

The background of the page features a large, faint, circular seal of the Commonwealth of Pennsylvania. The seal contains the text "COMMONWEALTH OF PENNSYLVANIA" at the top and "THE GOVERNOR" at the bottom. In the center is the coat of arms, which includes two horses flanking a shield, topped by an eagle. A banner at the bottom of the coat of arms reads "VIRTUE LIBERTY AND INDEPENDENCE".

2018 – 2019 Governor's Executive Budget

Governor Tom Wolf

SCHOOLS THAT TEACH.

JOB'S THAT PAY.

GOVERNMENT THAT WORKS.



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR
HARRISBURG

THE GOVERNOR

February 6, 2018

To the People of Pennsylvania:

Since taking office, I have worked with the General Assembly to budget responsibly to protect and sustain investments in education, job creation, and services for older Pennsylvanians and the most vulnerable. I have worked to take a new approach to budgeting and the way Harrisburg does business.

This year's budget builds upon the progress we have made to restore the state's fiscal health. Savings and efficiencies have reduced annual expenditure growth far below historic trends. The budget plan continues to maximize cost-saving initiatives, including agency consolidations and complement management.

Recognizing that work is a dynamic concept requiring a workforce adaptable to changing market forces and technology, we will launch a new workforce initiative – PAsmart – to fund new efforts to enhance career and technology programs to reach across agencies to help all Pennsylvanians prepare for successful careers. This year's budget makes further investments in programs that support women and families, and continues the fight against opioid abuse.

My budget continues efforts to make government more efficient and to prioritize these important responsibilities. In the longer term, these responsible steps provide the capacity to begin generating substantial budget surpluses to rebuild General Fund reserves.

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

Sincerely,

A handwritten signature in black ink that reads "Tom Wolf".

Tom Wolf

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Commonwealth of Pennsylvania
Pennsylvania**

For the Fiscal Year Beginning

July 1, 2017

Christopher P. Morill

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, 2017. 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. To learn more about the Commonwealth of Pennsylvania, go to 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.

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READER'S GUIDE

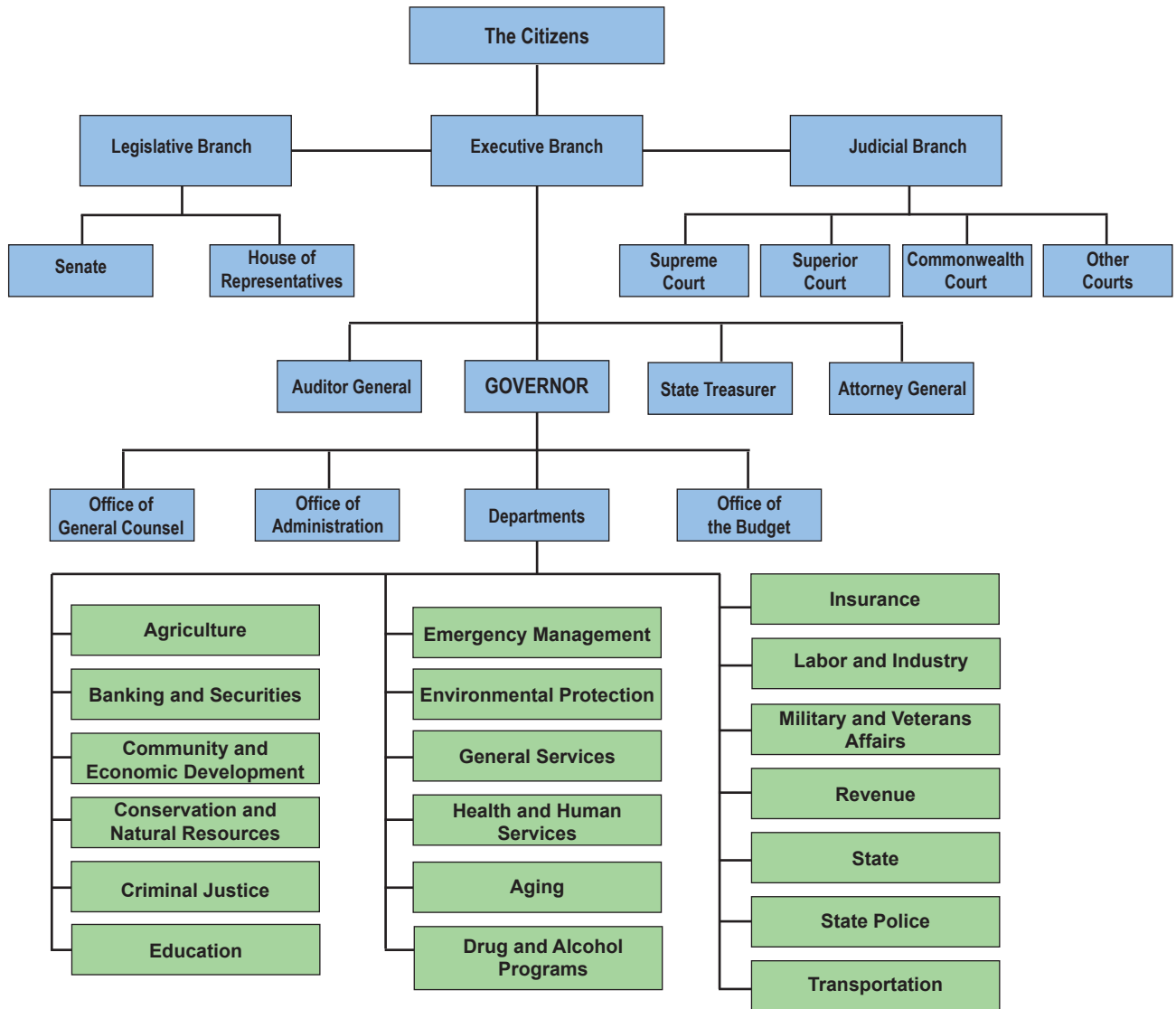
This section of the budget is intended to assist readers with interpreting and understanding the content of the Governor's recommended budget.

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. To learn more about the Commonwealth of Pennsylvania, go to 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 impacts.

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 Policy Office. The program policy guidance defines major policy issues, spells out priorities and provides policy direction to the agencies for budget preparation.

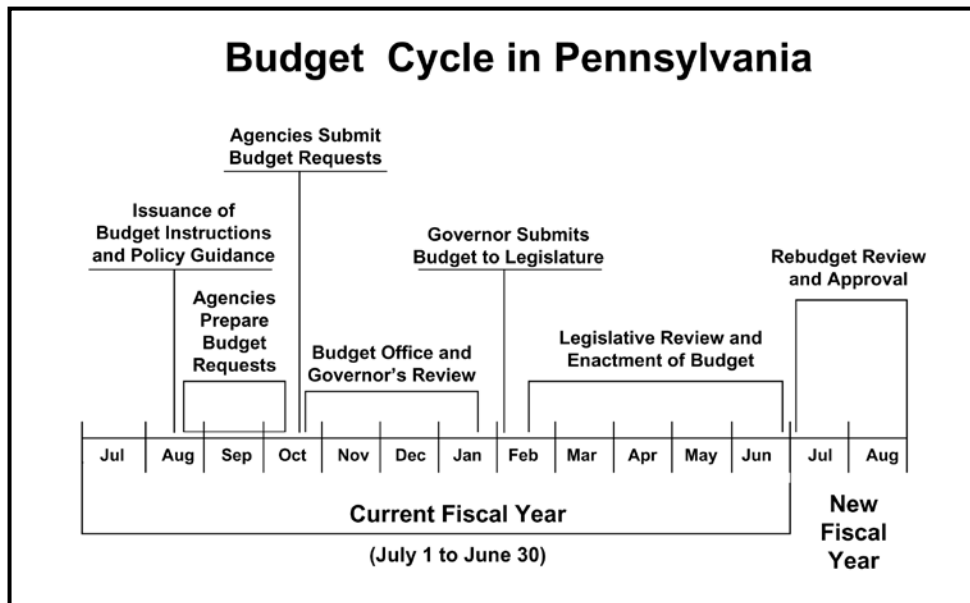
Agency budget requests are submitted to the Governor's Budget Office beginning in early October. Agencies prepare and submit their requests electronically. The Agency Program Plan, the programmatic presentation of agency budget requests, and the appropriation-level information are prepared and submitted 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, 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"> • Commonwealth Program – eight major programs • Program Category – defined by desired goals • Program Subcategory – Program Presentation that includes an objective, narrative and funding • Program Element – activities contributing toward the accomplishment of the subcategory program objective

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 (SFA) 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"> • <i>Program Goal – program purpose stated as desired accomplishments</i> • <i>Narrative – program activities and services description</i> • <i>Program Recommendations – proposed funding increases or decreases</i> • <i>Appropriations within this Program – appropriations supporting program activities</i>

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 (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)

2016-17 ACTUAL 2017-18 AVAILABLE 2018-19 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 and to prevent environmental destruction and depletion while allowing economic development.

Program: Environmental Protection

This program encompasses the major program elements that help to protect the health and safety of the citizens of the commonwealth as well as the quality of their environment and economic health. These activities are all associated with the department's goals for Clean Air, Clean Water, Land Protection, Community Health and Safety and Sustainable Energy.

