township.	
<b>Rehabilitate TSR 579 Bridge Brkey 12391</b>	500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Laurelly Run in Chapman Township.	
<b><u>ELK COUNTY</u></b>	
<b>Rehabilitate SR 120 Bridge Brkey 15530</b>	110
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Elk Creek in City of Saint Marys.	
<b>Rehabilitate SR 120 Bridge Brkey 15523</b>	141
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Mill Creek in City of Saint Marys.	
<b>Rehabilitate SR 120 Bridge Brkey 15521</b>	500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Elk Creek in Ridgway Township.	
<b>Rehabilitate SR 153 Bridge Brkey 15533</b>	116
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Bear Run in Horton Township.	
<b>Rehabilitate SR 3001 Bridge Brkey 15699</b>	1,000
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Clarion River in Millstone Township.	
<b>Rehabilitate SR 3002 Bridge Brkey 15700</b>	750
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Millstone Creek in Millstone Township.	
<b><u>JUNIATA COUNTY</u></b>	
<b>Rehabilitate SR 22 Bridge Brkey 19918</b>	1,147
REPLACE BRIDGE: This project will provide for the replacement of a bridge over SR 1002 in Fermanagh Township.	
<b>Rehabilitate SR 22 Bridge Brkey 19916</b>	1,147
REPLACE BRIDGE: This project will provide for the replacement of a bridge over SR 1002 in Fermanagh Township.	
<b>Rehabilitate SR 35 Bridge Brkey 19994</b>	104
REPLACE BRIDGE: This project will provide for the replacement of a bridge over tributary Cocolamus Creek in Fayette Township.	
<b>Rehabilitate SR 75 Bridge Brkey 20038</b>	750
REPLACE BRIDGE: This project will provide for the replacement of a bridge over First Street and Juniata River in Port Royal Borough.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway and Bridge Maintenance - Bridge

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>JUNIATA COUNTY (continued)</u></b>	
<b>Rehabilitate SR 75 Bridge Brkey 20037</b>	\$ 1,000
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Norfolk Southern RR in Port Royal Borough.	
<b>Rehabilitate SR 75 Bridge Brkey 20022</b>	600
REPLACE BRIDGE: This project will provide for the replacement of a bridge over tributary Tuscarora Creek in Tuscarora Township.	
<b>Rehabilitate SR 333 Bridge Brkey 20063</b>	500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over tributary Juniata River in Milford Township.	
<b>Rehabilitate SR 850 Bridge Brkey 20099</b>	500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Tuscarora Creek in Tuscarora Township.	
<b>Rehabilitate SR 2019 Bridge Brkey 20186</b>	500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Cranes Run in Greenwood Township.	
<b>Rehabilitate SR 2023 Bridge Brkey 20197</b>	400
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Dobson Run in Susquehanna Township.	
<b><u>LAWRENCE COUNTY</u></b>	
<b>Rehabilitate Ben Franklin Hwy Bridge Brkey 22310</b>	104
PRESERVE BRIDGE: This project will provide for the preservation of a bridge over Business US 422 in Union Township.	
<b>Rehabilitate Ben Franklin Hwy Bridge Brkey 22309</b>	104
PRESERVE BRIDGE: This project will provide for the preservation of a bridge over Business US 422 in Union Township.	
<b>Rehabilitate Ben Franklin Hwy Bridge Brkey 22307</b>	52
PRESERVE BRIDGE: This project will provide for the preservation of a bridge over tributary to Shenango River in Union Township.	
<b>Rehabilitate Ben Franklin Hwy Bridge Brkey 22306</b>	310
PRESERVE BRIDGE: This project will provide for the preservation of a bridge over Sankey Run in Union Township.	
<b>Rehabilitate Sampsom Street Bridge Brkey 22465</b>	52
PRESERVE BRIDGE: This project will provide for the preservation of a bridge over Small Run in the City of New Castle.	
<b>Rehabilitate Sampsom Street Bridge Brkey 22465</b>	26
<b>Rehabilitate Ben Franklin Hwy Bridge Brkey 22592</b>	52
PRESERVE BRIDGE: This project will provide for the preservation of a bridge over Business US 422 in Union Township.	
<b><u>LEHIGH COUNTY</u></b>	
<b>Rehabilitate SR 22 Bridge Brkey 22957</b>	408
PRESERVE BRIDGE: This project will provide for the preservation of a bridge over Twp Rd 603 - 15th Street in South Whitehall Township.	
<b>Rehabilitate SR 2057 Bridge Brkey 23031</b>	408
PRESERVE BRIDGE: This project will provide for the preservation of a bridge over I-78 and PA 309 in South Whitehall Township.	
<b>Rehabilitate I-78-US 22 Bridge Brkey 22994</b>	408
PRESERVE BRIDGE: This project will provide for the preservation of a bridge over TWP RD 501 (old 22) in Weisenberg Township.	
<b>Rehabilitate SR 145 Bridge Brkey 23132</b>	408
PRESERVE BRIDGE: This project will provide for the preservation of a bridge over Fells Creek in North White Hall Township.	
<b>Rehabilitate SR 1018 Eaton Avenue Bridge Brkey 23192</b>	408
PRESERVE BRIDGE: This project will provide for the preservation of a bridge over SR 378 in City of Bethlehem.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway and Bridge Maintenance - Bridge

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>LEHIGH COUNTY (continued)</u></b>	
<b>Rehabilitate SR 873 Bridge Brkey 23207</b>	\$ 308
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Lehigh River and Norfolk Southern RR in Washington Township.	
<b>Rehabilitate SR 1002 Bridge Brkey 23214</b>	408
PRESERVE BRIDGE: This project will provide for the preservation of a bridge over US 22 in Upper Macungie Township.	
<b>Rehabilitate SR 4016 Bridge Brkey 23380</b>	408
PRESERVE BRIDGE: This project will provide for the preservation of a bridge over Lehigh River in Slatington Borough.	
<b><u>MCKEAN COUNTY</u></b>	
<b>Rehabilitate SR 6-US 6 Bridge Brkey 25237</b>	128
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Sartwell Creek in Liberty Township.	
<b>Rehabilitate SR 46 Bridge Brkey 25257</b>	450
REPLACE BRIDGE: This project will provide for the replacement of a bridge over branch Potato Creek in Keating Township.	
<b>Rehabilitate SR 5946 Bridge Brkey 25279</b>	500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Kinzua Creek in Keating Township.	
<b>Rehabilitate SR 155 Bridge Brkey 25298</b>	500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over branch Portage Creek in Liberty Township.	
<b>Rehabilitate SR 155 Bridge Brkey 25312</b>	134
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Annin Creek in Annin Township.	
<b>Rehabilitate SR 219 Bridge Brkey 25348</b>	353
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Bolivar Run in City of Bradford.	
<b>Rehabilitate SR 219 Bridge Brkey 25356</b>	750
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Foster Brook in Foster Township.	
<b>Rehabilitate SR 219 Bridge Brkey 25357</b>	750
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Foster Brook in Foster Township.	
<b>Rehabilitate SR 246 Bridge Brkey 25362</b>	168
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Kendall Creek in Foster Township.	
<b>Rehabilitate SR 346 Bridge Brkey 25409</b>	500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Marilla Creek in Bradford Township.	
<b>Rehabilitate SR 446 Bridge Brkey 25439</b>	164
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Moody Hollow Run in Keating Township.	
<b>Rehabilitate SR 770 Bridge Brkey 25461</b>	500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Sheppard Run in Bradford Township.	
<b>Rehabilitate SR 1008 Bridge Brkey 25482</b>	128
REPLACE BRIDGE: This project will provide for the replacement of a bridge over tributary Bell Run in Ceres Township.	
<b><u>MIFFLIN COUNTY</u></b>	
<b>Rehabilitate SR 22 US 22 Bridge Brkey 26364</b>	700
REPLACE BRIDGE: This project will provide for the replacement of a bridge over tributary Juniata River in Oliver Township.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway and Bridge Maintenance - Bridge

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>MIFFLIN COUNTY (continued)</u></b>	
<b>Rehabilitate SR 1002 Bridge Brkey 26472</b>	\$ 500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Honey Creek in Armagh Township.	
<b>Rehabilitate SR 1005 Bridge Brkey 26502</b>	465
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Honey Creek in Brown Township.	
<b>Rehabilitate SR 2002 Bridge Brkey 45485</b>	500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Belltown Run in Decatur Township.	
<b>Rehabilitate SR 3017 Bridge Brkey 26567</b>	500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over tributary Juniata River in Newton Hamilton Borough.	
<b>Rehabilitate SR 4013 Bridge Brkey 42359</b>	500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Branch Buck Run in Derry Township.	
<b><u>MONROE COUNTY</u></b>	
<b>Rehabilitate SR 3023 Bridge Brkey 27041.</b>	1,032
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Kettle Creek in Hamilton Township.	
<b><u>NORTHAMPTON COUNTY</u></b>	
<b>Rehabilitate SR 248 Eaton Avenue Bridge Brkey 28586</b>	408
PRESERVE BRIDGE: This project will provide for the preservation of a bridge over Branch Shoeneck Creek in Lower Nazerath Township.	
<b>Rehabilitate SR 1016 Bridge Brkey 28683</b>	408
PRESERVE BRIDGE: This project will provide for the preservation of a bridge over Greenwalk Creek in Washington Township.	
<b>Rehabilitate SR 3007 Bridge Brkey 28758</b>	408
PRESERVE BRIDGE: This project will provide for the preservation of a bridge over Norfolk Southern RR and Lehigh River in City of Bethlehem.	
<b>Rehabilitate SR 3011 Bridge Brkey 28762</b>	408
PRESERVE BRIDGE: This project will provide for the preservation of a bridge over Monocacy Creek in City of Bethlehem.	
<b><u>POTTER COUNTY</u></b>	
<b>Rehabilitate SR 6 US 6 Bridge Brkey 30090</b>	205
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Dingmans Run in Coudersport Borough.	
<b>Rehabilitate SR 6 US 6 Bridge Brkey 30082</b>	400
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Fishing Creek in Roulette Township.	
<b>Rehabilitate SR 6 US 6 Bridge Brkey 30109</b>	200
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Nine Mile Run in Ulysses Township.	
<b>Rehabilitate SR 49 Bridge Brkey 30197</b>	500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over tributary Cowanesque in C Harriso Township.	
<b>Rehabilitate SR 244 Bridge Brkey 30223</b>	750
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Ellisburg Creek in Genesee Township.	

## Department of Transportation 2017-18 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway and Bridge Maintenance - Bridge

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b>POTTER COUNTY (continued)</b>	
<b>Rehabilitate SR 449 Bridge Brkey 30247</b>	\$ 400
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Genesee River in Genesee Township.	
<b>Rehabilitate SR 449 Bridge Brkey 30238</b>	745
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Pine Creek in Ulysses Township.	
<b>Rehabilitate SR 872 Bridge Brkey 30273</b>	750
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Freemans Run in Portage Township.	
<b>Rehabilitate SR 1016 Bridge Brkey 30328</b>	500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over White Branch North Fork in Harrison Township.	
<b>Rehabilitate Turn Back /T 531 Bridge Brkey 30406</b>	500
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Turn Back / Wokeley Hollow in Clara Township.	
<b>Rehabilitate SR 4013 Bridge Brkey 45495</b>	750
REPLACE BRIDGE: This project will provide for the replacement of a bridge over North Hollow Run in Sweden Township.	
TOTAL STATE FUNDS.....	\$ 100,005
TOTAL FEDERAL FUNDS.....	0
TOTAL LOCAL FUNDS.....	0
PROGRAM TOTAL.....	<u>\$ 100,005</u>

## Department of Transportation 2017-18 Projects

### TRANSPORTATION ASSISTANCE PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Urban Mass Transportation

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<b>Total Project Cost</b>
<b><u>ALLEGHENY COUNTY</u></b>	
<b>Port Authority of Allegheny County</b>	\$ 12,000
EAST BUSWAY EXPANSION PROGRAM: This program provides for PAAC's Bus System Expansion to include new routes and territories.	
<b>Port Authority of Allegheny County</b>	150,000
NEW OPERATING FACILITY: This will provide for the bus operation facility expansion to meet future needs of PAAC.	
<b>Port Authority of Allegheny County</b>	30,000
BUS REPLACEMENT PROGRAM: This program provides for the bus replacement due to depreciation and use.	
<b>Port Authority of Allegheny County</b>	30,000
SAFETY RENEWAL PROGRAM: This program provides for PAAC's Infrastructure Safety Renewal Program which includes capital improvements to stations, signals, track, power, and buildings.	
<b>Port Authority of Allegheny County</b>	30,000
VEHICLE OVERHAUL PROGRAM: This program provides for PAAC's Infrastructure Safety Renewal Program which includes capital improvements to stations, signals, track, power, and buildings.	
<b><u>PHILADELPHIA COUNTY</u></b>	
<b>Southeastern Pennsylvania Transportation Authority</b>	25,000
FORMULA PROJECTS PROGRAM: This program will provide for the state funds to match discretionary federal funding to replace existing assets.	
<b>Southeastern Pennsylvania Transportation Authority</b>	25,500
STATE OF GOOD REPAIR PROGRAM: This program will provide for the state funds to match discretionary federal capital funding to rehabilitate or replace existing facilities and infrastructure.	
<b>Southeastern Pennsylvania Transportation Authority</b>	2,000
BUS AND BUS FACILITIES PROGRAM: This program will provide for the state funds to match discretionary federal capital funding to rehabilitate or replace existing facilities and infrastructure.	
<b>Southeastern Pennsylvania Transportation Authority</b>	5,000
BUS PURCHASE FLEX PROGRAM: This program will provide for the state funds to match federal capital funding to replace buses and rehabilitate or replace various facilities and infrastructure to bring them to a state of good repair.	
<b>Southeastern Pennsylvania Transportation Authority</b>	5,000
FEDERAL GRANT PROGRAM: This program will provide for the state funds to match discretionary federal capital funding to rehabilitate or replace existing facilities and infrastructure.	
<b>Southeastern Pennsylvania Transportation Authority</b>	45,000
SAFETY RENEWAL PROGRAM: This program provides for SEPTA's Infrastructure Safety Renewal Program which includes capital improvements to stations, signals, track, power, and buildings.	
<b>Southeastern Pennsylvania Transportation Authority</b>	15,000
STATE OF GOOD REPAIR PROGRAM: This program will provide for state funds to rehabilitate or replace existing facilities and infrastructure to bring them to a state of good repair.	
<b>Southeastern Pennsylvania Transportation Authority</b>	50,000
SYSTEM IMPROVEMENT PROGRAM: This program will provide for state funds to improve transit service in Southeastern Pennsylvania.	



## Department of Transportation 2017-18 Projects

### TRANSPORTATION ASSISTANCE PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Urban Mass Transportation

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>STATEWIDE</u></b>	
<b>PENNDOT</b>	\$ 25,000
FIXED ROUTE INTELEGENT TRANSPORTATION SYSTEM: This program will provide for a statewide platform and technology to provide a more seamless and intergrated public transportation system.	
<b><u>VARIOUS COUNTIES</u></b>	
<b>PENNDOT KEYSTONE CORRIDOR</b>	10,000
CAPITAL IMPROVEMENT PROGRAM: This program will provide for capital improvements and capital maintenance to Keystone Corridor, including interlockings and stations.	
<b>PENNDOT KEYSTONE CORRIDOR</b>	10,000
CAPITAL REHABILITATION PROGRAM: This program will provide for rehabilitation activities for rail cars used on the Keystone Corridor.	
TOTAL STATE FUNDS.....	\$ 469,500
PROGRAM TOTAL.....	<u>\$ 469,500</u>



## Department of Transportation 2017-18 Projects

### TRANSPORTATION ASSISTANCE PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Rail Freight Transportation

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<b><u>VARIOUS COUNTIES</u></b>	
<b>All Counties</b>	\$ 20,000
INFRASTRUCTURE IMPROVEMENTS: This project will provide for the safety improvements to Pennsylvania's freight or passenger rail infrastructure.	
<b>All Counties</b>	8,000
INFRASTRUCTURE IMPROVEMENTS: This project will provide for the State funding to promote economic development through freight or passenger rail service.	
PROGRAM TOTAL.....	<u><u>\$ 28,000</u></u>

## FORECAST OF FUTURE NEW PROJECT AUTHORIZATIONS

### State Funds

This table provides a summary of the estimated level of future authorizations by department from bond funds and current revenue sources.

(Dollar Amounts in Thousands)

	2018-19	2019-20	2020-21	2021-22
Agriculture.....	\$ 28,202	\$ 26,291	\$ 24,380	\$ 18,646
Conservation and Natural Resources.....	184,911	177,493	170,074	147,818
Criminal Justice.....	82,236	74,583	66,929	43,968
Education.....	448,002	583,050	345,000	190,000
Environmental Protection.....	27,894	25,370	22,845	15,273
General Services.....	95,852	91,899	87,946	76,086
Health and Human Services.....	99,569	89,790	80,011	50,675
Historical and Museum Commission.....	27,800	28,550	29,050	32,000
Military and Veterans Affairs.....	37,288	34,298	31,308	22,338
State Police.....	37,771	36,221	34,671	30,021
Transportation.....	1,418,414	1,381,118	1,343,821	1,231,933
<b>TOTAL.....</b>	<b>\$ 2,487,939</b>	<b>\$ 2,548,661</b>	<b>\$ 2,236,034</b>	<b>\$ 1,858,756</b>

## Forecast of Future Projects

This section contains estimated authorizations (State funds only) for future Capital Budgets from 2017-18 through 2020-21. Amounts in this section are grouped by department, along with the general types of projects involved, and are identified by capital project category.

(Dollar Amounts in Thousands)

### FROM CAPITAL FACILITIES BOND FUNDS

#### Agriculture

PUBLIC IMPROVEMENT PROJECTS: Provides for improvements at the Farm Show Complex and the laboratory.

	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
--	----------------------	----------------------	----------------------	----------------------

\$	28,202	\$	26,291	\$	24,380	\$	18,646
----	--------	----	--------	----	--------	----	--------

#### 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.

	78,064		70,646		63,227		40,971
--	--------	--	--------	--	--------	--	--------

#### Criminal Justice

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.

	82,236		74,583		66,929		43,968
--	--------	--	--------	--	--------	--	--------

#### 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.

	448,002		583,050		345,000		190,000
--	---------	--	---------	--	---------	--	---------

#### 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.

	27,894		25,370		22,845		15,273
--	--------	--	--------	--	--------	--	--------

#### General Services

PUBLIC IMPROVEMENT PROJECTS: Provides for the construction, renovation and improvements to state office buildings and facilities.

	95,852		91,899		87,946		76,086
--	--------	--	--------	--	--------	--	--------

#### Health and Human Services

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.

	99,569		89,790		80,011		50,675
--	--------	--	--------	--	--------	--	--------

## Forecast of Future Projects

(Dollar Amounts in Thousands)

### FROM CAPITAL FACILITIES BOND FUNDS (continued)

	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>Historical and Museum Commission</b>				
PUBLIC IMPROVEMENT PROJECTS: Provides for restoration and renovation of historic facilities, installation of fire and security systems, development of fixed exhibits and miscellaneous building and utility improvements at commonwealth owned museums and historic sites. Also may include original furniture and equipment authorizations.	\$ 27,800	\$ 28,550	\$ 29,050	\$ 32,000
<b>Military and Veterans Affairs</b>	37,288	34,298	31,308	22,338
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.				
<b>State Police</b>	37,771	36,221	34,671	30,021
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.				
<b>Transportation</b>	282,403	245,107	207,810	95,922
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.				
<b>Transportation</b>	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.				
<b>CAPITAL FACILITIES BOND FUNDS</b>				
Total — Public Improvement Program.....	\$ 1,245,081	\$ 1,305,803	\$ 993,176	\$ 615,898
Total — Transportation Assistance Program.....	175,000	175,000	175,000	175,000
<b>SUBTOTAL— CAPITAL FACILITIES BOND FUNDS.....</b>	<b>\$ 1,420,081</b>	<b>\$ 1,480,803</b>	<b>\$ 1,168,176</b>	<b>\$ 790,898</b>

## Forecast of Future Projects

(Dollar Amounts in Thousands)

	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>FROM CURRENT REVENUES</b>				
<b>Conservation and Natural Resources</b>	\$ 87,712	\$ 87,712	\$ 87,712	\$ 87,712
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.				
<b>Conservation and Natural Resources</b>	19,135	19,135	19,135	19,135
PUBLIC IMPROVEMENT PROJECTS — ENVIRONMENTAL STEWARDSHIP FUND: Provides for the acquisition, rehabilitation and development of open space, forests, parks and scenic environments.				
<b>Transportation</b>	961,011	961,011	961,011	961,011
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.				
<b>CURRENT REVENUES</b>				
Total – Public Improvement Program.....	\$ 106,847	\$ 106,847	\$ 106,847	\$ 106,847
Total – Highway Program.....	961,011	961,011	961,011	961,011
<b>SUBTOTAL – CURRENT REVENUES.....</b>	<b>\$ 1,067,858</b>	<b>\$ 1,067,858</b>	<b>\$ 1,067,858</b>	<b>\$ 1,067,858</b>
<b>TOTAL – ALL PROGRAMS.....</b>	<b>\$ 2,487,939</b>	<b>\$ 2,548,661</b>	<b>\$ 2,236,034</b>	<b>\$ 1,858,756</b>

## ESTIMATED CAPITAL PROJECT EXPENDITURES BY DEPARTMENT

This table provides a summary of total estimated capital expenditures for state funds by department.

(Dollar Amounts in Thousands)

Department	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
Executive Offices.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agriculture.....	510	3,898	8,903	12,854	16,568
Conservation and Natural Resources.....	47,824	40,838	60,283	94,063	124,414
Community and Economic Development.....	309,265	321,935	295,649	313,590	299,587
Criminal Justice.....	122,601	39,480	47,832	68,889	70,457
Education.....	221,114	358,509	402,513	443,091	451,869
Emergency Management Agency.....	213	895	1,230	2,569	1,953
Environmental Protection.....	9,072	18,833	24,760	27,548	42,183
Fish and Boat Commission.....	5,017	2,897	3,308	3,149	2,394
Game Commission.....	4	19	26	54	41
General Services.....	25,235	33,049	46,424	73,654	72,809
Health and Human Services.....	3,901	22,090	43,022	57,447	67,396
Historical and Museum Commission.....	3,884	7,438	12,112	17,227	18,450
Military and Veterans Affairs.....	10,447	12,959	18,229	23,950	25,296
State Police.....	3,751	11,901	13,901	14,850	19,874
Transportation.....	624,106	696,852	881,788	1,140,356	1,400,286
<b>TOTAL - ALL STATE FUNDS.....</b>	<b>\$ 1,386,944</b>	<b>\$ 1,571,592</b>	<b>\$ 1,859,980</b>	<b>\$ 2,293,291</b>	<b>\$ 2,613,577</b>

## Estimate of Capital Expenditures

This table provides estimated capital expenditures by department for currently authorized capital projects, projects recommended in this budget and potential future authorizations.

(Dollar Amounts in Thousands)

	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>CAPITAL FACILITIES BOND FUNDS</b>					
<b>Executive Offices</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Projects in 2017-18 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2018-22)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - EXECUTIVE OFFICES.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Agriculture</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 128	\$ 176	\$ 368	\$ 280	\$ 280
Furniture and Equipment.....	0	0	0	0	0
Projects in 2017-18 Budget					
Buildings and Structures.....	382	3,440	5,734	5,734	5,734
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2018-22)					
Buildings and Structures.....	0	282	2,801	6,840	10,554
Furniture and Equipment.....	0	0	0	0	0
TOTAL - AGRICULTURE.....	<u>\$ 510</u>	<u>\$ 3,898</u>	<u>\$ 8,903</u>	<u>\$ 12,854</u>	<u>\$ 16,568</u>
<b>Conservation and Natural Resources</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 21,984	\$ 6,581	\$ 7,498	\$ 9,780	\$ 5,340
Furniture and Equipment.....	0	0	0	0	0
Projects in 2017-18 Budget					
Buildings and Structures.....	258	2,322	3,870	3,870	3,870
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2018-22)					
Buildings and Structures.....	0	1,849	18,417	45,412	71,146
Furniture and Equipment.....	0	0	0	0	0
TOTAL - CONSERVATION AND NATURAL RESOURCES.....	<u>\$ 22,242</u>	<u>\$ 10,752</u>	<u>\$ 29,785</u>	<u>\$ 59,062</u>	<u>\$ 80,356</u>
<b>Community and Economic Development</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 39,265	\$ 51,935	\$ 25,649	\$ 43,590	\$ 29,587
Furniture and Equipment.....	0	0	0	0	0
Projects in 2017-18 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2018-22)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Subtotal.....	<u>\$ 39,265</u>	<u>\$ 51,935</u>	<u>\$ 25,649</u>	<u>\$ 43,590</u>	<u>\$ 29,587</u>

# Capital Budget

## Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	<u>2017-18</u> <u>Estimated</u>	<u>2018-19</u> <u>Estimated</u>	<u>2019-20</u> <u>Estimated</u>	<u>2020-21</u> <u>Estimated</u>	<u>2021-22</u> <u>Estimated</u>
<b>Community and Economic Development (continued)</b>					
Redevelopment Assistance Projects					
Projects Currently Authorized					
Acquisition and Construction.....	\$ 270,000	\$ 270,000	\$ 270,000	\$ 270,000	\$ 270,000
TOTAL - COMMUNITY AND ECONOMIC DEVELOPMENT.....	<u>\$ 309,265</u>	<u>\$ 321,935</u>	<u>\$ 295,649</u>	<u>\$ 313,590</u>	<u>\$ 299,587</u>
<b>Criminal Justice</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 121,070	\$ 24,881	\$ 16,724	\$ 26,212	\$ 17,510
Furniture and Equipment.....	0	0	0	0	0
Projects in 2017-18 Budget					
Buildings and Structures.....	1,531	13,777	22,961	22,961	22,961
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2018-22)					
Buildings and Structures.....	0	822	8,147	19,716	29,986
Furniture and Equipment.....	0	0	0	0	0
TOTAL CRIMINAL JUSTICE.....	<u>\$ 122,601</u>	<u>\$ 39,480</u>	<u>\$ 47,832</u>	<u>\$ 68,889</u>	<u>\$ 70,457</u>
<b>Education</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 195,573	\$ 194,364	\$ 148,754	\$ 112,358	\$ 56,653
Furniture and Equipment.....	0	0	0	0	0
Projects in 2017-18 Budget					
Buildings and Structures.....	13,841	124,565	207,608	207,608	207,608
Furniture and Equipment.....	11,700	0	0	0	0
Future Projects (2018-22)					
Buildings and Structures.....	0	4,480	46,151	123,125	187,608
Furniture and Equipment.....	0	35,100	0	0	0
TOTAL - EDUCATION.....	<u>\$ 221,114</u>	<u>\$ 358,509</u>	<u>\$ 402,513</u>	<u>\$ 443,091</u>	<u>\$ 451,869</u>
<b>Emergency Management Agency</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 213	\$ 895	\$ 1,230	\$ 2,569	\$ 1,953
Furniture and Equipment.....	0	0	0	0	0
Projects in 2017-18 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2018-22)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - EMERGENCY MANAGEMENT AND HOMELAND SECURITY.....	<u>\$ 213</u>	<u>\$ 895</u>	<u>\$ 1,230</u>	<u>\$ 2,569</u>	<u>\$ 1,953</u>



# Capital Budget

## Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	<u>2017-18</u> <u>Estimated</u>	<u>2018-19</u> <u>Estimated</u>	<u>2019-20</u> <u>Estimated</u>	<u>2020-21</u> <u>Estimated</u>	<u>2021-22</u> <u>Estimated</u>
<b>Environmental Protection</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 5,852	\$ 9,485	\$ 9,898	\$ 8,755	\$ 2,406
Furniture and Equipment.....	0	0	0	0	0
Projects in 2017-18 Budget					
Buildings and Structures.....	505	4,544	7,573	7,573	27,768
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2018-22)					
Buildings and Structures.....	0	279	2,764	6,695	10,199
Furniture and Equipment.....	0	0	0	0	0
Subtotal .....	<u>\$ 6,357</u>	<u>\$ 14,308</u>	<u>\$ 20,235</u>	<u>\$ 23,023</u>	<u>\$ 40,373</u>
Flood Control Projects					
Projects Currently Authorized					
Structures and Improvements.....	\$ 2,715	\$ 4,525	\$ 4,525	\$ 4,525	\$ 1,810
Projects in 2017-18 Budget					
Structures and Improvements.....	0	0	0	0	0
Future Projects (2018-22)					
Structures and Improvements.....	0	0	0	0	0
Subtotal .....	<u>\$ 2,715</u>	<u>\$ 4,525</u>	<u>\$ 4,525</u>	<u>\$ 4,525</u>	<u>\$ 1,810</u>
TOTAL - ENVIRONMENTAL PROTECTION.....	<u>\$ 9,072</u>	<u>\$ 18,833</u>	<u>\$ 24,760</u>	<u>\$ 27,548</u>	<u>\$ 42,183</u>
<b>Fish and Boat Commission</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 5,017	\$ 2,897	\$ 3,308	\$ 3,149	\$ 2,394
Furniture and Equipment.....	0	0	0	0	0
Projects in 2017-18 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2018-22)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - FISH AND BOAT COMMISSION.....	<u>\$ 5,017</u>	<u>\$ 2,897</u>	<u>\$ 3,308</u>	<u>\$ 3,149</u>	<u>\$ 2,394</u>
<b>Game Commission</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 4	\$ 19	\$ 26	\$ 54	\$ 41
Furniture and Equipment.....	0	0	0	0	0
Projects in 2017-18 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2018-22)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - GAME COMMISSION.....	<u>\$ 4</u>	<u>\$ 19</u>	<u>\$ 26</u>	<u>\$ 54</u>	<u>\$ 41</u>

## Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	<u>2017-18</u> <u>Estimated</u>	<u>2018-19</u> <u>Estimated</u>	<u>2019-20</u> <u>Estimated</u>	<u>2020-21</u> <u>Estimated</u>	<u>2021-22</u> <u>Estimated</u>
<b>General Services</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 24,444	\$ 24,974	\$ 25,019	\$ 38,267	\$ 24,111
Furniture and Equipment.....	0	0	0	0	0
Projects in 2017-18 Budget					
Buildings and Structures.....	791	7,116	11,859	11,859	11,859
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2018-22)					
Buildings and Structures.....	0	959	9,546	23,528	36,839
Furniture and Equipment.....	0	0	0	0	0
TOTAL - GENERAL SERVICES.....	<u>\$ 25,235</u>	<u>\$ 33,049</u>	<u>\$ 46,424</u>	<u>\$ 73,654</u>	<u>\$ 72,809</u>
<b>Health and Human Services</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 1,945	\$ 3,492	\$ 3,827	\$ 4,295	\$ 1,948
Furniture and Equipment.....	0	0	0	0	0
Projects in 2017-18 Budget					
Buildings and Structures.....	1,956	17,602	29,336	29,336	29,336
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2018-22)					
Buildings and Structures.....	0	996	9,859	23,816	36,112
Furniture and Equipment.....	0	0	0	0	0
TOTAL - HUMAN SERVICES.....	<u>\$ 3,901</u>	<u>\$ 22,090</u>	<u>\$ 43,022</u>	<u>\$ 57,447</u>	<u>\$ 67,396</u>
<b>Historical and Museum Commission</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 3,606	\$ 4,658	\$ 5,154	\$ 6,026	\$ 2,892
Furniture and Equipment.....	0	0	0	0	0
Projects in 2017-18 Budget					
Buildings and Structures.....	278	2,502	4,170	4,170	4,170
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2018-22)					
Buildings and Structures.....	0	278	2,788	7,031	11,388
Furniture and Equipment.....	0	0	0	0	0
TOTAL - HISTORICAL AND MUSEUM .....	<u>\$ 3,884</u>	<u>\$ 7,438</u>	<u>\$ 12,112</u>	<u>\$ 17,227</u>	<u>\$ 18,450</u>
<b>Military and Veterans Affairs</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 9,155	\$ 5,123	\$ 5,560	\$ 5,987	\$ 2,547
Furniture and Equipment.....	0	0	0	0	0
Projects in 2017-18 Budget					
Buildings and Structures.....	598	5,382	8,970	8,970	8,970
Furniture and Equipment.....	694	0	0	0	0
Future Projects (2018-22)					
Buildings and Structures.....	0	373	3,699	8,993	13,779
Furniture and Equipment.....	0	2,081	0	0	0
TOTAL - MILITARY AND VETERANS AFFAIRS.....	<u>\$ 10,447</u>	<u>\$ 12,959</u>	<u>\$ 18,229</u>	<u>\$ 23,950</u>	<u>\$ 25,296</u>

# Capital Budget

## Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	<u>2017-18</u> <u>Estimated</u>	<u>2018-19</u> <u>Estimated</u>	<u>2019-20</u> <u>Estimated</u>	<u>2020-21</u> <u>Estimated</u>	<u>2021-22</u> <u>Estimated</u>
<b>State Police</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 3,441	\$ 8,733	\$ 5,490	\$ 927	\$ 705
Furniture and Equipment.....	0	0	0	0	0
Projects in 2017-18 Budget					
Buildings and Structures.....	310	2,790	4,650	4,650	4,650
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2018-22)					
Buildings and Structures.....	0	378	3,761	9,273	14,519
Furniture and Equipment.....	0	0	0	0	0
<b>TOTAL - STATE POLICE .....</b>	<b><u>\$ 3,751</u></b>	<b><u>\$ 11,901</u></b>	<b><u>\$ 13,901</u></b>	<b><u>\$ 14,850</u></b>	<b><u>\$ 19,874</u></b>
<b>Transportation</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 5,586	\$ 9,109	\$ 9,533	\$ 8,571	\$ 2,475
Furniture and Equipment.....	0	0	0	0	0
Projects in 2017-18 Budget					
Buildings and Structures.....	7,459	67,133	111,889	111,889	111,889
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2018-22)					
Buildings and Structures.....	0	14,184	141,468	350,501	553,193
Furniture and Equipment.....	0	0	0	0	0
<b>Subtotal.....</b>	<b><u>\$ 13,045</u></b>	<b><u>\$ 90,426</u></b>	<b><u>\$ 262,890</u></b>	<b><u>\$ 470,961</u></b>	<b><u>\$ 667,557</u></b>
Transportation Assistance Projects					
Projects Currently Authorized					
Mass Transit, Rail and Air.....	\$ 175,000	\$ 79,000	\$ 31,000	\$ 31,000	\$ 79,000
Projects in 2017-18 Budget					
Mass Transit, Rail and Air.....	0	96,000	144,000	144,000	96,000
Future Projects (2018-22)					
Mass Transit, Rail and Air.....	0	0	17,500	43,750	78,750
<b>Subtotal.....</b>	<b><u>\$ 175,000</u></b>	<b><u>\$ 175,000</u></b>	<b><u>\$ 192,500</u></b>	<b><u>\$ 218,750</u></b>	<b><u>\$ 253,750</u></b>
<b>TOTAL - TRANSPORTATION.....</b>	<b><u>\$ 188,045</u></b>	<b><u>\$ 265,426</u></b>	<b><u>\$ 455,390</u></b>	<b><u>\$ 689,711</u></b>	<b><u>\$ 921,307</u></b>
<b>TOTAL - CAPITAL FACILITIES BOND FUNDS</b>					
Public Improvement Projects					
Buildings and Structures.....	\$ 465,191	\$ 623,374	\$ 936,059	\$ 1,314,370	\$ 1,564,980
Furniture and Equipment.....	12,394	37,181	0	0	0
Redevelopment Assistance Projects					
Acquisition and Construction.....	270,000	270,000	270,000	270,000	270,000
Flood Control Projects					
Structures and Improvements.....	2,715	4,525	4,525	4,525	1,810
Transportation Assistance Projects.....					
Mass Transit, Rail and Air.....	175,000	175,000	192,500	218,750	253,750
<b>TOTAL.....</b>	<b><u>\$ 925,301</u></b>	<b><u>\$ 1,110,081</u></b>	<b><u>\$ 1,403,084</u></b>	<b><u>\$ 1,807,645</u></b>	<b><u>\$ 2,090,541</u></b>

# Capital Budget

## Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	<u>2017-18</u> <u>Estimated</u>	<u>2018-19</u> <u>Estimated</u>	<u>2019-20</u> <u>Estimated</u>	<u>2020-21</u> <u>Estimated</u>	<u>2021-22</u> <u>Estimated</u>
<b>CURRENT REVENUES</b>					
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND</b>					
<b>Conservation and Natural Resources</b>					
Keystone Recreation, Park and Conservation Projects - Acquisition,					
Projects Currently Authorized.....	\$ 17,677	\$ 11,432	\$ 4,539	\$ 0	\$ 0
Projects in 2017-18 Budget	0	3,447	5,170	6,893	7,755
Future Projects (2018-22)	0	3,447	8,616	15,509	23,264
Subtotal.....	<u>\$ 17,677</u>	<u>\$ 18,325</u>	<u>\$ 18,325</u>	<u>\$ 22,402</u>	<u>\$ 31,019</u>
<b>ENVIRONMENTAL STEWARDSHIP FUND</b>					
<b>Conservation and Natural Resources</b>					
Environmental Stewardship Projects - Acquisition, Rehabilitation and Development					
Projects Currently Authorized.....	\$ 7,905	\$ 11,611	\$ 11,823	\$ 12,099	\$ 12,540
Projects in 2017-18 Budget	0	50	50	50	50
Future Projects (2018-22)	0	100	300	450	450
Subtotal.....	<u>\$ 7,905</u>	<u>\$ 11,761</u>	<u>\$ 12,173</u>	<u>\$ 12,599</u>	<u>\$ 13,040</u>
TOTAL - CONSERVATION AND NATURAL RESOURCES.....	<u>\$ 25,582</u>	<u>\$ 30,086</u>	<u>\$ 30,498</u>	<u>\$ 35,001</u>	<u>\$ 44,058</u>
<b>MOTOR LICENSE FUND</b>					
<b>Transportation</b>					
Highway and Bridge Projects					
Projects Currently Authorized.....	\$ 430,324	\$ 400,468	\$ 401,163	\$ 401,866	\$ 401,001
Projects in 2017-18 Budget	5,737	22,949	17,212	28,686	45,898
Future Projects (2016-20)	0	8,009	8,023	20,093	32,080
TOTAL - TRANSPORTATION.....	<u>\$ 436,061</u>	<u>\$ 431,426</u>	<u>\$ 426,398</u>	<u>\$ 450,645</u>	<u>\$ 478,979</u>
<b>TOTAL - CURRENT REVENUES</b>					
Acquisition, Improvement and Restoration Projects					
Keystone Recreation, Park and Conservation Fund.....	\$ 17,677	\$ 18,325	\$ 18,325	\$ 22,402	\$ 31,019
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 .....	436,061	431,426	426,398	450,645	478,979
<b>TOTAL - CURRENT REVENUES.....</b>	<u>\$ 461,643</u>	<u>\$ 461,512</u>	<u>\$ 456,896</u>	<u>\$ 485,646</u>	<u>\$ 523,037</u>
<b>TOTAL - ALL STATE FUNDS.....</b>	<u>\$ 1,386,944</u>	<u>\$ 1,571,592</u>	<u>\$ 1,859,980</u>	<u>\$ 2,293,291</u>	<u>\$ 2,613,577</u>

Totals may not add due to rounding.

– THIS PAGE INTENTIONALLY LEFT BLANK –



Commonwealth of Pennsylvania

## Governor's Executive Budget

# *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.

– THIS PAGE INTENTIONALLY LEFT BLANK –

## DEBT AUTHORIZED, ISSUED AND OUTSTANDING

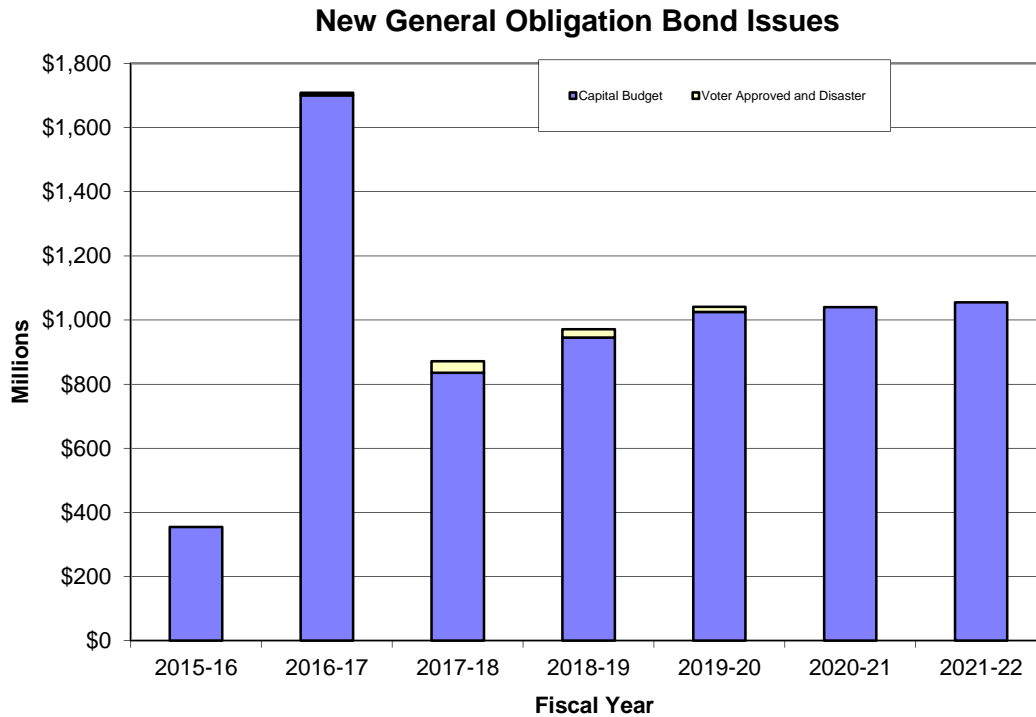
The following statement reflects the debt of the commonwealth as of December 31, 2016. Issues for which all authorized debt has been previously issued and for which said debt has been completely redeemed are not included. The Constitution permits capital budget debt to be issued without voter approval 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
<b>Debt Subject to Constitutional Limit</b>			
Capital Budget.....	\$ 139,176,328	\$ 26,200,955	\$ 7,968,592
Capital Budget Refunding Bonds Outstanding.....	NA	NA	3,244,435
Less: Capital Debt Fund Balance.....	NA	NA	-3
Subtotal.....	<u>\$ 139,176,328</u>	<u>\$ 26,200,955</u>	<u>\$ 11,213,024</u>
<b>Debt Not Subject to Constitutional Limit - Voter Approved and Disaster</b>			
Disaster Relief.....	\$ 192,708	\$ 170,800	\$ 0
Disaster Relief 1996.....	110,000	26,000	0
Economic Revitalization.....	190,000	176,000	0
Land and Water Development.....	500,000	499,700	0
Vietnam Veterans' Compensation.....	65,000	62,000	0
Volunteer Companies Loan.....	100,000	50,000	0
Water Facilities - 1981 Referendum.....	300,000	300,000	0
PENNVEST- 1988 & 1992 Referenda.....	650,000	634,000	121,690
PENNVEST- 2008 Referendum.....	400,000	364,400	324,900
Agricultural Conservation Easement.....	100,000	100,000	0
Local Criminal Justice.....	200,000	197,000	60
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	250,000	62,080
Growing Greener.....	625,000	599,000	201,041
Persian Gulf Conflict Veterans' Compensation.....	20,000	7,000	300
Refunding Bonds Outstanding.....	NA	NA	412,570
Less: Non-capital Sinking Fund Balances.....	NA	NA	-3,931
Subtotal.....	<u>\$ 3,852,708</u>	<u>\$ 3,554,900</u>	<u>\$ 1,118,710</u>
TOTAL.....	<u>\$ 143,029,036</u>	<u>\$ 29,755,855</u>	<u>\$ 12,331,734</u>



## GENERAL OBLIGATION BOND ISSUES 2015-16 Through 2021-22

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.

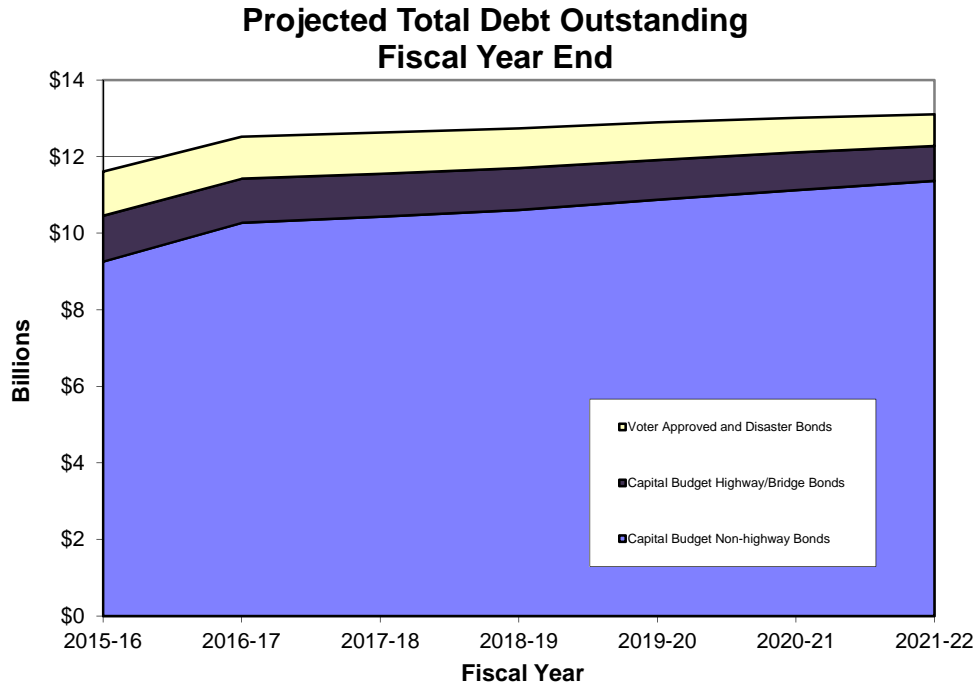


(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Estimated	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>General Obligation Bond Issues</b>							
<b>Capital Budget</b>							
Buildings and Structures.....	\$ 0	\$ 1,075,000	\$ 550,000	\$ 560,000	\$ 570,000	\$ 580,000	\$ 590,000
Flood Control.....	0	0	0	0	0	0	0
Furnishings and Equipment.....	0	0	10,000	10,000	10,000	10,000	10,000
Redevelopment Assistance.....	0	275,000	100,000	200,000	270,000	275,000	280,000
Transportation Assistance.....	0	350,000	175,000	175,000	175,000	175,000	175,000
ACT 89 Highway Projects.....	355,000	0	0	0	0	0	0
Bridge Projects.....	0	0	0	0	0	0	0
Subtotal.....	<u>\$ 355,000</u>	<u>\$ 1,700,000</u>	<u>\$ 835,000</u>	<u>\$ 945,000</u>	<u>\$ 1,025,000</u>	<u>\$ 1,040,000</u>	<u>\$ 1,055,000</u>
<b>Voter Approved and Disaster</b>							
PENNVEST -- 1988, 1992 & 2008 Ref.....	\$ 0	\$ 0	\$ 16,000	\$ 20,000	\$ 15,600	\$ 0	\$ 0
Water and Wastewater Referendum.....	0	8,725	0	0	0	0	0
Growing Greener Referendum.....	0	0	20,000	6,000	0	0	0
Subtotal.....	<u>\$ 0</u>	<u>\$ 8,725</u>	<u>\$ 36,000</u>	<u>\$ 26,000</u>	<u>\$ 15,600</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL.....</b>	<u><b>\$ 355,000</b></u>	<u><b>\$ 1,708,725</b></u>	<u><b>\$ 871,000</b></u>	<u><b>\$ 971,000</b></u>	<u><b>\$ 1,040,600</b></u>	<u><b>\$ 1,040,000</b></u>	<u><b>\$ 1,055,000</b></u>

## GENERAL OBLIGATION DEBT OUTSTANDING 2015-16 Through 2021-22

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)].

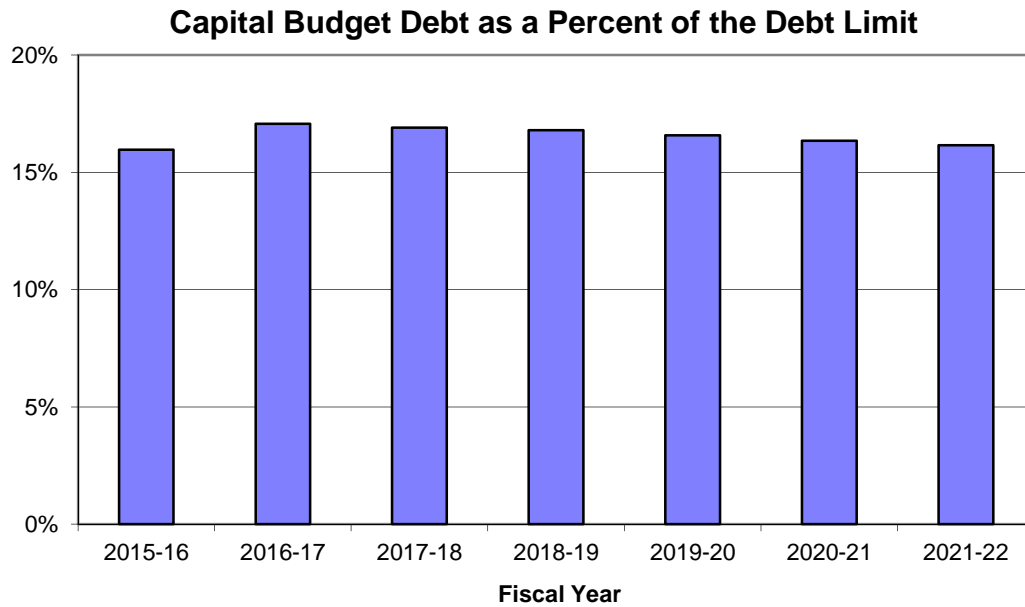


(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Estimated	2017-18 Budget	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
<b>Fiscal Year End Debt Outstanding</b>							
Capital Budget Non-Highway Bonds....	\$ 9,254,740	\$ 10,265,298	\$10,427,350	\$ 10,607,787	\$ 10,873,661	\$ 11,123,994	\$ 11,361,839
Capital Budget Highway/Bridge Bonds	1,199,940	1,154,002	1,121,431	1,087,256	1,036,430	982,959	917,630
Voter Approved and Disaster Bonds....	1,152,905	1,096,356	1,079,379	1,041,900	983,076	906,172	824,904
<b>TOTAL.....</b>	<b>\$ 11,607,585</b>	<b>\$ 12,515,656</b>	<b>\$12,628,160</b>	<b>\$ 12,736,943</b>	<b>\$ 12,893,167</b>	<b>\$ 13,013,125</b>	<b>\$ 13,104,373</b>

## CONSTITUTIONAL DEBT LIMIT 2015-16 Through 2021-22

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)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Estimated	Budget	Estimated	Estimated	Estimated	Estimated

### Debt Limit Projection

#### Capital Budget Debt Subject to Constitutional Debt Limit:

##### Outstanding Debt

Beginning of Fiscal Year*.....	\$ 10,427,978	\$ 10,427,978	\$ 10,830,772	\$ 10,960,253	\$ 11,106,515	\$ 11,321,563	\$ 11,518,425
Debt to be Issued**.....	355,000	1,700,000	835,000	945,000	1,025,000	1,040,000	1,055,000
Debt to be Retired***.....	-1,317,448	-1,297,206	-705,519	-798,738	-809,952	-843,138	-882,485

##### Outstanding Debt

End of Fiscal Year*.....	\$ 10,427,978	\$ 10,830,772	\$ 10,960,253	\$ 11,106,515	\$ 11,321,563	\$ 11,518,425	\$ 11,690,940
--------------------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------

Debt Limit (from below).....	65,321,610	63,447,879	64,833,380	66,133,048	68,287,474	70,454,761	72,369,916
Capital Budget Debt as a percent of Debt Limit.....	16.0%	17.1%	16.9%	16.8%	16.6%	16.3%	16.2%

#### Calculation of Debt Limit:

##### Average Tax Revenues

Previous Five Years.....	\$ 37,326,634	\$ 36,255,931	\$ 37,047,646	\$ 37,790,313	\$ 39,021,414	\$ 40,259,863	\$ 41,354,238
Debt Limit (1.75 times revenues).....	65,321,610	63,447,879	64,833,380	66,133,048	68,287,474	70,454,761	72,369,916

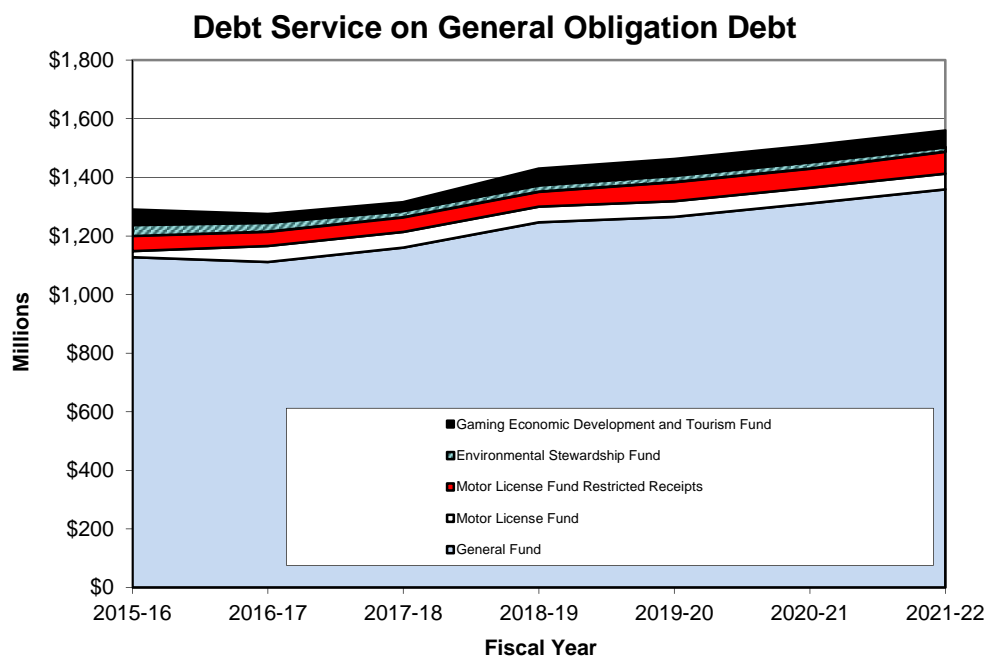
\* Actual year amount is net of June 30 Capital Debt Fund balance.

\*\* Actual year amount includes refunding bonds of \$542,135,000. Current fiscal year amount includes refunding bonds of \$561,825,000.

\*\*\* Actual year amount includes \$608,580,000 in bonds refunded. Current fiscal year amount includes refunding bonds of \$591,160,000.

## DEBT SERVICE ON GENERAL OBLIGATION DEBT 2015-16 Through 2021-22

This table shows the estimated net debt service payable by the commonwealth on currently outstanding general obligation bonds and on projected general obligation bond issues.



	(Dollar Amounts in Thousands)						
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Estimated	Budget	Estimated	Estimated	Estimated	Estimated
<b>General Fund</b>							
Capital Budget Non-Highway.....	\$ 1,082,731	\$1,074,011	\$1,126,142	\$ 1,215,865	\$1,231,252	\$1,276,113	\$ 1,316,697
Voter Approved and Disaster.....	44,769	37,374	33,858	30,759	34,106	35,106	42,223
Subtotal.....	<u>\$ 1,127,500</u>	<u>\$1,111,385</u>	<u>\$1,160,000</u>	<u>\$ 1,246,624</u>	<u>\$1,265,358</u>	<u>\$1,311,219</u>	<u>\$ 1,358,920</u>
<b>Environmental Stewardship Fund</b>							
Growing Greener II.....	\$ 37,598	\$ 30,584	\$ 20,871	\$ 22,480	\$ 21,480	\$ 21,534	\$ 16,069
<b>Gaming Economic Development and Tourism Fund</b>							
Pennsylvania Convention Center*.....	\$ 51,787	\$ 30,000	\$ 30,000	\$ 56,786	\$ 56,786	\$ 56,786	\$ 56,786
<b>Motor License Fund**</b>							
Capital Budget -- Highways.....	\$ 4,223	\$ 36,334	\$ 35,581	\$ 35,620	\$ 35,661	\$ 35,736	\$ 35,779
Capital Budget.....	16,968	17,815	17,815	17,815	17,748	17,633	17,633
Subtotal.....	<u>\$ 21,191</u>	<u>\$ 54,149</u>	<u>\$ 53,396</u>	<u>\$ 53,435</u>	<u>\$ 53,409</u>	<u>\$ 53,369</u>	<u>\$ 53,412</u>
<b>Motor License Fund Restricted Rec.</b>							
Highway Bridge Improvement -- Cap. Bdgt....	51,772	49,264	51,185	51,114	65,840	65,963	75,173
<b>TOTAL.....</b>	<u><u>\$ 1,289,848</u></u>	<u><u>\$1,275,382</u></u>	<u><u>\$1,315,452</u></u>	<u><u>\$ 1,430,439</u></u>	<u><u>\$1,462,873</u></u>	<u><u>\$1,508,871</u></u>	<u><u>\$ 1,560,360</u></u>

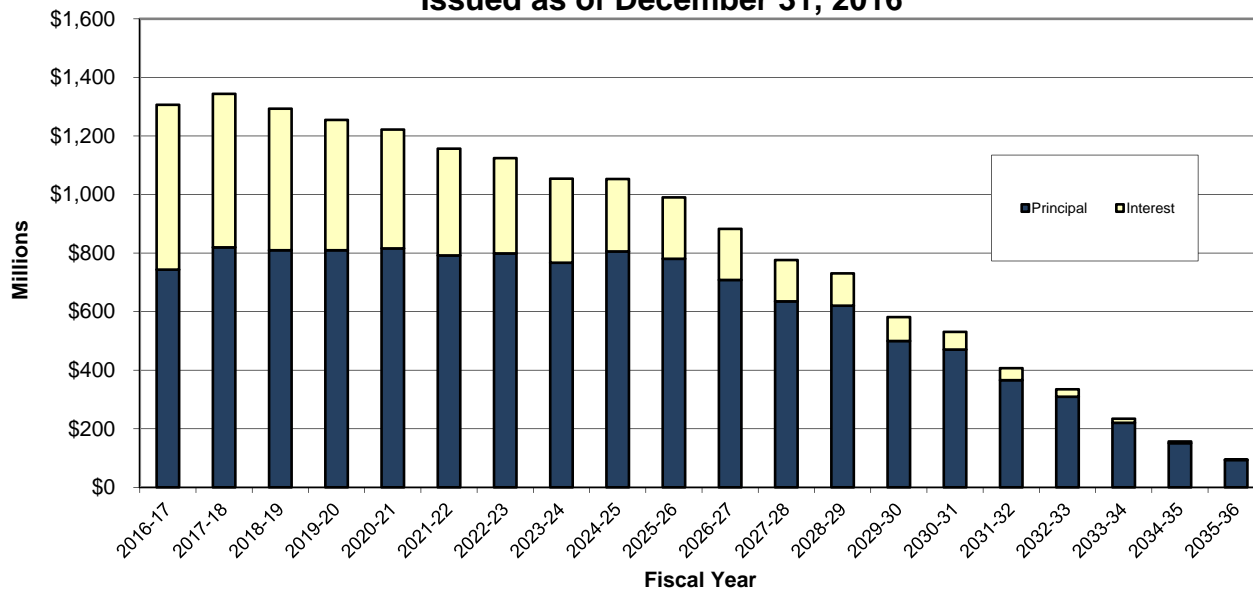
\*Transfer amount for FY 15-16 includes \$21,786,555.26 from fiscal year 14-15 that was transferred in August 2015.

\*\*Build America Bond subsidies transferred to the Motor License Fund (not netted out).

## ANNUAL DEBT SERVICE ON OUTSTANDING GENERAL OBLIGATION BONDS Bonds Issued as of December 31, 2016

Fiscal year principal and interest payments on general obligation bonds issued as of the end of calendar year 2016 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, 2016



### General Obligation Bond Annual Debt Service

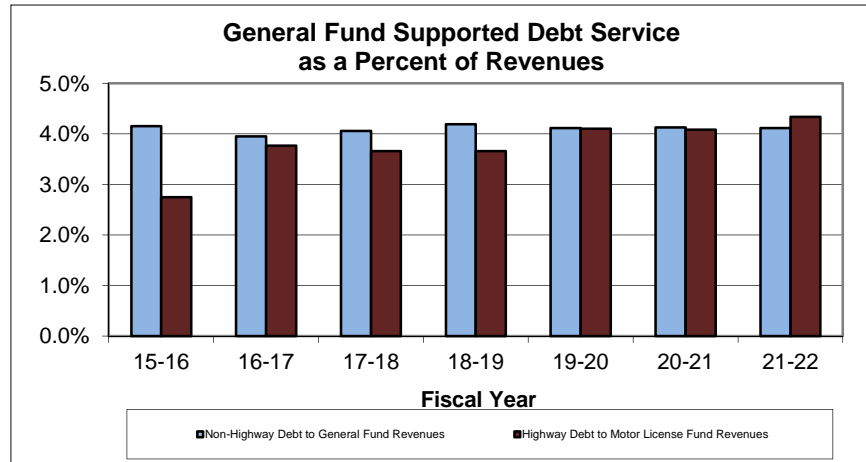
(Dollar Amounts in Thousands)

Fiscal Year	Capital Budget (Non-highway)			Capital Budget (Highway)			Voter Approved and Disaster			Grand
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Total
2016-17	\$ 657,827	\$ 456,289	\$ 1,114,116	\$ 32,571	\$ 54,193	\$ 86,764	\$ 52,977	\$ 52,548	\$ 105,525	\$ 1,306,406
2017-18	722,940	422,080	1,145,020	34,175	52,558	86,733	62,390	49,759	112,149	1,343,901
2018-19	686,351	386,460	1,072,811	50,826	50,675	101,500	72,494	46,420	118,914	1,293,225
2019-20	681,762	354,000	1,035,762	53,471	48,226	101,697	74,407	42,965	117,372	1,254,831
2020-21	671,909	320,853	992,762	65,330	45,621	110,950	78,647	39,404	118,051	1,221,763
2021-22	638,781	286,849	925,630	68,713	42,440	111,153	84,541	35,292	119,833	1,156,617
2022-23	636,424	255,438	891,862	72,680	39,063	111,743	89,732	31,005	120,737	1,124,341
2023-24	598,410	225,302	823,712	76,728	35,139	111,867	91,978	26,557	118,535	1,054,113
2024-25	625,764	194,434	820,198	80,777	31,268	112,045	98,969	21,776	120,745	1,052,988
2025-26	601,131	165,079	766,210	86,188	27,522	113,710	93,211	17,073	110,284	990,205
2026-27	543,406	138,006	681,412	90,606	23,231	113,837	74,214	13,137	87,350	882,599
2027-28	487,172	112,687	599,859	86,961	18,610	105,571	61,017	9,752	70,769	776,200
2028-29	475,086	89,278	564,364	84,263	14,254	98,517	61,056	6,785	67,841	730,722
2029-30	395,880	67,631	463,511	62,085	10,233	72,318	41,735	3,758	45,493	581,322
2030-31	389,946	50,535	440,481	50,858	7,826	58,684	29,611	2,113	31,724	530,889
2031-32	305,840	34,203	340,043	43,253	5,661	48,913	16,843	1,133	17,976	406,932
2032-33	265,574	21,061	286,635	38,427	3,854	42,281	5,334	448	5,782	334,698
2033-34	179,989	11,373	191,362	37,109	2,322	39,431	3,178	211	3,389	234,181
2034-35	108,526	4,508	113,034	38,984	1,079	40,063	3,340	84	3,424	156,521
2035-36	92,580	1,389	93,969	0	0	0	685	10	695	94,664

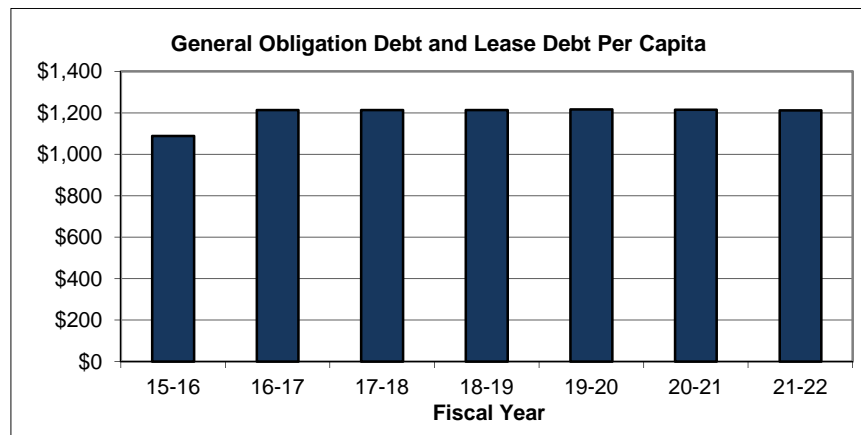
## TRENDS IN DEBT SERVICE AND DEBT RATIOS 2015-16 Through 2021-22

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.

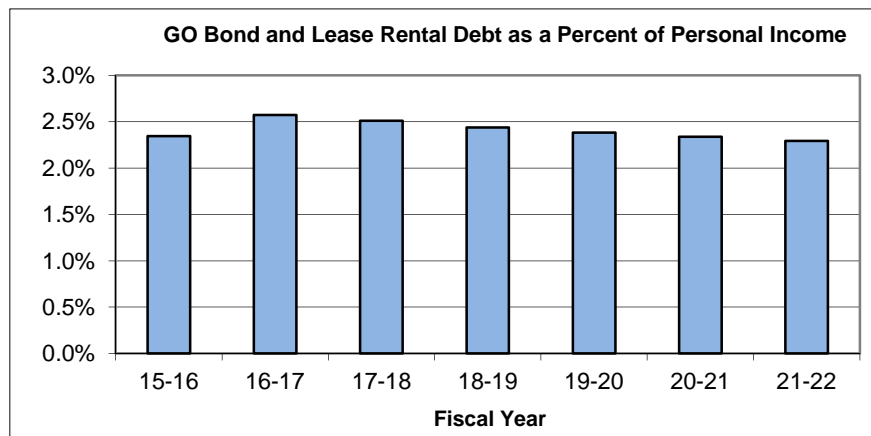
**General Fund debt service as a percent of revenues remains below Standard & Poors criteria of 5% for issuers considered to have a "low debt burden."**



**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  
12/31/16  
(in millions)**

<p><b>Commonwealth Financing Authority</b> 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>	\$ 2,329.0
<p><b>Delaware River Joint Toll Bridge Commission</b> Created by Pennsylvania and New Jersey to construct, operate and maintain bridges crossing the upper Delaware River. Debt service on the bonds is paid from tolls and other revenues of the commission.</p>	298.9
<p><b>Delaware River Port Authority</b> Created by Pennsylvania and New Jersey to control and operate bridges crossing the Delaware River, it may construct or acquire other bridges, tunnels and other projects for port improvement and development. The authority operates a rapid transit system, which it constructed. Debt service on the bonds is paid from tolls, fares, rents and other revenue of the authority.</p>	1,487.5
<p><b>Pennsylvania Economic Development Financing Authority</b> Created to offer pooled bond issues of both taxable and tax-exempt bonds on behalf of local industrial and commercial development authorities for economic development projects. Debt service on the bonds is paid by loan interest and repayments and other authority revenues.</p>	6,466.3
<p><b>Pennsylvania Higher Education Assistance Agency</b> Makes or guarantees student loans for graduate and undergraduate programs to students or parents, lending institutions or postsecondary institutions. Debt service on the bonds is paid by loan interest and repayments and by other agency revenues.</p>	5,483.7
<p><b>Pennsylvania Higher Educational Facilities Authority</b> Acquires, constructs, improves and leases (as lessor) college facilities and makes loans to colleges and universities within the commonwealth. Debt service on the bonds is paid from rentals and from loan repayments collected for the use of the facilities.</p>	6,073.4
<p><b>Pennsylvania Housing Finance Agency</b> Makes construction and permanent mortgage loans to qualified borrowers for the purchase and construction of multi and single family housing for low and moderate income persons or families. Debt service on the bonds is paid from mortgage loan interest and repayments and further secured by a "moral obligation" of the Commonwealth.</p>	2,826.9
<p><b>Pennsylvania Industrial Development Authority</b> Makes mortgage loans to local nonprofit industrial development agencies for the financing of industrial development projects. Debt service on the bonds is paid from loan interest and repayments and other authority revenues.</p>	266.8
<p><b>Pennsylvania Infrastructure Investment Authority</b> Provides low interest rate loans and grants for constructing new and for improving existing water supply and sewage disposal systems. Loans and grants are available to local governments and, in certain circumstances, to private companies. The bonds are secured by principal repayments and interest payments on loans.</p>	73.2
<p><b>Pennsylvania Turnpike Commission</b> Constructs, maintains and operates the Pennsylvania Turnpike. Debt service on the bonds is paid from tolls and other revenue sources of the commission.</p>	11,285.8
<p><b>Philadelphia Regional Port Authority</b> Operates port facilities in Bucks and Delaware counties, and the City of Philadelphia. Debt service on the bonds is paid by a pledge of the authority's revenues, rentals and receipts.</p>	16.7
<p><b>State Public School Building Authority</b> Constructs, improves, equips and makes loans to local school districts for school facilities. Debt service on the bonds is paid from rentals collected for the use of the facilities and from loan repayments.</p>	3,102.6
<p>TOTAL.....</p>	<p><u>\$ 39,710.8</u></p>



Commonwealth of Pennsylvania

## Governor's Executive Budget

# *OTHER SPECIAL FUNDS*

This section provides information and financial data for the more than 150 Other Special Funds contributing revenue to the commonwealth's operating budget. The funds included here were created to more closely relate specific revenue sources to specific programs or to support particular government programs or activities. This information is presented to demonstrate the magnitude and complexity of the commonwealth's financial structure as well as provide important details about the various funds. Additional information on Other Special Funds expenditures can be found in Section E Department Presentations in each agency's Summary by Fund and Appropriation statement.



– THIS PAGE INTENTIONALLY LEFT BLANK –

# OTHER SPECIAL FUNDS

This section 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 value of the fund 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.

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's 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. The 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, Capital Project Funds and Debt Service 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 on a cost-reimbursement basis to other departments or agencies within the commonwealth or to other governmental units.

**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.

The special funds are categorized on the next two pages.