Act 68 of 1999, the Environmental Stewardship and Watershed Protection Act, authorized the beginning of the "Growing Greener" program. The goal of this program is to ensure citizens their rights to clean air, to pure water and to the preservation of the natural, scenic, historic and esthetic values of the environment. Expanded activities include the reclamation of abandoned mines, plugging of certain oil and gas wells, protection and restoration of watersheds, and improvements to drinking water and sewer systems.

Program Recommendations: This budget

\$	100	General Government Operations —to continue current program.
\$	100	Environmental Program Management —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:

	2016-17 Actual	2017-18 Available
GENERAL FUND:		
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

	2016-17	2017-18
Protection of Air Quality		
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 outcomes.

Program and Management

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

CLEAN AIR

Protection of Air Quality

Emissions of air contaminants are closely monitored and controlled by the department to protect public health as required by the Federal Clean Air Act, the Pennsylvania Air Pollution Control Act of 1960 and regulations adopted under the acts. Pollutants of primary concern include ground-level ozone, suspended particulates, sulfur and nitrogen oxides, volatile organic compounds and toxic air pollutants. 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.

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

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.

Narrative — Describes program services and activities.

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

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

(Dollar Amounts in Thousands)

2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 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

2018-19	2019-20	2020-21	2021-22	2022-23
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 a 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 (GASB) 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. There was no surplus for fiscal year ending June 30, 2017. 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 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 five 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.

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 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.

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 st 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

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](#)

[Criminal Justice](#)

[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](#)

[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

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FISCAL AND PROGRAM POLICY DIRECTION AND BUDGET THEMES

The Fiscal and Program Policy Direction section immediately following this page presents the fiscal and program policies that guided the development of the 2018-19 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: Protecting Taxpayers; Building a Workforce, Growing the Economy; Supporting Opportunities for Women and Families; Protecting the Most Vulnerable; Keeping Pennsylvania Safe; and Protecting the Environment.

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 2018-19 Governor's Executive Budget. For the 2018-19 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 – Jobs that Pay, Schools that Teach, and Government that Works – as we continue to build on the progress made last year to address the state's financial challenges, fully fund our obligations, restore education funding and other priorities.

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

Key budget development policy direction was provided by the Governor's Budget Office in August 2017 to assist agencies in developing their 2018-19 budget requests – the annual Budget Instructions and related program policy guidance. Additional guidance was provided to the agencies throughout fall 2017 as the budget development process continued.

Budget Instructions

The 2018-19 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 2018-19 Governor's Executive Budget. Agencies were to develop plans and policies designed to make government more efficient and effective. Agencies were asked to prepare 2018-19 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.



**Budget
Direction**

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 was to include all data and analysis required to adequately explain and defend agency funding requests. Agency budget planning was to focus on specific budget proposals to improve the efficiency and effectiveness of program operations and to 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 2018-19 program policy guidance provided specific fiscal and program direction to the agencies. The commonwealth budget faced 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

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:

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.


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.

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 2018-19 budget planning process continued to emphasize performance measurement goal-setting as a core component of budget planning. 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. The Governor's Budget Office worked with agencies to select fewer, more meaningful budget book measures and to differentiate them by outcome, output, customer service, and efficiency measures. Agencies were to report more years of actual data and fewer years of estimated data. Agency funding requests were to 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 have on the achievement of its mission and programmatic goals.



Measuring Program Results

The budget and policy direction given to agencies is responsive to fiscal realities and addresses the commonwealth's 2018-19 budget challenges.

The following pages present the major budget themes for the 2018-19 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 2018-19 Budget in Brief, a separate booklet, for summary information on the 2018-19 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

Since taking office, Governor Wolf has worked with the General Assembly to budget responsibly. The proposed 2018-19 Budget builds upon these efforts to restore the state's fiscal health. Savings and efficiencies totaling more than \$2 billion have reduced annual expenditure growth far below historic trends. Revenue enhancements enacted in the past two years will annually provide more than \$1 billion in new recurring revenue. Together, these steps have substantially brightened the state's fiscal future.

In past years, decision makers failed to make these tough choices. During the Great Recession, revenue collections declined by nearly \$2.4 billion. Coping with this loss forced the state to deplete all Rainy Day Fund reserves and take drastic steps to balance the budget.

Steep cuts were forced upon counties and local governments. Education funding was drastically reduced, including a cut of more than \$1 billion in aid to local school districts. Pension liabilities were woefully underfunded, while budgets were repeatedly balanced with short-term measures, prompting credit rating agencies to downgrade the state's bond rating five times. When Governor Wolf began his administration in 2015, the state faced a structural deficit of more than \$2 billion.

Since 2015, Governor Wolf has fundamentally changed this approach to budgeting. Total spending increases during the past three years have been held below \$2.85 billion. More importantly, these increases have been targeted to restore funding for education, fully fund future pension obligations, and maintain essential state support for counties, local governments, and middle-class families.

Education investments have increased by more than \$840 million during the past three years, and will grow by more than a billion dollars, after including proposed spending increases for the next fiscal year. These increases fully restore the deep cuts to local school districts made in the prior administration.

Since 2000, chronic neglect has amassed an unfunded pension liability exceeding \$65 billion. Now, the necessary steps are being taken to reduce this debt. Increased retirement contributions to the State Employees' Retirement System (SERS) and the Public School Employees' Retirement System (PSERS) during the past three years totaled \$1.4 billion. The proposed budget fully funds our actuarially required contributions for both systems for the first time in nearly two decades.

After accounting for these increases in education funding and mandated pension contributions, net increases in all other General Fund spending has been limited to less than \$600 million. This minimal increase of less than 1 percent annually has been accomplished through extraordinary steps to manage state expenditures. These initiatives included:

- Complement reductions of nearly 1,500 filled positions within executive agencies, reducing total filled complement to its lowest level in more than 40 years.
- Facility closures, including the Pittsburgh State Correctional Institution, reducing total Corrections spending below prior-year levels for the first time in more than three decades.
- Agency consolidations and restructuring, including reorganizing criminal justice functions through the implementation of a Memorandum of Understanding combining the Department of Corrections and the Pennsylvania Board of Probation and Parole within a single operating entity, restructuring HR and IT services for all executive agencies within six service delivery centers, and consolidating back-office operations among human service agencies.
- Limiting new capital borrowing and managing debt to lower debt service costs below 2015-16 expenditures.
- Maximizing the use of private managed care providers to limit the growth of Medical Assistance expenditures, including the implementation of Community HealthChoices to "right size" our long-term care system and allow seniors and individuals with disabilities to remain in their homes and communities.

The 2018-19 budget plan limits base expenditure growth to less than \$685 million, while fully funding new mandated pension contributions of \$275 million. Planned initiatives, totaling \$303 million, will prioritize investments in education, job training, the fight against opioid addiction, access to quality child care, and services for individuals with intellectual disabilities and autism.

Cost-saving initiatives, including GO-TIME, agency consolidations, and complement management will continue to be maximized to limit expenditure increases. These actions will be monitored to ensure critical program needs are met and most often improved.

Building upon the completed phase-out of the Capital Stock and Franchise Tax, further steps to reform our business tax structure would implement full combined reporting. These reforms eliminate the Delaware Loophole for multi-state corporations and lower the Corporate Net Income Tax rate to 7.99 percent by 2023 for all corporations doing business in Pennsylvania.

In the longer term, the proposed budget would provide sufficient revenue to continue increased education investments, maintain state support for essential commonwealth programs and begin generating substantial budget surpluses to rebuild General Fund reserves. By 2023, the budget plan projects a Rainy Day Fund balance of nearly \$300 million.

Protecting Taxpayers

Given the commonwealth's improved fiscal condition, the proposed 2018-19 Budget requires no broad-based tax increase. The budget maximizes currently available resources and reduces costs wherever possible. As a result, this budget relies only on a severance tax to fully fund new investments.

Enacting a fair, commonsense Severance Tax

The proposed budget plan includes a modest severance tax and would maintain the existing impact fee in its current form. The proposed severance tax would be price sensitive to the natural gas sector. As producer profitability increases due to rising natural gas prices, the severance tax rate will increase as well. The following chart outlines the tax structure:

Natural Gas Price Range	Tax Per Thousand Cubic Feet
\$0.00 - \$3.00	\$0.04
\$3.01 - \$4.99	\$0.05
\$5.00 - \$5.99	\$0.06
\$6.00 or more	\$0.07

Pennsylvania remains the only gas-producing state in the country without a severance tax. This is more significant now that the commonwealth is the second-largest producer of natural gas in the country. Moreover, Pennsylvania gas production continues to increase, while our proven shale natural gas reserves exceed those of Texas.

It is time for the shale industry to be a true partner for the future success of our commonwealth. The governor has demonstrated his commitment to nurture responsible shale development and job creation and remains committed to supporting a strong shale industry.

The severance tax plan will retain the natural gas impact fee as currently structured. The impact fee has assisted local communities where natural gas is extracted to invest in infrastructure, their economies, and the health and safety of residents.

Now, all Pennsylvanians deserve to share in the prosperity of this rich natural resource, as residents in other gas-producing states already do. This commonsense proposal generates much-needed revenue to address critical budget needs, but does not place a majority of this tax burden on Pennsylvania residents. The Independent Fiscal Office estimates over 80 percent of Pennsylvania's natural gas is purchased by residents in other states or in international markets. Commonwealth taxpayers as a result will bear less than 20 percent of the tax burden.