# SPECIAL FUND CATEGORIES

## Governmental Funds – Special Revenue Funds

Acid Mine Drainage Abatement and Treatment Fund	Motor Vehicle Transaction Recovery Fund
Administration Fund	Municipalities Financial Recovery Revolving Aid Fund
Agricultural College Land Scrip Fund	Multimodal Transportation Fund
Agricultural Conservation Easement Purchase Fund	Non-Coal Surface Mining Conservation and Reclamation Fund
Anthracite Emergency Bond Fund	Nutrient Management Fund
Automobile Theft Prevention Trust Fund	Oil and Gas Lease Fund
Banking Fund	Patient Safety Trust Fund
Ben Franklin Tech Development Authority Fund	Pennsylvania Economic Revitalization Fund
Boat Fund	Pennsylvania eHealth Partnership Fund
Broadband Outreach and Aggregation Fund	Pennsylvania Gaming Economic Development and Tourism Fund
Budget Stabilization Reserve Fund	Pennsylvania Historical & Museum Commission Trust Fund
Capitol Restoration Trust Fund	Pennsylvania Race Horse Development Fund
Catastrophic Loss Benefits Continuation Fund	Pennsylvania Veterans Memorial Trust Fund
Children's Trust Fund	PENNVEST Bond Authorization Fund
Cigarette Fire Safety & Firefighter Protection Act Enforcement Fund	PENNVEST Drinking Water Revolving Fund
Clean Air Fund	PENNVEST Fund
Coal Lands Improvement Fund	PENNVEST Water Pollution Control Revolving Fund
Community College Capital Fund	Persian Gulf Conflict Veterans' Comp Bond Fund
Compulsive and Problem Gambling Treatment Fund	Pharmaceutical Assistance Fund
Conrad Weiser Memorial Park Trust Fund	Philadelphia Regional Port Authority Fund
Conservation District Fund	PlanCon Bond Projects Fund
DNA Detection Fund	Port of Pittsburgh Commission Fund
Educational Assistance Program Fund	Property Tax Relief Fund
Emergency Medical Services Operating Fund	Public Transportation Assistance Fund
Energy Development Fund	Public Transportation Trust Fund
Environmental Education Fund	Racing Fund
Environmental Stewardship Fund	Real Estate Recovery Fund
Farm Products Show Fund	Recycling Fund
Fire Insurance Tax Fund	Remining Financial Assurance Fund
Fish Fund	Self-Insurance Guaranty Fund
Game Fund	Solid Waste-Resource Recovery Development Fund
Gov Robert P. Casey Memorial Organ & Tissue Donation Awareness Trust Fund	Special Administration Fund
Growing Greener Bond Fund	State College Experimental Farm Fund
Hazardous Material Response Fund	State Gaming Fund
Hazardous Sites Cleanup Fund	State Insurance Fund
Higher Education Assistance Fund	State School Fund
Highway Beautification Fund	State Treasury Armory Fund
HOME Investment Trust Fund	Storage Tank Fund
Homeowners Assistance Settlement Fund	Substance Abuse Education & Demand Reduction
Housing Affordability and Rehabilitation Enhancement Fund	Surface Mining Conservation and Reclamation Fund
Industrial Development Fund	Tobacco Settlement Fund
Industrial Sites Cleanup Fund	Treasury Initiative Support Fund
Insurance Fraud Prevention Trust Fund	Unconventional Gas Well Fund
Insurance Liquidation Fund	Underground Storage Tank Indemnification Fund
Insurance Regulation and Oversight Fund	Uninsured Employers Guaranty Fund
Job Training Fund	Vocational Rehabilitation Fund
Justice Reinvestment Fund	Water and Sewer Systems Assistance Bond Fund
Marcellus Legacy Fund	Water Supply and Wastewater Treatment Fund
Medical Care Availability & Reduction of Error Fund	Wild Resources Conservation Fund
Medical Marijuana Program Fund	Workers' Compensation Security Fund
Milk Marketing Fund	Workmen's Compensation Administration Fund
Mine Safety Fund	Workmen's Compensation Supersedeas Fund
Monetary Penalty Endowments Trust Fund	911 Fund

# SPECIAL FUND CATEGORIES

## Governmental Funds – Capital Project Funds

Capital Facilities Fund  
Keystone Recreation, Park and Conservation Fund

Land and Water Development Fund

## Governmental Funds – Debt Service Funds

Capital Debt Fund  
Growing Greener Bond Sinking Fund  
Land and Water Development Sinking Fund  
Local Criminal Justice Sinking Fund  
PENNVEST Redemption Fund

Persian Gulf Conflict Veterans' Comp Sinking Fund  
Tax Note Sinking Fund  
Water & Sewer System Assist Bond Sinking Fund  
Water Supply & Wastewater Treatment Sinking Fund

## Proprietary Funds – Enterprise Funds

Coal and Clay Mine Subsidence Insurance Fund  
Employment Fund for the Blind  
Historical Preservation Fund  
Local Government Capital Project Loan Fund  
Machinery and Equipment Loan Fund  
Minority Business Development Fund  
Pennsylvania Infrastructure Bank  
Philadelphia Taxicab & Limousine Regulatory Fund  
Philadelphia Taxicab Medallion Fund  
Rehabilitation Center Fund

Small Business First Fund  
State Restaurant Fund  
State Stores Fund  
State Worker's Insurance Fund  
Tuition Account Guaranteed Savings Program Fund  
Unemployment Comp Benefit Payment Fund  
Unemployment Compensation Contribution Fund  
Unemployment Compensation Debt Service Fund  
Veterans Trust Fund  
Volunteer Companies Loan Fund

## Proprietary Funds – Internal Service Funds

Manufacturing Fund

Purchasing Fund

## Fiduciary Funds

Achieving a Better Life Experience Fund  
Benefit Completion Fund  
City Revitalization and Improvement Fund  
Deferred Compensation Fund  
Deferred Compensation Fund Short-Term Portfolio  
Insurance Liquidation Fund  
Liquid Fuels Tax Fund  
Liquor License Fund

Local Cigarette Tax Fund  
Municipal Pension Aid Fund  
Neighborhood Improvement Zone Fund  
Pennsylvania Municipal Retirement Fund  
Rightful Owners' Claims Payment Fund  
School Employees' Retirement Fund  
State Employees' Retirement Fund  
Tuition Account Investment Program Fund

## Achieving a Better Life Experience Fund

The Achieving a Better Life Experience (ABLE) Fund was created by Act 17 of 2016 to encourage savings accounts for individuals with disabilities. Individuals are eligible for an ABLE account if entitled to Social Security benefits based on blindness or a disability occurring before the age of 26. With the new accounts, people with disabilities will be able to accrue up to \$100,000 in savings without losing access to Social Security and other government benefits. This tax free savings account would cover qualified expenses approved by the United States Secretary of the Treasury including education, housing and transportation expenses.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 0	\$ 0	\$ 2
<b>Receipts:</b>			
Account Deposits.....	\$ 0	\$ 0	\$ 600
Transfer from General Fund.....	0	1,500	1,130
Interest .....	0	2	2
Total Receipts.....	<u>0</u>	<u>1,502</u>	<u>1,732</u>
<b>Total Funds Available</b> .....	<u>\$ 0</u>	<u>\$ 1,502</u>	<u>\$ 1,734</u>
<b>Disbursements:</b>			
Treasury.....	\$ 0	\$ 1,500	\$ 1,130
Total Disbursements.....	<u>0</u>	<u>-1,500</u>	<u>-1,130</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 0</u>	<u>\$ 2</u>	<u>\$ 604</u>

## 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 76,794	\$ 81,261	\$ 75,412
<b>Receipts:</b>			
Federal Receipts.....	\$ 9,386	\$ 8,500	\$ 8,000
Interest.....	1,147	1,486	1,486
Total Receipts.....	<u>10,533</u>	<u>9,986</u>	<u>9,486</u>
<b>Total Funds Available</b> .....	<u>\$ 87,327</u>	<u>\$ 91,247</u>	<u>\$ 84,898</u>
<b>Disbursements:</b>			
Environmental Protection.....	\$ 6,066	\$ 15,835	\$ 16,086
Total Disbursements.....	<u>-6,066</u>	<u>-15,835</u>	<u>-16,086</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 81,261</u>	<u>\$ 75,412</u>	<u>\$ 68,812</u>

# Administration Fund

This fund was created for the administrative costs associated with the Unemployment Compensation Law and the state system of public employment offices (Office of Employment Security). While the fund can receive funds from any source, the majority of revenue results from monies requisitioned from the commonwealth's account in the Federal Unemployment Trust Fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 6,969</b>	<b>\$ 10,214</b>	<b>\$ 3,054</b>
<b>Receipts:</b>			
Federal Unemployment Trust Fund.....	\$ 177,085	\$ 172,974	\$ 169,909
Federal — Other Funds.....	8,651	9,268	8,522
Interest.....	17	28	28
Other.....	1,660	0	0
<b>Total Receipts</b> .....	<b>187,413</b>	<b>182,270</b>	<b>178,459</b>
<b>Total Funds Available</b> .....	<b>\$ 194,382</b>	<b>\$ 192,484</b>	<b>\$ 181,513</b>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 184,168	\$ 189,430	\$ 173,996
<b>Total Disbursements</b> .....	<b>-184,168</b>	<b>-189,430</b>	<b>-173,996</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 10,214</b>	<b>\$ 3,054</b>	<b>\$ 7,517</b>

# Agricultural College Land Scrip Fund

This fund was established in 1862 with \$500,000 received from the sale of lands and scrip which was donated to the commonwealth by an Act of Congress to establish a college for the benefit of Agriculture and the Mechanical Arts. The 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. Act 26 of 2011 established a restricted revenue account in the Fund for the Department of Agriculture.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 622</b>	<b>\$ 624</b>	<b>\$ 647</b>
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 50,549	\$ 51,813	\$ 51,813
Interest.....	4	23	23
<b>Total Receipts</b> .....	<b>50,553</b>	<b>51,836</b>	<b>51,836</b>
<b>Total Funds Available</b> .....	<b>\$ 51,175</b>	<b>\$ 52,460</b>	<b>\$ 52,483</b>
<b>Disbursements:</b>			
Agriculture.....	\$ 50,549	\$ 51,813	\$ 51,813
Treasury.....	2	0	0
<b>Total Disbursements</b> .....	<b>-50,551</b>	<b>-51,813</b>	<b>-51,813</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 624</b>	<b>\$ 647</b>	<b>\$ 670</b>

# Agricultural Conservation Easement Purchase Fund

This fund was created by Act 64 of 1988 to implement the referendum approved by the electorate on 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 84 of 2016 increased the annual transfer of Cigarette Tax revenues to \$25,485,000. Act 15 of 1999 created a supplemental program for farmland preservation. Beginning in 2005-06 the program receives a set percentage of the Environmental Stewardship Fund for the continued purchase of agricultural easements.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 27,440	\$ 29,214	\$ 31,564
<b>Receipts:</b>			
Transfer of Cigarette Tax.....	\$ 20,485	\$ 25,485	\$ 25,485
Transfer from Environmental Stewardship Fund.....	10,628	9,342	9,646
Interest.....	120	233	233
Total Receipts.....	<u>31,233</u>	<u>35,060</u>	<u>35,364</u>
<b>Total Funds Available</b> .....	<b>\$ 58,673</b>	<b>\$ 64,274</b>	<b>\$ 66,928</b>
<b>Disbursements:</b>			
Agriculture.....	\$ 29,459	\$ 32,710	\$ 40,000
Total Disbursements.....	<u>-29,459</u>	<u>-32,710</u>	<u>-40,000</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 29,214</b>	<b>\$ 31,564</b>	<b>\$ 26,928</b>

# Anthracite Emergency Bond Fund

This fund was created by Act 171 of 1986 to provide loans for anthracite underground mine operators who cannot obtain necessary bonding or whose bonding has been cancelled due to insolvency or bankruptcy of the original bonding company. Revenues are provided by 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 655	\$ 670	\$ 455
<b>Receipts:</b>			
Operator Payments.....	\$ 12	\$ 10	\$ 10
Interest .....	3	4	4
Total Receipts .....	<u>15</u>	<u>14</u>	<u>14</u>
<b>Total Funds Available</b> .....	<b>\$ 670</b>	<b>\$ 684</b>	<b>\$ 469</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 0	\$ 229	\$ 221
Total Disbursements .....	<u>0</u>	<u>-229</u>	<u>-221</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 670</b>	<b>\$ 455</b>	<b>\$ 248</b>

# Automobile Theft Prevention Trust Fund

The Automobile Theft Prevention Trust Fund was created by Act 171 of 1994. The purpose of the fund is to finance programs in the commonwealth to prevent, combat and reduce automobile theft as well as 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 6	\$ 7	\$ 0
<b>Receipts:</b>			
Assessments.....	\$ 6,991	\$ 6,989	\$ 6,989
Interest .....	1	1	1
Total Receipts .....	6,992	6,990	6,990
<b>Total Funds Available</b> .....	\$ 6,998	\$ 6,997	\$ 6,990
<b>Disbursements:</b>			
Automobile Theft Prevention Authority.....	\$ 6,991	\$ 6,997	\$ 6,989
Total Disbursements .....	-6,991	-6,997	-6,989
<b>Cash Balance, Ending</b> .....	\$ 7	\$ 0	\$ 1

# Banking Fund

The Banking 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 and Securities. It provides for the administration of the Department of Banking and Securities and regulation of the financial services industry. These funds are to be used at the discretion of the Secretary of Banking and Securities in the event of a seizure or liquidation of a financial institution, association or credit union.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 20,823	\$ 27,382	\$ 29,573
<b>Receipts:</b>			
Licenses and Fees.....	\$ 23,739	\$ 25,764	\$ 27,124
Fines and Penalties.....	1,284	400	400
Interest.....	300	428	428
Other.....	415	0	0
Total Receipts .....	25,738	26,592	27,952
<b>Total Funds Available</b> .....	\$ 46,561	\$ 53,974	\$ 57,525
<b>Disbursements:</b>			
Banking and Securities.....	\$ 19,179	\$ 24,401	\$ 23,235
Total Disbursements .....	-19,179	-24,401	-23,235
<b>Cash Balance, Ending</b> .....	\$ 27,382 <sup>a</sup>	\$ 29,573 <sup>a</sup>	\$ 34,290 <sup>a</sup>

<sup>a</sup> Ending cash balance includes the following amounts in the Institution Resolution Restricted Account: 2015-16 Actual is \$7,500,000, 2016-17 Available is \$9,500,000 and 2017-18 Estimated is \$11,500,000.



# 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 Investment 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, tax credit sale proceeds and interest earnings.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 9,989</b>	<b>\$ 14,041</b>	<b>\$ 14,175</b>
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 14,500	\$ 14,500	\$ 14,500
Innovate in PA Tax Credit Sale Proceeds.....	29,000 <sup>a</sup>	29,000 <sup>a</sup>	29,000 <sup>a</sup>
Interest on Escrow.....	603	700	700
Loan Principal and Interest Repayments.....	1,506	2,000	2,000
Interest.....	81	191	191
Other.....	88	30	30
<b>Total Receipts</b> .....	<b>45,778</b>	<b>46,421</b>	<b>46,421</b>
<b>Total Funds Available</b> .....	<b>\$ 55,767</b>	<b>\$ 60,462</b>	<b>\$ 60,596</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 41,726 <sup>a</sup>	\$ 46,287 <sup>a</sup>	\$ 48,000 <sup>a</sup>
<b>Total Disbursements</b> .....	<b>-41,726</b>	<b>-46,287</b>	<b>-48,000</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 14,041</b>	<b>\$ 14,175</b>	<b>\$ 12,596</b>

<sup>a</sup> Act 52 of 2013 Section 1811-F authorizes funding (estimate \$29M per year) to be paid for Innovate in PA from restricted revenue.

# 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 are 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 3,858</b>	<b>\$ 3,850</b>	<b>\$ 2,746</b>
<b>Receipts:</b>			
Employer Contributions .....	\$ 1,509	\$ 626	\$ 644
Interest.....	11	24	24
<b>Total Receipts</b> .....	<b>1,520</b>	<b>650</b>	<b>668</b>
<b>Total Funds Available</b> .....	<b>\$ 5,378</b>	<b>\$ 4,500</b>	<b>\$ 3,414</b>
<b>Disbursements:</b>			
State Employees' Retirement System.....	\$ 1,528	\$ 1,754	\$ 1,817
<b>Total Disbursements</b> .....	<b>-1,528</b>	<b>-1,754</b>	<b>-1,817</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 3,850</b>	<b>\$ 2,746</b>	<b>\$ 1,597</b>

# Boat Fund

The Boat Fund is a special revenue fund composed of monies from boating license fees, fines, penalties, federal contributions and other sources and from liquid fuel 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.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 22,922</b>	<b>\$ 25,531</b>	<b>\$ 31,916</b>
<b>Receipts:</b>			
Licenses and Fees.....	\$ 8,022	\$ 7,045	\$ 7,045
Fines and Penalties.....	269	200	200
Transfer from Motor License Fund.....	5,579	10,470	11,973
Transfer from Liquid Fuels Tax Fund.....	69	2,475	2,539
Federal Receipts.....	3,410	7,861	5,000
Interest.....	513	674	674
Other.....	15	32	32
<b>Total Receipts</b> .....	<b>17,877</b>	<b>28,757</b>	<b>27,463</b>
<b>Total Funds Available</b> .....	<b>\$ 40,799</b>	<b>\$ 54,288</b>	<b>\$ 59,379</b>
<b>Disbursements:</b>			
Fish and Boat Commission.....	\$ 15,268	\$ 22,372	\$ 24,787
<b>Total Disbursements</b> .....	<b>-15,268</b>	<b>-22,372</b>	<b>-24,787</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 25,531</b>	<b>\$ 31,916</b>	<b>\$ 34,592</b>

# 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 (PUC) 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. This fund terminated on July 1, 2016 in accordance with the Act.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 3,355</b>	<b>\$ 5</b>	<b>\$ 0</b>
<b>Receipts:</b>			
Transfer from PUC.....	\$ 210	\$ -5	\$ 0
Interest.....	8	0	0
<b>Total Receipts</b> .....	<b>218</b>	<b>-5</b>	<b>0</b>
<b>Total Funds Available</b> .....	<b>\$ 3,573</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 3,568	\$ 0	\$ 0
<b>Total Disbursements</b> .....	<b>-3,568</b>	<b>0</b>	<b>0</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 5</b>	<b>\$ 0</b>	<b>\$ 0</b>

# 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 fiscal year end surplus. If the 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. The transfer had been suspended for fiscal years 2010-11 through 2014-15. Act 85 of 2016 suspended the transfer of surplus funds for 2015-16. There is no surplus anticipated for fiscal year 2016-17. This budget proposes to reinstate the transfer of 25 percent of the 2017-18 General Fund surplus to the Budget Stabilization Reserve Fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 232	\$ 244	\$ 245
<b>Receipts:</b>			
Interest .....	\$ 12	\$ 1	\$ 2
Total Receipts .....	12	1	2
<b>Total Funds Available</b> .....	<b>\$ 244</b>	<b>\$ 245</b>	<b>\$ 247</b>
<b>Disbursements:</b>			
Transfer to General Fund.....	\$ 0	\$ 0	\$ 0
Total Disbursements .....	0	0	0
<b>Cash Balance, Ending</b> .....	<b>\$ 244</b>	<b>\$ 245</b>	<b>\$ 247</b>

# 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 are the primary sources of revenue. Funds in 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 10,093	\$ 26,701	\$ 4,293
<b>Receipts:</b>			
Transfer from Other Funds.....	\$ 1,207,480	\$ 1,207,457	\$ 1,260,723
Refunding Bond Maturing Escrow Funds.....	1,493,053	1,549,920	857,243
Build America Bond Federal Subsidies.....	30,938	7,810	19,377
Interest on Securities.....	122	60	50
Total Receipts .....	2,731,593	2,765,247	2,137,393
<b>Total Funds Available</b> .....	<b>\$ 2,741,686</b>	<b>\$ 2,791,948</b>	<b>\$ 2,141,686</b>
<b>Disbursements:</b>			
Treasury.....	\$ 1,221,932	\$ 1,237,735	\$ 1,280,379
Refunding Bond Maturing Escrow Funds.....	1,493,053	1,549,920	857,243
Total Disbursements .....	-2,714,985	-2,787,655	-2,137,622
<b>Cash Balance, Ending</b> .....	<b>\$ 26,701</b>	<b>\$ 4,293</b>	<b>\$ 4,064</b>

# 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 924,747</b>	<b>\$ 398,250</b>	<b>\$ 1,011,486</b>
<b>Receipts:</b>			
Sale of Bonds.....	\$ 355,323	\$ 1,700,000	\$ 835,000
Premium on Sale of Bonds.....	38,151	155,094	0
Interest on Securities .....	1,624	7,000	7,000
Other .....	15,821	25,000	25,000
<b>Total Receipts</b> .....	<b>410,919</b>	<b>1,887,094</b>	<b>867,000</b>
<b>Total Funds Available</b> .....	<b>\$ 1,335,666</b>	<b>\$ 2,285,344</b>	<b>\$ 1,878,486</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 193,370	\$ 270,000	\$ 270,000
Conservation & Natural Resources.....	0	1,000	1,000
General Services.....	391,341	600,000	600,000
Transportation.....	350,198	382,000	175,000
Treasury.....	-835	1,000	1,000
Other.....	3,342	19,858	22,267
<b>Total Disbursements</b> .....	<b>-937,416</b>	<b>-1,273,858</b>	<b>-1,069,267</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 398,250</b>	<b>\$ 1,011,486</b>	<b>\$ 809,219</b>

# 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 427</b>	<b>\$ 429</b>	<b>\$ 413</b>
<b>Receipts:</b>			
Contribution & Sales.....	\$ 1	\$ 1	\$ 1
Interest.....	1	3	3
<b>Total Receipts</b> .....	<b>2</b>	<b>4</b>	<b>4</b>
<b>Total Funds Available</b> .....	<b>\$ 429</b>	<b>\$ 433</b>	<b>\$ 417</b>
<b>Disbursements:</b>			
Capitol Preservation Committee.....	\$ 0	\$ 20	\$ 10
<b>Total Disbursements</b> .....	<b>0</b>	<b>-20</b>	<b>-10</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 429</b>	<b>\$ 413</b>	<b>\$ 407</b>

# Catastrophic Loss Benefits Continuation Fund

This fund was established by Act 24 of 1989 to replace the Catastrophic Loss Trust Fund. The purpose of the 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. Act 26 of 2011 redirected the surcharge to the General Fund for 2011-12 and for each fiscal year thereafter.

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 2091.

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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 86,358</b>	<b>\$ 83,178</b>	<b>\$ 78,508</b>
<b>Receipts:</b>			
Interest .....	\$ 1,825	\$ 2,184	\$ 2,184
Other .....	499	91	0
Total Receipts .....	<u>2,324</u>	<u>2,275</u>	<u>2,184</u>
<b>Total Funds Available</b> .....	<b>\$ 88,682</b>	<b>\$ 85,453</b>	<b>\$ 80,692</b>
<b>Disbursements:</b>			
Insurance .....	\$ 5,504	\$ 6,945	\$ 6,738
Total Disbursements .....	<u>-5,504</u>	<u>-6,945</u>	<u>-6,738</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 83,178</b>	<b>\$ 78,508</b>	<b>\$ 73,954</b>

# Children's Trust Fund

Act 151 of 1988 created the Children's Trust Fund. Revenue is generated by a \$10 surcharge on marriage licenses and divorce applications. Expenditures are for community-based children's programs and services for child abuse and neglect prevention.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 1,680</b>	<b>\$ 1,520</b>	<b>\$ 1,211</b>
<b>Receipts:</b>			
Marriage/Divorce Surcharge.....	\$ 1,093	\$ 1,100	\$ 1,100
Children's Trust Fund Donations.....	27	10	10
Interest.....	5	10	10
Total Receipts .....	<u>1,125</u>	<u>1,120</u>	<u>1,120</u>
<b>Total Funds Available</b> .....	<b>\$ 2,805</b>	<b>\$ 2,640</b>	<b>\$ 2,331</b>
<b>Disbursements:</b>			
Health and Human Services.....	\$ 1,285	\$ 1,429	\$ 1,400
Total Disbursements .....	<u>-1,285</u>	<u>-1,429</u>	<u>-1,400</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 1,520</b>	<b>\$ 1,211</b>	<b>\$ 931</b>

# Cigarette Fire Safety and Firefighter Protection Act Enforcement Fund

Act 42 of 2008 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 per brand family and \$500 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 456	\$ 476	\$ 449
<b>Receipts:</b>			
Fees.....	\$ 19	\$ 20	\$ 101
Interest.....	1	3	3
Total Receipts .....	20	23	104
<b>Total Funds Available</b> .....	<u>\$ 476</u>	<u>\$ 499</u>	<u>\$ 553</u>
<b>Disbursements:</b>			
Attorney General.....	\$ 0	\$ 50	\$ 250
Total Disbursements .....	0	-50	-250
<b>Cash Balance, Ending</b> .....	<u>\$ 476</u>	<u>\$ 449</u>	<u>\$ 303</u>

# City Revitalization and Improvement Fund

The City Revitalization and Improvement Fund is a fiduciary fund established by Act 52 of 2013 which authorizes City Revitalization and Improvement Zones to provide economic development and job creation in cities with populations greater than 30,000. Each zone is comprised of parcels designated by the contracting authority constructing facilities in the zone. Through 2016, only two zones may be created, including a pilot program which is a zone in a township or borough having a population of at least 7,000 people. After 2016, two additional zones may be approved each year. Bonds are issued by the contracting authority and state and local taxes collected within a zone are used for program efforts and to repay debt service.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 0	\$ 0	\$ 0
<b>Receipts:</b>			
State Tax Share.....	\$ 22	\$ 3,600	\$ 12,500
Local Tax Share.....	128	0	0
Total Receipts .....	150	3,600	12,500
<b>Total Funds Available</b> .....	<u>\$ 150</u>	<u>\$ 3,600</u>	<u>\$ 12,500</u>
<b>Disbursements:</b>			
Treasury.....	\$ 150	\$ 3,600	\$ 12,500
Total Disbursements .....	-150	-3,600	-12,500
<b>Cash Balance, Ending</b> .....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

## Clean Air Fund

This fund was created to meet the provisions of Act 787 of 1959, as amended by Act 95 of 1992, to finance the attainment of air quality standards, the administration of the rules and regulations promulgated under these acts, the reduction of interstate air pollution transport and a program to assist businesses in meeting emission standards. Fines, civil penalties and fees from air pollution emitters, as well as appropriations from the General Assembly, federal or local governments and interest earnings are deposited in this fund.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 44,796</b>	<b>\$ 43,100</b>	<b>\$ 30,089</b>
<b>Receipts:</b>			
Fines and Penalties.....	\$ 1,569	\$ 1,417	\$ 1,425
Fees.....	19,462	18,233	17,079
Interest.....	985	1,127	1,127
Other.....	896	843	708
<b>Total Receipts</b> .....	<b>22,912</b>	<b>21,620</b>	<b>20,339</b>
<b>Total Funds Available</b> .....	<b>\$ 67,708</b>	<b>\$ 64,720</b>	<b>\$ 50,428</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 24,608	\$ 34,631	\$ 29,672
<b>Total Disbursements</b> .....	<b>-24,608</b>	<b>-34,631</b>	<b>-29,672</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 43,100</b>	<b>\$ 30,089</b>	<b>\$ 20,756</b>

## 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 101,407</b>	<b>\$ 105,404</b>	<b>\$ 107,576</b>
<b>Receipts:</b>			
Premiums Collected.....	\$ 5,515	\$ 5,900	\$ 6,500
Interest.....	1,974	2,468	2,468
<b>Total Receipts</b> .....	<b>7,489</b>	<b>8,368</b>	<b>8,968</b>
<b>Total Funds Available</b> .....	<b>\$ 108,896</b>	<b>\$ 113,772</b>	<b>\$ 116,544</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 3,492	\$ 6,196	\$ 5,705
<b>Total Disbursements</b> .....	<b>-3,492</b>	<b>-6,196</b>	<b>-5,705</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 105,404</b>	<b>\$ 107,576</b>	<b>\$ 110,839</b>

# 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 2,795	\$ 2,761	\$ 2,579
<b>Receipts:</b>			
Interest .....	\$ 9	\$ 18	\$ 18
Total Receipts .....	<u>9</u>	<u>18</u>	<u>18</u>
<b>Total Funds Available</b> .....	<u>\$ 2,804</u>	<u>\$ 2,779</u>	<u>\$ 2,597</u>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 43	\$ 200	\$ 100
Total Disbursements .....	<u>-43</u>	<u>-200</u>	<u>-100</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 2,761</u>	<u>\$ 2,579</u>	<u>\$ 2,497</u>

# 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 4,988	\$ 5,587	\$ 4,599
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 48,869	\$ 48,869	\$ 48,869
Interest.....	49	160	160
Total Receipts.....	<u>48,918</u>	<u>49,029</u>	<u>49,029</u>
<b>Total Funds Available</b> .....	<u>\$ 53,906</u>	<u>\$ 54,616</u>	<u>\$ 53,628</u>
<b>Disbursements:</b>			
Education.....	\$ 48,319	\$ 50,017	\$ 51,183
Total Disbursements.....	<u>-48,319</u>	<u>-50,017</u>	<u>-51,183</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 5,587</u>	<u>\$ 4,599</u>	<u>\$ 2,445</u>



# 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 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 in the Department of Health.

Act 50 of 2010 created the Department of Drug and Alcohol Programs and requires that all drug and alcohol funding previously allocated to the Department of Health be transferred to the Department of Drug and Alcohol Programs. As a result, beginning in 2012-13, these funds are allocated to the Department of Drug and Alcohol Programs.

This budget proposes the consolidation of the Departments of Human Services, Health, Drug and Alcohol Programs and Aging into a new Department of Health and Human Services.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 8,117	\$ 8,151	\$ 5,227
<b>Receipts:</b>			
Transfer from the State Gaming Fund - Drug and Alcohol.....	\$ 3,000	\$ 3,000	\$ 3,000
Transfer from the State Gaming Fund.....	4,566	4,612	4,800
Interest .....	29	78	50
<b>Total Receipts</b> .....	<u>7,595</u>	<u>7,690</u>	<u>7,850</u>
<b>Total Funds Available</b> .....	<u>\$ 15,712</u>	<u>\$ 15,841</u>	<u>\$ 13,077</u>
<b>Disbursements:</b>			
Health and Human Services.....	\$ 7,561	\$ 10,614	\$ 8,582
<b>Total Disbursements</b> .....	<u>-7,561</u>	<u>-10,614</u>	<u>-8,582</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 8,151</u>	<u>\$ 5,227</u>	<u>\$ 4,495</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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 86	\$ 74	\$ 74
<b>Receipts:</b>			
Interest .....	\$ 0	\$ 0	\$ 0
<b>Total Receipts</b> .....	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Funds Available</b> .....	<u>\$ 86</u>	<u>\$ 74</u>	<u>\$ 74</u>
<b>Disbursements:</b>			
Historical and Museum Commission .....	\$ 12	\$ 0	\$ 0
<b>Total Disbursements</b> .....	<u>-12</u>	<u>0</u>	<u>0</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 74</u>	<u>\$ 74</u>	<u>\$ 74</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. Act 13 of 2012 provided for the collection and distribution of unconventional gas well impact fees, including transfers to conservation districts from the Public Utility Commission. Fifty percent of the Act 13 revenue is distributed directly by the Public Utility Commission in equal payments to all county conservation districts. The remaining fifty percent of this revenue is deposited into the Conservation District Fund to provide additional conservation district support.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 5,234	\$ 5,655	\$ 4,331
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 3,375	\$ 3,375	\$ 3,375
Transfer from Unconventional Gas Well Fund.....	3,773	3,867	3,964
Interest.....	15	33	33
Total Receipts .....	<u>7,163</u>	<u>7,275</u>	<u>7,372</u>
<b>Total Funds Available</b> .....	\$ <u>12,397</u>	\$ <u>12,930</u>	\$ <u>11,703</u>
<b>Disbursements:</b>			
Environmental Protection.....	\$ 4,169	\$ 4,942	\$ 4,488
Agriculture.....	2,573	3,657	2,851
Total Disbursements .....	<u>-6,742</u>	<u>-8,599</u>	<u>-7,339</u>
<b>Cash Balance, Ending</b> .....	\$ <u>5,655</u>	\$ <u>4,331</u>	\$ <u>4,364</u>

# 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 Benefits and Rollovers 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 117,331	\$ 29,674	\$ 29,795
<b>Receipts:</b>			
Employee Contributions .....	\$ 135,057	\$ 139,109	\$ 143,282
Sale or Purchase of Securities.....	-80,541	-15,000	-15,450
Interest.....	368 <sup>a</sup>	105 <sup>a</sup>	108 <sup>a</sup>
Total Receipts .....	<u>54,884</u>	<u>124,214</u>	<u>127,940</u>
<b>Total Funds Available</b> .....	\$ <u>172,215</u>	\$ <u>153,888</u>	\$ <u>157,735</u>
<b>Disbursements:</b>			
Benefits and Rollovers.....	\$ 135,059	\$ 116,639	\$ 120,138
Fees and Expenses .....	7,482	7,454	7,678
Total Disbursements .....	<u>-142,541</u>	<u>-124,093</u>	<u>-127,816</u>
<b>Cash Balance, Ending</b> .....	\$ <u>29,674</u>	\$ <u>29,795</u>	\$ <u>29,919</u>

<sup>a</sup> 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 56,203</b>	<b>\$ 61,105</b>	<b>\$ 64,018</b>
<b>Receipts:</b>			
Transfers from Deferred Compensation Fund.....	\$ 12,458	\$ 12,708	\$ 12,962
Interest .....	101	406	406
Total Receipts .....	<u>12,559</u>	<u>13,114</u>	<u>13,368</u>
<b>Total Funds Available</b> .....	<b>\$ 68,762</b>	<b>\$ 74,219</b>	<b>\$ 77,386</b>
<b>Disbursements:</b>			
State Employees' Retirement System .....	\$ 7,657	\$ 10,201	\$ 11,117
Total Disbursements .....	<u>-7,657</u>	<u>-10,201</u>	<u>-11,117</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 61,105</b>	<b>\$ 64,018</b>	<b>\$ 66,269</b>

# DNA Detection Fund

The DNA Detection 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 8,421</b>	<b>\$ 8,099</b>	<b>\$ 5,707</b>
<b>Receipts:</b>			
Assessments.....	\$ 2,068	\$ 2,000	\$ 2,000
Interest.....	26	52	52
Total Receipts .....	<u>2,094</u>	<u>2,052</u>	<u>2,052</u>
<b>Total Funds Available</b> .....	<b>\$ 10,515</b>	<b>\$ 10,151</b>	<b>\$ 7,759</b>
<b>Disbursements:</b>			
State Police.....	\$ 2,416	\$ 4,444	\$ 4,191
Total Disbursements .....	<u>-2,416</u>	<u>-4,444</u>	<u>-4,191</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 8,099</b>	<b>\$ 5,707</b>	<b>\$ 3,568</b>

# Educational Assistance Program Fund

The Educational Assistance Program Fund was established in Act 212 of 2004 to fund the Educational Assistance Program for members of the National Guard. Act 78 of 2014 added the Medical and Health Officer Incentive Program to this fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 4,014	\$ 704	\$ 1
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 9,500	\$ 12,500	\$ 12,500
Interest.....	11	18	18
Total Receipts .....	<u>9,511</u>	<u>12,518</u>	<u>12,518</u>
<b>Total Funds Available</b> .....	<u>\$ 13,525</u>	<u>\$ 13,222</u>	<u>\$ 12,519</u>
<b>Disbursements:</b>			
Military and Veterans Affairs.....	\$ 12,821	\$ 13,221	\$ 12,518
Total Disbursements .....	<u>-12,821</u>	<u>-13,221</u>	<u>-12,518</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 704</u>	<u>\$ 1</u>	<u>\$ 1</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. The initial legislation that supported the revenue for these programs expired on January 1, 2014. Act 126 of 2013 restored the \$10 surcharge funding that had been set to expire on January 1, 2014.

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.

This budget proposes the consolidation of the Departments of Human Services, Health, Drug and Alcohol Programs and Aging into a new Department of Health and Human Services.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 12,377	\$ 11,895	\$ 9,159
<b>Receipts:</b>			
Fines .....	\$ 11,985	\$ 12,000	\$ 12,000
Interest .....	248	303	230
Total Receipts .....	<u>12,233</u>	<u>12,303</u>	<u>12,230</u>
<b>Total Funds Available</b> .....	<u>\$ 24,610</u>	<u>\$ 24,198</u>	<u>\$ 21,389</u>
<b>Disbursements:</b>			
Health and Human Services.....	\$ 12,715	\$ 15,039	\$ 13,900
Total Disbursements .....	<u>-12,715</u>	<u>-15,039</u>	<u>-13,900</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 11,895</u>	<u>\$ 9,159</u>	<u>\$ 7,489</u>

# Employment Fund for the Blind

This fund was created in 1967 to make loans to persons who are blind to purchase equipment, stock, merchandise and accessories necessary to put into operation vending or refreshment stands or other suitable business enterprises in suitable locations to be leased or arranged for by state agencies. Act 15 of 1999 transferred the authority to administer the fund from the Department of Health and Human Services 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 2,083</b>	<b>\$ 2,275</b>	<b>\$ 2,087</b>
<b>Receipts:</b>			
Vending Stand Equipment Rentals .....	\$ 505	\$ 466	\$ 466
Vending Machine Receipts .....	251	241	241
Interest .....	7	14	14
<b>Total Receipts</b> .....	<b>763</b>	<b>721</b>	<b>721</b>
<b>Total Funds Available</b> .....	<b>\$ 2,846</b>	<b>\$ 2,996</b>	<b>\$ 2,808</b>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 571	\$ 909	\$ 800
<b>Total Disbursements</b> .....	<b>-571</b>	<b>-909</b>	<b>-800</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 2,275</b>	<b>\$ 2,087</b>	<b>\$ 2,008</b>

# 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 include 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 loan repayments and interest earnings.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 4,849</b>	<b>\$ 3,895</b>	<b>\$ 3,443</b>
<b>Receipts:</b>			
Loan Principal and Interest Repayments.....	\$ 69	\$ 0	\$ 0
Interest .....	94	104	104
Other .....	58	0	0
<b>Total Receipts</b> .....	<b>221</b>	<b>104</b>	<b>104</b>
<b>Total Funds Available</b> .....	<b>\$ 5,070</b>	<b>\$ 3,999</b>	<b>\$ 3,547</b>
<b>Disbursements:</b>			
Environmental Protection.....	\$ 1,175	\$ 556	\$ 165
<b>Total Disbursements</b> .....	<b>-1,175</b>	<b>-556</b>	<b>-165</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 3,895</b>	<b>\$ 3,443</b>	<b>\$ 3,382</b>

# 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 five 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 815	\$ 1,289	\$ 873
<b>Receipts:</b>			
Transfers from Other Funds.....	\$ 1,135	\$ 884	\$ 658
Interest.....	4	10	10
Total Receipts .....	<u>1,139</u>	<u>894</u>	<u>668</u>
<b>Total Funds Available</b> .....	<u>\$ 1,954</u>	<u>\$ 2,183</u>	<u>\$ 1,541</u>
<b>Disbursements:</b>			
Conservation and Natural Resources.....	\$ 134	\$ 346	\$ 221
Environmental Protection .....	531	964	1,198
Total Disbursements .....	<u>-665</u>	<u>-1,310</u>	<u>-1,419</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 1,289</u>	<u>\$ 873</u>	<u>\$ 122</u>

# Environmental Stewardship Fund

The Environmental Stewardship Fund is a special revenue fund composed of monies from certain landfill fees. The fund provides for farmland preservation projects, open space protection, abandoned mine reclamation, watershed protection and restoration, water and sewer infrastructure and the improvement and conservation of commonwealth and community parks and recreational facilities. The 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 2002-03, the first \$50 million received from this fee was deposited into this special fund. In 2003-04, and thereafter, all revenue from these fees is deposited in this special fund. Act 13 of 2012 authorized an annual transfer from the Marcellus Legacy Fund into the Environmental Stewardship Fund. This budget proposes a new issuance through the Commonwealth Financing Authority to provide funding for multiple programs. The \$387.4 million bond issuance will take place in 2017-18 with proceeds being disbursed over a total of three fiscal years. The funding from this program will support the Commonwealth Universal Research Enhancement (CURE) Program, Environmental Stewardship Fund Grants, Cultural and Historical Support Grants, Grants to the Arts, Chesapeake Bay Watershed projects and a Smart Cities Initiative. This proposal includes transfers for three years from PERF into the Environmental Stewardship Fund beginning in 2017-18. It also includes three years of transfers from the Environmental Stewardship Fund to the Oil and Gas Lease Fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 84,947</b>	<b>\$ 86,973</b>	<b>\$ 6,770</b>
<b>Receipts:</b>			
Licenses and Fees.....	\$ 68,043	\$ 65,400	\$ 65,000
Transfer from Marcellus Legacy Fund.....	26,787	26,243	6,235
Transfer from PERF.....	0	0	52,000
Interest.....	1,524	1,952	1,952
<b>Total Receipts</b> .....	<b>96,354</b>	<b>93,595</b>	<b>125,187</b>
<b>Total Funds Available</b> .....	<b>\$ 181,301</b>	<b>\$ 180,568</b>	<b>\$ 131,957</b>
<b>Disbursements:</b>			
Transfer to Oil and Gas Lease Fund.....	\$ 0	\$ 0	\$ 37,000
Treasury:			
Debt Service for Growing Greener.....	37,539	30,585	20,871
Agriculture:			
Agricultural Conservation Easement Program.....	10,901	11,713	9,893
Conservation and Natural Resources:			
Community Conservation Grants.....	5,070	13,261	3,000
Park and Forest Facility Rehabilitation.....	9,776	24,728	12,810
Natural Diversity Conservation Grants.....	314	1,112	300
Environmental Protection:			
Watershed Protection and Restoration.....	14,647	78,392	25,000
Abandoned Mine Reclamation and Remediation.....	624	0	0
Infrastructure Investment Authority:			
Stormwater, Water and Sewer Grants .....	15,457	14,007	15,842
<b>Total Disbursements</b> .....	<b>-94,328</b>	<b>-173,798</b>	<b>-124,716</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 86,973</b>	<b>\$ 6,770</b>	<b>\$ 7,241</b>

# Farm Products Show Fund

The Farm Products Show Fund is a special revenue fund composed 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 PA Race Horse Development Fund. The fund is used for salaries and expenses of the Farm Products Show Commission, for the maintenance of the Farm Show Building and for prizes and premiums.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 1,318</b>	<b>\$ 8,055</b>	<b>\$ 2,373</b>
<b>Receipts:</b>			
Transfer from PA Race Horse Development Fund.....	\$ 5,000	\$ 5,000	\$ 5,000
Loan from General Fund.....	5,000	0	0
Rentals.....	2,976	2,920	3,000
Parking.....	2,418	2,360	2,400
Exhibit Fees.....	369	345	355
Service Charges.....	768	757	767
Concession.....	1,162	1,120	1,167
Interest.....	6	25	25
Other.....	288	197	197
<b>Total Receipts</b> .....	<b>17,987</b>	<b>12,724</b>	<b>12,911</b>
<b>Total Funds Available</b> .....	<b>\$ 19,305</b>	<b>\$ 20,779</b>	<b>\$ 15,284</b>
<b>Disbursements:</b>			
Agriculture.....	\$ 11,250	\$ 13,406	\$ 12,798
Loan Repayment to General Fund.....	0	5,000	0
<b>Total Disbursements</b> .....	<b>-11,250</b>	<b>-18,406</b>	<b>-12,798</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 8,055</b>	<b>\$ 2,373</b>	<b>\$ 2,486</b>



# 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 80,939</b>	<b>\$ 80,363</b>	<b>\$ 81,027</b>
<b>Receipts:</b>			
Tax Payable to Municipalities.....	\$ 80,922	\$ 81,731	\$ 82,548
Total Receipts .....	80,922	81,731	82,548
<b>Total Funds Available</b> .....	<b>\$ 161,861</b>	<b>\$ 162,094</b>	<b>\$ 163,575</b>
<b>Disbursements:</b>			
Auditor General.....	\$ 81,498	\$ 81,067	\$ 81,877
Total Disbursements .....	-81,498	-81,067	-81,877
<b>Cash Balance, Ending</b> .....	<b>\$ 80,363</b>	<b>\$ 81,027</b>	<b>\$ 81,698</b>

# Fish Fund

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

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 64,295</b>	<b>\$ 68,839</b>	<b>\$ 61,283</b>
<b>Receipts:</b>			
Licenses and Fees.....	\$ 27,013	\$ 26,164	\$ 26,164
Fines and Penalties.....	451	400	400
Restricted Funds.....	4,685	3,000	3,000
Federal Receipts.....	8,748	9,788	6,358
H2O PA Program.....	294	11,000	11,000
Interest.....	1,098	1,423	1,423
Sale of Goods.....	123	151	151
Sale of Publications.....	9	10	10
Other.....	1,527	1,056	1,056
Total Receipts .....	43,948	52,992	49,562
<b>Total Funds Available</b> .....	<b>\$ 108,243</b>	<b>\$ 121,831</b>	<b>\$ 110,845</b>
<b>Disbursements:</b>			
Fish and Boat Commission.....	\$ 39,404	\$ 60,548	\$ 52,602
Total Disbursements .....	-39,404	-60,548	-52,602
<b>Cash Balance, Ending</b> .....	<b>\$ 68,839</b>	<b>\$ 61,283</b>	<b>\$ 58,243</b>

# Game Fund

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

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning .....</b>	<b>\$ 36,539</b>	<b>\$ 44,455</b>	<b>\$ 29,872</b>
<b>Receipts:</b>			
Licenses and Fees.....	\$ 34,037	\$ 34,691	\$ 35,011
Fines and Penalties.....	1,616	1,605	1,605
Gas and Oil Leases.....	27,611	15,100	14,500
Federal Receipts.....	26,480	28,185	26,965
Habitat License Fee Transfer.....	7,500	7,500	7,500
Interest.....	758	960	960
Sale of Goods.....	1,116	741	631
Sale of Wood Products.....	6,533	7,500	8,000
Sale of Publications.....	662	611	612
Other.....	1,993	1,092	1,141
<b>Total Receipts .....</b>	<b>108,306</b>	<b>97,985</b>	<b>96,925</b>
<b>Total Funds Available .....</b>	<b>\$ 144,845</b>	<b>\$ 142,440</b>	<b>\$ 126,797</b>
<b>Disbursements:</b>			
Game Commission.....	\$ 100,390	\$ 112,568	\$ 105,466
<b>Total Disbursements .....</b>	<b>-100,390</b>	<b>-112,568</b>	<b>-105,466</b>
<b>Cash Balance, Ending .....</b>	<b>\$ 44,455</b>	<b>\$ 29,872</b>	<b>\$ 21,331</b>

# 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 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.

This budget proposes the consolidation of the Departments of Human Services, Health, Drug and Alcohol Programs and Aging into a new Department of Health and Human Services.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 1,570	\$ 1,405	\$ 706
<b>Receipts:</b>			
Donations - State Income Tax Forms .....	\$ 13	\$ 15	\$ 15
Donations - Driver's License Applicants .....	263	265	265
Donations - Motor Vehicle Registrations .....	513	470	470
Donations - Private .....	5	5	5
Interest .....	5	10	5
Total Receipts .....	<u>799</u>	<u>765</u>	<u>760</u>
<b>Total Funds Available</b> .....	<u>\$ 2,369</u>	<u>\$ 2,170</u>	<u>\$ 1,466</u>
<b>Disbursements:</b>			
Education.....	\$ 195	\$ 289	\$ 200
Health and Human Services.....	769	1,175	648
Total Disbursements .....	<u>-964</u>	<u>-1,464</u>	<u>-848</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 1,405</u>	<u>\$ 706</u>	<u>\$ 618</u>

# Growing Greener Bond Fund

This fund was created under the authority of Act 45 of 2005 to receive and distribute the proceeds from the sale of \$625 million in bonds. This money will be used to finance various environmental projects such as watershed protection, mine drainage remediation, advanced energy, flood protection, brownfields remediation, state parks and forests facilities, open space conservation, farmland preservation, capital improvement projects for fishing, boating and hunting, and for county environmental initiatives.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 36,373</b>	<b>\$ 15,354</b>	<b>\$ 1,450</b>
<b>Receipts:</b>			
Referendum Bonds.....	\$ 0	\$ 0	\$ 20,000
Interest.....	82	93	75
<b>Total Receipts</b> .....	<b>82</b>	<b>93</b>	<b>20,075</b>
<b>Total Funds Available</b> .....	<b>\$ 36,455</b>	<b>\$ 15,447</b>	<b>\$ 21,525</b>
<b>Disbursements:</b>			
Treasury .....	\$ 48	\$ 0	\$ 23
Agriculture:			
Purchase of County Easements.....	0	200	57
Community and Economic Development:			
Main Street Downtown Development.....	1,831	500	850
Industrial Sites Reuse.....	921	1,750	602
Conservation and Natural Resources:			
Parks & Recreation Improvements.....	1,352	1,000	560
State Parks/Forest Projects.....	5,959	6,000	6,000
Open Space Conservation.....	358	200	93
Environmental Protection:			
Authority Projects.....	3,800	2,000	2,000
Environmental Improvement Projects.....	440	1,000	2,750
Acid Mine Drainage Abatement.....	970	600	587
Fish and Boat Commission:			
Capital Improvement Projects.....	4,992	450	215
Game Commission:			
Capital Improvement Projects.....	430	297	0
<b>Total Disbursements</b> .....	<b>-21,101</b>	<b>-13,997</b>	<b>-13,737</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 15,354</b>	<b>\$ 1,450</b>	<b>\$ 7,788</b>

# Growing Greener Bond Sinking Fund

Payment of interest and principal due on outstanding Growing Greener bonds is made from this fund. The annual authorization from the Environmental Stewardship 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 0	\$ 0	\$ 0
<b>Receipts:</b>			
Transfer from Environmental Stewardship Fund.....	\$ 37,598	\$ 30,585	\$ 20,871
Build America Bond Federal Subsidies.....	0	2,592	1,296
Total Receipts .....	<u>37,598</u>	<u>33,177</u>	<u>22,167</u>
<b>Total Funds Available</b> .....	<u>\$ 37,598</u>	<u>\$ 33,177</u>	<u>\$ 22,167</u>
<b>Disbursements:</b>			
Treasury.....	\$ 37,598	\$ 33,177	\$ 22,167
Total Disbursements .....	<u>-37,598</u>	<u>-33,177</u>	<u>-22,167</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

# Hazardous Material Response Fund

The Hazardous Material Response 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 hazardous material response teams, public education programs, grants to counties for SARA Title III activities, cost recovery grants, facility and vehicle inspections, testing and administration of the program including data collection and management.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 2,724	\$ 2,462	\$ 1,844
<b>Receipts:</b>			
Toxic Chemical Release Form Fee .....	\$ 941	\$ 900	\$ 950
Chemical Inventory Fee .....	377	360	375
Interest .....	50	50	50
Other .....	109	0	0
Total Receipts .....	<u>1,477</u>	<u>1,310</u>	<u>1,375</u>
<b>Total Funds Available</b> .....	<u>\$ 4,201</u>	<u>\$ 3,772</u>	<u>\$ 3,219</u>
<b>Disbursements:</b>			
Emergency Management.....	\$ 1,739	\$ 1,918	\$ 1,900
Labor and Industry.....	0	10	20
Total Disbursements .....	<u>-1,739</u>	<u>-1,928</u>	<u>-1,920</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 2,462</u>	<u>\$ 1,844</u>	<u>\$ 1,299</u>

# Hazardous Sites Cleanup Fund

This fund was created by Act 58 of 1987 to finance the cleanup and restoration of abandoned hazardous waste sites in the commonwealth. Expenditures from this fund are for cleaning up abandoned hazardous waste sites throughout the commonwealth and restoring the land to productive use. Revenue is generated from a Hazardous Waste Fee as well as money received from parties determined responsible for site contamination. Prior to 2002-03, the fund received one-quarter mill of the Capital Stock and Franchise Tax. Act 77 of 2007 provided for a one-time transfer in 2007-08 of monies lapsed from certain appropriations within the Legislative Department. Beginning in 2008-09, the act also included an annual transfer to the fund of \$40 million of revenue received from the Capital Stock and Franchise Tax. Act 13 of 2012 includes an annual transfer from the Marcellus Legacy Fund beginning in 2014-15. The Capital Stock and Franchise Tax was eliminated on January 1, 2016.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Total Cash Balance, Beginning</b> .....	<b>\$ 73,130</b>	<b>\$ 71,838</b>	<b>\$ 63,685</b>
<b>Receipts:</b>			
Capital Stock and Franchise Tax.....	\$ 40,000	\$ 40,000	\$ 4,100
Transfer from Marcellus Legacy Fund.....	8,393	8,122	18,118
Hazardous Waste Fee.....	2,277	2,300	2,300
Cost Recovery.....	1,454	2,300	2,300
Interest.....	803	1,076	1,076
Other.....	387	0	0
<b>Total Receipts</b> .....	<b>53,314</b>	<b>53,798</b>	<b>27,894</b>
<b>Total Funds Available</b> .....	<b>\$ 126,444</b>	<b>\$ 125,636</b>	<b>\$ 91,579</b>
<b>Disbursements:</b>			
Environmental Protection.....	\$ 49,586	\$ 56,951	\$ 47,711
Transfer to Industrial Sites Environmental Assessment Fund.....	2,000	2,000	2,000
Transfer to Industrial Sites Cleanup Fund.....	2,000	2,000	2,000
Transfer to Household Hazardous Waste Account.....	1,000	1,000	1,000
Valley Forge Superfund.....	20	0	0
<b>Total Disbursements</b> .....	<b>-54,606</b>	<b>-61,951</b>	<b>-52,711</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 71,838</b>	<b>\$ 63,685</b>	<b>\$ 38,868</b>

# 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) grants to minority students entering graduate professional schools under the Bond-Hill Program; (6) funds to recruit gifted students to Cheyney University; (7) funds for the higher education of disadvantaged students; and (8) 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 63,931</b>	<b>\$ 57,042</b>	<b>\$ 40,563</b>
<b>Receipts:</b>			
Transfer from General Fund .....	\$ 313,554	\$ 321,289	\$ 308,414
Investment Earnings .....	908	900	900
Federal Revenue.....	1,587	1,565	1,565
Other.....	130,625	103,166	107,550
Total Receipts .....	<u>446,674</u>	<u>426,920</u>	<u>418,429</u>
<b>Total Funds Available</b> .....	<b>\$ 510,605</b>	<b>\$ 483,962</b>	<b>\$ 458,992</b>
<b>Disbursements:</b>			
Higher Education Assistance Agency.....	\$ 453,563	\$ 443,399	\$ 417,568
Total Disbursements .....	<u>-453,563</u>	<u>-443,399</u>	<u>-417,568</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 57,042</b>	<b>\$ 40,563</b>	<b>\$ 41,424</b>

# Highway Beautification Fund

The Highway Beautification Fund was created by Act 5 of Special Session Three of 1966. Highway beautification activities are supported by licenses, fees, fines, penalties and interest. Activities include the regulating of outdoor advertising and junkyards.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 792</b>	<b>\$ 703</b>	<b>\$ 596</b>
<b>Receipts:</b>			
Licenses and Fees.....	\$ 300	\$ 310	\$ 310
Interest.....	2	4	4
Total Receipts .....	<u>302</u>	<u>314</u>	<u>314</u>
<b>Total Funds Available</b> .....	<b>\$ 1,094</b>	<b>\$ 1,017</b>	<b>\$ 910</b>
<b>Disbursements:</b>			
Transportation.....	\$ 391	\$ 421	\$ 408
Total Disbursements .....	<u>-391</u>	<u>-421</u>	<u>-408</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 703</b>	<b>\$ 596</b>	<b>\$ 502</b>

# Historical Preservation Fund

This fund was created for expenditure by the Historical and Museum Commission for the preservation, care and maintenance of state historical properties, museums and records and for the financing of historical research and publication programs. Money in the fund can also be used to purchase publications and souvenirs of a historical nature for sale at commission administered properties. This fund is made up of 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 3,482</b>	<b>\$ 5,658</b>	<b>\$ 8,583</b>
<b>Receipts:</b>			
Admission Fees.....	\$ 1,074	\$ 1,175	\$ 1,190
Interest .....	14	7	7
Other.....	2,698	3,500	2,000
Total Receipts .....	<u>3,786</u>	<u>4,682</u>	<u>3,197</u>
<b>Total Funds Available</b> .....	<b>\$ 7,268</b>	<b>\$ 10,340</b>	<b>\$ 11,780</b>
<b>Disbursements:</b>			
Historical and Museum Commission.....	\$ 1,610	\$ 1,757	\$ 1,853
Total Disbursements .....	<u>-1,610</u>	<u>-1,757</u>	<u>-1,853</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 5,658</b>	<b>\$ 8,583</b>	<b>\$ 9,927</b>

# 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 10</b>	<b>\$ 9</b>	<b>\$ 0</b>
<b>Receipts:</b>			
Federal Revenue.....	\$ 1,404	\$ 3,034	\$ 3,000
HOME Program Income.....	523	500	500
Total Receipts .....	<u>1,927</u>	<u>3,534</u>	<u>3,500</u>
<b>Total Funds Available</b> .....	<b>\$ 1,937</b>	<b>\$ 3,543</b>	<b>\$ 3,500</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 1,928	\$ 3,543	\$ 3,500
Total Disbursements .....	<u>-1,928</u>	<u>-3,543</u>	<u>-3,500</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 9</b>	<b>\$ 0</b>	<b>\$ 0</b>



# Homeowner Assistance Settlement Fund

This fund was established by Act 70 of 2012. Payments received pursuant to the Homeowner Assistance Settlement Agreement were deposited into this fund. Disbursements are made for the Homeowner's Emergency Mortgage Assistance Program, for housing consumer protection programs and for civil legal assistance related to housing issues.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 19,281	\$ 7,460	\$ 0
<b>Receipts:</b>			
Interest.....	\$ 28	\$ 11	\$ 0
Total Receipts .....	28	11	0
<b>Total Funds Available</b> .....	<u>\$ 19,309</u>	<u>\$ 7,471</u>	<u>\$ 0</u>
<b>Disbursements:</b>			
Pennsylvania Housing Finance Agency.....	\$ 10,800	\$ 6,068	\$ 0
Attorney General.....	449	1,066	0
Transfer to Access to Justice Account.....	600	337	0
Total Disbursements .....	<u>-11,849</u>	<u>-7,471</u>	<u>0</u>
<b>Cash Balance, Ending</b> .....	<u><u>\$ 7,460</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

# Housing Affordability and Rehabilitation Enhancement Fund

This fund was established by Act 105 of 2010. Revenue consists of a transfer from the Unconventional Gas Well Fund. Disbursements are made in accordance with the Housing Finance Agency Law. Act 58 of 2015 provides for additional funding to be transferred to this fund based on the amount of Realty Transfer Tax (RTT) received yearly.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 3	\$ 3	\$ 0
<b>Receipts:</b>			
Transfer from Unconventional Gas Well Fund.....	\$ 6,533	\$ 5,000	\$ 5,000
Transfer from the General Fund - Realty Transfer Tax.....	0	12,700	19,400
Interest.....	1	51	51
Total Receipts .....	<u>6,534</u>	<u>17,751</u>	<u>24,451</u>
<b>Total Funds Available</b> .....	<u>\$ 6,537</u>	<u>\$ 17,754</u>	<u>\$ 24,451</u>
<b>Disbursements:</b>			
Pennsylvania Housing Finance Agency.....	\$ 6,534	\$ 17,754	\$ 24,451
Total Disbursements .....	<u>-6,534</u>	<u>-17,754</u>	<u>-24,451</u>
<b>Cash Balance, Ending</b> .....	<u><u>\$ 3</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

# Industrial Development Fund

Periodic General Fund appropriations made by the General Assembly to the Pennsylvania Industrial Development Authority (PIDA) are credited to this fund. From 1992 to 1994, these appropriations were replaced by an annual \$70 million transfer 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 47	\$ 47	\$ 47
<b>Receipts:</b>			
Interest.....	\$ 0	\$ 0	\$ 0
Total Receipts .....	0	0	0
<b>Total Funds Available</b> .....	\$ 47	\$ 47	\$ 47
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 0	\$ 0	\$ 0
Total Disbursements .....	0	0	0
<b>Cash Balance, Ending</b> .....	\$ 47	\$ 47	\$ 47

# 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 18,595	\$ 18,209	\$ 14,010
<b>Receipts:</b>			
Loan Principal and Interest Repayments.....	\$ 642	\$ 640	\$ 640
Transfer from Hazardous Sites Cleanup Fund.....	2,000	2,000	2,000
Interest.....	274	356	356
Total Receipts .....	2,916	2,996	2,996
<b>Total Funds Available</b> .....	\$ 21,511	\$ 21,205	\$ 17,006
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 3,302	\$ 7,195	\$ 5,614
Total Disbursements .....	-3,302	-7,195	-5,614
<b>Cash Balance, Ending</b> .....	\$ 18,209	\$ 14,010	\$ 11,392

# 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, by improving and supporting insurance fraud law enforcement, prosecutions and prevention. The source of funds includes 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 5,412</b>	<b>\$ 4,997</b>	<b>\$ 3,514</b>
<b>Receipts:</b>			
Assessments, Fines and Penalties .....	\$ 13,817	\$ 14,188	\$ 14,570
Interest .....	21	16	16
<b>Total Receipts</b> .....	<b>13,838</b>	<b>14,204</b>	<b>14,586</b>
<b>Total Funds Available</b> .....	<b>\$ 19,250</b>	<b>\$ 19,201</b>	<b>\$ 18,100</b>
<b>Disbursements:</b>			
Insurance Fraud Prevention Authority .....	\$ 14,253	\$ 15,687	\$ 15,627
<b>Total Disbursements</b> .....	<b>-14,253</b>	<b>-15,687</b>	<b>-15,627</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 4,997</b>	<b>\$ 3,514</b>	<b>\$ 2,473</b>

# 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.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 67,645</b>	<b>\$ 68,987</b>	<b>\$ 70,657</b>
<b>Receipts:</b>			
Interest .....	\$ 1,342	\$ 1,669	\$ 1,669
<b>Total Receipts</b> .....	<b>1,342</b>	<b>1,669</b>	<b>1,669</b>
<b>Total Funds Available</b> .....	<b>\$ 68,987</b>	<b>\$ 70,657</b>	<b>\$ 72,326</b>
<b>Disbursements:</b>			
Insurance .....	\$ 0	\$ 0	\$ 0
<b>Total Disbursements</b> .....	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 68,987</b>	<b>\$ 70,657</b>	<b>\$ 72,326</b>

# Insurance Regulation and Oversight Fund

This fund was established by Act 46 of 2013 to provide for the Insurance Department's regulation, management, development and oversight of the commonwealth's insurance industry.

The Insurance Regulation and Oversight Fund receives 50 percent of all licenses and fees collected by the Insurance Department and all augmentations and reimbursements made to the department by regulated entities. The surcharge moving vehicle violations remains in the General Fund. This fund is used by the department in lieu of a General Government Operations appropriation from the General Fund.

At the end of the fiscal year, the fund retains an amount equal to no more than 100% of the total expenditures and commitments by the department from the immediately preceding fiscal year. If the balance in the fund at the end of the fiscal year exceeds the retention amount, then that amount of excess funds is to be returned to the General Fund within 30 days of the end of the fiscal year.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 29,142</b>	<b>\$ 16,499</b>	<b>\$ 20,548</b>
<b>Receipts:</b>			
Licenses and Fees.....	\$ 31,115	\$ 31,115	\$ 31,115
Interest.....	50	90	90
Other.....	21	1,050	1,050
Return to General Fund.....	-21,870	0	0
<b>Total Receipts</b> .....	<b>9,316</b>	<b>32,255</b>	<b>32,255</b>
<b>Total Funds Available</b> .....	<b>\$ 38,458</b>	<b>\$ 48,754</b>	<b>\$ 52,803</b>
<b>Disbursements:</b>			
Insurance .....	\$ 21,959	\$ 28,206	\$ 27,291
<b>Total Disbursements</b> .....	<b>-21,959</b>	<b>-28,206</b>	<b>-27,291</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 16,499</b>	<b>\$ 20,548</b>	<b>\$ 25,512</b>

# 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 awards 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. Due to anticipated shortfalls in the Unemployment Compensation Administration Fund, the department will not be making transfers to the Job Training Fund in FY 2016-17 and FY 2017-18. All Special Administration Fund revenues will be used for the administration of unemployment compensation.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 355</b>	<b>\$ 356</b>	<b>\$ 358</b>
<b>Receipts:</b>			
Interest.....	\$ 1	\$ 2	\$ 2
<b>Total Receipts</b> .....	<b>1</b>	<b>2</b>	<b>2</b>
<b>Total Funds Available</b> .....	<b>\$ 356</b>	<b>\$ 358</b>	<b>\$ 360</b>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 0	\$ 0	\$ 0
<b>Total Disbursements</b> .....	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 356</b>	<b>\$ 358</b>	<b>\$ 360</b>

# Justice Reinvestment Fund

The Justice Reinvestment Fund was created by Act 196 of 2012 to support programs and activities that will improve the delivery of criminal justice services within the commonwealth. Funding is derived from savings to the State Correctional Institutions through implementation of Act 122 of 2012, which establishes the Justice Reinvestment Initiative (JRI). Disbursements are made according to the provisions of Act 196 and include fixed amounts to the Pennsylvania Commission on Crime and Delinquency and the Pennsylvania Commission on Sentencing. Amounts remaining in the fund after these disbursements are distributed by formula to various JRI programs.

Disbursements fund various state and county programs, such as victim services; offender risk assessment modeling; county probation grants; county innovative policing and contracts to divert short- and medium-minimum offenders from incarceration; state parole processes and coordinated safe community reentry programs.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 310</b>	<b>\$ 2,177</b>	<b>\$ 462</b>
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 2,953	\$ 9,614	\$ 10,210
Interest.....	8	54	39
Total Receipts .....	<u>2,961</u>	<u>9,668</u>	<u>10,249</u>
<b>Total Funds Available</b> .....	<b>\$ 3,271</b>	<b>\$ 11,845</b>	<b>\$ 10,711</b>
<b>Disbursements:</b>			
PA Commission on Crime and Delinquency.....	\$ 581	\$ 8,304	\$ 7,164
PA Commission on Sentencing.....	466	484	400
Criminal Justice.....	47	2,595	3,147
Total Disbursements .....	<u>-1,094</u>	<u>-11,383</u>	<u>-10,711</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 2,177</b>	<b>\$ 462</b>	<b>\$ 0</b>

# Keystone Recreation, Park and Conservation Fund

The Keystone Recreation, Park and Conservation Fund is a special 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.

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

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Total Cash Balance, Beginning</b> .....	<b>\$ 118,773</b>	<b>\$ 133,698</b>	<b>\$ 0</b>
<b>Receipts:</b>			
Realty Transfer Tax.....	\$ 82,717	\$ 89,400	\$ 92,200
Interest.....	2,254	2,833	2,833
Total Receipts .....	<u>84,971</u>	<u>92,233</u>	<u>95,033</u>
<b>Total Funds Available</b> .....	<b>\$ 203,744</b>	<b>\$ 225,931</b>	<b>\$ 95,033</b>
<b>Disbursements:</b>			
Conservation and Natural Resources.....	\$ 46,008	\$ 146,855	\$ 61,772
Education.....	16,719	49,705	20,907
Historical and Museum Commission.....	7,319	29,371	12,354
Total Disbursements .....	<u>-70,046</u>	<u>-225,931</u>	<u>-95,033</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 133,698</b>	<b>\$ 0</b>	<b>\$ 0</b>

# 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 92	\$ 57	\$ 0
<b>Receipts:</b>			
Interest.....	\$ 0	\$ 0	\$ 0
Total Receipts .....	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Funds Available</b> .....	<u>\$ 92</u>	<u>\$ 57</u>	<u>\$ 0</u>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 35	\$ 57	\$ 0
Total Disbursements .....	<u>-35</u>	<u>-57</u>	<u>0</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 57</u>	<u>\$ 0</u>	<u>\$ 0</u>

# Land and Water Development Sinking Fund

Payment of interest and principal due on outstanding Land and Water Development bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest on invested balances in this fund provide the revenues to the fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 18	\$ 0	\$ 0
<b>Receipts:</b>			
Remining Financial Assurance Assist Fund Interest Return.....	\$ -18	\$ 0	\$ 0
Total Receipts .....	<u>-18</u>	<u>0</u>	<u>0</u>
<b>Total Funds Available</b> .....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Disbursements:</b>			
Treasury.....	\$ 0	\$ 0	\$ 0
Total Disbursements .....	<u>0</u>	<u>0</u>	<u>0</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

## Liquid Fuels Tax Fund

The Liquid Fuels Tax Fund was created in 1931 to assist in funding the local roads system. Through December 2013, one-half cent per gallon of gasoline and diesel fuel taxes was deposited into the fund for semi-annual distribution to county governments and to pay registration fees for vehicles operated by mass transportation systems. Beginning January 2014, per Act 89 of 2013, a new millage rate replaced the one-half cent per gallon on gasoline and diesel fuel tax. The new rate is 4.17% of the mills imposed under Title 75, Section 9502 (A) (5). 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 4,930	\$ 6,185	\$ 4,689
<b>Receipts:</b>			
Tax on Gasoline .....	\$ 24,418	\$ 24,664	\$ 24,399
Tax on Diesel Fuel .....	6,568	6,510	6,510
Total Receipts .....	<u>30,986</u>	<u>31,174</u>	<u>30,909</u>
<b>Total Funds Available</b> .....	<u>\$ 35,916</u>	<u>\$ 37,359</u>	<u>\$ 35,598</u>
<b>Disbursements:</b>			
Transfer to Boat Fund.....	\$ 69	\$ 200	\$ 108
Transportation.....	29,662	32,470	30,809
Total Disbursements.....	<u>-29,731</u>	<u>-32,670</u>	<u>-30,917</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 6,185</u>	<u>\$ 4,689</u>	<u>\$ 4,681</u>

## Liquor License Fund

The Liquor License Fund serves as a pass-through account for liquor and/or beer license fees from hotels, restaurants and clubs. 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 2,297	\$ 2,345	\$ 2,402
<b>Receipts:</b>			
License Fees.....	\$ 4,473	\$ 4,525	\$ 4,615
Other.....	0	2	3
Total Receipts .....	<u>4,473</u>	<u>4,527</u>	<u>4,618</u>
<b>Total Funds Available</b> .....	<u>\$ 6,770</u>	<u>\$ 6,872</u>	<u>\$ 7,020</u>
<b>Disbursements:</b>			
Liquor Control Board.....	\$ 4,425	\$ 4,470	\$ 4,494
Total Disbursements .....	<u>-4,425</u>	<u>-4,470</u>	<u>-4,494</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 2,345</u>	<u>\$ 2,402</u>	<u>\$ 2,526</u>

# Local Cigarette Tax Fund

The Local Cigarette Tax Fund is a fiduciary fund composed of monies received from the collection of a local option cigarette tax in cities of the first class. Act 131 of 2014 allows a school district, when authorized by the governing body of a first class city (Philadelphia), to impose and assess an excise tax on the sale or possession of cigarettes at the rate of \$0.10 per cigarette. This tax is only assessed on cigarettes currently subject to a levy under Article XII of the Tax Reform Code of 1971. The authorization for this cigarette tax shall expire on June 30, 2019. The Department of Revenue is authorized to retain the sum of the costs of collections.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 5,299</b>	<b>\$ 5,108</b>	<b>\$ 0</b>
<b>Receipts:</b>			
Philadelphia Cigarette Tax Collections.....	\$ 59,653	\$ 48,356	\$ 46,191
Act 84 of 2016 Collection Adjustment.....	0	0	9,644
Interest.....	0	18	18
Offset Department of Revenue Collection Costs.....	-897	-1,896	-840
Other.....	11	0	0
<b>Total Receipts</b> .....	<b>58,767</b>	<b>46,478</b>	<b>55,013</b>
<b>Total Funds Available</b> .....	<b>\$ 64,066</b>	<b>\$ 51,586</b>	<b>\$ 55,013</b>
<b>Disbursements:</b>			
Distribution to the Philadelphia School District.....	\$ 58,958	\$ 51,586	\$ 55,013
<b>Total Disbursements</b> .....	<b>-58,958</b>	<b>-51,586</b>	<b>-55,013</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 5,108</b>	<b>\$ 0</b>	<b>\$ 0</b>

# Local Criminal Justice Sinking Fund

Payment of interest and principal due on outstanding local criminal justice bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest on invested balances in this fund provide the revenues to this fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 176</b>	<b>\$ 40</b>	<b>\$ 0</b>
<b>Receipts:</b>			
Transfer from General Fund .....	\$ 0	\$ 81	\$ 0
<b>Total Receipts</b> .....	<b>0</b>	<b>81</b>	<b>0</b>
<b>Total Funds Available</b> .....	<b>\$ 176</b>	<b>\$ 121</b>	<b>\$ 0</b>
<b>Disbursements:</b>			
Treasury.....	\$ 136	\$ 121	\$ 0
<b>Total Disbursements</b> .....	<b>-136</b>	<b>-121</b>	<b>0</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 40</b>	<b>\$ 0</b>	<b>\$ 0</b>



# 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 3,434</b>	<b>\$ 3,740</b>	<b>\$ 3,064</b>
<b>Receipts:</b>			
Loan Principal and Interest Repayments.....	\$ 304	\$ 300	\$ 300
Interest .....	11	24	24
Other .....	23	0	0
Total Receipts .....	<u>338</u>	<u>324</u>	<u>324</u>
<b>Total Funds Available</b> .....	<b>\$ 3,772</b>	<b>\$ 4,064</b>	<b>\$ 3,388</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 32	\$ 1,000	\$ 1,000
Total Disbursements .....	<u>-32</u>	<u>-1,000</u>	<u>-1,000</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 3,740</b>	<b>\$ 3,064</b>	<b>\$ 2,388</b>

# 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. 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. Act 161 of 2014 transitioned the administration of this fund to the Pennsylvania Industrial Development Authority.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 32,217</b>	<b>\$ 41,877</b>	<b>\$ 40,428</b>
<b>Receipts:</b>			
Loan Principal and Interest Repayments.....	\$ 14,337	\$ 14,000	\$ 14,000
Loan Service Fees.....	4	5	5
Interest.....	373	540	540
Other.....	6	5	5
Total Receipts .....	<u>14,720</u>	<u>14,550</u>	<u>14,550</u>
<b>Total Funds Available</b> .....	<b>\$ 46,937</b>	<b>\$ 56,427</b>	<b>\$ 54,978</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 5,060	\$ 15,999	\$ 11,778
Total Disbursements .....	<u>-5,060</u>	<u>-15,999</u>	<u>-11,778</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 41,877</b>	<b>\$ 40,428</b>	<b>\$ 43,200</b>

# Manufacturing Fund

The Manufacturing Fund, created in 1915, is a self-sustaining enterprise providing 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 20,919</b>	<b>\$ 23,523</b>	<b>\$ 10,101</b>
<b>Receipts:</b>			
Sale of Products.....	\$ 70,164	\$ 72,692	\$ 79,792
Interest.....	401	521	521
Total Receipts .....	<u>70,565</u>	<u>73,213</u>	<u>80,313</u>
<b>Total Funds Available</b> .....	<b>\$ 91,484</b>	<b>\$ 96,736</b>	<b>\$ 90,414</b>
<b>Disbursements:</b>			
Department of Criminal Justice.....	\$ 67,961	\$ 86,635	\$ 83,945
Total Disbursements .....	<u>-67,961</u>	<u>-86,635</u>	<u>-83,945</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 23,523</b>	<b>\$ 10,101</b>	<b>\$ 6,469</b>

# Marcellus Legacy Fund

This fund was created by Act 13 of 2012 to provide for the distribution of unconventional gas well impact fees to counties, municipalities and commonwealth agencies. The fee revenue will be used for statewide initiatives in the areas of acid mine drainage abatement, gas well management and plugging, development and rehabilitation of greenways and recreational trails, sewage treatment projects, replacement and repair of deteriorated bridges in municipalities with unconventional gas wells. Receipts deposited into the Marcellus Legacy Fund come from transfers from the Unconventional Gas Well Fund and the Oil and Gas Lease Fund. The 2015-16 and 2016-17 Fiscal Codes modified the transfers from the Oil and Gas Lease Fund in the Actual and Available Year. This budget proposes to make further changes to the transfer as part of the Pennsylvania Economic Revitalization Fund (PERF) bond issuance proposal. The changes are reflected below.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 15,933</b>	<b>\$ 31,650</b>	<b>\$ 340</b>
<b>Receipts:</b>			
Transfer from Unconventional Gas Well Fund.....	\$ 67,867	\$ 62,431	\$ 62,353
Transfer from Oil and Gas Lease Fund.....	25,000	25,000	15,000
Interest.....	44	81	81
Total Receipts .....	<u>92,911</u>	<u>87,512</u>	<u>77,434</u>
<b>Total Funds Available</b> .....	<b>\$ 108,844</b>	<b>\$ 119,162</b>	<b>\$ 77,774</b>
<b>Disbursements:</b>			
Public Utility Commission:			
County Grants.....	\$ 10,180	\$ 9,365	\$ 9,353
Transfer to Commonwealth Financing Authority.....	0	26,059	12,471
Transfer to Commonwealth Financing Authority-H2O.....	0	16,287	7,794
Environmental Protection.....	6,384	9,334	0
PENNVEST.....	8,483	7,804	7,794
Transfer to Highway Bridge Improvement.....	16,967	15,608	15,588
Transfer to Environmental Stewardship Fund.....	26,787	26,243	6,235
Transfer to Hazardous Sites Cleanup Fund.....	8,393	8,122	18,118
Total Disbursements .....	<u>-77,194</u>	<u>-118,822</u>	<u>-77,353</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 31,650</b>	<b>\$ 340</b>	<b>\$ 421</b>

# 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 that 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. Act 26 of 2011 redirected the surcharge to the General Fund for 2011-12 and for each fiscal year thereafter.