Creating a more competitive business tax climate

The 2018-19 Budget proposes business tax reforms to create a more competitive business tax climate, provide tax certainty, and maximize new business investment. Specifically, the budget assumes the adoption of full combined reporting effective January 1, 2019, in conjunction with Corporate Net Income Tax (CNIT) rate reductions. Annual rate reductions would lower the CNIT rate by 20 percent to 7.99 percent by 2023.

Consolidating administrative functions to efficiently serve Pennsylvanians

In January 2017, the governor announced the HR/IT Shared Service Transformation – the consolidation of all executive agency human resource and information technology services within six delivery centers. The implementation of shared HR/IT services enables the adoption of standardized approaches across support areas, eliminating duplicative cost structures, reducing risk, implementing new capabilities, innovating in a rapid and cost-efficient manner, and focusing resources on agency programming.

More recently, the administration has consolidated the administrative functions among health and human service-related agencies – the Department of Human Services, the Department of Health, the Department of Aging, and the Department of Drug and Alcohol Programs. Consolidating budget and administrative operations will improve coordination and collaboration across these agencies, eliminate duplicative functions, and allow for organizational efficiencies.

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 operations through process improvement, technology use, and identification of opportunities to collaborate and share resources. In its first two years, GO-TIME identified nearly 300 projects across state agencies generating more than \$373 million in cumulative savings. Further specifics on GO-TIME projects are detailed throughout this budget document.

GO-TIME highlights for ongoing and new projects include:

- **Modernizing the Hiring Process.** The Office of Administration (OA) implemented vacancy-based postings for non-civil service positions and a modern, user-friendly website, increasing the number and quality of candidates applying for jobs. Similar steps for civil service positions will enable commonwealth hiring to become more competitive.
- **Reducing Inmate Medical Costs.** The Department of Criminal Justice (DCJ) has reduced individual medical costs for inmates – while maintaining or improving care – by leveraging federal and state programs and innovative partnerships with the Department of Aging and private providers.
- **Increasing Oil and Gas Drilling Inspections.** The Department of Environmental Protection (DEP) is leveraging the award-winning mobile technology cultivated at PennDOT to replace paper forms with a mobile app and modernize field inspections. Duplicate entry has been virtually eliminated, and trips between field sites and offices are significantly reduced.

GO-TIME works with state agencies to pursue continuous process improvement using “Lean” practices. Both private and public-sector organizations have employed Lean practices to address backlogs, improve workflow, increase quality, empower employees and better meet the needs of customers. Through LeanPA, GO-TIME will achieve similar results for the commonwealth and its taxpayers.

Eighteen agencies currently participate in LeanPA, teaching employees at every level to become problem-solvers. Employees have completed more than 140 Lean projects during the first year of implementation.

Reforming our pension systems

The proposed budget fully funds actuarially required contributions for both the State Employees' Retirement System (SERS) and the Public School Employees' Retirement System (PSERS). Finally meeting this obligation will enable the state to begin reducing a pension debt that has grown to more than \$65 billion.

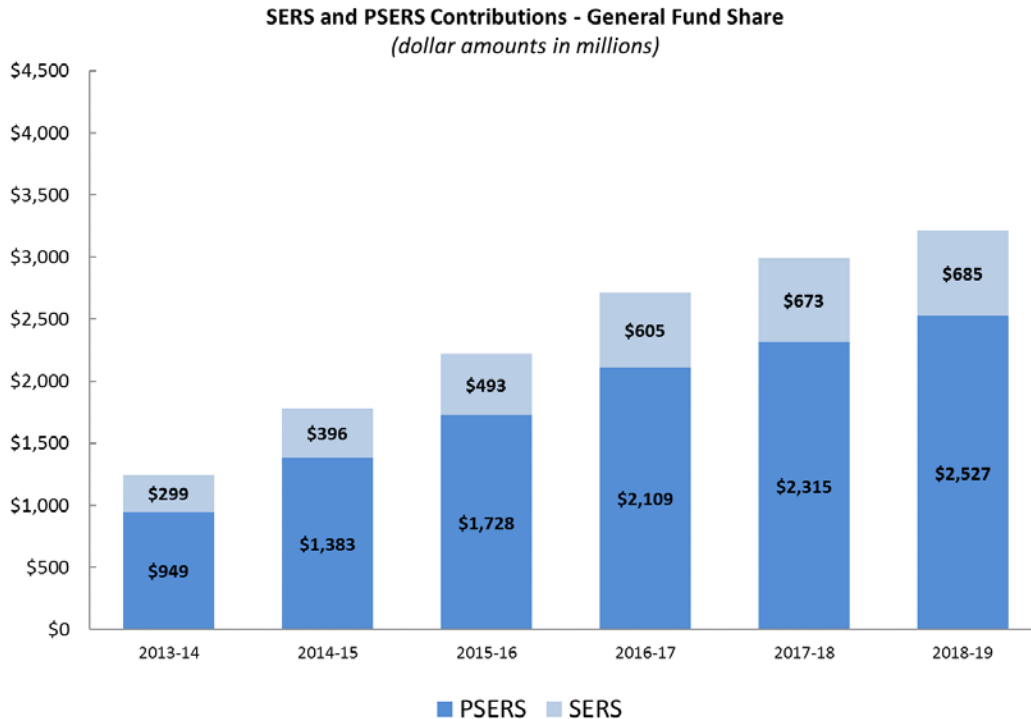
While SERS contributions have significantly leveled off, payments to PSERS will increase by \$263 million next year. The combined payment increases for both systems during the past three years have totaled more than \$1.4 billion, nearly half of increased General Fund expenditures. Having made these investments, future growth of required payments will now fall significantly, along with our unfunded debt.

Implementation of pension reforms enacted in Act 5 of 2017 will lower costs and reduce taxpayer risk. The Pew Charitable Trusts estimates taxpayer risk will fall by more than 50 percent. Statutory changes are expected to reduce costs by an estimated \$5 billion or more. A new commission, established through Act 5, is charged with developing recommendations to guide both systems to further reduce costs for investment management fees by at least \$3 billion.

Future risk reduction results from the introduction of new hybrid benefit plans effective for state employees hired January 1, 2019 (SERS) and school employees hired July 1, 2019 (PSERS). New hires will have the option to choose among three retirement options. A defined contribution plan, most prevalent within the private sector, would allow employees to invest required employer and employee contributions among investment options of their choosing. Two hybrid options would combine a traditional defined benefit plan, with guaranteed returns on invested income, with smaller defined contribution options.

Theme: Protecting Taxpayers

The pension commission will work with both retirement systems to review current investment practices to identify targeted investment strategies to reduce administrative costs and fees paid to private fund managers. Both systems have already adopted resolutions in anticipation of these efforts to set benchmarks to accomplish the \$3 billion savings target established in Act 5. These efforts must prudently assess long-term investment strategies to ensure annual investment returns continue to meet current 7.25 percent return assumptions.



Protecting services for older Pennsylvanians

The Pennsylvania Lottery funds programs to support older Pennsylvanians. Lottery programs provide assistance for prescription drugs, long-term care services to allow our seniors to age in place, free or reduced fares for mass transit, and property tax relief and rent rebate assistance for eligible seniors. Maintaining a solvent Lottery Fund requires constant effort to lower operational costs while maximizing competitiveness for Lottery games to increase profits.

Act 42 of 2017 enables the Lottery to launch new product lines, including iLottery games and terminal-based games for virtual sports and keno. Both products are designed to appeal to new and younger players. Implementation of iLottery will allow players to access games through mobile devices. Introducing new Lottery players can also benefit existing Lottery retailers, as demonstrated in other states where iLottery has previously been implemented.

Monitor-based games allow patrons to watch a simulated sports event or a number draw, most often in bars and taverns, again introducing Lottery games to a new group of players. When both products are fully implemented, they are expected to generate as much as \$150 million annually to fund programs for older Pennsylvanians.

These steps to improve the fiscal condition of the Lottery Fund provide the necessary revenue to re-establish a \$75 million reserve fund beginning in the 2021-22 fiscal year. Replacing recent short-term deficits with longer-term fund reserves will provide long-term stability for Lottery funded programs to support seniors.

Building a Workforce, Growing the Economy



Programs intended to strengthen our schools, build our workforce, and grow our economy are too often disconnected and disjointed. Governor Wolf is launching a new workforce development initiative that reaches across agencies to help all Pennsylvanians prepare for successful careers. PAsmart will be a phased approach to further strengthen workforce efforts at multiple agencies while aligning their work with K-12 and higher education. All Pennsylvanians should have the opportunity to build their lives and careers in Pennsylvania, because a good job is not only measured by a punch clock.

Today, work is a dynamic concept requiring a workforce adaptable to changing market forces, technology, and societal needs.

Pennsylvanians have never shied away from hard work, pursuing education opportunity, and seeking out training. Through this consolidated effort, Pennsylvania will have the most prepared, talented, and able workforce in the country.

We're not working harder; we're working smarter. www.pa.gov/smart

CONTINUING INVESTMENTS IN EDUCATION AND WORKFORCE DEVELOPMENT

Governor Wolf has steadfastly fought to fund Pennsylvania's schools and invest in workforce development. The 2018-19 Budget builds on prior-year increases to provide an additional \$225 million to improve education opportunity for every student across the state, regardless of zip code and further ensure we have a workforce ready for the 21st century.