In October 2014 there was a settlement agreement with the Pennsylvania Medical Society (PAMED), The Hospital & Healthsystem Association of Pennsylvania (HAP) and the Pennsylvania Podiatric Medical Association, which together challenged the state's transfer of \$100 million from Mcare to the General Fund and the assessment calculation formula. The settlement resolution reimbursed health care providers approximately \$139 million from an Assessment Relief Fund which represented a portion of their assessment payments in 2009-2012 and 2014. In 2015, a new assessment calculation formula reduced Mcare assessments by \$61 million from the projected 2014 year-end fund balance. The settlement enabled Pennsylvania to retain the \$100 million that was transferred out of the fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 280,166</b>	<b>\$ 111,106</b>	<b>\$ 94,946</b>
<b>Receipts:</b>			
Assessments.....	\$ 133,616	\$ 179,600	\$ 186,000
Interest .....	3,164	2,400	2,050
Other.....	477	450	450
Total Receipts .....	<u>137,257</u>	<u>182,450</u>	<u>188,500</u>
<b>Total Funds Available</b> .....	<b>\$ 417,423</b>	<b>\$ 293,556</b>	<b>\$ 283,446</b>
<b>Disbursements:</b>			
Insurance.....	\$ 169,027	\$ 197,767	\$ 194,885
Assessment Relief Payment.....	137,290	843	0
Total Disbursements .....	<u>-306,317</u>	<u>-198,610</u>	<u>-194,885</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 111,106<sup>a</sup></b>	<b>\$ 94,946<sup>a</sup></b>	<b>\$ 88,561<sup>a</sup></b>

<sup>a</sup> Ending balance includes \$30 million in the Mcare reserve account.

# Medical Marijuana Program Fund

This fund was established by Act 16 of 2016, the Medical Marijuana Act, to provide safe and effective access to medical marijuana for commonwealth patients with an eligible serious medical condition and to promote valuable research into the effectiveness and usefulness of medical marijuana. Revenue is derived from application and permit fees paid by prospective and eligible growers, processors, dispensaries and patients and from a gross receipts tax from the sale of medical marijuana by a grower/processor to a dispensary.

After repayment of the initial loan from the General Fund for the establishment of the program any remaining funds are to be spent as prescribed by the Act: 40 percent for operations including outreach and other required projects; 15 percent to establish programs that will assist with the cost of providing medical marijuana to patients demonstrating financial hardship or need, assist patients and caregivers by waiver or cost reduction of identification card fees, reimburse caregivers for the cost of background checks; 30 percent for research into the treatment of the currently established serious medical conditions and research into the treatment of other medical conditions for which medical marijuana may have legitimate medicinal value; 10 percent for drug abuse prevention, counseling and treatment services; and 5 percent to the Pennsylvania Commission on Crime and Delinquency for distribution to local police departments which demonstrate a need in relating to efforts to support the Act.

This budget proposes the consolidation of the Departments of Human Services, Health, Drug and Alcohol Programs and Aging into a new Department of Health and Human Services.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 0	\$ 0	\$ 8,765
<b>Receipts:</b>			
Loan from the General Fund.....	\$ 0	\$ 3,000	\$ 0
Grower/Process Application and Permit Fees.....	0	3,900	3,600
Dispensary Application and Permit Fees.....	0	4,860	1,990
Patient Identification Card Fees.....	0	0	750
Gross Receipts Tax.....	0	0	1,350
Interest .....	0	5	200
<b>Total Receipts</b> .....	<u>0</u>	<u>11,765</u>	<u>7,890</u>
<b>Total Funds Available</b> .....	<u>\$ 0</u>	<u>\$ 11,765</u>	<u>\$ 16,655</u>
<b>Disbursements:</b>			
Loan Repayment to the General Fund.....	\$ 0	\$ 0	\$ 3,000
Health and Human Services.....	0	3,000	5,478
Pennsylvania Commission on Crime and Delinquency.....	0	0	288
<b>Total Disbursements</b> .....	<u>0</u>	<u>-3,000</u>	<u>-8,766</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 0</u>	<u>\$ 8,765</u>	<u>\$ 7,889</u>

## Milk Marketing Fund

The Milk Marketing Fund is a special revenue fund composed of monies received from license fees, fines, penalties and permits relating to the milk industry. The purpose of this fund is to provide for the operation of the Milk Marketing Board and to serve as a depository for money due dairy farmers from underpayments by milk dealers.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 3,919</b>	<b>\$ 4,006</b>	<b>\$ 3,535</b>
<b>Receipts:</b>			
License and Fees .....	\$ 2,515	\$ 2,431	\$ 2,431
Fines and Penalties.....	21	10	10
Interest.....	11	24	24
Total Receipts .....	<u>2,547</u>	<u>2,465</u>	<u>2,465</u>
<b>Total Funds Available</b> .....	<b>\$ 6,466</b>	<b>\$ 6,471</b>	<b>\$ 6,000</b>
<b>Disbursements:</b>			
Milk Marketing Board.....	\$ 2,460	\$ 2,936	\$ 2,840
Total Disbursements .....	<u>-2,460</u>	<u>-2,936</u>	<u>-2,840</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 4,006</b>	<b>\$ 3,535</b>	<b>\$ 3,160</b>

## Mine Safety Fund

Act 55 of 2008 created the Mine Safety Fund to recover expenses for responding to mine safety. The monies are used for mine safety activities and the administration of the Act.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 95</b>	<b>\$ 80</b>	<b>\$ 84</b>
<b>Receipts:</b>			
Fines and Penalties.....	\$ 14	\$ 14	\$ 14
Total Receipts .....	<u>14</u>	<u>14</u>	<u>14</u>
<b>Total Funds Available</b> .....	<b>\$ 109</b>	<b>\$ 94</b>	<b>\$ 98</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 29	\$ 10	\$ 35
Total Disbursements .....	<u>-29</u>	<u>-10</u>	<u>-35</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 80</b>	<b>\$ 84</b>	<b>\$ 63</b>

# 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 4,416</b>	<b>\$ 3,818</b>	<b>\$ 2,904</b>
<b>Receipts:</b>			
Loan Principal and Interest Repayments.....	\$ 459	\$ 450	\$ 450
Interest.....	14	24	24
Other.....	7	1	1
Total Receipts .....	<u>480</u>	<u>475</u>	<u>475</u>
<b>Total Funds Available</b> .....	<b>\$ 4,896</b>	<b>\$ 4,293</b>	<b>\$ 3,379</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 1,078	\$ 1,389	\$ 1,330
Total Disbursements .....	<u>-1,078</u>	<u>-1,389</u>	<u>-1,330</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 3,818</b>	<b>\$ 2,904</b>	<b>\$ 2,049</b>

# Monetary Penalty Endowments Trust Fund

The Monetary Penalty Endowments Trust Fund is a special revenue fund created by Act 1 of 2013 to deposit monetary penalties assessed to higher education institutions. Fund revenues are comprised of monies from installment payments made by the institutions and interest. Fund expenditures are made by the Pennsylvania Commission on Crime and Delinquency to support child abuse treatment and prevention programs within the commonwealth.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 36,031</b>	<b>\$ 47,969</b>	<b>\$ 44,144</b>
<b>Receipts:</b>			
NCAA - Penn State Settlement.....	\$ 12,018	\$ 0	\$ 0
Interest .....	397	975	900
Total Receipts.....	<u>12,415</u>	<u>975</u>	<u>900</u>
<b>Total Funds Available</b> .....	<b>\$ 48,446</b>	<b>\$ 48,944</b>	<b>\$ 45,044</b>
<b>Disbursements:</b>			
PA Commission on Crime and Delinquency.....	\$ 477	\$ 4,800	\$ 4,800
Total Disbursements.....	<u>-477</u>	<u>-4,800</u>	<u>-4,800</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 47,969</b>	<b>\$ 44,144</b>	<b>\$ 40,244</b>

# Motor Vehicle Transaction Recovery Fund

The Motor Vehicle Transaction Recovery 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 2,246	\$ 2,269	\$ 2,273
<b>Receipts:</b>			
Title & Registration Fees.....	\$ 29	\$ 35	\$ 35
Interest .....	7	14	14
Total Receipts .....	<u>36</u>	<u>49</u>	<u>49</u>
<b>Total Funds Available</b> .....	\$ 2,282	\$ 2,318	\$ 2,322
<b>Disbursements:</b>			
Transportation.....	\$ 13	\$ 45	\$ 45
Total Disbursements .....	<u>-13</u>	<u>-45</u>	<u>-45</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 2,269</u>	<u>\$ 2,273</u>	<u>\$ 2,277</u>

# Multimodal Transportation Fund

The Multimodal Transportation Fund was created by Act 89 of 2013 to provide additional funding for passenger rail, rail freight, ports and waterways, aviation, bicycle and pedestrian facilities, roads and bridges, and other modes of transportation. The program is funded by deposits from the Pennsylvania Turnpike Commission, a portion of certain Motor Vehicle Fees and the Oil Company Franchise Tax.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 69,428	\$ 138,251	\$ 0
<b>Receipts:</b>			
Pennsylvania Turnpike Commission.....	\$ 30,000	\$ 30,000	\$ 30,000
Motor Vehicle Fees.....	72,579	73,733	78,765
Oil Company Franchise Tax.....	35,000	35,000	35,000
Interest.....	345	134	133
Other.....	1	0	0
Total Receipts.....	<u>137,925</u>	<u>138,867</u>	<u>143,898</u>
<b>Total Funds Available</b> .....	\$ 207,353	\$ 277,118	\$ 143,898
<b>Disbursements:</b>			
Transportation.....	\$ 33,930	\$ 195,090	\$ 87,104
Transfer to Commonwealth Financing Authority.....	35,172	82,028	56,794
Total Disbursements.....	<u>-69,102</u>	<u>-277,118</u>	<u>-143,898</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 138,251</u>	<u>\$ 0</u>	<u>\$ 0</u>

# Municipal Pension Aid Fund

This fund was created by Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, and is administered by the Auditor General. Beginning in July 1985, this fund receives a portion of the revenues from the Foreign Casualty Insurance Premiums Tax and the Foreign Fire Insurance Premiums 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 253,542</b>	<b>\$ 276,720</b>	<b>\$ 279,365</b>
<b>Receipts:</b>			
Foreign Casualty Insurance Premiums Tax.....	\$ 274,966	\$ 277,651	\$ 280,427
Foreign Fire Insurance Premiums Tax.....	12,520	1,634	1,486
Interest .....	226	228	231
Total Receipts .....	<u>287,712</u>	<u>279,513</u>	<u>282,144</u>
<b>Total Funds Available</b> .....	<b>\$ 541,254</b>	<b>\$ 556,233</b>	<b>\$ 561,509</b>
<b>Disbursements:</b>			
Auditor General.....	\$ 264,534 <sup>a</sup>	\$ 276,868 <sup>b</sup>	\$ 279,637 <sup>c</sup>
Total Disbursements .....	<u>-264,534</u>	<u>-276,868</u>	<u>-279,637</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 276,720</b>	<b>\$ 279,365</b>	<b>\$ 281,872</b>

<sup>a</sup> Includes post-retirement payment of \$1,796,718 as authorized by Act 147 of 1988 and \$8,049,303 per Act 64 of 2002.

<sup>b</sup> Includes post-retirement payment of \$1,633,900 as authorized by Act 147 of 1988.

<sup>c</sup> Includes post-retirement payment of \$1,486,000 as authorized by Act 147 of 1988.

# Municipalities Financial Recovery Revolving Aid Fund

This fund was created by Act 157 of 1988 to make loans and grants to assist municipalities that are declared financially distressed. Initial funding was provided through the transfer of unused funds remaining from a 1986-87 General Fund appropriation for Distressed Community Emergency Aid. In addition, Act 157 stipulated that all repayments on loans made from the fund should be redeposited into the fund and used to make additional loans and grants to distressed municipalities. Act 58 of 1996 transferred this program from the Department of Community Affairs to the Department of Community and Economic Development.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 15,794</b>	<b>\$ 14,550</b>	<b>\$ 7,004</b>
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 3,000	\$ 3,000	\$ 3,000
Loan Principal and Interest Repayments.....	503	450	450
Incinerator Claim Receipts.....	250	0	0
Interest .....	51	103	103
Total Receipts .....	<u>3,804</u>	<u>3,553</u>	<u>3,553</u>
<b>Total Funds Available</b> .....	<b>\$ 19,598</b>	<b>\$ 18,103</b>	<b>\$ 10,557</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 5,048	\$ 11,099	\$ 9,000
Total Disbursements .....	<u>-5,048</u>	<u>-11,099</u>	<u>-9,000</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 14,550</b>	<b>\$ 7,004</b>	<b>\$ 1,557</b>



# Neighborhood Improvement Zone Fund

This fund was established by Act 50 of 2009. This fund is administered by the State Treasurer and the primary administrator of the program is the Department of Revenue. An entity collecting a local tax within the neighborhood improvement zone shall, within 30 days of the end of a fiscal quarter, submit all the local taxes collected to the State Treasurer for transfer to the fund. Interest income derived from investment of the money in the fund shall be credited by the Treasury Department to the fund. Funds may only be utilized for payment of debt service on bonds issued for the improvement and development of all or any part of the neighborhood improvement zone and the purpose of constructing a facility or facility complex. Funds may not be utilized for purposes of renovating or repairing a facility or facility complex, except for capital maintenance and improvement projects. The reconciliation between the state tax share transferred and the actual liability incurred, could result in the return of the excess state tax share in the subsequent fiscal year.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 12	\$ 0	\$ 0
<b>Receipts:</b>			
State Tax Share.....	\$ 61,766	\$ 72,300	\$ 78,600
State Tax Share Return .....	-16,284	-22,000	-22,000
Local Tax Share.....	2,668	2,098	2,279
Total Receipts .....	<u>48,150</u>	<u>52,398</u>	<u>58,879</u>
<b>Total Funds Available</b> .....	<u>\$ 48,162</u>	<u>\$ 52,398</u>	<u>\$ 58,879</u>
<b>Disbursements:</b>			
Treasury.....	\$ 48,162	\$ 52,398	\$ 58,879
Total Disbursements .....	<u>-48,162</u>	<u>-52,398</u>	<u>-58,879</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

# Non-Coal Surface Mining Conservation and Reclamation Fund

This fund was created by Act 219 of 1984 to finance reclamation projects on land scarred by non-coal surface mining. Projects include recontouring, terracing and planting 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 10,089	\$ 9,782	\$ 7,436
<b>Receipts:</b>			
Licenses and Fees.....	\$ 1,972	\$ 1,951	\$ 1,951
Penalties.....	183	91	95
Interest.....	199	239	239
Collateral.....	60	0	0
Forfeiture.....	132	0	0
Payment in Lieu of Bonds.....	91	70	70
Other.....	88	0	0
Total Receipts .....	<u>2,725</u>	<u>2,351</u>	<u>2,355</u>
<b>Total Funds Available</b> .....	<u>\$ 12,814</u>	<u>\$ 12,133</u>	<u>\$ 9,791</u>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 3,032	\$ 4,697	\$ 4,122
Total Disbursements .....	<u>-3,032</u>	<u>-4,697</u>	<u>-4,122</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 9,782</u>	<u>\$ 7,436</u>	<u>\$ 5,669</u>

# Nutrient Management Fund

This fund was created under the authority of Act 6 of 1993 to fund loans and grants for the implementation of nutrient management plans by agricultural operations. Revenue comes from commonwealth and federal appropriations, interest, loan repayments and gifts. Act 18 of 1995 transferred some responsibilities for the Nutrient Management Program from the Department of Environmental Protection to the Department of Agriculture.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 1,917</b>	<b>\$ 1,820</b>	<b>\$ 569</b>
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 2,714	\$ 2,714	\$ 2,714
Interest.....	8	11	11
Fees.....	33	33	33
Fines .....	23	23	23
Total Receipts .....	<u>2,778</u>	<u>2,781</u>	<u>2,781</u>
<b>Total Funds Available</b> .....	<b>\$ 4,695</b>	<b>\$ 4,601</b>	<b>\$ 3,350</b>
<b>Disbursements:</b>			
Agriculture .....	\$ 994	\$ 1,233	\$ 1,096
Environmental Protection .....	1,881	2,799	2,073
Total Disbursements .....	<u>-2,875</u>	<u>-4,032</u>	<u>-3,169</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 1,820</b>	<b>\$ 569</b>	<b>\$ 181</b>

# Oil and Gas Lease Fund

Created in 1955, this fund is used to finance conservation, recreation, dams or flood control projects or to match any federal grants made for these purposes. Revenues are derived from rents and royalties from oil and gas leases of commonwealth owned land with the exception of rents and royalties from land owned by either the Pennsylvania Game or Fish and Boat Commissions. Those revenues are paid into the Game and Fish Funds. Act 50 of 2009 provides \$50 million for an annual appropriation from the fund to the Department of Conservation and Natural Resources. In addition, any monies above the \$50 million must be specifically appropriated by the General Assembly. Act 46 of 2010 authorized a transfer of \$180 million to the General Fund. Act 13 of 2012 authorized annual transfers to the Marcellus Legacy Fund. This budget proposal includes a new transfer for three years from the Environmental Stewardship Fund into the Oil and Gas Lease Fund, along with modified transfers from the Oil and Gas Lease Fund to the Marcellus Legacy Fund as part of a new Pennsylvania Economic Revitalization Fund (PERF) bond issuance initiative.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 61,994</b>	<b>\$ 23,525</b>	<b>\$ 19,601</b>
<b>Receipts:</b>			
Rents and Royalties.....	\$ 69,946	\$ 80,000	\$ 80,000
Transfer from Environmental Stewardship Fund.....	0	0	37,000
Interest.....	782	537	537
Other.....	1,573	100	100
Total Receipts .....	<u>72,301</u>	<u>80,637</u>	<u>117,637</u>
<b>Total Funds Available</b> .....	<b>\$ 134,295</b>	<b>\$ 104,162</b>	<b>\$ 137,238</b>
<b>Disbursements:</b>			
Conservation and Natural Resources.....	\$ 53,838	\$ 59,561	\$ 50,000
State Parks Operations.....	21,413	0	43,588
State Forests Operations.....	10,519	0	21,412
Transfer to Marcellus Legacy Fund.....	25,000	25,000	15,000
Total Disbursements .....	<u>-110,770</u>	<u>-84,561</u>	<u>-130,000</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 23,525</b>	<b>\$ 19,601</b>	<b>\$ 7,238</b>

# 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 and Human Services, 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 6,092</b>	<b>\$ 4,678</b>	<b>\$ 5,190</b>
<b>Receipts:</b>			
Surcharges.....	\$ 6,363	\$ 9,455	\$ 7,785
Interest .....	15	40	40
Other .....	326	671	553
<b>Total Receipts</b> .....	<b>6,704</b>	<b>10,166</b>	<b>8,378</b>
<b>Total Funds Available</b> .....	<b>\$ 12,796</b>	<b>\$ 14,844</b>	<b>\$ 13,568</b>
<b>Disbursements:</b>			
Patient Safety Authority.....	\$ 8,118	\$ 9,654	\$ 9,000
<b>Total Disbursements</b> .....	<b>-8,118</b>	<b>-9,654</b>	<b>-9,000</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 4,678</b>	<b>\$ 5,190</b>	<b>\$ 4,568</b>

# Pennsylvania Economic Revitalization Fund

The Pennsylvania Economic Revitalization Fund (PERF) was created by Act 104 of 1984 as a three-year \$190 million program financed through a bond issue authorized by the electorate. The fund was formally established in the 1988-89 budget as an economic development fund and authorization for the fund was eliminated in 1995-96. Activity continues because of the long-term nature of existing projects. Upon completion of the original project activity, the repayment monies in this fund will be transferred to the General Fund. This budget proposes a new issuance program in PERF through the Commonwealth Financing Authority (CFA) to provide funding for multiple programs. The \$387.4 million bond issuance will take place in 2017-18 with proceeds being disbursed over a total of three fiscal years. The funding from this program will support the Commonwealth Universal Research Enhancement (CURE) Program, Environmental Stewardship Fund Grants, Cultural and Historical Support Grants, Grants to the Arts, Chesapeake Bay Watershed projects and a Smart Cities Initiative. The debt service on the bonds is paid through an additional sales and use tax transfer to CFA beginning in 2018-19.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 2,824	\$ 0	\$ 42
<b>Receipts:</b>			
Loan Principal and Interest Repayments.....	\$ 41	\$ 40	\$ 40
Bond Proceeds.....	0	0	387,400
Interest.....	9	2	2
Total Receipts.....	<u>50</u>	<u>42</u>	<u>387,442</u>
<b>Total Funds Available</b> .....	<u>\$ 2,874</u>	<u>\$ 42</u>	<u>\$ 387,484</u>
<b>Disbursements:</b>			
Transfer to General Fund.....	\$ 2,874	\$ 0	\$ 0
Transfer to Environmental Stewardship Fund.....	0	0	52,000
Health and Human Services.....	0	0	45,891
Community and Economic Development.....	0	0	11,000
Historical and Museum Commission.....	0	0	2,000
Executive Offices.....	0	0	9,590
Agriculture.....	0	0	4,700
Environmental Protection.....	0	0	8,300
Conservation and Natural Resources.....	0	0	2,000
Total Disbursements.....	<u>-2,874</u>	<u>0</u>	<u>-135,481</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 0</u>	<u>\$ 42</u>	<u>\$ 252,003</u>

# Pennsylvania eHealth Partnership Fund

This fund was established by Act 121 of 2012. The fund is administered by the Pennsylvania eHealth Partnership Authority. The authority will develop, establish and maintain a health information exchange that complies with federal and state law. The authority will expire on July 5, 2017. Funding for this program has been merged into the Department of Health and Human Services.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 3,788</b>	<b>\$ 2,215</b>	<b>\$ 0</b>
<b>Receipts:</b>			
Contracts/Grants/Fees.....	\$ 50	\$ 0	\$ 0
Transfer from General Fund.....	1,500	-1,947	0
Interest.....	11	10	0
Total Receipts .....	<u>1,561</u>	<u>-1,937</u>	<u>0</u>
<b>Total Funds Available</b> .....	<b>\$ 5,349</b>	<b>\$ 278</b>	<b>\$ 0</b>
<b>Disbursements:</b>			
Pennsylvania eHealth Partnership Authority.....	\$ 3,134	\$ 278	\$ 0
Total Disbursements .....	<u>-3,134</u>	<u>-278</u>	<u>0</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 2,215</b>	<b>\$ 0</b>	<b>\$ 0</b>

# 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 38,453</b>	<b>\$ 2,923</b>	<b>\$ 430</b>
<b>Receipts:</b>			
Gross Terminal Revenue Assessments.....	\$ 115,194	\$ 116,562	\$ 119,471
Build America Bonds Federal Interest Subsidy.....	9,062	8,922	8,770
Interest.....	106	143	143
Total Receipts .....	<u>124,362</u>	<u>125,627</u>	<u>128,384</u>
<b>Total Funds Available</b> .....	<b>\$ 162,815</b>	<b>\$ 128,550</b>	<b>\$ 128,814</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 103,097	\$ 71,200	\$ 66,000
General Services.....	357	641	5,795 <sup>a</sup>
Transfer to Commonwealth Financing Authority.....	56,438	56,279	56,102
Total Disbursements .....	<u>-159,892</u>	<u>-128,120</u>	<u>-127,897</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 2,923</b>	<b>\$ 430</b>	<b>\$ 917</b>

<sup>a</sup> Includes a \$4.365M remaining pledge installment owed by a casino operator that is due on April 1, 2017. 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 184</b>	<b>\$ 185</b>	<b>\$ 186</b>
<b>Receipts:</b>			
Interest.....	\$ 1	\$ 1	\$ 1
Total Receipts .....	<u>1</u>	<u>1</u>	<u>1</u>
<b>Total Funds Available</b> .....	<b>\$ 185</b>	<b>\$ 186</b>	<b>\$ 187</b>
<b>Disbursements:</b>			
Historical and Museum Commission.....	\$ 0	\$ 0	\$ 0
Total Disbursements .....	<u>0</u>	<u>0</u>	<u>0</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 185</b>	<b>\$ 186</b>	<b>\$ 187</b>

# 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 loan repayments and interest earnings.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 51,173</b>	<b>\$ 46,520</b>	<b>\$ 32,090</b>
<b>Receipts:</b>			
Loan Principal and Interest Repayments.....	\$ 19,326	\$ 14,339	\$ 14,284
Interest.....	-632	1,125	1,125
Other.....	-2,806	5	5
Total Receipts .....	<u>15,888</u>	<u>15,469</u>	<u>15,414</u>
<b>Total Funds Available</b> .....	<b>\$ 67,061</b>	<b>\$ 61,989</b>	<b>\$ 47,504</b>
<b>Disbursements:</b>			
Transportation.....	\$ 20,541	\$ 29,899	\$ 30,000
Total Disbursements .....	<u>-20,541</u>	<u>-29,899</u>	<u>-30,000</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 46,520</b>	<b>\$ 32,090</b>	<b>\$ 17,504</b>

# Pennsylvania Municipal Retirement Fund

Act 15 of 1974 created the Pennsylvania Municipal Retirement System which replaced the Municipal Employees Retirement Law and the Municipal Police Retirement Law and combined all employees covered under both into a state-related municipal system. The fund established under Act 15 provides for payment of retirement allowances to officers, employees, firemen and police of political subdivisions (counties, cities, boroughs and townships of the first and second class). Any municipality may elect by ordinance to join the system. Revenues are generated from the contributions of the members of the system and investment earnings. The board established has control over the system's operation. 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Total Cash Balance, Beginning</b> .....	<b>\$ 2,092,414</b>	<b>\$ 2,004,485</b>	<b>\$ 2,211,339</b>
<b>Receipts:</b>			
Contributions.....	\$ 70,194	\$ 73,002	\$ 75,922
Interest.....	24,357	25,696	27,109
Premium / Discount on Sale of Securities.....	11,405	57,088	60,228
Net Investment Adjustment.....	-93,837	161,295	79,614
Other.....	158	0	0
<b>Total Receipts</b> .....	<b>12,277</b>	<b>317,081</b>	<b>242,873</b>
<b>Total Funds Available</b> .....	<b>\$ 2,104,691</b>	<b>\$ 2,321,566</b>	<b>\$ 2,454,212</b>
<b>Disbursements:</b>			
Municipal Retirement Board.....	\$ 100,206	\$ 110,227	\$ 121,249
<b>Total Disbursements</b> .....	<b>-100,206</b>	<b>-110,227</b>	<b>-121,249</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 2,004,485</b>	<b>\$ 2,211,339</b>	<b>\$ 2,332,963</b>

# 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. The Fiscal Code provides for transfers to restricted accounts within the Department of Agriculture. In addition, Act 7 of 2016 added transfers to the State Racing Fund for drug testing of race horses and for promotional costs.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 5,131</b>	<b>\$ 2,080</b>	<b>\$ 2,179</b>
<b>Receipts:</b>			
Assessments.....	\$ 240,382	\$ 247,700	\$ 247,300
Interest.....	31	57	57
<b>Total Receipts</b> .....	<b>240,413</b>	<b>247,757</b>	<b>247,357</b>
<b>Total Funds Available</b> .....	<b>\$ 245,544</b>	<b>\$ 249,837</b>	<b>\$ 249,536</b>
<b>Disbursements:</b>			
Revenue.....	\$ 218,745	\$ 217,050	\$ 216,320
Agriculture.....	13,619	14,659	14,659
Transfer to Farm Products Show Fund.....	5,000	5,000	5,000
Transfer to State Racing Fund.....	6,100	10,949	11,229
<b>Total Disbursements</b> .....	<b>-243,464</b>	<b>-247,658</b>	<b>-247,208</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 2,080</b>	<b>\$ 2,179</b>	<b>\$ 2,328</b>

# Pennsylvania Veterans Memorial Trust Fund

Act 60 of 1988 established the Pennsylvania Veterans Memorial Trust 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 include operation and maintenance of the memorial.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 205</b>	<b>\$ 566</b>	<b>\$ 69</b>
<b>Receipts:</b>			
Public and Private Donations.....	\$ 417	\$ 9	\$ 9
Refunds.....	2	0	0
Interest .....	1	1	1
Total Receipts .....	<u>420</u>	<u>10</u>	<u>10</u>
<b>Total Funds Available</b> .....	<b>\$ 625</b>	<b>\$ 576</b>	<b>\$ 79</b>
<b>Disbursements:</b>			
Military and Veterans Affairs.....	\$ 59	\$ 507	\$ 75
Total Disbursements .....	<u>-59</u>	<u>-507</u>	<u>-75</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 566</b>	<b>\$ 69</b>	<b>\$ 4</b>

# PENNVEST Bond Authorization Fund

This fund, created under the authority of Act 16 of 1988, receives the proceeds from the sale of bonds authorized by general referendum, transfers from the Water Facilities Loan Fund or from the Capital Facilities Fund for site development. Expenditures are for transfers of funds to the PENNVEST Fund, the PENNVEST Drinking Water Revolving Fund, the PENNVEST Water Pollution Control Revolving Fund, the PENNVEST Revolving Fund or the PENNVEST Non-Revolving Equity Fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 7,230</b>	<b>\$ 6,083</b>	<b>\$ 0</b>
<b>Receipts:</b>			
Interest.....	\$ 20	\$ 39	\$ 0
Total Receipts .....	<u>20</u>	<u>39</u>	<u>0</u>
<b>Total Funds Available</b> .....	<b>\$ 7,250</b>	<b>\$ 6,122</b>	<b>\$ 0</b>
<b>Disbursements:</b>			
Infrastructure Investment Authority.....	\$ 1,167	\$ 6,122	\$ 0
Total Disbursements .....	<u>-1,167</u>	<u>-6,122</u>	<u>0</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 6,083</b>	<b>\$ 0</b>	<b>\$ 0</b>



# PENNVEST Drinking Water Revolving Fund

This fund was created under the authority of Act 16 of 1988 to receive funds from the federal government to establish a revolving loan program for drinking water projects. Required matching state funds are transferred from the PENNVEST Bond Authorization Fund and the PENNVEST Fund. Because of the lag in receiving federal funds, cash is borrowed from other PENNVEST funds.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 153,670</b>	<b>\$ 166,455</b>	<b>\$ 77,957</b>
<b>Receipts:</b>			
Federal Funds.....	\$ 25,325	\$ 65,633	\$ 57,000
Transfer from PENNVEST Water Pollution Control Revolving Fund.....	34,308	30,000	30,000
Loan Principal and Interest Repayments.....	8,158	12,472	13,586
Interest.....	2,740	3,489	3,489
Total Receipts .....	<u>70,531</u>	<u>111,594</u>	<u>104,075</u>
<b>Total Funds Available</b> .....	<b>\$ 224,201</b>	<b>\$ 278,049</b>	<b>\$ 182,032</b>
<b>Disbursements:</b>			
Infrastructure Investment Authority.....	\$ 57,746	\$ 200,092	\$ 178,000
Total Disbursements .....	<u>-57,746</u>	<u>-200,092</u>	<u>-178,000</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 166,455</b>	<b>\$ 77,957</b>	<b>\$ 4,032</b>

# PENNVEST Fund

This fund was created under the authority of Act 16 of 1988 to receive funds from sources other than the sale of general obligation bonds. These sources include appropriations from the General Fund, payments of revolving loans, interest received from revolving and non-revolving loans, investment income and the sale of assets. In addition to grants and loans for water and sewer projects, these funds can be used for administrative costs and matching funds for federal grants.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 257,144</b>	<b>\$ 264,095</b>	<b>\$ 240,167</b>
<b>Receipts:</b>			
Revolving Loan Payments.....	\$ 139,685	\$ 168,468	\$ 165,470
Transfer from Environmental Stewardship Fund.....	15,457	14,007	15,842
Transfer from Marcellus Legacy Fund.....	8,483	7,804	7,794
Interest.....	4,747	5,929	5,929
Other.....	28	0	0
Total Receipts .....	<u>168,400</u>	<u>196,208</u>	<u>195,035</u>
<b>Total Funds Available</b> .....	<b>\$ 425,544</b>	<b>\$ 460,303</b>	<b>\$ 435,202</b>
<b>Disbursements:</b>			
Infrastructure Investment Authority:			
Grants.....	\$ 449	\$ 500	\$ 100
Administration.....	1,884	3,811	4,183
Growing Greener Grants.....	6,941	6,758	10,000
Revenue Bond Loan Pool.....	0	10	10
Marcellus Grants.....	14,992	9,068	8,389
Revolving Loans and Administration.....	137,183	195,828	105,000
State Conditional Fund.....	0	4,161	1,000
Total Disbursements .....	<u>-161,449</u>	<u>-220,136</u>	<u>-128,682</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 264,095</b>	<b>\$ 240,167</b>	<b>\$ 306,520</b>

# 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 733</b>	<b>\$ 2,310</b>	<b>\$ 4,457</b>
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 4,892	\$ 0	\$ 0
Interest.....	6	25	25
Non-Revolving Loan Repayments.....	13,853	15,624	15,000
Total Receipts .....	<u>18,751</u>	<u>15,649</u>	<u>15,025</u>
<b>Total Funds Available</b> .....	<b>\$ 19,484</b>	<b>\$ 17,959</b>	<b>\$ 19,482</b>
<b>Disbursements:</b>			
Treasury.....	\$ 17,174	\$ 13,502	\$ 10,129
Total Disbursements .....	<u>-17,174</u>	<u>-13,502</u>	<u>-10,129</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 2,310</b>	<b>\$ 4,457</b>	<b>\$ 9,353</b>

# PENNVEST Water Pollution Control Revolving Fund

This fund was created under the authority of Act 16 of 1988 for funds received from the federal government to establish a revolving loan program for sewer projects. Required matching state funds are transferred from the PENNVEST Bond Authorization Fund and the PENNVEST Fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 550,980</b>	<b>\$ 584,234</b>	<b>\$ 419,524</b>
<b>Receipts:</b>			
Federal Funds.....	\$ 50,899	\$ 119,356	\$ 110,500
Loan Principal and Interest Repayments.....	104,010	101,567	101,638
Interest.....	10,151	12,929	12,929
Total Receipts .....	<u>165,060</u>	<u>233,852</u>	<u>225,067</u>
<b>Total Funds Available</b> .....	<b>\$ 716,040</b>	<b>\$ 818,086</b>	<b>\$ 644,591</b>
<b>Disbursements:</b>			
Infrastructure Investment Authority.....	\$ 131,806	\$ 398,562	\$ 401,500
Total Disbursements .....	<u>-131,806</u>	<u>-398,562</u>	<u>-401,500</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 584,234</b>	<b>\$ 419,524</b>	<b>\$ 243,091</b>

# Persian Gulf Conflict Veterans Compensation Bond Fund

The Persian Gulf Conflict Veterans Compensation Bond Fund was created by Act 29 of 2006 to receive and distribute the proceeds from \$20 million in bonds approved by the electorate in November of 2006. This money is used for 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 the veteran was a prisoner of war. In such instances the maximum compensation is \$5,000. Act 50 of 2015 extended the application period through August 31, 2018.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 2,303	\$ 2,107	\$ 2,020
<b>Receipts:</b>			
Interest.....	\$ 7	\$ 13	\$ 13
Total Receipts .....	<u>7</u>	<u>13</u>	<u>13</u>
<b>Total Funds Available</b> .....	\$ 2,310	\$ 2,120	\$ 2,033
<b>Disbursements:</b>			
Military and Veterans Affairs.....	\$ 203	\$ 100	\$ 55
Total Disbursements .....	<u>-203</u>	<u>-100</u>	<u>-55</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 2,107</u>	<u>\$ 2,020</u>	<u>\$ 1,978</u>

# 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 0	\$ 0	\$ 0
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 432	\$ 343	\$ 0
Total Receipts .....	<u>432</u>	<u>343</u>	<u>0</u>
<b>Total Funds Available</b> .....	\$ 432	\$ 343	\$ 0
<b>Disbursements:</b>			
Treasury.....	\$ 432	\$ 343	\$ 0
Total Disbursements .....	<u>-432</u>	<u>-343</u>	<u>0</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

# Pharmaceutical Assistance Fund

The revenue for the Pharmaceutical Assistance Fund (PACE) is received from the Lottery Fund. This fund provides a limited pharmaceutical assistance program for older Pennsylvanians who are 65 years of age or over and whose annual income does not exceed the maximum specified for program eligibility. The PACE Fund is used for pharmaceutical claims processing for the Department of Health and Human Services Special Pharmaceutical Benefits Program and several disease specific programs, as well as the Insurance Department's Auto Cat and the Worker's Compensation Security 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 Health and Human Services and Insurance.

This budget proposes the consolidation of the Departments of Human Services, Health, Drug and Alcohol Programs and Aging into a new Department of Health and Human Services.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 50,477</b>	<b>\$ 27,669</b>	<b>\$ 18,483</b>
<b>Receipts:</b>			
Transfer from Lottery Fund .....	\$ 175,000	\$ 185,000 <sup>a</sup>	\$ 125,000
Interest .....	201	270	270
Disease Specific Programs.....	5,507	6,240	0
Special Pharmaceutical Services .....	38,257	35,233	40,466
Auto Cat Program.....	1,015	990	990
Workers' Compensation Security Fund Program.....	3,288	3,315	3,315
Motor License Fund Loan.....	96,000	0	0
Other.....	571	4,480	780
Total Receipts .....	<u>319,839</u>	<u>235,528</u>	<u>170,821</u>
<b>Total Funds Available</b> .....	<b>\$ 370,316</b>	<b>\$ 263,197</b>	<b>\$ 189,304</b>
<b>Disbursements:</b>			
Health and Human Services.....	\$ 242,366	\$ 240,409	\$ 165,627
Insurance.....	4,124	4,305 <sup>b</sup>	4,305 <sup>b</sup>
Loan Repayment.....	96,157	0	0
Total Disbursements .....	<u>-342,647</u>	<u>-244,714</u>	<u>-169,932</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 27,669</b>	<b>\$ 18,483</b>	<b>\$ 19,372</b>

<sup>a</sup> Reflects recommended appropriation reduction of \$20,000,000.

<sup>b</sup> Expenditures from restricted accounts in the Department of Health and Human Services.

# Philadelphia Regional Port Authority Fund

The Philadelphia Regional Port Authority was created by Act 50 of 1989 to acquire and operate the port facilities of the former Philadelphia Port Corporation. The Philadelphia Regional Port Authority Fund handles payroll of the authority via transfer of funds from the authority's private bank accounts. The authority is authorized to issue bonds to finance port improvements and may pay off such bonds.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 339	\$ 441	\$ 806
<b>Receipts:</b>			
Transfer from Philadelphia Regional Port Authority.....	\$ 8,000	\$ 8,700	\$ 8,200
Interest.....	2	4	4
Total Receipts .....	<u>8,002</u>	<u>8,704</u>	<u>8,204</u>
<b>Total Funds Available</b> .....	<u>\$ 8,341</u>	<u>\$ 9,145</u>	<u>\$ 9,010</u>
<b>Disbursements:</b>			
Philadelphia Regional Port Operations.....	\$ 7,900	\$ 8,339	\$ 8,589
Total Disbursements .....	<u>-7,900</u>	<u>-8,339</u>	<u>-8,589</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 441</u>	<u>\$ 806</u>	<u>\$ 421</u>

# Philadelphia Taxicab and Limousine Regulatory Fund

This fund was created by Act 64 of 2013 to act as the primary operating fund for the Philadelphia Parking Authority to regulate taxicabs and limousines in the city of the first class. Revenues in the fund are derived from assessments and fees to taxicab, limousine and dispatcher utility groups. Monies in the fund are used by the Authority for administration and enforcement of the taxicab and limousine program.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 138	\$ 140	\$ 141
<b>Receipts:</b>			
Assessments.....	\$ 6,256	\$ 8,640	\$ 4,703
Interest.....	2	1	1
Total Receipts .....	<u>6,258</u>	<u>8,641</u>	<u>4,704</u>
<b>Total Funds Available</b> .....	<u>\$ 6,396</u>	<u>\$ 8,781</u>	<u>\$ 4,845</u>
<b>Disbursements:</b>			
Philadelphia Parking Authority.....	\$ 6,256	\$ 8,640	\$ 4,703
Total Disbursements .....	<u>-6,256</u>	<u>-8,640</u>	<u>-4,703</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 140</u>	<u>\$ 141</u>	<u>\$ 142</u>

# Philadelphia Taxicab Medallion Fund

This fund was created by Act 64 of 2013 for the Philadelphia Parking Authority to administer the taxicab medallion program. Revenues are generated from the sale of medallions. Expenditures are those limited to the operation and enforcement of the medallion program.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 184	\$ 937	\$ 943
<b>Receipts:</b>			
Sale of Medallions.....	\$ 2,792	\$ 2,000	\$ 2,000
Interest.....	2	6	6
<b>Total Receipts</b> .....	<u>2,794</u>	<u>2,006</u>	<u>2,006</u>
<b>Total Funds Available</b> .....	<u>\$ 2,978</u>	<u>\$ 2,943</u>	<u>\$ 2,949</u>
<b>Disbursements:</b>			
Philadelphia Parking Authority.....	\$ 2,041	\$ 2,000	\$ 2,000
<b>Total Disbursements</b> .....	<u>-2,041</u>	<u>-2,000</u>	<u>-2,000</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 937</u>	<u>\$ 943</u>	<u>\$ 949</u>

# PlanCon Bond Projects Fund

The PlanCon Bond Projects Fund is a special revenue fund created by Act 25 of 2016 for the reimbursement of school construction costs from the net proceeds of bonds issued through the Commonwealth Financing Authority. The act authorized up to \$2.5 billion in debt to be issued by June 30, 2025, and the first bonds were issued in October 2016. Reimbursements to school districts for approved construction costs will be made by the Department of Education.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 0	\$ 0	\$ 17,935
<b>Receipts:</b>			
School Construction Bond Proceeds.....	\$ 0	\$ 735,394	\$ 645,137
<b>Total Receipts</b> .....	<u>0</u>	<u>735,394</u>	<u>645,137</u>
<b>Total Funds Available</b> .....	<u>\$ 0</u>	<u>\$ 735,394</u>	<u>\$ 663,072</u>
<b>Disbursements:</b>			
Education.....	\$ 0	\$ 717,459	\$ 266,691
<b>Total Disbursements</b> .....	<u>0</u>	<u>-717,459</u>	<u>-266,691</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 0</u>	<u>\$ 17,935</u>	<u>\$ 396,381</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 sponsored by third parties. Act 111 of 2001 added Indiana County and Act 131 of 2006 added Blair County to the Port District.

Grants supporting the commission's operations 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 2,115</b>	<b>\$ 2,530</b>	<b>\$ 2,273</b>
<b>Receipts:</b>			
State Grants.....	\$ 750	\$ 750	\$ 750
Federal Grants.....	2,432	6,905	2,100
Loan Repayments.....	40	20	20
Interest .....	7	14	14
Other .....	31	2	2
<b>Total Receipts</b> .....	<b>3,260</b>	<b>7,691</b>	<b>2,886</b>
<b>Total Funds Available</b> .....	<b>\$ 5,375</b>	<b>\$ 10,221</b>	<b>\$ 5,159</b>
<b>Disbursements:</b>			
Port of Pittsburgh Commission.....	\$ 2,845	\$ 7,948	\$ 3,216
<b>Total Disbursements</b> .....	<b>-2,845</b>	<b>-7,948</b>	<b>-3,216</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 2,530</b>	<b>\$ 2,273</b>	<b>\$ 1,943</b>

# 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. Act 78 of 2012 provides for additional funding for the Volunteer Fire Company Grants out of the Property Tax Relief Reserve Fund. 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 509,101</b>	<b>\$ 472,653</b>	<b>\$ 462,101</b>
<b>Receipts:</b>			
Transfer from State Gaming Fund.....	\$ 744,940	\$ 753,138	\$ 771,931
Property Tax Relief Reserve Fund Loan Repayment.....	6,093	6,385	6,385
Interest.....	809	825	825
Total Receipts .....	<u>751,842</u>	<u>760,348</u>	<u>779,141</u>
<b>Total Funds Available</b> .....	<b>\$ 1,260,943</b>	<b>\$ 1,233,001</b>	<b>\$ 1,241,242</b>
<b>Disbursements:</b>			
Property Tax Relief Payments:			
Education:			
General Property Tax Relief.....	\$ 595,000	\$ 595,000	\$ 595,000
Sterling Act.....	21,490	22,900	22,900
Subtotal: Education Property Tax Relief Payments.....	<u>616,490</u>	<u>617,900</u>	<u>617,900</u>
Revenue:			
Expanded Prop Tax/Rent Rebate/Senior Tax Reductions.....	136,400	120,700	118,500
Cities and High-Burden.....	30,400	27,300	27,200
Subtotal: Revenue Property Tax Relief Payments.....	<u>166,800<sup>a</sup></u>	<u>148,000</u>	<u>145,700</u>
Total Property Tax Relief Disbursements.....	<u>783,290</u>	<u>765,900</u>	<u>763,600</u>
Emergency Management:			
Volunteer Company Grants.....	5,000	5,000	5,000
Total Disbursements.....	<u>-788,290</u>	<u>-770,900</u>	<u>-768,600</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 472,653<sup>b</sup></b>	<b>\$ 462,101<sup>c</sup></b>	<b>\$ 472,642<sup>d</sup></b>

<sup>a</sup> 2015-16 transfer to Lottery Fund for expanded Prop Tax/Rent Rebate was approximately \$15,900,000 more than was necessary to make payments to seniors.

<sup>b</sup> 2015-16 Actual includes a balance of \$9,259,945 in the Property Tax Relief Reserve Account.

<sup>c</sup> 2016-17 Available includes a balance of \$11,500,839 in the Property Tax Relief Reserve Account.

<sup>d</sup> 2017-18 Estimated includes a balance of \$8,308,574 in the Property Tax Relief Reserve Account.



# Public Transportation Assistance Fund

The Public Transportation Assistance Fund was established by Act 26 of 1991 to assist the capital, asset maintenance and 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 8,457</b>	<b>\$ 8,769</b>	<b>\$ 8,769</b>
<b>Receipts:</b>			
Tire Fee, Rental Fee and Lease Tax.....	\$ 124,044	\$ 136,400	\$ 139,500
Sales and Use Tax.....	98,100	100,300	109,100
Interest.....	67	88	88
<b>Total Receipts</b> .....	<b>222,211</b>	<b>236,788</b>	<b>248,688</b>
<b>Total Funds Available</b> .....	<b>\$ 230,668</b>	<b>\$ 245,557</b>	<b>\$ 257,457</b>
<b>Disbursements:</b>			
Transportation:			
Grants.....	\$ 201,765	\$ 215,580	\$ 226,621
Transfer to Public Transportation Trust Fund.....	20,134	21,208	22,067
<b>Total Disbursements</b> .....	<b>-221,899</b>	<b>-236,788</b>	<b>-248,688</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 8,769</b>	<b>\$ 8,769</b>	<b>\$ 8,769</b>

# Public Transportation Trust Fund

The Public Transportation Trust Fund was created by Act 44 of 2007 to provide dedicated funding for public transportation in the commonwealth. Act 89 of 2013 increased funding and revenue sources for the fund. Revenues come from scheduled payments by the Pennsylvania Turnpike Commission, a portion of the Sales and Use Tax, certain motor vehicle fees, vehicle code fines and surcharges, 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, capital and asset improvements, and programs of statewide significance.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 373,027</b>	<b>\$ 533,066</b>	<b>\$ 255,113</b>
<b>Receipts:</b>			
Sales and Use Tax.....	\$ 455,796	\$ 464,182	\$ 503,216
Pennsylvania Turnpike Commission.....	420,000	420,000	420,000
Transfer from Lottery Fund.....	95,907	95,907	95,907
Transfer from Public Transportation Assistance Fund.....	20,134	21,208	22,067
Motor Vehicle Fees.....	210,166	217,203	263,692
Vehicle Code Fines .....	35,401	35,716	35,716
Interest.....	4,594	2,000	2,000
<b>Total Receipts</b> .....	<b>1,241,998</b>	<b>1,256,216</b>	<b>1,342,598</b>
<b>Total Funds Available</b> .....	<b>\$ 1,615,025</b>	<b>\$ 1,789,282</b>	<b>\$ 1,597,711</b>
<b>Disbursements:</b>			
Transportation.....	\$ 1,081,959	\$ 1,534,169	\$ 1,349,488
<b>Total Disbursements</b> .....	<b>-1,081,959</b>	<b>-1,534,169</b>	<b>-1,349,488</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 533,066</b>	<b>\$ 255,113</b>	<b>\$ 248,223</b>

# 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 4,294</b>	<b>\$ 4,646</b>	<b>\$ 6,206</b>
<b>Receipts:</b>			
Reimbursements to General Services.....	\$ 357,532	\$ 503,000	\$ 591,000
Reimbursements to Executive Offices.....	90,521	79,000	67,000
General Fund Loan.....	92,000	0	0
Interest.....	67	60	60
<b>Total Receipts</b> .....	<b>540,120</b>	<b>582,060</b>	<b>658,060</b>
<b>Total Funds Available</b> .....	<b>\$ 544,414</b>	<b>\$ 586,706</b>	<b>\$ 664,266</b>
<b>Disbursements:</b>			
General Services.....	\$ 351,408	\$ 504,000	\$ 593,000
Executive Offices.....	96,360	76,500	67,000
Loan Repayment.....	92,000	0	0
<b>Total Disbursements</b> .....	<b>-539,768</b>	<b>-580,500</b>	<b>-660,000</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 4,646</b>	<b>\$ 6,206</b>	<b>\$ 4,266</b>

# Racing Fund

The Racing Fund is a special revenue fund composed of monies received from taxes and license fees collected by the State Horse Racing Commission for the regulation of horse and harness racing. The administration and enforcement of racing in Pennsylvania is governed by Act 7 of 2016 which repealed and restructured the Race Horse Industry Reform Act (Act 93 of 1983 and subsequent amendments). Licensed racing corporations who annually conduct at least 100 days of racing continue to remit wagering taxes at the rate of 1.5%. License and fee revenue is derived from the licensing of jockeys and other persons participating in racing as prescribed by the State Racing Commission. Penalties and interest on taxes due, interest on securities and uncashed tickets comprise miscellaneous revenue. In addition, Act 7 now provides funding from the Pennsylvania Race Horse Development Fund to cover the cost of the drug testing program and for promotion and advertising costs. Act 52 of 2014 which established the Advance Deposit Wagering Tax has been repealed. While additional deposits are not anticipated, some entities have made legal challenges and have subsequently been awarded judgements for refund.

Act 7 of 2016 continues to support the breeders programs and the related restricted accounts. However, most of the revenues for these accounts comes from Act 71 of 2004, the Race Horse Development and Gaming Act. Funding is generated from gross terminal revenues from slot machines and is transferred from the Pennsylvania Race Horse Development Fund.

It is important to note that Act 7 of 2016 is only a short-term fix for the Racing Fund. Act 7 provisions terminate in FY 2020-21. Act 7 requires a comprehensive study of gaming throughout the commonwealth. The study includes, but is not limited to, the methodologies used in statewide gaming including the commonwealth agencies responsible for oversight. It is anticipated that the results of the comprehensive study will determine how the race horse industry will be administered and funded in the long-term.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 23,362</b>	<b>\$ 29,113</b>	<b>\$ 30,766</b>
<b>Receipts:</b>			
Admission and Wagering.....	\$ 9,046	\$ 8,322	\$ 7,657
Licenses and Fees.....	627	756	756
Fines and Penalties.....	85	100	100
Transfers from PA Race Horse Development Fund.....	6,100	10,949	11,229
Advance Deposit Wagering Tax.....	674	0	0
Other.....	2,188	3,147	2,182
Restricted Revenues.....	35,086	34,500	35,000
Interest.....	286	404	404
Total Receipts .....	<u>54,092</u>	<u>58,178</u>	<u>57,328</u>
<b>Total Funds Available</b> .....	<b>\$ 77,454</b>	<b>\$ 87,291</b>	<b>\$ 88,094</b>
<b>Disbursements:</b>			
Agriculture.....	\$ 15,197	\$ 21,787	\$ 22,769
Revenue.....	1,737	238	238
Agriculture - Restricted Funds.....	31,407	34,500	35,000
Total Disbursements .....	<u>-48,341</u>	<u>-56,525</u>	<u>-58,007</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 29,113</b>	<b>\$ 30,766</b>	<b>\$ 30,087</b>

# 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 613</b>	<b>\$ 561</b>	<b>\$ 490</b>
<b>Receipts:</b>			
Additional License Fees.....	\$ 56	\$ 75	\$ 75
Interest .....	2	4	4
Total Receipts .....	<u>58</u>	<u>79</u>	<u>79</u>
<b>Total Funds Available</b> .....	<b>\$ 671</b>	<b>\$ 640</b>	<b>\$ 569</b>
<b>Disbursements:</b>			
State.....	\$ 110	\$ 150	\$ 150
Total Disbursements .....	<u>-110</u>	<u>-150</u>	<u>-150</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 561</b>	<b>\$ 490</b>	<b>\$ 419</b>

# Recycling Fund

This fund was created by Act 101 of 1988 to finance the planning, processing, resource recovery and recycling of solid waste. Revenue is generated by a fee on all waste disposed of in landfills or processed by resource recovery facilities. Expenditures are for recycling and planning grants, market and waste minimization studies, and public information and education activities throughout the commonwealth. Act 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 87,554</b>	<b>\$ 84,644</b>	<b>\$ 64,447</b>
<b>Receipts:</b>			
Recycling Fees.....	\$ 38,219	\$ 38,000	\$ 38,000
Interest .....	1,579	1,946	1,946
Transfer from Hazardous Sites Cleanup Fund.....	1,000	1,000	1,000
Transfer from Public Ed/Tech Assistance.....	500	500	500
Total Receipts .....	<u>41,298</u>	<u>41,446</u>	<u>41,446</u>
<b>Total Funds Available</b> .....	<b>\$ 128,852</b>	<b>\$ 126,090</b>	<b>\$ 105,893</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 44,208	\$ 52,643	\$ 52,136
Transfer to General Fund.....	0	9,000	0
Total Disbursements .....	<u>-44,208</u>	<u>-61,643</u>	<u>-52,136</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 84,644</b>	<b>\$ 64,447</b>	<b>\$ 53,757</b>

# 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 10,775</b>	<b>\$ 11,818</b>	<b>\$ 12,029</b>
<b>Receipts:</b>			
Client Fees .....	\$ 19,880	\$ 20,750	\$ 20,750
Interest.....	26	65	65
PACE Grant.....	100	0	0
Perkins Grant.....	48	0	0
PHEAA Grants.....	-25	96	96
Labor and Industry .....	212	143	143
Other.....	1,123	1,193	1,193
Total Receipts .....	<u>21,364</u>	<u>22,247</u>	<u>22,247</u>
<b>Total Funds Available</b> .....	<b>\$ 32,139</b>	<b>\$ 34,065</b>	<b>\$ 34,276</b>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 20,321	\$ 22,036	\$ 23,253
Total Disbursements .....	<u>-20,321</u>	<u>-22,036</u>	<u>-23,253</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 11,818</b>	<b>\$ 12,029</b>	<b>\$ 11,023</b>

# Remining Financial Assurance Fund

Act 173 of 1992 authorized this fund to assist mine operators who qualify to purchase reclamation bonds or make payment in lieu of reclamation bonds. Revenues are the transfer of up to \$5 million from the Land and Water Development Fund and from in lieu of bond premium payments. Expenditures from this fund occur only when mine operators default.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 4,265</b>	<b>\$ 4,353</b>	<b>\$ 4,344</b>
<b>Receipts:</b>			
Interest transfer to Land and Water Development Sinking Fund.....	\$ 18	\$ 0	\$ 0
Interest.....	14	28	28
Operator Annual Fee.....	104	120	120
Total Receipts .....	<u>136</u>	<u>148</u>	<u>148</u>
<b>Total Funds Available</b> .....	<b>\$ 4,401</b>	<b>\$ 4,501</b>	<b>\$ 4,492</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 48	\$ 157	\$ 196
Total Disbursements .....	<u>-48</u>	<u>-157</u>	<u>-196</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 4,353</b>	<b>\$ 4,344</b>	<b>\$ 4,296</b>

# Rightful Owners' Claims Payment Fund

The Rightful Owners' Claims Payment 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, five 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 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 835	\$ 555	\$ 288
<b>Receipts:</b>			
Transfers from Unclaimed Property Accounts.....	\$ 42	\$ 84	\$ 96
Interest.....	3	3	3
Total Receipts .....	<u>45</u>	<u>87</u>	<u>99</u>
<b>Total Funds Available</b> .....	<u>\$ 880</u>	<u>\$ 642</u>	<u>\$ 387</u>
<b>Disbursements:</b>			
Treasury Payments to Claimants.....	\$ 325	\$ 354	\$ 364
Total Disbursements.....	<u>-325</u>	<u>-354</u>	<u>-364</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 555</u>	<u>\$ 288</u>	<u>\$ 23</u>

# School Employees' Retirement Fund

The Public School Employees' Retirement Fund provides for receipt and accounting of member and employer contributions, investment of those funds and payment of benefits to retired school employees.

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, thereby lowering the employer contribution costs. Act 120 of 2010 amended the benefit structure for most new employees hired after July 1, 2011 and amended the funding provisions. Act 120 also established a new shared risk benefit plan.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 50,771,263</b>	<b>\$ 49,956,622</b>	<b>\$ 51,865,622</b>
<b>Receipts:</b>			
Transfer from General Fund —			
Employer Contribution (non-school entities).....	\$ 19,496	\$ 23,000	\$ 25,000
Transfers from State Retirement System.....	9,916	10,000	10,000
Contributions of School Employees.....	989,266	996,000	1,017,000
Contributions of Employers.....	4,218,223	3,953,000	4,333,000
Net Investment Adjustment.....	473,747	3,622,000	3,760,000
Total Receipts .....	<u>5,710,648</u>	<u>8,604,000</u>	<u>9,145,000</u>
<b>Total Funds Available</b> .....	<b>\$ 56,481,911</b>	<b>\$ 58,560,622</b>	<b>\$ 61,010,622</b>
<b>Disbursements:</b>			
Treasury .....	\$ 94	\$ 250	\$ 250
Public School Employees' Retirement Board .....	6,525,195	6,694,750	6,861,750
Total Disbursements .....	<u>-6,525,289</u>	<u>-6,695,000</u>	<u>-6,862,000</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 49,956,622</b>	<b>\$ 51,865,622</b>	<b>\$ 54,148,622</b>

# Self-Insurance Guaranty Fund

This fund was created by Act 44 of 1993, the Pennsylvania Workers' Compensation Act. The purpose of this fund is to pay claims arising from defaulting self-insurance employers and defaulting members of self-insurance pooling arrangements under the Workers' Compensation Act for injuries occurring on or after October 30, 1993. The fund is maintained by assessments on self-insurers. Act 53 of 2000 provides for payments of claims resulting from injuries prior to October 30, 1993, 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 54,154</b>	<b>\$ 72,465</b>	<b>\$ 68,304</b>
<b>Receipts:</b>			
Assessments.....	\$ 22,205	\$ 130	\$ 130
Workmen's Compensation Transfers.....	1,378	1,000	1,000
Interest.....	1,078	1,389	1,389
Internal Interest Transfers.....	-914	0	0
Total Receipts .....	<u>23,747</u>	<u>2,519</u>	<u>2,519</u>
<b>Total Funds Available</b> .....	<b>\$ 77,901</b>	<b>\$ 74,984</b>	<b>\$ 70,823</b>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 5,436	\$ 6,680	\$ 5,300
Total Disbursements .....	<u>-5,436</u>	<u>-6,680</u>	<u>-5,300</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 72,465</b>	<b>\$ 68,304</b>	<b>\$ 65,523</b>

# 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. Act 161 of 2014 transitioned the administration of this fund to the Pennsylvania Industrial Development Authority.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 25,802</b>	<b>\$ 28,216</b>	<b>\$ 9,334</b>
<b>Receipts:</b>			
Loan Principal and Interest Repayments.....	\$ 10,374	\$ 10,000	\$ 10,000
Interest.....	314	426	426
Other.....	68	220	220
Total Receipts .....	<u>10,756</u>	<u>10,646</u>	<u>10,646</u>
<b>Total Funds Available</b> .....	<b>\$ 36,558</b>	<b>\$ 38,862</b>	<b>\$ 19,980</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 8,342	\$ 29,528	\$ 15,000
Total Disbursements .....	<u>-8,342</u>	<u>-29,528</u>	<u>-15,000</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 28,216</b>	<b>\$ 9,334</b>	<b>\$ 4,980</b>



# Solid Waste-Resource Recovery Development Fund

Created in 1974, this fund provides financial assistance to municipalities in the planning, development, construction and operation of resource recovery and solid waste disposal facilities. Loans for new facilities are restricted to municipalities in seventh and eighth class counties. Revenue is provided through appropriations by the General Assembly and by the repayment of loans made to municipalities.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 443</b>	<b>\$ 445</b>	<b>\$ 448</b>
<b>Receipts:</b>			
Interest.....	\$ 2	\$ 3	\$ 3
Total Receipts .....	<u>2</u>	<u>3</u>	<u>3</u>
<b>Total Funds Available</b> .....	<b>\$ 445</b>	<b>\$ 448</b>	<b>\$ 451</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 0	\$ 0	\$ 0
Total Disbursements .....	<u>0</u>	<u>0</u>	<u>0</u>
<b>Cash Balance, Ending</b> .....	<b><u>\$ 445</u></b>	<b><u>\$ 448</u></b>	<b><u>\$ 451</u></b>

# 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 monies 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 5,821</b>	<b>\$ 6,928</b>	<b>\$ 200</b>
<b>Receipts:</b>			
Penalty and Interest Collections.....	\$ 10,520	\$ 11,000	\$ 11,000
Interest.....	18	52	52
Total Receipts .....	<u>10,538</u>	<u>11,052</u>	<u>11,052</u>
<b>Total Funds Available</b> .....	<b>\$ 16,359</b>	<b>\$ 17,980</b>	<b>\$ 11,252</b>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 9,431	\$ 17,780	\$ 11,052
Total Disbursements .....	<u>-9,431</u>	<u>-17,780</u>	<u>-11,052</u>
<b>Cash Balance, Ending</b> .....	<b><u>\$ 6,928</u></b>	<b><u>\$ 200</u></b>	<b><u>\$ 200</u></b>

# 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. Interest earned is disbursed to the Pennsylvania State University.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 24	\$ 24	\$ 24
<b>Receipts:</b>			
Interest.....	\$ 0	\$ 0	\$ 0
Total Receipts .....	0	0	0
<b>Total Funds Available</b> .....	<u>\$ 24</u>	<u>\$ 24</u>	<u>\$ 24</u>
<b>Disbursements:</b>			
Treasury.....	\$ 0	\$ 0	\$ 0
Total Disbursements .....	0	0	0
<b>Cash Balance, Ending</b> .....	<u>\$ 24</u>	<u>\$ 24</u>	<u>\$ 24</u>

# 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 120 of 2010 amended the benefit structure for most new employees hired after December 31, 2010 and amended the funding provisions. Act 120 also established a new shared risk benefit plan.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 27,179,885</b>	<b>\$ 25,677,011</b>	<b>\$ 26,494,991</b>
<b>Receipts:</b>			
Contributions of Employees.....	\$ 407,088	\$ 389,500	\$ 402,000
Contributions of Employers.....	1,382,987	1,794,928	1,987,410
Transfer to Annuity Reserve Account.....	12,446	12,446	12,446
Directed Commissions.....	142	142	142
Net Investment Adjustment.....	-132,741	1,925,091	1,986,427
Other.....	6,119	6,119	6,119
Total Receipts .....	<u>1,676,041</u>	<u>4,128,226</u>	<u>4,394,544</u>
<b>Total Funds Available</b> .....	<b>\$ 28,855,926</b>	<b>\$ 29,805,237</b>	<b>\$ 30,889,535</b>
<b>Disbursements:</b>			
Treasury.....	\$ 163	\$ 200	\$ 200
Benefits and Expenses.....	3,178,752	3,310,046	3,443,983
Total Disbursements .....	<u>-3,178,915</u>	<u>-3,310,246</u>	<u>-3,444,183</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 25,677,011</b>	<b>\$ 26,494,991</b>	<b>\$ 27,445,352</b>

# 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 165,340</b>	<b>\$ 152,800</b>	<b>\$ 131,912</b>
<b>Receipts:</b>			
State Tax Revenue.....	\$ 783,993	\$ 792,622	\$ 812,400
Licensee Deposit Accounts.....	57,763	65,081	75,595 <sup>a</sup>
Local Share Assessment.....	152,625	154,305 <sup>b</sup>	158,155 <sup>b</sup>
Interest.....	438	443	454
Other .....	5,664	5,765	5,765
<b>Total Receipts</b> .....	<b>1,000,483</b>	<b>1,018,216</b>	<b>1,052,369</b>
<b>Total Funds Available</b> .....	<b>\$ 1,165,823</b>	<b>\$ 1,171,016</b>	<b>\$ 1,184,281</b>
<b>Disbursements:</b>			
<b>Revenue:</b>			
Transfer to Compulsive and Problem Gambling Treatment Fund.....	\$ 4,566	\$ 4,612	\$ 4,800
Transfer to Compulsive and Problem Gambling Treatment Fund - Drug and Alcohol.....	3,000	3,000	3,000
<b>Payment in Lieu of Taxes:</b>			
Conservation and Natural Resources.....	5,144	5,261	5,261
Fish and Boat Commission.....	17	40	40
Game Commission.....	3,593	3,686	3,686
<b>Emergency Management:</b>			
Volunteer Company Grants.....	25,000	25,000	25,000
<b>Gaming Control Board:</b>			
Local Law Enforcement Grants.....	1,025	2,000	2,000
<b>Local Share Assessment Distribution:</b>			
Revenue.....	119,454	120,769 <sup>b</sup>	123,782 <sup>b</sup>
Community and Economic Development.....	34,077	34,452 <sup>b</sup>	35,312 <sup>b</sup>
Education.....	1,293	1,307 <sup>b</sup>	1,340 <sup>b</sup>
<b>Administrative Appropriations:</b>			
Gaming Control Board.....	38,068	42,718	41,675
Revenue .....	5,813	11,437	6,512
State Police.....	26,001	30,270	30,699
Attorney General.....	1,033	1,414	1,300
Transfer to Property Tax Relief Fund.....	744,939	753,138	771,931
<b>Total Disbursements</b> .....	<b>-1,013,023</b>	<b>-1,039,104</b>	<b>-1,056,338</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 152,800 <sup>c</sup></b>	<b>\$ 131,912 <sup>c</sup></b>	<b>\$ 127,943 <sup>c</sup></b>

<sup>a</sup> Licensee Deposit Accounts assumes 1.9% assessment rate based on proposed appropriations.

<sup>b</sup> Assumes Local Share Assessment continues in 2016-17 and 2017-18.

<sup>c</sup> Ending cash balance includes the following restricted balances: 2015-16 Actual is \$145,124,000, 2016-17 Available is \$127,908,000 and 2017-18 Estimated is \$126,803,000.

## 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 7,917</b>	<b>\$ 6,347</b>	<b>\$ 5,606</b>
<b>Receipts:</b>			
Recovered Damages.....	\$ 541	\$ 500	\$ 600
Interest .....	245	409	409
Other .....	1	0	0
Total Receipts .....	<u>787</u>	<u>909</u>	<u>1,009</u>
<b>Total Funds Available</b> .....	<b>\$ 8,704</b>	<b>\$ 7,256</b>	<b>\$ 6,615</b>
<b>Disbursements:</b>			
General Services.....	\$ 2,357	\$ 1,650	\$ 2,900
Total Disbursements .....	<u>-2,357</u>	<u>-1,650</u>	<u>-2,900</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 6,347</b>	<b>\$ 5,606</b>	<b>\$ 3,715</b>

## 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 1,005</b>	<b>\$ 1,001</b>	<b>\$ 997</b>
<b>Receipts:</b>			
Revenue from Operations.....	\$ 66	\$ 60	\$ 62
Interest.....	3	6	6
Total Receipts .....	<u>69</u>	<u>66</u>	<u>68</u>
<b>Total Funds Available</b> .....	<b>\$ 1,074</b>	<b>\$ 1,067</b>	<b>\$ 1,065</b>
<b>Disbursements:</b>			
General Services.....	\$ 73	\$ 70	\$ 60
Total Disbursements .....	<u>-73</u>	<u>-70</u>	<u>-60</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 1,001</b>	<b>\$ 997</b>	<b>\$ 1,005</b>

# State School Fund

This fund was established in 1911 and is funded primarily by the sale of escheated estates and other nonpublic real estate and interest earnings of the Sinking Fund. Changes in the escheat law and lack of interest earnings from the Sinking Fund or investment of monies in the State School Fund have resulted in a low revenue level. The fund is active in only a limited sense.

The original purpose of the fund was to equalize educational advantages across the commonwealth; to provide advancements to school districts temporarily in need of aid; and to promote education in the conservation of natural resources, forestry, agriculture and other industrial pursuits. The law was amended in 1960 to change the purpose of the fund to equalization of educational opportunities, and to pay part of the cost of repair or alteration of local public school or state college buildings when required to satisfy requirements of the Department of Labor and Industry or other relevant governmental agencies. 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 663	\$ 666	\$ 671
<b>Receipts:</b>			
Interest.....	\$ 3	\$ 5	\$ 5
Total Receipts .....	<u>3</u>	<u>5</u>	<u>5</u>
<b>Total Funds Available</b> .....	<u>\$ 666</u>	<u>\$ 671</u>	<u>\$ 676</u>
<b>Disbursements:</b>			
Education.....	\$ 0	\$ 0	\$ 0
Total Disbursements .....	<u>0</u>	<u>0</u>	<u>0</u>
<b>Cash Balance, Ending</b> .....	<u><u>\$ 666</u></u>	<u><u>\$ 671</u></u>	<u><u>\$ 676</u></u>

# State Stores Fund

The State Stores Fund serves as the general operating fund for the Liquor Control Board. The Pennsylvania State Police also receive funds for the enforcement of the Liquor Code.