During the past three years, the governor has worked with the General Assembly to provide sustained support, totaling more than \$840 million in new education funding – nearly 30 percent of all General Fund increases over that time. Progress for all Pennsylvania schools to ensure students are college- and career-ready continues to be a priority in the 2018-19 Budget. The proposed budget plan will increase total education investments during the governor's first term by over \$1 billion.

The new investments include:

- **\$100 million increase in Basic Education Funding.** This increase builds on \$515 million in basic education and Ready to Learn Block Grant funding increases over the past three fiscal years. New funding will be distributed through the fair funding formula enacted in June 2016, providing an equitable and predictable allocation to school districts across Pennsylvania.
- **\$20 million increase in Special Education Funding.** This increase, allocated to school districts through the formula adopted by a bipartisan Special Education Funding Commission, follows \$75 million in funding increases over the last three years.
- **\$40 million increase in high-quality early childhood education.** Children who participate in high-quality pre-k programs perform better in school, are more likely to graduate, and earn more throughout their lives compared to peers without access to early learning programs. Together with \$90 million in funding increases secured over the past three years, this additional investment will more than double the funding for Pre-K Counts programs since 2014-15 and increases funding for Head Start Supplemental Assistance by 64 percent. The new funding will allow nearly 4,400 additional children to enroll in the state's high-quality early learning programs.
- **\$40 million increase in developing 21st Century Jobs and Skills.** This additional investment will help to enhance Career and Technical Education programs and in-demand career pathways, promote employer engagement in postsecondary education, and enhance computer science education at all levels. An additional \$10 million increase is provided in the Department of Labor & Industry to increase apprenticeships and industry partnerships.

Theme: Building a Workforce, Growing the Economy

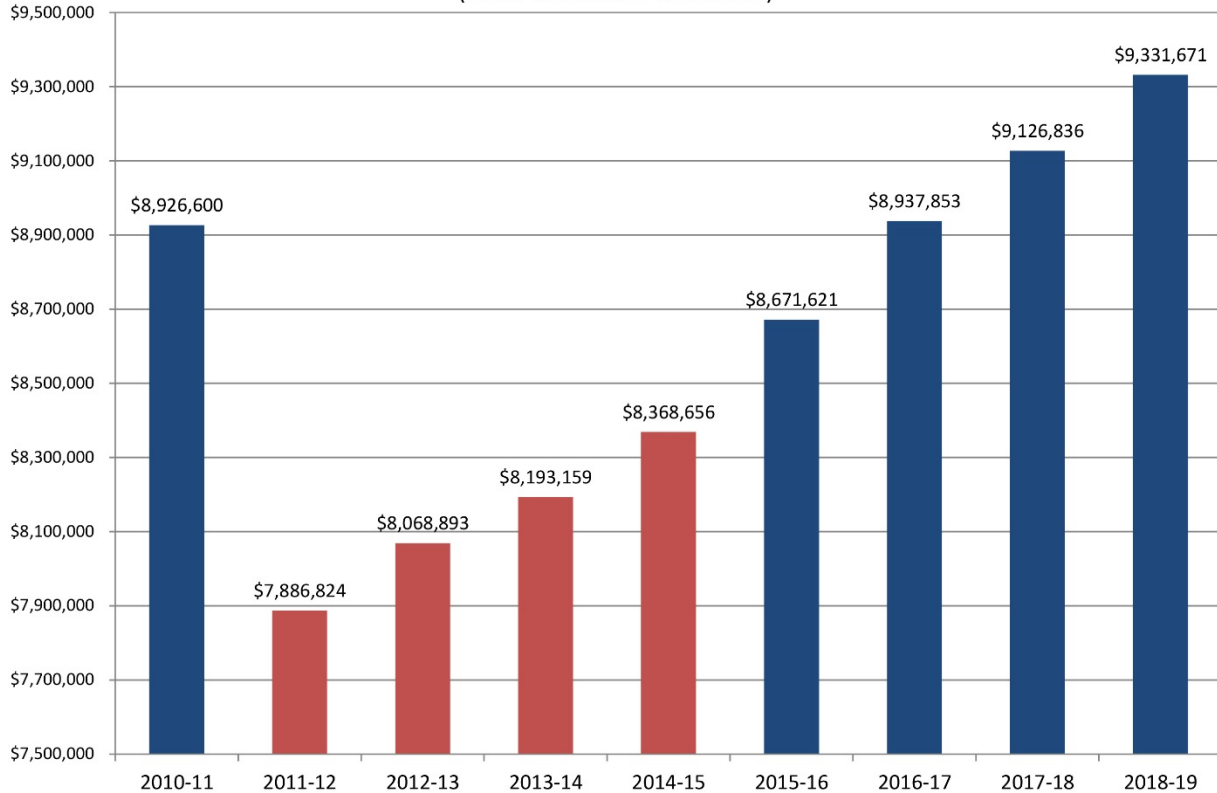
- **\$10 million increase in Career and Technical Education Funding.** Technical, skilled workers are in high demand to fill current and anticipated job vacancies across the commonwealth. Career and technical education programs, wherever possible, will partner with industry and postsecondary education institutions to provide students with industry credentials as well as articulation agreements to support student success beyond high school graduation. This \$10 million increase in traditional career and technical education funding will continue to ensure that Pennsylvania's secondary school systems can offer career and technical education students the well-rounded academic and technical education they need to meet the robust demands of a 21st century global economy.
- **\$15 million increase for the Pennsylvania State System of Higher Education.** The governor will continue to work with the Pennsylvania State System of Higher Education (PASSHE), including its 14 state universities, as it undertakes a system redesign focusing on prioritizing and aligning its policy priorities and operations for student success. Of this total investment, \$1 million is dedicated to support Cheyney University.

The positive impact of sustained funding increases, accompanied with the enactment of a more equitable and predictable school funding formula to distribute Basic Education Funding to Pennsylvania schools, is illustrated in the following ways:

- Expanded enrollment in Advanced Placement (AP) courses by 10 percent.
- Improved the statewide high school graduation rate, now above the national average at more than 86 percent in 2015-16.
- Increased the number of career and technical education (CTE) students earning industry-recognized credentials by 32.2 percent and increased the number of credentials earned by students enrolled in CTE programs by 28.4 percent since 2015.
- Continued to develop a skilled workforce with the 4th largest number of STEM graduates in the country.
- Built support to make computer science education available for all students by urging the State Board of Education to endorse rigorous K-12 computer science education standards in schools.
- Launched "It's On Us PA" – the first statewide campaign to address the crisis of sexual violence in schools and on college campuses.

Theme: Building a Workforce, Growing the Economy

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



Note: Excludes Authority Rentals and Sinking Fund Requirements.

PROMOTING 21st CENTURY JOBS AND SKILLS

The 2018-19 Budget proposes a strategic investment of \$50 million to improve access for Pennsylvania students and workers to education, training, and career readiness programs. These targeted investments for 21st Century skills will assist employers to meet their workforce needs.

Pennsylvania must have a skilled workforce to compete in a global economy. Governor Wolf has established a goal based on employer demand that by 2025, 60 percent of Pennsylvanians will have some form of postsecondary education and training. Today, less than 47 percent of Pennsylvanians have those necessary credentials. Additionally, a significant skills gap, especially for “middle skills” occupations—those requiring an associate’s degree or less—persists. Restoring basic education funding levels and investing in early childhood and special education is just the beginning. The 2018-19 Budget builds on that foundation and prioritizes alignment of government investments across the education, workforce development, and economic development spectrum to achieve successful student and worker outcomes.

Recognizing the connectivity across Schools that Teach, Jobs that Pay, and Government that Works, Governor Wolf established a Middle-Class Task Force. Composed of bipartisan subject matter experts in the public, private, and non-profit sectors, the Task Force focused on future policy recommendations to confront current and future workforce challenges.

Regional round-table discussions across the commonwealth engaged students, business owners, jobseekers, educators, advocates, and legislators. Key themes emerging throughout these discussions emphasized the importance of making students and workers of all ages career-ready, strengthening meaningful business investment and employment opportunities, and ensuring community support.

PAsmart will seek to align workforce development efforts across commonwealth agencies to more efficiently deliver services for all Pennsylvanians.

Theme: Building a Workforce, Growing the Economy

\$25 million to grow STEM and computer science related education in K-12 and postsecondary programs

Building on the governor's strong commitment for STEM learning, the 2018-19 Budget invests in new initiatives to position Pennsylvania as a national leader in computer science education. Nearly 300,000 jobs in the commonwealth require skills in Science, Technology, Engineering, and Mathematics (STEM). Over the next decade, more than 70 percent of new jobs will require these skills.

The budget proposal targets **\$15 million for greater access to STEM and computer science related education and training for all students**. Computer science pathway programs will provide high school students with the necessary credentials within a (2+2+2) framework. New and expanded secondary and postsecondary computer science course offerings and collaborations will be established, including dual-coded career technical education, computer science related certification and professional development as well as credentials and tuition, fees, paid work experience, and fellowship opportunities.