This fund receives revenues from the sale of goods in State Liquor Stores, fees not credited to the Liquor License Fund, fines and penalties, and losses and damages recovered. Expenditures cover all costs associated with the operation and administration of the Liquor Store System and enforcement of the Liquor Code. Acts 39, 85 and 166 of 2016 created significant liquor code changes, which include: expanding wine sales to licensed retailers, expanding Sunday store openings and hours, lottery sales, pricing flexibility, special liquor order changes, customer relationship management and numerous licensing changes.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 56,779</b>	<b>\$ 77,463</b>	<b>\$ 1,945</b>
<b>Receipts:</b>			
Fees, Fines and Penalties.....	\$ 15,123	\$ 27,000	\$ 30,900
Expired License Auction Proceeds.....	0	7,400	15,500
Sale of Goods.....	1,959,467	2,107,300	2,177,300
Liquor Sales Taxes.....	491,936	531,749	550,204
Lottery Commissions.....	0	700	1,500
Recovered Losses and Damages.....	1,948	1,948	1,948
Interest.....	893	700	600
Other.....	37	55	55
<b>Total Receipts</b> .....	<b>2,469,404</b>	<b>2,676,852</b>	<b>2,778,007</b>
<b>Total Funds Available</b> .....	<b>\$ 2,526,183</b>	<b>\$ 2,754,315</b>	<b>\$ 2,779,952</b>
<b>Disbursements:</b>			
Health and Human Services.....	\$ 2,500	\$ 2,500	\$ 2,500
Liquor Control Board .....	1,828,104	1,970,130	2,001,275
State Police.....	26,180	30,891	31,486
Transfer of Liquor Sales Taxes to General Fund.....	491,936	531,749	550,204
Transfer to General Fund.....	100,000	217,100	185,100
<b>Total Disbursements</b> .....	<b>-2,448,720</b>	<b>-2,752,370</b>	<b>-2,770,565</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 77,463</b>	<b>\$ 1,945</b>	<b>\$ 9,387</b>

# State Treasury Armory Fund

Created in accordance with Act 92 of 1975, the State Treasury Armory Fund receives monies derived from the sale of any armory building, armory site or other real estate. Funds are expended solely for the purchase of equipment, furniture and fixtures, for repairs and maintenance or for the construction of new armories in the commonwealth.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 4,113</b>	<b>\$ 3,696</b>	<b>\$ 2,730</b>
<b>Receipts:</b>			
Armory Rentals.....	\$ 260	\$ 260	\$ 260
Sale of Armories and Land.....	743	200	1,488
Interest.....	13	24	24
Other.....	92	190	190
Total Receipts .....	<u>1,108</u>	<u>674</u>	<u>1,962</u>
<b>Total Funds Available</b> .....	<b>\$ 5,221</b>	<b>\$ 4,370</b>	<b>\$ 4,692</b>
<b>Disbursements:</b>			
Military and Veterans Affairs.....	\$ 1,525	\$ 1,640	\$ 1,585
Total Disbursements .....	<u>-1,525</u>	<u>-1,640</u>	<u>-1,585</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 3,696</b>	<b>\$ 2,730</b>	<b>\$ 3,107</b>

# State Workers' Insurance Fund

The State Workers' 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.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 1,446,847</b>	<b>\$ 1,455,911</b>	<b>\$ 1,449,346</b>
<b>Receipts:</b>			
Premiums.....	\$ 207,186	\$ 188,000	\$ 185,000
Interest.....	39,108	51,000	50,000
Net Investment Adjustment.....	43,887	39,000	35,000
Other.....	3,011	3,500	3,000
Total Receipts .....	<u>293,192</u>	<u>281,500</u>	<u>273,000</u>
<b>Total Funds Available</b> .....	<b>\$ 1,740,039</b>	<b>\$ 1,737,411</b>	<b>\$ 1,722,346</b>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 279,894	\$ 283,565	\$ 282,521
Premium Tax Payment to General Fund.....	4,234	4,500	4,500
Total Disbursements .....	<u>-284,128</u>	<u>-288,065</u>	<u>-287,021</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 1,455,911</b>	<b>\$ 1,449,346</b>	<b>\$ 1,435,325</b>



# Storage Tank Fund

This fund was created by Act 32 of 1989 for the operation of an aboveground and underground storage tank regulation, registration and enforcement program. Revenues to the fund consist of registration and permit fees, fines, judgements, bond forfeitures, interest and recovered costs. Expenditures include the remediation of leaking underground storage tanks. This budget proposal includes an increase related to the Underground Storage Tank Indemnification Funds' (USTIF) reimbursement to the Storage Tank Fund costs associated with investigating, determining responsibility, overseeing remediation and third party response and closing out cases of spills and leaks related to storage tanks found in Act 32, from \$3,000,000 to \$7,000,000 annually.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 6,146</b>	<b>\$ 5,320</b>	<b>\$ 1,903</b>
<b>Receipts:</b>			
Registration Fees.....	\$ 3,322	\$ 3,064	\$ 3,057
Federal Funds - EPA.....	2,449	4,026	4,740
Fines and Penalties.....	1,213	537	570
Interest.....	17	30	30
Reimbursement from USTIF.....	3,355	3,000	7,000
Other.....	17	8	6
<b>Total Receipts</b> .....	<b>10,373</b>	<b>10,665</b>	<b>15,403</b>
<b>Total Funds Available</b> .....	<b>\$ 16,519</b>	<b>\$ 15,985</b>	<b>\$ 17,306</b>
<b>Disbursements:</b>			
Environmental Protection.....	\$ 11,199	\$ 14,082	\$ 16,740
<b>Total Disbursements</b> .....	<b>-11,199</b>	<b>-14,082</b>	<b>-16,740</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 5,320</b>	<b>\$ 1,903</b>	<b>\$ 566</b>

# 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 10,916</b>	<b>\$ 10,398</b>	<b>\$ 5,587</b>
<b>Receipts:</b>			
Assessments.....	\$ 3,269	\$ 3,269	\$ 3,269
Interest.....	204	220	220
<b>Total Receipts</b> .....	<b>3,473</b>	<b>3,489</b>	<b>3,489</b>
<b>Total Funds Available</b> .....	<b>\$ 14,389</b>	<b>\$ 13,887</b>	<b>\$ 9,076</b>
<b>Disbursements:</b>			
Executive Offices.....	\$ 3,634	\$ 7,953	\$ 7,951
Attorney General.....	357	347	349
<b>Total Disbursements</b> .....	<b>-3,991</b>	<b>-8,300</b>	<b>-8,300</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 10,398</b>	<b>\$ 5,587</b>	<b>\$ 776</b>

# 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. Act 95 of 2012 required sum-certain guarantees to cover stage III reclamation liability under a permittee's reclamation bond, to the extent funds are available.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 63,740</b>	<b>\$ 61,783</b>	<b>\$ 56,234</b>
<b>Receipts:</b>			
Licenses and Fees.....	\$ 384	\$ 327	\$ 327
Fines and Penalties.....	179	191	10
Interest.....	1,370	1,645	1,645
Forfeiture of Bonds.....	185	0	0
Other.....	150	350	350
<b>Total Receipts</b> .....	<b>2,268</b>	<b>2,513</b>	<b>2,332</b>
<b>Total Funds Available</b> .....	<b>\$ 66,008</b>	<b>\$ 64,296</b>	<b>\$ 58,566</b>
<b>Disbursements:</b>			
Environmental Protection.....	\$ 4,225	\$ 8,062	\$ 5,882
<b>Total Disbursements</b> .....	<b>-4,225</b>	<b>-8,062</b>	<b>-5,882</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 61,783</b>	<b>\$ 56,234</b>	<b>\$ 52,684</b>

# Tax Note Sinking Fund

Monies in this fund are used solely for the payment of principal and interest on tax anticipation notes issued for the General Fund or the Motor License Fund. Repayment of tax anticipation notes must be accomplished before the end of the fiscal year in which the notes were issued.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 84</b>	<b>\$ 84</b>	<b>\$ 0</b>
<b>Receipts:</b>			
Payment from General Fund.....	\$ 0	\$ -84	\$ 0
<b>Total Receipts</b> .....	<b>0</b>	<b>-84</b>	<b>0</b>
<b>Total Funds Available</b> .....	<b>\$ 84</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Disbursements:</b>			
Treasury.....	\$ 0	\$ 0	\$ 0
<b>Total Disbursements</b> .....	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 84</b>	<b>\$ 0</b>	<b>\$ 0</b>

# Tobacco Settlement Fund

The Tobacco Settlement Fund is a special revenue fund comprised of monies from all tobacco settlements under the Tobacco Master Settlement Agreement. Act 77 of 2001 created the Tobacco Settlement Fund (TSF) to receive the revenues from the Master Settlement Agreement 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. Since 2005-06, a portion of the tobacco revenue has been used to offset the escalating cost of long-term care services for persons with disabilities and older Pennsylvanians.

For 2016-17, the Master Settlement Agreement (MSA) funds anticipated to be received in April 2017 are to be allocated as follows: 13 percent for home and community-based services, 4.5 percent for tobacco use prevention and cessation activities, 13.6 percent for health and related research, 8.18 percent for uncompensated care, 30 percent for Medicaid benefits for workers with disabilities, and 30.72 percent for health-related purposes. The annual strategic contribution payment was appropriated for health-related purposes. In addition, Act 85 of 2016 provides for the transfer of \$28.5 million to the General Fund.

This budget proposes to allocate funds for 2017-18 based on the anticipated April 2018 MSA payment. The distribution of funds is 30 percent for Medicaid benefits for workers with disabilities, .41 percent for health and related research, 13 percent for home and community-based services, 4.5 percent for tobacco use prevention and cessation, 8.18 percent for uncompensated care and 43.91 percent for health-related purposes.

This budget proposes the consolidation of the Departments of Human Services, Health, Drug and Alcohol Programs and Aging into a new Department of Health and Human Services.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 63,421</b>	<b>\$ 135,041</b>	<b>\$ 42,148</b>
<b>Receipts:</b>			
Gross Settlements.....	\$ 317,604	\$ 342,340	\$ 347,973
Strategic Contributions.....	21,507	21,412	0
Federal Receipts.....	226,601	233,229	191,503
Interest.....	32	20	20
Other.....	1,257	1,000	1,000
Total Receipts .....	<u>567,001</u>	<u>598,001</u>	<u>540,496</u>
<b>Total Funds Available</b> .....	<b>\$ 630,422</b>	<b>\$ 733,042</b>	<b>\$ 582,644</b>
<b>Disbursements:</b>			
Transfer to General Fund.....	\$ 0	\$ 28,500	\$ 0
Community and Economic Development:			
Tobacco Settlement Investment Board.....	-12	0	0
Life Sciences Greenhouses.....	2,613	3,387	3,000
Health and Human Services:			
Tobacco Use Prevention and Cessation (EA).....	10,082	24,386	15,659
Health Research - Health Priorities (EA).....	10,581	92,238	1,433
Health Research - National Cancer Institute (EA).....	5,737	7,912	0
Medical Care for Workers with Disabilities (EA).....	89,127	100,351	104,392
(F) Medical Assistance - Workers with Disabilities (EA).....	96,348	108,103	112,234
Uncompensated Care (EA).....	37,157	51,747	28,464
(F) Medical Assistance - Uncompensated Care (EA).....	41,642	55,839	30,615
Home and Community - Based Services (EA).....	41,286	40,819	45,236
(F) Medical Assistance - Community Services (EA).....	44,745	43,833	48,654
Medical Assistance - Long-Term Care.....	116,075	133,779	149,789
Total Disbursements .....	<u>-495,381</u>	<u>-690,894</u>	<u>-539,476</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 135,041</b>	<b>\$ 42,148</b>	<b>\$ 43,168</b>

# Treasury Initiative Support Fund

The Treasury Initiative Support Fund was created in 2009 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 Alternate Energy Investment Act of July 9, 2008, Special Session 1. 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 8,783	\$ 7,345	\$ 7,761
<b>Less Correction to Beginning Cash Balance</b> .....	<u>-3,350</u>		
<b>Cash Balance, Beginning as Corrected to Actual</b> .....	<u>\$ 5,433</u>		
<b>Receipts:</b>			
Program Funding.....	\$ 1,496	\$ 0	\$ 0
Interest.....	12	12	12
Other.....	519	519	519
Total Receipts .....	<u>2,027</u>	<u>531</u>	<u>531</u>
<b>Total Funds Available</b> .....	<u>\$ 7,460</u>	<u>\$ 7,876</u>	<u>\$ 8,292</u>
<b>Disbursements:</b>			
Treasury.....	\$ 115	\$ 115	\$ 115
Total Disbursements.....	<u>-115</u>	<u>-115</u>	<u>-115</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 7,345</u>	<u>\$ 7,761</u>	<u>\$ 8,177</u>

## Tuition Account Guaranteed Savings Program Fund

Act 11 of 1992, amended by Act 58 of 2000, provided for the establishment of two programs for postsecondary educational savings. Both programs are administered by the Tuition Account Programs Bureau within the Treasury Department with oversight by the Tuition Account Programs (TAP) 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.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 1,781,697</b>	<b>\$ 1,743,213</b>	<b>\$ 1,747,949</b>
<b>Receipts:</b>			
Application Fees .....	\$ 1,492	\$ 1,641	\$ 1,674
Tuition Unit Purchases.....	191,074	210,181	214,385
Investment Earnings.....	9,297	10,227	10,431
Net Investment Adjustment.....	-9,095	18,564	18,935
Total Receipts .....	192,768	240,613	245,425
<b>Total Funds Available</b> .....	<b>\$ 1,974,465</b>	<b>\$ 1,983,826</b>	<b>\$ 1,993,374</b>
<b>Disbursements:</b>			
Treasury.....	\$ 231,252	\$ 235,877	\$ 240,595
Total Disbursements .....	-231,252	-235,877	-240,595
<b>Cash Balance, Ending</b> .....	<b>\$ 1,743,213</b>	<b>\$ 1,747,949</b>	<b>\$ 1,752,779</b>

## 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.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 1,877,214</b>	<b>\$ 2,041,230</b>	<b>\$ 2,208,556</b>
<b>Receipts:</b>			
Tuition Investment Purchases.....	\$ 273,087	\$ 278,549	\$ 284,120
Net Investment Adjustment.....	34,774	35,499	36,210
Total Receipts .....	307,861	314,048	320,330
<b>Total Funds Available</b> .....	<b>\$ 2,185,075</b>	<b>\$ 2,355,278</b>	<b>\$ 2,528,886</b>
<b>Disbursements:</b>			
Treasury.....	\$ 143,845	\$ 146,722	\$ 149,656
Total Disbursements .....	-143,845	-146,722	-149,656
<b>Cash Balance, Ending</b> .....	<b>\$ 2,041,230</b>	<b>\$ 2,208,556</b>	<b>\$ 2,379,230</b>

# Unconventional Gas Well Fund

This fund was created by Act 13 of 2012 to provide for the collection and distribution of unconventional gas well impact fees. The fee revenue will be used by commonwealth agencies for monitoring and oversight of unconventional gas wells, emergency responder training and for rail freight assistance projects. Distributions will also be made to county conservation districts and to host counties and municipalities. Receipts deposited into the Unconventional Gas Well Fund are derived from an impact fee assessed to drillers of natural gas wells in the Marcellus Shale regions of the commonwealth. The fee is assessed per gas well and may be adjusted based on the number of wells and changes in the Consumer Price Index for all urban consumers in the Pennsylvania, New Jersey, Delaware and Maryland area.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 11,598</b>	<b>\$ 13,956</b>	<b>\$ 811</b>
<b>Receipts:</b>			
Impact Fee Revenues.....	\$ 187,832	\$ 174,310	\$ 174,310
Interest.....	216	162	162
Total Receipts .....	<u>188,048</u>	<u>174,472</u>	<u>174,472</u>
<b>Total Funds Available</b> .....	<b>\$ 199,646</b>	<b>\$ 188,428</b>	<b>\$ 175,283</b>
<b>Disbursements:</b>			
Public Utility Commission.....	\$ 98,931	\$ 97,118	\$ 93,494
Emergency Management.....	960	6,714	1,500
Environmental Protection.....	6,000	6,000	6,000
Fish and Boat Commission.....	1,153	2,206	1,000
Transportation.....	473	4,281	1,000
Transfer to Conservation District Fund.....	3,773	3,867	3,964
Transfer to Marcellus Legacy Fund.....	67,867	62,431	62,353
Transfer to Housing Affordability and Rehabilitation Enhancement Fund.....	6,533	5,000	5,000
Total Disbursements .....	<u>-185,690</u>	<u>-187,617</u>	<u>-174,311</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 13,956</b>	<b>\$ 811</b>	<b>\$ 972</b>

# 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. A loan of \$100 million was made to the General Fund on October 15, 2002 in accordance with Act 91 of 2002. Act 74 of 2012 extended authority for the Underground Storage Tank Environmental Cleanup Program and the Underground Storage Tank Pollution Prevention Program until June 30, 2017. Act 72 of 2013 changed the repayment of the \$100 million loan to the General Fund to before July 1, 2029. As of 2015-16, \$32.5 million of the \$100 million loan has been repaid.

This budget proposes to increase the reimbursement to the Storage Tank Fund from \$3,000,000 to \$7,000,000, annually.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 207,413</b>	<b>\$ 214,105</b>	<b>\$ 209,788</b>
<b>Receipts:</b>			
Gallon Fee .....	\$ 52,229	\$ 53,000	\$ 53,000
Tank Capacity Fee .....	5,938	5,000	5,000
Investment Income .....	710	1,049	1,049
Net Investment Adjustment .....	1,641	0	0
Loan Repayments .....	1	0	0
Loan Repayments from General Fund.....	0	0	7,000
Other.....	1,195	400	400
<b>Total Receipts</b> .....	<b>61,714</b>	<b>59,449</b>	<b>66,449</b>
<b>Total Funds Available</b> .....	<b>\$ 269,127</b>	<b>\$ 273,554</b>	<b>\$ 276,237</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 2,661	\$ 6,047	\$ 5,396
Insurance .....	52,361	57,719	60,851
<b>Total Disbursements</b> .....	<b>-55,022</b>	<b>-63,766</b>	<b>-66,247</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 214,105</b>	<b>\$ 209,788</b>	<b>\$ 209,990</b>

# Unemployment Compensation Benefit Payment Fund

Employers' and employees' contributions under the Unemployment Compensation Law are credited to the commonwealth's account in the Federal Unemployment Trust Fund. Requisitions of money from the Trust Fund for the payment of unemployment compensation benefits to eligible individuals are the revenue for the Unemployment Compensation Benefit Payment Fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 0	\$ 1,814	\$ 0
<b>Receipts:</b>			
Regular Unemployment Compensation Program.....	\$ 2,305,313	\$ 2,317,072	\$ 2,389,000
Other.....	2,024	52,000	54,000
Total Receipts .....	<u>2,307,337</u>	<u>2,369,072</u>	<u>2,443,000</u>
<b>Total Funds Available</b> .....	<u>\$ 2,307,337</u>	<u>\$ 2,370,886</u>	<u>\$ 2,443,000</u>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 2,305,523	\$ 2,370,886	\$ 2,443,000
Total Disbursements .....	<u>-2,305,523</u>	<u>-2,370,886</u>	<u>-2,443,000</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 1,814</u>	<u>\$ 0</u>	<u>\$ 0</u>

# Unemployment Compensation Contribution Fund

This fund was created to hold monies collected from employers under the Unemployment Compensation Law and, except for refunds of collections or transfers to the Special Administration Fund, 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 0	\$ 18,103	\$ 0
<b>Receipts:</b>			
Contributions from Employers and Employees.....	\$ 2,612,302	\$ 2,674,801	\$ 2,608,000
Other.....	121,819	40,000	40,000
Total Receipts .....	<u>2,734,121</u>	<u>2,714,801</u>	<u>2,648,000</u>
<b>Total Funds Available</b> .....	<u>\$ 2,734,121</u>	<u>\$ 2,732,904</u>	<u>\$ 2,648,000</u>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 2,716,018	\$ 2,732,904	\$ 2,648,000
Total Disbursements .....	<u>-2,716,018</u>	<u>-2,732,904</u>	<u>-2,648,000</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 18,103</u>	<u>\$ 0</u>	<u>\$ 0</u>



# Unemployment Compensation Debt Service Fund

This fund was created in accordance with the Unemployment Compensation Law. The fund is administered by the Department of Labor and Industry and was originally used for the collection and repayment of interest on loans from the federal government to the commonwealth's account in the Unemployment Compensation Trust Fund.

Act 60 of 2012, the commonwealth's UC Reform Legislation, allowed for the issuance of bonds to repay the state's Unemployment Compensation debt to the federal government. The name of the fund was changed to the Debt Service Fund and its purpose was expanded to process payments for bond obligations and administrative expenses, payment of annual interest on federal loans, workforce investment and infrastructure improvements, and once debt levels are reduced to established thresholds, payment or transfer to the Unemployment Compensation Trust Fund for payment of unemployment compensation to individuals.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 1,455	\$ 5,791	\$ 0
<b>Receipts:</b>			
Contributions from Employers.....	\$ 486,113	\$ 517,000	\$ 527,000
Total Receipts .....	<u>486,113</u>	<u>517,000</u>	<u>527,000</u>
<b>Total Funds Available</b> .....	<u>\$ 487,568</u>	<u>\$ 522,791</u>	<u>\$ 527,000</u>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 481,777	\$ 522,791	\$ 527,000
Total Disbursements .....	<u>-481,777</u>	<u>-522,791</u>	<u>-527,000</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 5,791</u>	<u>\$ 0</u>	<u>\$ 0</u>

# 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. Projected expenditures are dependent upon claim volume, the merits of such claims and associated claims costs. The FY 2015-16 Fiscal Code provided a \$6.1 million transfer from the Workmen's Compensation Administration Fund to keep the fund solvent. In addition to the transfer, a \$4 million loan was also necessary. This budget assumes successful enactment of legislation that will turn the loan into a transfer and also generate sufficient revenues to sustain the fund on a long-term basis.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 39	\$ 4,788	\$ 167
<b>Receipts:</b>			
Assessments/Self-Insurer's Security.....	\$ 2,950	\$ 2,921	\$ 7,305
Transfer from Workmen's Compensation Administration Fund.....	6,100	0	0
Interest.....	6	30	30
Other.....	4,529	518	520
Total Receipts .....	<u>13,585</u>	<u>3,469</u>	<u>7,855</u>
<b>Total Funds Available</b> .....	<u>\$ 13,624</u>	<u>\$ 8,257</u>	<u>\$ 8,022</u>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 8,836	\$ 8,090	\$ 7,972
Total Disbursements .....	<u>-8,836</u>	<u>-8,090</u>	<u>-7,972</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 4,788</u>	<u>\$ 167</u>	<u>\$ 50</u>

# Veterans Trust Fund

The Veterans Trust Fund was established by Act 87 of 2012. The fund is administered by the Department of Military and Veterans Affairs and consists of proceeds paid by the Department of Transportation relating to special plates for veterans and \$3 check-offs on drivers' license and motor vehicle registration applications, as well as grants, gifts, donations and other payments from an individual or governmental entity. The purpose of this fund is to provide grants for programs or projects supporting Pennsylvania veterans and their families.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 1,492	\$ 1,990	\$ 716
<b>Receipts:</b>			
Contributions - Plates, Drivers License and Registration.....	\$ 1,685	\$ 1,500	\$ 1,600
Interest.....	7	3	14
Other.....	10	8	8
Total Receipts .....	<u>1,702</u>	<u>1,511</u>	<u>1,622</u>
<b>Total Funds Available</b> .....	<u>\$ 3,194</u>	<u>\$ 3,501</u>	<u>\$ 2,338</u>
<b>Disbursements:</b>			
Military and Veterans Affairs:			
Grants and Assistance.....	\$ 1,204	\$ 2,785	\$ 1,955 <sup>a</sup>
Total Disbursements .....	<u>-1,204</u>	<u>-2,785</u>	<u>-1,955</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 1,990</u>	<u>\$ 716</u>	<u>\$ 383</u>

<sup>a</sup> \$200,000 is added to support temporary assistance for veterans, spouses and dependents related to Act 109 of 2016.

# 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 849	\$ 3,991	\$ 1,477
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 45,473	\$ 47,473	\$ 47,478
Federal Vocational Rehabilitation Funds.....	128,631	200,585	157,400
Interest.....	48	219	219
Other.....	128	0	0
Total Receipts .....	<u>174,280</u>	<u>248,277</u>	<u>205,097</u>
<b>Total Funds Available</b> .....	<u>\$ 175,129</u>	<u>\$ 252,268</u>	<u>\$ 206,574</u>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 171,138	\$ 250,791	\$ 204,878
Total Disbursements .....	<u>-171,138</u>	<u>-250,791</u>	<u>-204,878</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 3,991</u>	<u>\$ 1,477</u>	<u>\$ 1,696</u>

# 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 Office of the State Fire Commissioner. In addition to bond proceeds, revenues include loan repayments and penalty charges. To increase program participation and accessibility, Act 129 of 2013 modified loan amounts, loan periods and the number of loans allowed for emergency service providers.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 50,921</b>	<b>\$ 50,739</b>	<b>\$ 40,737</b>
<b>Receipts:</b>			
Loan Principal and Interest Repayments.....	\$ 14,355	\$ 16,000	\$ 16,000
Interest.....	800	998	998
Penalty Charges.....	9	0	0
Total Receipts .....	<u>15,164</u>	<u>16,998</u>	<u>16,998</u>
<b>Total Funds Available</b> .....	<b>\$ 66,085</b>	<b>\$ 67,737</b>	<b>\$ 57,735</b>
<b>Disbursements:</b>			
Office of State Fire Commissioner.....	\$ 15,346	\$ 18,000	\$ 20,000
Transfer to General Fund.....	0	9,000	0
Total Disbursements .....	<u>-15,346</u>	<u>-27,000</u>	<u>-20,000</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 50,739</b>	<b>\$ 40,737</b>	<b>\$ 37,735</b>

# 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 15,885</b>	<b>\$ 7,161</b>	<b>\$ 129</b>
<b>Receipts:</b>			
Referendum Bonds.....	\$ 0	\$ 0	\$ 16,000
Transfer to Water & Sewer Systems Assistance Sinking Fund.....	0	-32	0
Interest.....	32	0	0
Total Receipts .....	<u>32</u>	<u>-32</u>	<u>16,000</u>
<b>Total Funds Available</b> .....	<b>\$ 15,917</b>	<b>\$ 7,129</b>	<b>\$ 16,129</b>
<b>Disbursements:</b>			
Infrastructure Investment Authority.....	\$ 8,756	\$ 7,000	\$ 9,564
Total Disbursements .....	<u>-8,756</u>	<u>-7,000</u>	<u>-9,564</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 7,161</b>	<b>\$ 129</b>	<b>\$ 6,565</b>

# Water and Sewer Systems Assistance Bond Sinking Fund

This fund was 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 provides revenues to the fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 0	\$ 0	\$ 0
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 24,787	\$ 24,623	\$ 24,533
Water & Sewer Systems Assist Bond Fund Interest Transfer.....	0	32	0
Total Receipts .....	<u>24,787</u>	<u>24,655</u>	<u>24,533</u>
<b>Total Funds Available</b> .....	<u>\$ 24,787</u>	<u>\$ 24,655</u>	<u>\$ 24,533</u>
<b>Disbursements:</b>			
Treasury.....	\$ 24,787	\$ 24,655	\$ 24,533
Total Disbursements .....	<u>-24,787</u>	<u>-24,655</u>	<u>-24,533</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

# Water Supply and Wastewater Treatment Fund

Act 218 of 2004 established the Water Supply and Wastewater Infrastructure Capitalization Program. Funding for the program is generated from the \$250 million bond issue approved by the electorate in 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)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 29,072	\$ 22,975	\$ 17,477
<b>Receipts:</b>			
Sale of Bonds.....	\$ 0	\$ 8,725	\$ 0
Premium on Sale of Bonds.....	0	1,126	0
Interest.....	84	170	170
Total Receipts .....	<u>84</u>	<u>10,021</u>	<u>170</u>
<b>Total Funds Available</b> .....	<u>\$ 29,156</u>	<u>\$ 32,996</u>	<u>\$ 17,647</u>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 6,181	\$ 15,000	\$ 7,714
Infrastructure Investment Authority.....	0	500	1,395
Bond Issuing Expense.....	0	19	0
Total Disbursements .....	<u>-6,181</u>	<u>-15,519</u>	<u>-9,109</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 22,975</u>	<u>\$ 17,477</u>	<u>\$ 8,538</u>

# Water Supply and Wastewater Treatment Sinking Fund

Monies in this fund are used to redeem or pay interest on bonds issued for the Water Supply and Wastewater Treatment Program. The annual appropriation from the General Fund for general obligation debt service provides revenues to the fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 0	\$ 0	\$ 0
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 14,707	\$ 12,294	\$ 9,324
Total Receipts .....	14,707	12,294	9,324
<b>Total Funds Available</b> .....	\$ 14,707	\$ 12,294	\$ 9,324
<b>Disbursements:</b>			
Treasury.....	\$ 14,707	\$ 12,294	\$ 9,324
Total Disbursements .....	-14,707	-12,294	-9,324
<b>Cash Balance, Ending</b> .....	\$ 0	\$ 0	\$ 0

# Wild Resource Conservation Fund

This fund was created by Act 170 of 1982. Revenue is derived primarily from tax rebate check-offs and voluntary contributions. The fund collects information relating to population, distribution, habitat needs, limiting factors and other biological and ecological data to classify plants and to determine necessary management measures. These management measures include promotion of a statewide system of private wild plant sanctuaries; permitting of removal, collection or transplanting of endangered or threatened plant species; and regulation of the digging, harvesting, sale and exploitation of designated species.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 239	\$ 230	\$ 186
<b>Receipts:</b>			
Tax Check-Offs.....	\$ 63	\$ 73	\$ 73
Voluntary Donations.....	0	2	2
License Plate Sales.....	28	24	24
Interest.....	1	1	1
Other.....	1	3	3
Total Receipts .....	93	103	103
<b>Total Funds Available</b> .....	\$ 332	\$ 333	\$ 289
<b>Disbursements:</b>			
Conservation and Natural Resources.....	\$ 102	\$ 147	\$ 143
Total Disbursements .....	-102	-147	-143
<b>Cash Balance, Ending</b> .....	\$ 230	\$ 186	\$ 146

# 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 monies 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.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 778,540</b>	<b>\$ 816,723</b>	<b>\$ 631,126</b>
<b>Receipts:</b>			
Assessments and Receipts .....	\$ 40,988	\$ 5,000	\$ 10,000
Net Investment Adjustment.....	26,464	0	0
Interest .....	153	220	260
Other.....	179	183	183
Total Receipts .....	<u>67,784</u>	<u>5,403</u>	<u>10,443</u>
<b>Total Funds Available</b> .....	<b>\$ 846,324</b>	<b>\$ 822,126</b>	<b>\$ 641,569</b>
<b>Disbursements:</b>			
Insurance .....	\$ 29,601	\$ 26,000	\$ 26,000
Transfer to General Fund.....	0	165,000 <sup>a</sup>	0
Total Disbursements .....	<u>-29,601</u>	<u>-191,000</u>	<u>-26,000</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 816,723</b>	<b>\$ 631,126</b>	<b>\$ 615,569</b>

<sup>a</sup> Act 16A of 2016 transfers \$165 million to the General Fund.

# 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 through the Department of Community and Economic Development to represent the interests of the employers in workers' compensation rate filings before the Insurance Department. During the 2015-16 Fiscal Year, it was necessary to make transfers and loans from the Workmen's Compensation Administration Fund to the Uninsured Employers Guaranty Fund to keep the fund solvent. Depending on claim and other expenditure activity, additional loans or transfers may be necessary in FY 2017-18.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 90,555</b>	<b>\$ 71,767</b>	<b>\$ 57,754</b>
<b>Receipts:</b>			
Assessments.....	\$ 60,030	\$ 71,966	\$ 78,000
Fines and Penalties.....	25	25	25
Other.....	2,344	770	770
Total Receipts.....	<u>62,399</u>	<u>72,761</u>	<u>78,795</u>
<b>Total Funds Available</b> .....	<b>\$ 152,954</b>	<b>\$ 144,528</b>	<b>\$ 136,549</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 379	\$ 278	\$ 275
Transfer to Uninsured Employers Guaranty Fund.....	6,100	0	0
Labor and Industry.....	74,708	86,496	78,656
Total Disbursements.....	<u>-81,187</u>	<u>-86,774</u>	<u>-78,931</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 71,767</b>	<b>\$ 57,754</b>	<b>\$ 57,618</b>

# Workmen's Compensation Supersedeas Fund

The purpose of this fund is to reimburse insurers for payments made by them to claimants under the Workers' Compensation Act who are later determined to be ineligible. The fund is maintained by annual assessments on insurers and self-insurers and is administered by the Department of Labor and Industry.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 5,997</b>	<b>\$ 3,439</b>	<b>\$ 3,261</b>
<b>Receipts:</b>			
Assessments.....	\$ 12,833	\$ 22,068	\$ 22,284
Interest.....	28	15	15
Other.....	66	23	23
Total Receipts .....	<u>12,927</u>	<u>22,106</u>	<u>22,322</u>
<b>Total Funds Available</b> .....	<b>\$ 18,924</b>	<b>\$ 25,545</b>	<b>\$ 25,583</b>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 15,485	\$ 22,284	\$ 23,500
Total Disbursements .....	<u>-15,485</u>	<u>-22,284</u>	<u>-23,500</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 3,439</b>	<b>\$ 3,261</b>	<b>\$ 2,083</b>

# 911 Fund

Title 35 Chapter 53 amended by Act 12 of 2015, the Public Safety Emergency Telephone Act established the 911 Fund to support a statewide integrated 911 plan. The fund is used to collect and deposit a surcharge collected by Wireless, Prepaid Wireless, VoIP and Wireline service providers on a monthly basis, the proceeds of which are remitted to the fund quarterly. Up to two percent of annual surcharge proceeds can be used by the agency for administrative costs with the remaining available balance being used for approved county grants.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2015-16 Actual	2016-17 Available	2017-18 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 14,641</b>	<b>\$ 50,417</b>	<b>\$ 44,168</b>
<b>Receipts:</b>			
Assessments .....	\$ 258,005	\$ 313,110	\$ 313,110
Interest.....	121	125	125
Total Receipts .....	<u>258,126</u>	<u>313,235</u>	<u>313,235</u>
<b>Total Funds Available</b> .....	<b>\$ 272,767</b>	<b>\$ 363,652</b>	<b>\$ 357,403</b>
<b>Disbursements:</b>			
Emergency Management:			
Administration.....	\$ 3,017	\$ 6,484	\$ 6,400
Grants.....	219,333	313,000	313,600
Total Disbursements .....	<u>-222,350</u>	<u>-319,484</u>	<u>-320,000</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 50,417</b>	<b>\$ 44,168</b>	<b>\$ 37,403</b>



– THIS PAGE INTENTIONALLY LEFT BLANK –



Commonwealth of Pennsylvania

## Governor's Executive Budget

# COMPLEMENT

This section provides a summary by department of authorized salaried complement on a full-time equivalent 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.

– THIS PAGE INTENTIONALLY LEFT BLANK –

**AUTHORIZED SALARIED COMPLEMENT BY AGENCY  
FULL-TIME EQUIVALENT**

The following is a summary, by department, of the commonwealth's authorized complement levels on a full-time equivalent basis.

<b>Department</b>	<b>2016-17 Available</b>	<b>2017-18 Budget</b>	<b>Difference Budget vs. Available</b>
Governor's Office	68	68	
Executive Offices	1,748	1,596	-152
Lieutenant Governor's Office	14	14	
Agriculture	611	583	-28
Banking and Securities	233	225	-8
Civil Service Commission	108	90	-18
Community and Economic Development	312	308	-4
Conservation and Natural Resources	1,426	1,362	-64
Criminal Justice	16,189	17,027	838
Probation and Parole Board	1,330		-1,330
Education	548	534	-14
Emergency Management Agency	200	196	-4
Environmental Hearing Board	13	12	-1
Environmental Protection	2,700	2,542	-158
Fish and Boat Commission	432	381	-51
Game Commission	714	686	-28
General Services	966	942	-24
Health and Human Services	17,333	18,328	995
Health	1,336		-1,336
Drug and Alcohol Programs	79		-79
Aging	102		-102
Historical and Museum Commission	206	195	-11
Infrastructure Investment Authority	28	28	
Insurance	249	244	-5
Labor and Industry	5,902	4,693	-1,209
Liquor Control Board	3,395	3,395	
Military and Veterans Affairs	2,604	2,544	-60
Milk Marketing Board	25	24	-1
Municipal Employees' Retirement	38	33	-5
Public Utility Commission	503	503	
Revenue	2,046	1,952	-94
School Employees' Retirement System	322	310	-12
State	501	487	-14
State Employees' Retirement System	197	187	-10
State Police	6,660	6,580	-80
Transportation	11,898	11,525	-373
<b>TOTAL ALL DEPARTMENTS</b>	<b>81,036</b>	<b>77,594</b>	<b>-3,442</b>

## Summary of 2017-18 Complement Changes

The following is a detailed listing, by department, of the recommended authorized salaried complement changes (on a full-time equivalent basis) for 2017-18. It reflects proposed eliminations, new positions and transfers between appropriations and agencies.