The budget provides **\$5 million to expand STEM and computer science related educator and staff development**. This funding will enhance quality and access to computer science education in the commonwealth. Partnering with education and workforce development stakeholders including intermediate units, local education agencies, educator preparation program and professional development providers, and industry leaders, these funds will support:

- Professional development opportunities for educators;
- Meaningful engagement and career exploration activities;
- Opportunities for afterschool and out-of-school programming; and
- Other evidence-based initiatives that improve access to STEM and computer science for all students.

The 2018-19 Budget invests **\$5 million for expanded postsecondary STEM computer science and related training programs**. Working with Pennsylvania's community college and public university systems, funds will support adult learners and incumbent worker participation in computer science education and training as well as initiatives such as coding and other core competencies to gain in-demand skills. Priority funding will serve historically underrepresented students in high-need areas.

\$10 million to upskill Pennsylvania's workforce

Student access to multiple career pathways allows them to develop the knowledge, skills, and abilities necessary to compete in today's economy. Since Governor Wolf established the commonwealth's first Apprenticeship and Training Office (ATO) in 2016, Pennsylvania has increased the number of registered apprentices by 14.5 percent, from 13,282 registered apprentices to 15,208. Pennsylvania is a national leader in apprenticeship training, using innovative approaches to expand registered apprenticeships by working with small businesses, business advocacy groups, and labor organizations. The 2018-19 Budget invests an additional **\$7 million in apprenticeship and work-based learning initiatives**, with a goal of doubling the number of registered apprentices in the state by 2025.

Funds will support youth pre-apprenticeship and registered apprenticeship experiences as well as adult apprenticeship programs at the postsecondary level. Working collaboratively with the business community, community colleges, and other higher education providers, the ATO will expand access for registered apprenticeship and work-based learning experiences.

Employer engagement is essential to ensure our workforce has the necessary skills and abilities. The proposed budget invests **\$3 million to support Industry Partnerships** that, working collaboratively with public and private sector partners, have demonstrated a proven track record of success. Engaged employers partner with public workforce providers to be customer-centered and demand-driven. Funding will double the number of regional partnerships to identify and overcome the myriad of workforce challenges that impede economic growth.

\$10 million to develop Career and Technical Education and STEM career pathways

Participants in the Middle-Class Task Force roundtables emphasized the lack of information promoting career opportunities in Pennsylvania communities, uncertainty regarding education and training requirements for high-quality careers, and a misalignment of traditional education and training programs with family-sustaining jobs and business demand. Access to career pathways for students and workers of all ages is essential.

Theme: Building a Workforce, Growing the Economy

The 2018-19 Budget invests **\$10 million to support new and innovative approaches to prepare students and adults for success in career and technical education (CTE) and STEM fields.** Priorities will focus on increasing associate degree attainment, making higher education more affordable by earning postsecondary credit through articulation and more cost-effective tuition models, and decreasing the time it takes for students and workers to enter or transition within the workforce.

\$5 million to promote employer engagement in postsecondary education

Business-education partnerships thrive in a K-12 environment where career awareness and exploration activities are business-driven to develop a future pipeline of workers. Moreover, the need for students to navigate and align career opportunities, expectations and requirements does not stop at the secondary level. The 2018-19 Budget proposes a \$5 million investment to spur employer engagement along the entire education continuum.

Up to ten business-education consortiums at the postsecondary level will be established or strengthened to address several goals:

- Align curriculum to regional and global workforce needs;
- Enhance career development and awareness for students, faculty, and staff;
- Improve job placement for postsecondary students of all ages upon graduation; and
- Focus postsecondary education programs to foster 21st Century skills and competencies to increase employability in Pennsylvania.

ENSURING ACCOUNTABILITY

Across the entire education and workforce development system, new efforts will focus on developing a more transparent performance evaluation system. The establishment of a cross-agency and multi-sector public facing interactive data dashboard will inform policy priorities, program efforts and decision making around investments to support student, worker, and business success in the 21st Century economy. Pennsylvania students, jobseekers, businesses as well as practitioners and policy makers will have access to data and information on public education and workforce system trends, activities, and outcomes.

Promoting career awareness and hiring opportunities

In order to appropriately guide Pennsylvania students and workers to career opportunities, professionals in the education system must have relevant insight and knowledge on 21st Century skills and jobs in Pennsylvania.

Leveraging existing federal funding, the administration will work collaboratively with the Middle-Class Task Force to invest and promote meaningful career experience and professional development opportunities for Pennsylvania teachers, staff, and administrators across all Pennsylvania industry sectors.

Employer hiring and recruitment practices must extend beyond the traditional high school and college channels to seek available able-bodied and skilled workers where labor shortages exist. One in 28 Pennsylvanians is currently under criminal justice supervision. A Middle-Class Task Force business-led initiative will spearhead new efforts to break down barriers for those seeking employment or currently underemployed, but previously involved in the criminal justice system.

RAISING PENNSYLVANIA'S COMPETITIVENESS BY INCREASING THE MINIMUM WAGE

Governor Wolf remains committed to increasing the minimum wage to \$12 per hour for Pennsylvania workers in 2018. Thirty-two states and territories, including all neighboring states, now have higher minimum wage levels than Pennsylvania. Nearly 10 years after Pennsylvania's minimum wage was last increased, the cost of living has continued to rise, reducing the purchasing power of minimum-wage workers.

Pennsylvania workers earning the minimum wage must have the ability to afford basic family sustaining necessities – housing, groceries, transportation and child care – that enable them to avoid poverty and be productive workers. In fact, in 2018 a \$12 per hour minimum wage would reduce net entitlement costs for DHS programs by an estimated \$101 million annually, even after accounting for increased wages for direct care and child care workers. Net federal savings would be substantially larger exceeding \$600 million annually.

Theme: Building a Workforce, Growing the Economy

INVESTING IN PROVEN JOB CREATION PROGRAMS

Economic growth often depends upon partnerships between the public and private sectors. The 2018-19 Budget continues targeted investment in proven programs to create family-sustaining jobs and long-term progress.

The PA First program is a comprehensive tool to facilitate private capital investment, job creation and retention, and workforce development, specifically tailored to business location and expansion here in Pennsylvania. The 2018-19 Budget provides a \$5 million increase to PA First, providing \$20 million for these initiatives. With this increase, the program is expected to create 3,800 jobs, retain 14,000 jobs, and leverage more than \$650 million in private sector investment. WEDnet, a workforce development tool providing training to Pennsylvania workers, will receive \$8 million of the total investment to assist approximately 735 companies and train nearly 40,000 incumbent workers.

Manufacturing is the third-largest industry in Pennsylvania employing over 550,000 workers with an average salary of nearly \$60,000. In October 2017, the administration launched Manufacturing PA, a new initiative to support manufacturing and link job training to career pathways. This initiative ensures that training leads not simply to any job, but to careers that provide higher pay and opportunities for advancement. Working with DCED's strategic partners, including Industrial Resource Centers (IRCs), Pennsylvania's colleges, universities, technical schools, and non-profit organizations, this initiative fosters collaboration and partnerships to accelerate technology advancement, encourage innovation and commercialization, and build a 21st century workforce.

Manufacturing PA funds \$12 million across three programs, each of which provide support for Pennsylvania's manufacturing community. The 2018-19 Budget continues this important investment.

- The **Pennsylvania Manufacturing Training-to-Career Grant Program** helps companies identify and train a skilled workforce while creating a workplace culture that enables employees to advance and the company to grow. Grants will be provided to Pennsylvania manufacturers who partner with technical and trade schools, community colleges, and those non-profit organizations that demonstrate both experience and expertise in deployment of successful development strategies.
- The **Pennsylvania Manufacturing Innovation Program** leverages the internationally acclaimed science and engineering talent and discovery capacity of Pennsylvania's major research institutions to help ensure that the commonwealth remains a world leader in manufacturing. This program includes a Manufacturing Fellows program, designed to support undergraduate and graduate student Fellows in both long- and short-term engagements with industry.
- **Pennsylvania's Industrial Resource Centers** are expanding their outreach to include small and medium-sized businesses, and continue to provide technical, strategic, and market-based assistance to Pennsylvania's manufacturing sector.

Theme: Supporting Opportunities for Women and Families

Supporting Opportunities for Women and Families

The 2018-19 Budget continues the work of the last three years by making further investments in programs that support women and families in an effort to close gender and wage gaps, and increase opportunities for women to compete in the workforce, contribute to the economic development of our communities, and feel protected from abuse and harassment.

Providing more children access to high-quality child care

The 2018-19 Budget invests **\$25 million in state funds, matched with \$5 million in federal funds, to expand access to high-quality child care.** These investments allow parents to balance working and raising their families.

This investment in high-quality child care will support low-income women and families in Pennsylvania struggling to stay in the workforce due to costly child care. Parents, but most often women, must frequently choose between joining or rejoining the workforce after the birth of a child or sending their children to low-quality child care providers. By increasing access to high-quality child care and providing tiered reimbursement for child care providers to incentivize quality care, women and families will be able to better balance working while raising their families.