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
<b>EXECUTIVE OFFICES</b>		
General Fund:		
Office of Inspector General.....	-4	Eliminated positions.
Inspector General - Welfare Fraud.....	-19	Eliminated positions.
Commonwealth Technology Services.....	-42	Eliminated positions.
Office of Administration.....	-16	Eliminated positions.
Council on the Arts.....	-1	Eliminated position.
Office of the Budget.....	-49	TRANSFERRED: To General Services (-6). Eliminated positions (-43).
Commission on Crime and Delinquency.....	-3	Eliminated positions.
Human Relations Commission.....	-17	Eliminated positions.
General Fund Total	<u>-151</u>	
Federal Funds:		
Crime Victims Assistance (VOCA) Administration Operation (F).....	-1	Eliminated position.
DEPARTMENT TOTAL	<u>-152</u>	
<b>AGRICULTURE</b>		
General Fund:		
General Government Operations.....	-14	Eliminated positions.
Racing Fund:		
State Racing Commissions.....	-9	Eliminated positions.
Equine Toxicology and Research Lab.....	-5	Eliminated positions.
Special Funds Total	<u>-14</u>	
DEPARTMENT TOTAL	<u>-28</u>	
<b>BANKING AND SECURITIES</b>		
Banking Fund:		
General Government Operations.....	-8	Eliminated positions.
<b>CIVIL SERVICE COMMISSION</b>		
General Fund:		
General Government Operations.....	-18	Eliminated positions.
<b>COMMUNITY AND ECONOMIC DEVELOPMENT</b>		
General Fund:		
General Government Operations.....	-2	Eliminated positions.
Office of International Business Development.....	-1	Eliminated position.
Marketing to Attract Business.....	-1	Eliminated position.
DEPARTMENT TOTAL	<u>-4</u>	
<b>CONSERVATION AND NATURAL RESOURCES</b>		
General Fund:		
General Government Operations.....	-13	Eliminated positions.
State Forests Operations.....	-17	Eliminated positions.
State Parks Operations.....	-33	Eliminated positions.
Snowmobile / All Terrain Vehicle (ATV) Program.....	-1	Eliminated position.
DEPARTMENT TOTAL	<u>-64</u>	
<b>CRIMINAL JUSTICE</b>		
General Fund:		
General Government Operations.....	1,252	TRANSFERRED: From Probation and Parole (1,273). Eliminated positions (-21).
Medical Care.....	-47	Eliminated positions.
Inmate Education and Training.....	-32	Eliminated positions.
State Correctional Institutions.....	-349	Eliminated positions.
Sexual Offenders Assessment Board.....	39	TRANSFERRED: From Probation and Parole.
Firearms Education and Training Commission.....	2	TRANSFERRED: From Probation and Parole.
General Fund Total	<u>865</u>	

## Summary of 2017-18 Complement Changes

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
Manufacturing Fund:		
General Operations.....	<u>-27</u>	Eliminated positions.
DEPARTMENT TOTAL	<u>838</u>	
<b>PROBATION AND PAROLE</b>		
General Fund:		
General Government Operations.....	-1,288	TRANSFERRED: To the Department of Criminal Justice (-1,273). Eliminated positions (-15).
Sexual Offenders Assessment Board.....	-39	TRANSFERRED: To the Department of Criminal Justice.
'County Probation & Parole Officers' Firearm Education & Training Program.....	<u>-3</u>	TRANSFERRED: To the Department of Criminal Justice (-2). Eliminated position (-1).
DEPARTMENT TOTAL	<u>-1,330</u>	
<b>EDUCATION</b>		
General Fund:		
General Government Operations.....	-10	NEW: For SARA Reciprocity Administration (1), for PlanCon Administration (1), and for Higher Education Administration (2). Eliminated positions (-14).
State Library.....	<u>-4</u>	Eliminated positions.
General Fund Total	<u>-14</u>	
Federal Funds:		
School Improvement Grants (F).....	-1	TRANSFERRED: To Student Support and Academic Enrichment - Administration (F).
Student Support and Academic Enrichment - Administration (F).....	<u>1</u>	TRANSFERRED: From School Improvement Grants (F).
Federal Funds Total	<u>0</u>	
DEPARTMENT TOTAL	<u>-14</u>	
<b>EMERGENCY MANAGEMENT AGENCY</b>		
General Fund:		
General Government Operations.....	<u>-4</u>	Eliminated positions.
<b>ENVIRONMENTAL HEARING BOARD</b>		
General Fund:		
Environmental Hearing Board.....	<u>-1</u>	Eliminated position.
<b>ENVIRONMENTAL PROTECTION</b>		
General Fund:		
General Government Operations.....	-10	Eliminated positions.
Environmental Protection Operations.....	-46	Eliminated positions.
Environmental Program Management.....	-25	Eliminated positions.
West Nile Virus Control.....	-1	Eliminated position.
Radiation Protection Fund.....	-12	Eliminated positions.
Well Plugging Account.....	-24	Eliminated positions.
Waste Transportation Safety Account.....	-1	Eliminated position.
General Fund Total	<u>-119</u>	
Federal Funds:		
State Energy Program (F).....	-1	Eliminated position.
Water Pollution Control Grants (F).....	-1	Eliminated position.
Abandoned Mine Reclamation (F).....	-4	Eliminated positions.
Federal Funds Total	<u>-6</u>	
Hazardous Sites Cleanup Fund:		
General Operations.....	-13	Eliminated positions.
Storage Tank Fund:		
General Operations.....	-6	Eliminated positions.
Clean Air Fund:		
Major Emission Facilities.....	<u>-14</u>	Eliminated positions.
Special Funds Total	<u>-33</u>	
DEPARTMENT TOTAL	<u>-158</u>	
<b>FISH AND BOAT COMMISSION</b>		
Fish Fund:		
General Operations.....	<u>-51</u>	Eliminated positions.

## Summary of 2017-18 Complement Changes

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
<b>GAME COMMISSION</b>		
General Fund:		
General Operations.....	<u>-28</u>	Eliminated positions.
<b>GENERAL SERVICES</b>		
General Fund:		
General Government Operations.....	<u>-24</u>	TRANSFERRED: From the Office of Budget (6). Eliminated positions (-30).
<b>HEALTH AND HUMAN SERVICES</b>		
General Fund:		
General Government Operations.....	130	TRANSFERRED: From the Department of Health (181), from the Department of Drug and Alcohol Programs (7). Eliminated positions (-58).
Information Systems.....	-45	Eliminated positions.
County Administration - Statewide.....	-72	Eliminated positions.
County Assistance Offices.....	-70	Eliminated positions.
Children's Health Insurance Administration.....	-1	Eliminated position.
Quality Assurance.....	294	TRANSFERRED: From the Department of Health.
Vital Statistics.....	69	TRANSFERRED: From the Department of Health.
State Laboratory.....	37	TRANSFERRED: From the Department of Health.
State Health Care Centers.....	220	TRANSFERRED: From the Department of Health.
Sexually Transmitted Disease Screening and Treatment.....	8	TRANSFERRED: From the Department of Health.
Health Innovation.....	3	TRANSFERRED: From the Department of Health.
Achieving Better Care - MAP Administration.....	5	TRANSFERRED: From the Department of Health.
Vital Statistics Improvement Administration.....	3	TRANSFERRED: From the Department of Health.
Child Support Enforcement.....	-3	Eliminated positions.
New Directions.....	-4	Eliminated positions.
Youth Development Institutions and Forestry Camps.....	-5	Eliminated positions.
Mental Health Services.....	-103	Eliminated positions.
Intellectual Disabilities - State Centers.....	-108	Eliminated positions.
General Fund Total	<u>358</u>	
Federal Funds:		
Developmental Disabilities - Basic Support (F).....	-1	Eliminated position.
MCHSBG - Administration (F).....	60	TRANSFERRED: From the Department of Health.
PHHSBG - Administration (F).....	14	TRANSFERRED: From the Department of Health.
Refugees and Persons Seeking Asylum - Administration (F).....	-1	Eliminated position.
Epidemiology and Laboratory Surveillance and Response (F).....	19	TRANSFERRED: From the Department of Health.
Health Assessment (F).....	3	TRANSFERRED: From the Department of Health.
Primary Care Cooperative Agreement (F).....	1	TRANSFERRED: From the Department of Health.
TB - Administration (F).....	9	TRANSFERRED: From the Department of Health.
Health Statistics (F).....	1	TRANSFERRED: From the Department of Health.
Disease Control Immunization (F).....	49	TRANSFERRED: From the Department of Health.
Survey and Follow-up Sexually Transmitted Diseases (F).....	3	TRANSFERRED: From the Department of Health.
Cooperative Health Statistics (F).....	13	TRANSFERRED: From the Department of Health.
Lead - Administration (F).....	1	TRANSFERRED: From the Department of Health.
AIDS Health Education - Administration .....	17	TRANSFERRED: From the Department of Health.
WIC Administration (F).....	62	TRANSFERRED: From the Department of Health.
HIV Care - Administration (F).....	12	TRANSFERRED: From the Department of Health.
Family Health Special Projects (F).....	1	TRANSFERRED: From the Department of Health.
HIV / AIDS Surveillance (F).....	9	TRANSFERRED: From the Department of Health.
Preventive Health Special Projects (F).....	7	TRANSFERRED: From the Department of Health.
Environmental Public Health Tracking (F).....	6	TRANSFERRED: From the Department of Health.
Cancer Prevention and Control (F).....	22	TRANSFERRED: From the Department of Health.
Sexual Violence and Education (F).....	1	TRANSFERRED: From the Department of Health.
Food Emergency Response (F).....	1	TRANSFERRED: From the Department of Health.
Behavioral Risk Factor (F).....	1	TRANSFERRED: From the Department of Health.
Collaborative Chronic Disease Programs (F).....	15	TRANSFERRED: From the Department of Health.
Live Healthy (F).....	8	TRANSFERRED: From the Department of Health.
Prescription Drug Monitoring (F).....	3	TRANSFERRED: From the Department of Health.
SABG - Administration (F).....	71	TRANSFERRED: From the Department of Health (2) and from the Department of Drug and Alcohol Programs (69).

## Summary of 2017-18 Complement Changes

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
Public Health Emergency Preparedness and Response (F).....	114	TRANSFERRED: From the Department of Health.
Federal Funds Total	<u>521</u>	
Lottery Fund:		
General Government Operations.....	90	TRANSFERRED: From the Department of Aging.
Pharmaceutical Assistance Fund:		
Administration of PACE.....	10	TRANSFERRED: From the Department of Aging.
Tobacco Settlement Fund:		
Tobacco and Prevention Cessation.....	6	TRANSFERRED: From the Department of Health.
Gov. Casey Organ & Tissue Donation Awareness Trust Fund:		
Implementation Costs.....	1	TRANSFERRED: From the Department of Health.
Compulsive and Problem Gambling Treatment Fund:		
Compulsive and Problem Gambling Treatment.....	3	TRANSFERRED: From the Department of Drug and Alcohol Programs.
Medical Marijuana Program Fund:		
General Operations.....	6	TRANSFERRED: From the Department of Health.
Special Funds Total	<u>116</u>	
DEPARTMENT TOTAL	<u>995</u>	

### HEALTH

General Fund:		
General Government Operations.....	-186	TRANSFERRED: To the Department of Health and Human Services (-181). Eliminated positions (-5).
Quality Assurance.....	-306	TRANSFERRED: To the Department of Health and Human Services (-294). Eliminated positions (-12).
Vital Statistics.....	-69	TRANSFERRED: To the Department of Health and Human Services.
State Laboratory.....	-43	TRANSFERRED: To the Department of Health and Human Services (-37). Eliminated positions (-6).
State Health Care Centers.....	-234	TRANSFERRED: To the Department of Health and Human Services (-220). Eliminated positions (-14).
Sexually Transmitted Disease Screening and Treatment.....	-8	TRANSFERRED: To the Department of Health and Human Services.
Health Innovation.....	-3	TRANSFERRED: To the Department of Health and Human Services.
Achieving Better Care - MAP Administration.....	-5	TRANSFERRED: To the Department of Health and Human Services.
Vital Statistics Improvement Administration.....	-3	TRANSFERRED: To the Department of Health and Human Services.
General Fund Total	<u>-857</u>	
Federal Funds:		
Health Assessment (F).....	-3	TRANSFERRED: To the Department of Health and Human Services.
Primary Care Cooperative Agreement (F).....	-1	TRANSFERRED: To the Department of Health and Human Services.
TB - Administration and Operation (F).....	-9	TRANSFERRED: To the Department of Health and Human Services.
Health Statistics (F).....	-1	TRANSFERRED: To the Department of Health and Human Services.
Disease Control Immunization (F).....	-49	TRANSFERRED: To the Department of Health and Human Services.
Survey and Follow-up Sexually Transmitted Diseases (F).....	-3	TRANSFERRED: To the Department of Health and Human Services.
Epidemiology and Laboratory Surveillance and Response (F).....	-21	TRANSFERRED: To the Department of Health and Human Services (-19). Eliminated positions (-2).
Cooperative Health Statistics (F).....	-13	TRANSFERRED: To the Department of Health and Human Services.
Lead - Administration and Operation (F).....	-1	TRANSFERRED: To the Department of Health and Human Services.
AIDS Health Education - Administration and Operation (F).....	-17	TRANSFERRED: To the Department of Health and Human Services.
MCHSBG - Administration and Operation (F).....	-69	TRANSFERRED: To the Department of Health and Human Services (-60). Eliminated positions (-9).
PHHSBG - Administration and Operation (F).....	-15	TRANSFERRED: To the Department of Health and Human Services (-14). Eliminated position (-1).
WIC Administration and Operation (F).....	-62	TRANSFERRED: To the Department of Health and Human Services.
HIV Care - Administration and Operation (F).....	-12	TRANSFERRED: To the Department of Health and Human Services.
Family Health Special Projects (F).....	-1	TRANSFERRED: To the Department of Health and Human Services.
HIV / AIDS Surveillance (F).....	-9	TRANSFERRED: To the Department of Health and Human Services.
Preventive Health Special Projects (F).....	-7	TRANSFERRED: To the Department of Health and Human Services.
Environmental Public Health Tracking (F).....	-6	TRANSFERRED: To the Department of Health and Human Services.
Cancer Prevention and Control (F).....	-22	TRANSFERRED: To the Department of Health and Human Services.
Sexual Violence and Education (F).....	-1	TRANSFERRED: To the Department of Health and Human Services.
Food Emergency Response (F).....	-1	TRANSFERRED: To the Department of Health and Human Services.
Behavioral Risk Factor (F).....	-1	TRANSFERRED: To the Department of Health and Human Services.
Collaborative Chronic Disease Programs (F).....	-15	TRANSFERRED: To the Department of Health and Human Services.



## Summary of 2017-18 Complement Changes

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
Live Healthy (F).....	-8	TRANSFERRED: To the Department of Health and Human Services.
Prescription Drug Monitoring (F).....	-3	TRANSFERRED: To the Department of Health and Human Services.
SABG - DDAP Support Services (F).....	-2	TRANSFERRED: To the Department of Health and Human Services.
Public Health Emergency Preparedness and Response (F).....	-114	TRANSFERRED: To the Department of Health and Human Services.
Federal Funds Total	<u>-466</u>	
Tobacco Settlement Fund:		
Tobacco and Prevention Cessation.....	-6	TRANSFERRED: To the Department of Health and Human Services.
Gov. Casey Organ & Tissue Donation Awareness Trust Fund:		
Implementation Costs.....	-1	TRANSFERRED: To the Department of Health and Human Services.
Medical Marijuana Program Fund:		
General Operations.....	-6	TRANSFERRED: To the Department of Health and Human Services.
Special Funds Total	<u>-13</u>	
DEPARTMENT TOTAL	<u><u>-1,336</u></u>	
<b>DRUG AND ALCOHOL PROGRAMS</b>		
General Fund:		
General Government Operations.....	-7	TRANSFERRED: To the Department of Health and Human Services.
Federal Funds:		
SABG - Administration and Operation (F).....	-69	TRANSFERRED: To the Department of Health and Human Services.
Compulsive and Problem Gambling Treatment Fund:		
Compulsive and Problem Gambling Treatment.....	-3	TRANSFERRED: To the Department of Health and Human Services.
DEPARTMENT TOTAL	<u><u>-79</u></u>	
<b>AGING</b>		
Lottery Fund:		
General Government Operations.....	-91	TRANSFERRED: To the Department of Health and Human Services (-90). Eliminated position (-1).
Pharmaceutical Assistance Fund:		
Administration of PACE.....	-11	TRANSFERRED: To the Department of Health and Human Services (-10). Eliminated position (-1).
DEPARTMENT TOTAL	<u><u>-102</u></u>	
<b>HISTORICAL AND MUSEUM COMMISSION</b>		
General Fund:		
General Government Operations.....	-7	Eliminated positions.
Historical Preservation Fund:		
Historical Preservation.....	-4	Eliminated positions.
DEPARTMENT TOTAL	<u><u>-11</u></u>	
<b>INSURANCE</b>		
Medical Care Availability and Reduction of Error Fund:		
General Operations.....	-5	Eliminated positions.
<b>LABOR AND INDUSTRY</b>		
General Fund:		
General Government Operations.....	-6	Eliminated positions.
Occupational and Industrial Safety.....	-14	Eliminated positions.
General Fund Total	<u>-20</u>	
Federal Funds:		
Workforce Investment Act - Administration (F).....	-20	Eliminated positions.
Community Service and Corps (F).....	-1	Eliminated position.
Disability Determination (F).....	-157	Eliminated positions.
Federal Funds Total	<u>-178</u>	
Administration Fund:		
General Operations.....	-866	Eliminated positions.
Workmen's Compensation Administration Fund:		
Administration of Workers' Compensation.....	-74	Eliminated positions.
State Workmen's Insurance Fund:		
General Operations.....	-49	Eliminated positions.
Rehabilitation Center Fund:		
General Operations.....	-22	Eliminated positions.
Special Funds Total	<u>-1,011</u>	
DEPARTMENT TOTAL	<u><u>-1,209</u></u>	

**Summary of 2017-18 Complement Changes**

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
<b>MILITARY AND VETERANS AFFAIRS</b>		
General Fund:		
General Government Operations.....	-4	Eliminated positions.
Veterans Homes.....	-21	Eliminated positions.
General Fund Total	<u>-25</u>	
Federal Funds:		
Facilities Maintenance (F).....	-35	Eliminated positions.
DEPARTMENT TOTAL	<u>-60</u>	
<b>MILK MARKETING BOARD</b>		
Milk Marketing Fund:		
General Operations.....	-1	Eliminated position.
<b>MUNICIPAL EMPLOYEES' RETIREMENT</b>		
PA Municipal Retirement Fund:		
Administration - PMRS.....	-5	Eliminated positions.
<b>REVENUE</b>		
General Fund:		
General Government Operations.....	-88	Eliminated positions.
Lottery Fund:		
General Operations.....	-6	Eliminated positions.
DEPARTMENT TOTAL	<u>-94</u>	
<b>SCHOOL EMPLOYEES' RETIREMENT SYSTEM</b>		
School Employees' Retirement Fund:		
Administration - Public School Employees' Retirement Board.....	-12	Eliminated positions.
<b>STATE</b>		
General Fund:		
Professional and Occupational Affairs.....	-14	NEW: For Hearing Examiner Program (1), for Legal Prosecution (2), for Professional Compliance (1) and for Enforcement and Investigations (3). Eliminated positions(-21).
<b>STATE EMPLOYEES' RETIREMENT SYSTEM</b>		
State Employees' Retirement Fund:		
Administration - State Employees' Retirement Board.....	-10	Eliminated positions.
<b>STATE POLICE</b>		
General Fund:		
General Government Operations.....	-53	Eliminated positions.
Statewide Public Safety Radio System.....	-1	Eliminated position.
General Fund Total	<u>-54</u>	
Federal Funds:		
Office of Homeland Security.....	-1	Eliminated position.
Motor License Fund:		
Commercial Vehicle Inspections .....	-3	Eliminated positions.
State Stores Fund:		
Liquor Control Enforcement.....	-22	Eliminated positions.
Special Funds Total	<u>-25</u>	
DEPARTMENT TOTAL	<u>-80</u>	
<b>TRANSPORTATION</b>		
Motor License Fund:		
General Government Operations.....	-20	Eliminated positions.
Driver and Vehicle Services.....	-37	Eliminated positions.
Highway and Safety Improvements.....	-92	Eliminated positions.
Highway Maintenance.....	-214	Eliminated positions.
Aviation Operations.....	-9	Eliminated positions.
Motor License Fund Total	<u>-372</u>	

**Summary of 2017-18 Complement Changes**

<u>Department / Fund / Appropriation</u>	<u>Increase/ Decrease</u>	<u>Comment on Complement Change</u>
Public Transportation Trust Fund:		
Transit Administration and Oversight.....	<u>-1</u>	Eliminated position.
DEPARTMENT TOTAL	<u><u>-373</u></u>	
<b>GRAND TOTAL</b>	<b><u><u>-3,442</u></u></b>	



Commonwealth of Pennsylvania

## Governor's Executive Budget

# *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/](http://www.pasdc.hbg.psu.edu/)).

– THIS PAGE INTENTIONALLY LEFT BLANK –

## 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 and health services, education and financial institutions.

Pennsylvania's agricultural industries remain an important component of the Commonwealth's economic structure, accounting for more than \$7.5 billion in crop and livestock products annually. Agribusiness and food related industries had export sales surpassing \$1.3 billion in economic activity. Over 59,000 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 66 million tons of anthracite and bituminous coal, 4 trillion cubic feet of natural gas and about 5.5 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 annually.

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. Between 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 2015 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, 12.8 million people in 2015, 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 2006 to 2015 and the age distribution of the population for 2015.

### Population Trends Pennsylvania, Middle Atlantic Region and the United States 2006-2015

As of <u>July 1</u>	Total Population In Thousands			Total Population as a % of 2006 base		
	<u>PA</u>	<u>Middle Atlantic Region<sup>(a)</sup></u>	<u>U.S.</u>	<u>PA</u>	<u>Middle Atlantic Region<sup>(a)</sup></u>	<u>U.S.</u>
2006 .....	12,471	40,451	296,593	100%	100%	100%
2007 .....	12,522	40,481	301,579	100	100	102
2008 .....	12,566	40,697	304,374	101	100	103
2009 .....	12,604	40,854	307,006	101	100	104
2010 .....	12,712	40,918	309,346	102	101	104
2011 .....	12,745	41,111	311,718	102	102	105
2012 .....	12,772	41,254	314,102	102	102	106
2013 .....	12,783	41,381	316,427	102	102	107
2014 .....	12,793	41,481	318,907	103	103	108
2015 .....	12,802	41,556	321,418	103	103	108

<sup>(a)</sup> Middle Atlantic Region: Pennsylvania, New York, New Jersey.  
Source: U.S. Department of Commerce, Bureau of the Census.

### Population By Age Group — 2015 Pennsylvania, Middle Atlantic Region and the United States

<u>Age</u>	<u>Pennsylvania</u>	<u>Middle Atlantic Region<sup>(a)</sup></u>	<u>United States</u>
Under 5 years .....	5.6 %	5.8%	6.2 %
5-24 years .....	24.9	22.3	26.6
25-44 years .....	24.7	26.1	26.3
45-64 years .....	27.8	27.4	26.1
65 years and over .....	17.0	18.4	14.8

<sup>(a)</sup> 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 2015 increased at an average annual rate of 0.15 percent compared with a 0.13 percent rate for the Middle Atlantic region and 0.33 percent rate for the U.S. The following table shows employment trends from 2006 through 2015.

**Non-Agricultural Establishment Employment Trends  
Pennsylvania, Middle Atlantic Region and the United States  
2006-2015**

Calendar Year	Total Establishment Employment In Thousands			Total Establishment Employment as a % of 2006 base		
	PA	Middle Atlantic Region <sup>(a)</sup>	U.S.	PA	Middle Atlantic Region <sup>(a)</sup>	U.S.
2006 .....	6,006	19,320	144,427	100 %	100 %	100 %
2007 .....	6,064	19,404	146,047	101	100	101
2008 .....	6,109	19,512	145,362	102	101	100
2009 .....	5,885	18,868	139,877	98	98	97
2010 .....	5,840	18,732	139,064	97	97	96
2011 .....	5,888	18,755	139,869	98	97	97
2012 .....	5,957	18,913	142,469	99	98	99
2013 .....	5,964	19,016	143,929	99	98	100
2014 .....	6,015	19,214	146,305	100	99	101
2015 .....	6,093	19,548	148,834	101	101	103

<sup>(a)</sup> 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 90.3 percent of total employment by 2015. Consequently, manufacturing employment constitutes a diminished share of total employment within the Commonwealth. Manufacturing, contributing 9.7 percent of 2015 non-agricultural employment, has fallen behind the services sector, the trade sector and the government sector as the 4<sup>th</sup> largest single source of employment within the Commonwealth. In 2015, the services sector accounted for 48.9 percent of all non-agricultural employment while the trade sector accounted for 14.7 percent. The following table shows trends in employment by sector for Pennsylvania from 2011 through 2015.



## Non-Agricultural Establishment Employment by Sector Pennsylvania 2011-2015 (In Thousands)

	CALENDAR YEAR									
	2011		2012		2013		2014		2015	
	Employees	%	Employees	%	Employees	%	Employees	%	Employees	%
<b>Manufacturing:</b>										
Durable.....	342.0	6.0	347.5	6.1	346.1	6.0	346.6	6.0	346.8	5.9
Non-Durable.....	223.0	3.9	219.7	3.8	218.5	3.8	220.9	3.8	221.5	3.8
Total Manufacturing <sup>(d)</sup> .....	565.0	9.9	567.2	9.9	564.6	9.8	567.5	9.8	568.3	9.7
<b>Non-Manufacturing:</b>										
Trade <sup>(a)</sup> .....	848.9	14.9	853.7	14.9	852.5	14.9	855.4	14.8	858.5	14.7
Finance <sup>(b)</sup> .....	308.6	5.4	309.5	5.4	313.2	5.5	315.3	5.4	316.3	5.4
Services.....	2,716.7	47.8	2,758.4	48.2	2,783.6	48.5	2,818.8	48.7	2,856.1	48.9
Government.....	751.4	13.2	732.3	12.8	720.7	12.6	711.4	12.3	705.4	12.0
Utilities <sup>(c)</sup> .....	240.3	4.2	244.0	4.3	246.9	4.3	254.4	4.4	264.6	4.5
Construction.....	221.5	3.9	224.3	3.9	223.8	3.9	228.9	4.0	233.6	4.0
Mining.....	33.2	0.6	36.3	0.6	35.3	0.6	37.0	0.6	33.2	0.8
Total Non-Manufacturing <sup>(d)</sup>	5,120.6	90.1	5,158.5	89.9	5,176.0	90.2	5,221.2	90.2	5,267.7	90.3
Total Employees <sup>(d)(e)</sup>	5,685.6	100.0	5,725.7	99.8	5,740.6	100.0	5,788.7	100.0	5,836.0	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 2015.

## Non-Agricultural Establishment Employment by Sector Pennsylvania and the United States

	2015 Calendar Year	
	Pennsylvania	United States
Manufacturing.....	9.7 %	8.7%
Trade <sup>(a)</sup> .....	14.7	15.1
Finance <sup>(b)</sup> .....	5.4	5.7
Services.....	48.9	46.1
Government.....	12.0	15.5
Utilities <sup>(c)</sup> .....	4.5	3.9
Construction.....	4.0	4.5
Mining.....	0.8	0.5
Total.....	100.0 %	100.0 %

(a) Wholesale and retail trade.

(b) Finance, insurance and real estate.

(c) Includes transportation, communications, electric, gas and sanitary services.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Within the manufacturing sector of Pennsylvania's economy, which now accounts for 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 is 14.4 percent of Pennsylvania manufacturing employment but only 1.4 percent of total Pennsylvania non-agricultural employment in 2015. The following table shows trends in manufacturing employment by industry for Pennsylvania from 2011 through 2015.

## Manufacturing Establishment Employment by Industry Pennsylvania 2011-2015 (In Thousands)

	CALENDAR YEAR									
	2011		2012		2013		2014		2015	
	Employees	%	Employees	%	Employees	%	Employees	%	Employees	%
<b>Durable Goods:</b>										
Primary Metals.....	38.5	6.8	39.7	7.0	39.4	7.0	38.9	6.9	37.7	6.6
Fabricated Metals.....	80.3	14.2	81.7	14.4	80.8	14.3	81.1	14.3	81.9	14.4
Machinery (excluding electrical) .....	47.0	8.3	48.8	8.6	48.5	8.6	48.1	8.5	47.3	8.3
Electrical Equipment.....	25.9	4.6	26.0	4.6	26.0	4.6	26.0	4.6	25.9	4.6
Transportation Equipment.....	37.6	6.7	39.1	6.9	38.9	6.9	39.0	6.9	39.5	7.0
Furniture Related Products.....	15.1	2.7	15.1	2.7	14.9	2.6	15.1	2.7	15.7	3.0
Other Durable Goods.....	97.6	17.3	97.1	17.1	97.6	17.3	98.4	17.3	98.8	17.4
<b>Total Durable Goods<sup>(a)</sup>.....</b>	<b>342.0</b>	<b>60.5</b>	<b>347.5</b>	<b>61.3</b>	<b>346.1</b>	<b>61.3</b>	<b>346.6</b>	<b>61.1</b>	<b>346.8</b>	<b>61.1</b>
<b>Non-Durable Goods:</b>										
Pharmaceutical/Medicine.....	20.2	3.6	19.0	3.3	17.9	3.2	17.5	3.1	17.8	3.1
Food Products.....	66.7	11.8	67.1	11.8	67.8	12.0	69.6	12.3	69.7	12.3
Chemical Products.....	42.2	7.5	41.2	7.3	40.6	7.2	39.9	7.0	40.2	7.1
Printing and Publishing.....	27.0	4.8	25.5	4.5	24.8	4.4	24.7	4.4	24.2	4.2
Plastics/Rubber Products.....	35.3	6.2	35.2	6.2	35.3	6.3	36.1	6.4	36.8	6.4
Other Non-Durable Goods.....	31.6	5.6	31.7	5.6	32.1	5.7	33.1	5.8	32.8	5.8
<b>Total Non-Durable Goods<sup>(a)</sup>....</b>	<b>223.0</b>	<b>39.5</b>	<b>219.7</b>	<b>38.7</b>	<b>218.5</b>	<b>38.7</b>	<b>220.9</b>	<b>38.9</b>	<b>221.5</b>	<b>38.9</b>
<b>Total Manufacturing Employees<sup>(a)</sup>.....</b>	<b>565.0</b>	<b>100.0</b>	<b>567.2</b>	<b>100.0</b>	<b>564.6</b>	<b>100.0</b>	<b>567.5</b>	<b>100.0</b>	<b>568.3</b>	<b>100.0</b>

<sup>(a)</sup> 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 2010s. Slower economic growth caused the unemployment rate in the Commonwealth to rise to 8.5 percent in 2010 compared to 4.4 percent annual unemployment rate in 2007. As of November 2016, Pennsylvania had a seasonally adjusted annual unemployment rate of 5.7 percent. The following table represents the annual non-adjusted unemployment rate in Pennsylvania, the Middle Atlantic Region, and the United States from 2006 through 2015.

**Annual Average Unemployment Rate  
Pennsylvania, Middle Atlantic Region and the United States  
2006-2015**

<u>Calendar Year</u>	<u>Pennsylvania</u>	<u>Middle Atlantic Region<sup>(a)</sup></u>	<u>United States</u>
2006 .....	4.6 %	4.6 %	4.6 %
2007 .....	4.4	4.4	4.6
2008 .....	5.3	5.4	5.8
2009 .....	8.0	8.4	9.3
2010 .....	8.5	8.8	9.6
2011 .....	7.9	8.4	8.9
2012 .....	7.8	8.5	8.1
2013 .....	7.4	7.7	7.4
2014 .....	5.9	6.3	6.2
2015 .....	5.1	5.3	5.3

<sup>(a)</sup> 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 employers in Pennsylvania:

**Commonwealth of Pennsylvania  
Thirty Largest Employers  
1<sup>st</sup> Quarter 2016**

<u>Employer</u>	<u>Rank</u>	<u>Employer</u>	<u>Rank</u>
Federal Government	1	PA State System of Higher Education	16
State Government	2	Comcast Cablevision Corp (PA)	17
Wal-Mart Associates Inc	3	The Children's Hospital of Philadelphia	18
Trustees of the University of PA	4	Home Depot USA Inc	19
City of Philadelphia	5	Amazon.com DEDC LLC	20
Giant Food Stores LLC	6	Vanguard Group Inc	21
Pennsylvania State University	7	Target Corporation	22
School District of Philadelphia	8	Milton S Hershey Medical Center	23
UPMC Presbyterian Shadyside	9	Wawa Inc	24
PNC Bank NA	10	Temple University	25
United Parcel Service Inc	11	Merck Sharp & Dohme Corporation	26
University of Pittsburgh	12	Western Penn Allegheny Health	27
Lowe's Home Centers LLC	13	American Airlines Inc	28
Weis Markets Inc	14	Southeastern PA Transportation Authority	29
Giant Eagle Inc	15	Heartland Employment Services LLC	30

Source: Pennsylvania Department of Labor, Office of Employment Security.

## Personal Income

Personal income in the Commonwealth for 2015 was \$636.8 billion, an increase of 3.8 percent over the previous year. During the same period, national personal income increased by 4.5 percent. Based on the 2015 personal income estimates, per capita income was at \$49,745 in the Commonwealth compared to per capita income in the United States of \$48,112. The following tables represent annual personal income data and per capita income from 2006 through 2015.

### Personal Income Pennsylvania, Mideast Region and the United States 2006-2015

Year	Total Personal Income Dollars in Millions			Total Personal Income As a % of 2006 base		
	PA	Mideast Region <sup>(a)</sup>	U.S. <sup>(b)</sup>	PA	Mideast Region <sup>(a)</sup>	U.S.
2006.....	\$ 476,162	\$2,070,191	\$11,381,350	100 %	100 %	100 %
2007.....	506,357	2,192,252	11,995,419	107	106	106
2008.....	528,854	2,266,596	12,492,705	111	110	110
2009.....	515,485	2,216,310	12,079,444	109	107	107
2010.....	533,929	2,283,241	12,459,613	113	111	110
2011.....	561,012	2,410,993	13,233,436	118	117	117
2012.....	585,851	2,526,546	13,904,485	123	122	123
2013.....	589,491	2,551,787	14,068,960	124	124	124
2014.....	613,524	2,660,685	14,801,624	129	129	130
2015.....	636,857	2,765,819	15,463,981	134	134	136

<sup>(a)</sup> Mideast Region: Pennsylvania, New York, New Jersey, Maryland, District of Columbia, and Delaware.

<sup>(b)</sup> Sum of States.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

### Per Capita Income Pennsylvania, Mideast Region and the United States 2006-2015

Calendar Year	Per Capita Income			As a % of U.S.	
	PA	Mideast Region <sup>(a)</sup>	U.S.	PA	Mideast Region <sup>(a)</sup>
2006.....	\$ 38,060	\$ 43,735	\$ 38,144	100 %	114 %
2007.....	40,302	46,178	39,821	101	116
2008.....	41,932	47,533	41,082	102	116
2009.....	40,696	46,227	39,376	103	117
2010.....	42,002	47,358	40,277	104	117
2011.....	44,018	49,728	42,453	104	117
2012.....	45,867	51,882	44,267	104	117
2013.....	46,113	52,191	44,462	104	117
2014.....	47,955	54,241	46,414	103	117
2015.....	49,745	56,238	48,112	103	117

<sup>(a)</sup> 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 2011 through 2015.

## Annual Growth Rates Personal Income and Selected Components of Personal Income Pennsylvania, Mideast Region and the United States

Calendar Year	Pennsylvania	Mideast Region <sup>(a)</sup>	United States
<b>Total Personal Income</b>			
2011 .....	5.0%	5.5 %	6.2%
2012 .....	4.4	4.8	5.0
2013 .....	0.6	0.9	1.1
2014 .....	4.0	4.2	5.2
2015 .....	3.8	3.9	4.4
<b>Manufacturing</b>			
2011 .....	3.2%	1.4%	5.5%
2012 .....	2.1	1.3	4.1
2013 .....	1.4	0.3	1.1
2014 .....	2.9	2.6	4.5
2015 .....	2.4	2.4	3.5
<b>Trade<sup>(b)</sup></b>			
2011 .....	4.1%	4.9%	4.6%
2012 .....	2.6	3.3	4.5
2013 .....	1.3	1.3	2.6
2014 .....	2.9	4.1	4.6
2015 .....	1.9	3.6	4.2
<b>Finance<sup>(c)</sup></b>			
2011 .....	9.1%	4.3%	0.6%
2012 .....	3.7	2.1	5.4
2013 .....	2.8	-1.0	-1.2
2014 .....	2.9	3.7	2.8
2015 .....	2.8	2.0	5.1
<b>Services</b>			
2011 .....	5.3%	6.9%	6.9%
2012 .....	4.3	4.9	6.0
2013 .....	0.8	1.3	1.8
2014 .....	4.3	6.0	6.5
2015 .....	6.0	6.0	6.9
<b>Utilities</b>			
2011 .....	10.8%	5.7%	5.3%
2012 .....	-5.7	-3.7	-2.7
2013 .....	3.1	3.5	3.7
2014 .....	2.2	8.0	5.3
2015 .....	13.8	11.8	5.1
<b>Construction</b>			
2011 .....	5.1%	2.5%	2.2%
2012 .....	1.3	5.6	7.6
2013 .....	3.4	4.2	4.5
2014 .....	8.1	7.1	8.2
2015 .....	6.9	7.3	8.5
<b>Mining</b>			
2011 .....	21.6%	11.3%	33.8%
2012 .....	5.4	14.5	12.2
2013 .....	10.7	-14.1	6.7
2014 .....	14.3	5.3	10.1
2015 .....	-9.5	0.6	-13.3

<sup>(a)</sup> Mideast Region: Delaware, District of Columbia, Maryland, Pennsylvania, New York, and New Jersey.

<sup>(b)</sup> Wholesale and retail trade.

<sup>(c)</sup> Finance and insurance.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The Commonwealth's average hourly wage rate of \$18.96 for manufacturing and production workers is below the national average of \$21.04 for 2015. The following table presents the average hourly wage rates for 2011 through 2015.

## Average Hourly Wages Production Workers on Manufacturing Payrolls Pennsylvania and the United States 2011-2015

Calendar Year	PA	U.S.
2011.....	\$ 17.49	\$ 19.44
2012.....	18.26	19.73
2013.....	19.16	20.14
2014.....	19.02	20.60
2015.....	18.96	21.04

Source: U.S. Department of Labor, Bureau of Labor Statistics.

### Market and Assessed Valuation of Real Property

Annually, the State Tax Equalization Board, Tax Equalization Division (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 2006-2015

Year	Market Value <sup>(a)</sup>	Assessed Valuation	Ratio of Assessed Valuation to Market Value <sup>(a)</sup>
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
2010	753,847,457,900	436,995,393,629	57.9
2011	756,045,833,849	451,343,272,265	59.7
2012	753,344,175,841	452,361,346,637	60.0
2013	781,362,158,748	499,743,087,376	63.9
2014	801,633,782,130	591,554,200,204	73.7
2015	810,805,701,762	599,081,315,279	73.9

<sup>(a)</sup> 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.

– THIS PAGE INTENTIONALLY LEFT BLANK –