This investment consists of:

- **\$10 million to provide more than 1,600 low-income children and families access to high-quality child care throughout Pennsylvania.** The commonwealth's subsidized child care program provides assistance to families with incomes below 200 percent of the Federal Poverty Income Guideline. This investment supports families' ability to work or attend school, while creating opportunity for children to spend time in high-quality early learning environments that support their development and school readiness.
- **\$10 million in state funds, and an additional \$5 million in federal funds, to increase STAR 2, 3 and 4-tiered reimbursement rates** to allow providers to recalibrate their enrollment profiles. This significant investment will improve equity and access to high-quality child care for Pennsylvania's youngest children. The proposed increase in tiered reimbursement rates support existing STAR 2 providers while creating an incentive for providers to move up in STAR level, and narrowing the gap between high-quality STAR 3 and 4 providers.
- **\$3 million to establish a one-year pilot program focused on children under age three,** enabling the Office of Child Development and Early Learning (OCDEL) to contract with STAR 3 and STAR 4 programs to serve infants and toddlers in high-quality settings. This pilot will improve access to and continued enrollment in high-quality early care and education programs for young children.
- **\$2 million to provide a per family rate increase for services provided through Nurse Family Partnerships and other home visiting models** to enhance capacity and address the increased cost of providing high-quality services. This cost-of-living increase will allow Nurse Family Partnership implementing agencies, many of whom are Community-Based Family Centers, to strengthen the existing infrastructure of evidence-based home visiting programs. In addition, this investment will allow implementing agencies to remain competitive in the market by employing and retaining high-quality staff.

Theme: Supporting Opportunities for Women and Families

Aligning Pennsylvania workplace standards with today's modern workforce and social realities

Wage inequity across genders perpetuates the cycle of poverty by reducing opportunities for women to contribute to family income and overall economic development of their communities. By working to close the gender wage gap, the administration affirms its commitment to empower women. Pennsylvania's 50-year-old Equal Pay Law must be modernized to address discriminatory pay, hiring, and employment practices that artificially and unnecessarily perpetuate gender pay gaps.

The administration is committed to working with the General Assembly to create opportunities for parents, women, and caregivers to address the needs of their families without facing negative repercussions in the workplace by guaranteeing earned sick leave. In businesses with 25 or more employees, allowing workers to earn one hour of leave for every 40 hours worked after a 90-day employment period, would enhance productivity and retention. In particular, this will increase opportunities for women and low-income workers who may have less flexibility and therefore are often forced to choose between caring for themselves and their loved ones or earning a paycheck.

To ensure that all individuals, wherever they work in the commonwealth, are protected under the law, the administration is committed to providing access to victim resources, including developing an anonymous reporting tool for victims of sexual misconduct. Additionally, the administration will be seeking changes to the Human Relations Act as well as other legislative reforms to modernize Pennsylvania laws. These steps encourage those who are less likely to report misconduct to come forward without fear of negative repercussions. This conduct is reprehensible, and we are dedicated to ensuring victims have a voice in state government and beyond.

Protecting the Most Vulnerable

Maximizing resources for better service delivery

The proposed budget continues to build on efficiencies realized in last year's budget. To encourage more effective collaboration and service delivery, enhance program effectiveness, reduce administrative costs and eliminate duplicative operational expenditures, the administration remains committed to consolidating the Department of Health and the Department of Human Services into one, unified department. By breaking down silos and creating one health and human services agency, we will be able to provide care and assistance to Pennsylvanians in a more simplified, cost-effective manner, while ensuring the delivery of high-quality services and supports.

The administration has taken the first step in this process by recently creating a shared service delivery center for back-end administrative and budgetary functions of the departments of Aging, Drug & Alcohol Programs, Health, and Human Services. This will result in a single Deputy Secretary for Administration and single Office of the Budget, which will service all four agencies. By transforming these functions, we are operating more efficiently, ensuring financial resources are focused on delivering programs and services to the public.

Similarly, we are committed to building on the important and established foundations in each agency to improve services and provider experiences through a more effective collaboration and enhanced service delivery. Under the current structure, individuals must undergo separate intake and eligibility processes for services dispersed across both agencies. For example, 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 within one department will drive better outcomes and improve customer service.

Outpatient pharmacy services are currently provided through many separate programs. The administration has taken steps to consolidate these operations to reduce costs and increase efficiencies, while also maximizing state drug rebates when applicable. In the future, these changes could allow the commonwealth to further invest in the programs, including expanding coverage. None of these changes would be evident to any users of the systems and would only impact the back-end administrative functions of the programs. Our proposed budget plan would consolidate the PACE program with contracts for pharmacy services in Intellectual Disability Centers, Youth Development Centers, and other facilities. While our initial approach is limited to human services-related pharmacy functions, this model could be applied across all agencies.

Continuing to fight the opioid abuse epidemic

The heroin use and opioid abuse epidemic continues to challenge the state's capacity to treat and respond to increasing fatalities, overdoses, treatment needs, and prevention and education resources. Pennsylvania has taken a coordinated and innovative approach to addressing the epidemic requiring the time and attention of all state agencies in some capacity. However, as overdose numbers continue to rise, it is clear much more must be done.

The 2018-19 Budget continues to place a significant emphasis on expanding access to substance use disorder (SUD) treatment, prevention, and education. Careful attention will be directed to ensuring that individuals suffering from SUD are steered into meaningful treatment and recovery rather than the criminal justice system whenever appropriate. Resources will be targeted to evidence-based home-visiting programs designed to assist new mothers struggling with substance use disorder and their babies to improve outcomes across the age continuum. Each of these strategies will balance a coordinated approach from state agencies with data and historical experience to deploy resources effectively and efficiently.

Theme: Protecting the Most Vulnerable

Specific investments include:

- \$26.5 million in federal funding is available from the second year of the 21st Century Cures Act. The Department of Drug and Alcohol Programs will use these funds to supplement existing efforts, support sustainable activities, and focus primarily on expanding access to treatment services with a heavy emphasis on Medication Assisted Treatment (MAT).
- An investment of \$2 million will continue last year's effort to increase the number of accredited specialty drugs courts, providing evidence-based treatment recommendations to criminal justice-involved Pennsylvanians. The additional funding will be used to further support the Pennsylvania Commission on Crime and Delinquency's effort to expand access to these drug courts throughout the commonwealth.
- The budget includes \$4.5 million to provide training to service providers and serve approximately 800 families affected by opioid use disorder through evidence-based home visiting models. Pennsylvania continues work to identify resources, break down barriers to treatment, and increase prevention and education efforts. Home visiting providers are uniquely positioned to assist in this effort. These programs empower pregnant women to begin and remain in recovery, provide education to prevent relapse, and educate expectant mothers about Neonatal Abstinence Syndrome. This outcome-based investment will also fund training for providers to assist infants who are born substance exposed, as well as the creation of multi-disciplinary teams.

Ensuring the best care for those with Intellectual Disabilities

The 2018-19 Budget provides an \$74 million increase for services for individuals with intellectual disabilities and autism. Within this total, the budget targets \$16 million to enroll 965 individuals with an intellectual disability or autism in waivers to provide supports and services so they can remain in their home and community. This includes the following:

- 100 individuals from the emergency waiting list into the Consolidated Waiver;
- 800 individuals into the Person/Family Directed Support Waiver and the Community Living Waiver;
- 40 individuals from the interest list into the Adult Community Autism Program (ACAP); and
- 25 individuals transitioning from State Centers to community placements.

Approximately 800 individuals with an intellectual disability or autism are leaving the Special Education system every year. This investment will fully alleviate the functional deterioration that occurs when individuals are home with no activity, helping families to avoid a service "cliff" at age 21. The Community Living Waiver is a cost-effective and high-quality alternative to serve those able to live at home and protect resources for those who must receive services in a residential setting. Investing in both the Community Living Waiver and the Consolidated Waiver will allow counties to meet the growing needs of existing participants and provide support for high school graduates.

Implementing Community HealthChoices

In January 2018, the Department of Human Services began the rollout of Community HealthChoices (CHC) in the Southwest region of the commonwealth. CHC, Pennsylvania's mandatory managed care program for dually eligible individuals and individuals with physical disabilities, will continue efforts to right-size our long-term care system.

This effort will serve more people in communities, allowing them the opportunity to work, spend more time with their families, and experience an overall better quality of life. Once fully implemented, CHC will give Pennsylvanians access to high-quality care in their homes, saving taxpayer dollars by avoiding more costly nursing home care.

CHC will be implemented in the Southeastern region in January 2019 with the goal of providing service statewide by 2020.

Theme: Protecting the Most Vulnerable

Preventing Lyme Disease

The 2018-19 Budget provides **\$2.5 million to implement recommendations from the 2015 Lyme Disease in Pennsylvania Report**, issued by the Task Force on Lyme Disease and Related Tick-Borne Diseases. The initiative includes a variety of prevention, education, awareness, and surveillance activities to lower the prevalence of Lyme disease in Pennsylvania. Specific attention will be given to coordination among agencies, Lyme Disease advisory groups, contractors, and grantees. Data collection, analysis, and program evaluation are essential components of the program.

Increasing efficiency for birth certificate requests

The Department of Health and Human Services is receiving increased requests for birth certificates due to federal homeland security requirements for enhanced verification for boarding a domestic commercial flight or entering a federal building. The 2018-19 Budget proposes an additional **\$2.35 million to address this increase in requests as well as to reduce the processing time it takes to get a birth certificate** returned to the requester, in close coordination with the Department of Transportation.

Keeping Pennsylvania Safe

Piloting a State Police body camera program

The proposed budget **provides \$6 million to implement a pilot program for the State Police to purchase body worn cameras.** The Pennsylvania State Police are working to implement the requirements of Act 22 of 2017 for commonwealth law enforcement agencies. This effort will build upon a federally funded pilot program already begun during the current year.

Fair funding for police

Across the commonwealth, 67 percent of municipalities rely 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 support their own local police coverage through local taxes. To address this inequity, the 2018-19 Budget assesses a **\$25 fee for every person residing in a municipality without local police coverage.**

Following the completion of three new State Police Cadet classes during the current fiscal year, the fee proposal frees up funds for four additional classes beginning in 2018-19. **The four new classes are projected to add an additional 100 Troopers** to the current State Police enlisted filled complement levels with traditional retirement and turnover.

Upgrading the Statewide Radio System

A statewide radio system that provides reliable communication among public safety agencies is critical to ensuring a rapid and effective response to emergencies throughout the commonwealth. The State Police budget includes nearly **\$29 million for infrastructure and PSP radio purchases to continue the multi-year transition of the Pennsylvania Statewide Radio Network (PA-STARNet) to an Association of Public Safety Communications Officials (APCO) Project 25 (P25) compliant system.**

PA-STARNet is used by 22 commonwealth agencies, both houses of the legislature, business partners and other external organizations, including county and municipal agencies serving dispatch and mobile voice and data communications for public safety and emergency response. In addition to the funding provided for infrastructure and PSP radio purchases, the 2018-19 Budget includes **\$24.2 million across other funds and agency budgets for radio replacement,** in close coordination with the State Police Radio Office, to comply with the new P25 system.

Investing in our roads and bridges

The Department of Transportation (PennDOT) is responsible for maintaining and improving approximately 120,000 miles of state and local highways and 32,000 state and local bridges in Pennsylvania. Maintaining the transportation network requires strong partnerships among PennDOT, federal and local governments, planning partners, and our communities. The administration will invest \$300 million of Motor License Fund revenue for targeted road and bridge construction and maintenance over the next five years, including \$100 million in the 2018-19 fiscal year.

Expanded Maintenance Improvements. A one-time **\$50 million investment will expand maintenance improvements on low traffic state roads** throughout the commonwealth. Projects will use lower-cost pavement treatments, including recycled asphalt. This cost-effective strategy will allow for improvement on approximately 260 miles of Pennsylvania roadway.

Rural Commercial Routes. A new Rural Commercial Routes program will provide **\$40 million annually for the restoration and repair of state-administered rural commercial routes.** In establishing project priorities, the department will focus on repairing routes that have been impacted by overweight vehicle exemptions for local deliveries. This additional funding will improve an estimated 60 to 100 miles per year over the next five years.

Municipal Bridge Replacement and Rehabilitation. A new municipal bridge program provides **\$10 million annually for replacement or rehabilitation of locally owned bridges.** Bundling the replacement or rehabilitation of locally owned bridges with state-owned bridge projects will lower total project costs. Project coordination will also create economies of scale in design and construction management, saving both time and money. Of the 180 municipal bridges that have been structurally deficient for more than 15 years, approximately half of the bridges fit the criteria for bridge bundling. Up to 100 bridges will be replaced over the five-year period.

Protecting the Environment

Empowering the department to serve its customers

To enable the Department of Environmental Protection (DEP) to successfully fulfill its mission of protecting Pennsylvania's air, land and water, as well as the health and safety of its citizens, the 2018-19 Budget provides \$2.5 million in additional funding. Over the past 15 years, DEP's staffing levels have decreased by 40 percent as the department shouldered significant new responsibilities for the oversight of the natural gas sector and water and air programs. To continue to provide high-quality, responsive oversight, DEP must continue to invest in its operations. This funding will allow DEP to fill 35 mission critical positions throughout the agency.

The additional complement will focus on improving our ability to oversee high-hazard dams, ensuring adequate air monitoring support exists for areas that are impacted by natural gas drilling, and enable development by increasing capacity to review sewage expansion requests. By meeting regulatory obligations more effectively and efficiently, DEP will strengthen its commitment to building a Government that Works for the citizens of Pennsylvania.

Protecting Pennsylvania industry

The proposed budget includes \$1.597 million in new funding to support the Department of Agriculture's (PDA) coordinated effort to address Spotted Lanternfly. The funding will leverage additional federal dollars and create a rapid response team to step up efforts for detection and eradication of the pest. The team will oversee multi-agency responses, outreach and training, and the purchase and distribution of supplies. While the administration has been in regular communication with federal partners about the need for additional federal support to contain this invasive species, resources are required immediately as a new generation of the pests will begin this spring.

Spotted Lanternfly is an invasive species native to China, India, and Vietnam, and unfortunately, recently introduced in southeastern Pennsylvania, where it has become a major pest. This insect has the potential to greatly impact Pennsylvania's grape, hops and logging industries, as well as the quality of life of residents who find their properties overrun by swarms of the insects.

To date, Spotted Lanternfly has been found in 13 eastern and southeastern Pennsylvania counties, but it is likely to spread, making it a threat to the entire state and our neighbors. Early detection and prevention is vital for the protection of Pennsylvania businesses and agriculture.

PDA has taken the lead on combating Spotted Lanternfly, in partnership with the U.S. Department of Agriculture (USDA), other governmental entities, higher education institutions, businesses, and the public. PDA has issued quarantine orders for each of the counties where Spotted Lanternfly has been detected to date and led a collaborative surveillance, control and eradication effort with its partners. The department has worked to educate the public to help identify new areas the pest has infiltrated and limit potential pathways by which it can spread.

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Economic Outlook

The Pennsylvania Department of Revenue and the Office of the Budget utilize economic forecast data supplied by IHS Markit and Moody's Analytics in constructing the official tax revenue estimates and forecasts. Analysis and discussion throughout this section is based upon data from each source in addition to further analysis from the Department of Revenue and the Office of the Budget.

U.S. Recent Trends and Current Conditions

U.S. GDP growth continued in 2017, led by accelerations in consumer spending and business fixed investment, along with an upturn in residential investment. The U.S. economy is expected to see further growth in 2018. The greatest risk to this growth assumption is policy mistakes here or abroad.

The Federal Open Market Committee (FOMC) raised the federal funds rate by 25 basis points at the December 12, 2017 meeting for the third and final time in 2017. The expectation going forward assumes three rate hikes in 2018, with the first hike as early as March.

After the rollercoaster ride of 2017, the dollar is likely to move higher in 2018, although volatility could remain. The Federal Reserve will continue to monitor the U.S. economic and political developments while further considering the pace and frequency of future interest rate hikes.

The Forecast

Growth is expected to trend higher for the U.S. in the coming year as consumer spending, housing, and capital expenditures expand. The higher value of the dollar is largely due to the Federal Reserve's widening interest rate differentials in 2018, anticipating continuing growth in the U.S. economy. IHS Markit predicts that, on a trade-weighted basis, the dollar will increase 2-3% over 2018.

Table 1 and Table 2 are U.S. macro forecast projections from IHS Markit. 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 moderate GDP growth, with an increase in consumer and business fixed investment. Table 2 also provides narrative for each economic indicator.

Chart 1
REAL GROSS DOMESTIC PRODUCT
Annual Growth

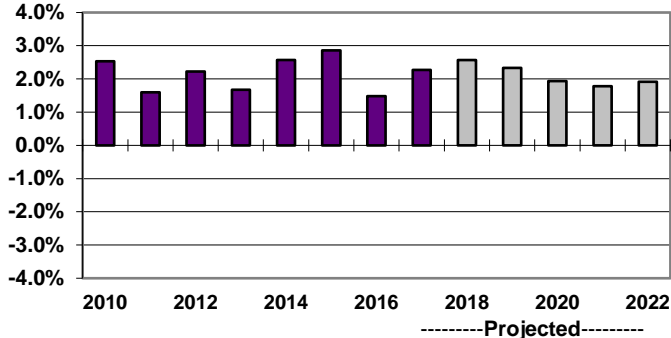


Chart 2
FEDERAL FUNDS RATE

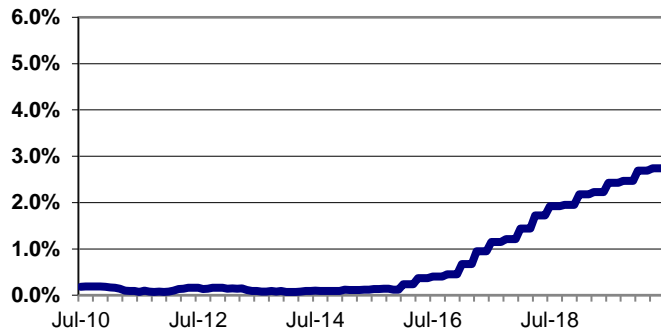


Table 1
Forecast Change in
Key U.S. Economic Indicators
Annual Percentage Growth*

Indicator	2016	2017p	2018p	2019p
Nominal GDP	2.6	4.1	4.7	4.6
Real GDP	1.5	2.3	2.6	2.3
Real Personal Consumption	2.7	2.7	2.5	2.3
Corporate Profits (After Tax)	2.2	8.4	6.0	7.4
Unemployment Rate (Rate)	4.9	4.4	3.9	3.8
CPI	1.3	2.1	1.8	2.1
Federal Funds (Rate)	0.40	1.00	1.76	2.33

*Assumptions in this chart, as well as other assumptions, are incorporated in the 2018-19 fiscal year revenue estimates.

p = projected

Table 2
U.S. Macro Forecast Projections from IHS Global Insight
December 2017

Baseline Forecast (65% Probability)	
GDP Growth	Moderate growth, 2.3% in 2017 and 2.6% in 2018
Consumer Spending	A key driver of growth, up 2.7% in 2017 and 2.5% in 2018
Business Fixed Investment	Rebounds 4.7% in 2017 as equipment and structures spending picks up, and then moderates to 4.1% in 2018
Housing	Gradual improvement, with 1.4 million starts by fourth quarter 2019
Exports	Climb 3.1% in 2017 and 4.3% in 2018 due to stronger economic growth in countries to which the United States exports
Fiscal Policy	New administration fosters bipartisan agreements that fund existing obligations without interruption
Monetary Policy	Federal Reserve anticipates three federal funds rate hikes in 2018, ending the year at 2.25%
Credit Conditions	Gradually easing
Consumer Confidence	On an upward trajectory until third quarter 2018
Oil Prices (Dollars/barrel)	Brent crude oil averages \$54 in 2017 and \$56 in 2018
Stock Markets	The S&P 500 rises 16.9% in 2017 and 7.1% in 2018
Inflation (CPI)	Both headline and core CPI inflation average 2.0% over 2017-19
Foreign Growth	In 2017, Eurozone growth rises to 2.4%, while China's growth edges up to 6.8%
U.S. Dollar	The inflation-adjusted dollar peaks in the second quarter of 2018, then depreciates for the rest of the forecast interval

Pennsylvania Outlook

Pennsylvania benefits from a highly diversified economy with a mix of industries. 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 continue to 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 focus on 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. Tech giants Google and eBay have recently moved into the area, while Westinghouse is in the process of expanding its headquarters in the region.

The Port of Philadelphia is reporting sharp increases in import volume. This is due to the expansion of the Panama Canal that has reduced the cost to ship from the Pacific Ocean to the East coast. Pennsylvania is investing \$300 million in the Port of Philadelphia to increase capacity and compete against other ports on the Eastern seaboard. The Port has reached a deal with Hyundai to handle 150,000 cars annually through the port. The related facility will employ approximately 400 workers.

South-central Pennsylvania continues to grow as a distribution hub for the northeast region. Norfolk Southern is building an intermodal terminal southwest of Harrisburg. Their \$95 million facility is part of the “Crescent Corridor” project, a rail corridor from Louisiana to New Jersey.

Education and healthcare sectors remain a vital part of the state economy. The healthcare sector expects to benefit from increased demand building upon expanded insurance coverage already provided through the Affordable Care Act. Pennsylvania also boasts many top-flight research hospitals that draw patients from outside the state. The state’s education providers, especially its notable research universities, not only provide jobs on campus but also help to nurture new businesses with the graduates they produce.

Pennsylvania is expected to add jobs at an annual average rate of 0.7% between 2018 and 2020. The healthcare sector continues to be a reliable source for new jobs and investment, while construction expands due to increased activity in residential and commercial development, as well as infrastructure spending. Overall employment growth in Pennsylvania is expected to be 1.1% for 2018. The state’s unemployment rate will continue to fall below its current 4.7%.

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

Table 3
Key Economic Indicators for Pennsylvania

PENNSYLVANIA: Key Economic Indicators	2016	2017	2018	2019	2020	2021
Real Gross State Product (in millions, 2009 dollars)	647,708	659,477	673,237	685,195	696,365	706,862
Real Gross State Product (percentage change)	0.6%	1.8%	2.1%	1.8%	1.6%	1.5%
Total Employment (in thousands)	5,886.6	5,952.2	6,015.2	6,061.3	6,079.4	6,081.6
Total Employment (percentage change)	0.9%	1.1%	1.1%	0.8%	0.3%	0.0%
Manufacturing Employment (in thousands)	558.3	553.3	563.3	571.9	576.3	577.5
Nonmanufacturing Employment (in thousands.)	5,328.3	5,398.9	5,451.9	5,489.4	5,503.1	5,504.1
Population (in thousands)	12,783.7	12,782.4	12,788.3	12,798.8	12,813.9	12,831.4
Population (percentage change)	-0.1%	0.0%	0.0%	0.1%	0.1%	0.1%
Unemployment Rate (percentage)	5.5%	4.9%	4.3%	4.1%	4.1%	4.3%
Personal Income (percentage change)	1.8%	2.9%	4.0%	4.3%	4.3%	4.0%
U.S. ECONOMY						
Real Gross Domestic Product (percentage change)	1.5%	2.1%	2.3%	2.4%	1.9%	1.8%
Employment (percentage change)	1.8%	1.5%	1.5%	1.3%	0.7%	0.4%

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Summary of Major Operating Funds

The total 2018-19 operating budget for the commonwealth is \$84.7 billion. It includes \$32.9 billion in the General Fund, \$3 billion in the Motor License Fund, \$1.8 billion in the Lottery Fund, \$29.6 billion in federal funds and \$17.3 billion in fees and other special fund revenues.

(Dollar Amounts in Thousands)

Major Operating Fund Expenditures	Actual 2016-17	Available 2017-18	Budget 2018-19	2018-19 Change from 2017-18	
				Dollars	Percent
General Fund	\$ 31,941,787	\$ 31,997,476	\$ 32,987,275	\$ 989,799	3.1%
Motor License Fund	\$ 2,762,092	\$ 2,885,513	\$ 3,079,238	\$ 193,725	6.7%
Lottery Fund	\$ 1,852,521	\$ 1,791,572	\$ 1,848,731	\$ 57,159	3.2%

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 Cigarette Tax together provide approximately 84 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 2016-17, total General Fund revenue increased by 10.5 percent, an annual rate of increase of approximately 2.5 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 Inheritance Tax, and the Sales and Use taxes. Five-year total increases for these tax types were 41.1 percent, 15.7 percent and 12.5 percent, respectively. Revenue from some tax sources declined or was flat over the period. Overall receipts from Corporation Taxes decreased by 7 percent over this period, primarily from the phase-out of the Capital Stock / Franchise Tax. Non-tax revenue sources increased by 58 percent over this five-year period.

Receipts from the Personal Income Tax have been steadily improving since the national economic recession. Over the last five fiscal years, growth in personal income tax receipts has averaged 2.7 percent annually. For fiscal year 2018-19, 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 3.0 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.

Overview: Major Operating Funds

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 3.2 percent annually. Corporate tax collections are anticipated to increase for the 2018-19 fiscal year. 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 2018-19 is \$33.0 billion. General Fund expenditure growth is projected to increase 3.1 percent. Major program expenditures occur in the areas of education, public health and human services and state correctional institutions.

PreK-12 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 \$6.1 billion for the Basic Education subsidy in state funds in 2018-19, which is a \$100 million or 1.7 percent increase (in addition to the \$100 million increase in 2017-18). PreK-12 education increases include \$30 million, or 17.4 percent, for Pre-K Counts; \$10 million, or 18.5 percent, for Head Start Supplemental Assistance; \$50 million, or 80.6 percent, for Career and Technical Education; and \$20 million, or 1.8 percent, for Special Education. In total, state funding for preK-12 education is more than \$12.4 billion in 2018-19.

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 2018-19, the total health and human services expenditures from all sources is \$42.3 billion; the amount from the General Fund will be \$12.8 billion, which is an increase of \$228 million or 1.8 percent.

The largest component of health and human service expenditures is the Medical Assistance program, which includes 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 April 2015, *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 2018-19, this increase is mitigated through cost containment and operational efficiencies. Total funding in 2018-19 increased by \$2 billion from \$26.9 billion to \$28.9 billion. State funds are anticipated to increase from \$6.9 billion in 2017-18 to \$7 billion in 2018-19, which is an increase of \$119 million or 1.7 percent.

Income maintenance, 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 \$2.8 billion from all sources for 2017-18. The 2018-19 budget maintains total resources at \$2.8 billion while the commonwealth's General Fund share is decreased from \$818 million to \$816 million. Of the \$2.8 billion, the budget provides a total of \$876 million for child care services.

Overview: Major Operating Funds

The 2018-19 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 2018, that will be reduced to 2,265, a reduction of 56 percent. Over that period the community budgets will have grown by more than \$2.3 billion, an increase of 134.5 percent.

State Correctional Institutions: The 2018-19 budget proposed for the state correctional system is \$2.32 billion. From 2014-15 to 2018-19, total costs have grown from \$2.1 billion to \$2.32 billion. During this time frame, the inmate population is projected to decline by approximately 2,600, from 50,366 to 47,716.

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 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 63 percent of total non-restricted Motor License Fund revenues in 2016-17. Total non-restricted fuels tax revenue has been growing incrementally over the past several years. For the five-year period ending with 2016-17, non-restricted fuels tax revenues increased at an annual average rate of 7.4 percent. For 2017-18 tax revenues are expected to increase by 7.1 percent over fiscal year 2016-17. 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 2016-17, license and fee revenues increased at an annual average rate of 2.3 percent. A decrease of -0.8 percent in license and fee revenue is projected for fiscal year 2017-18. For the five-year period ending with 2016-17, total non-restricted revenues increased at an annual average rate of 2.7 percent. Total Motor License Fund revenue is expected to increase 5 percent for fiscal year 2017-18 versus fiscal year 2016-17.

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 2018-19, \$333.8 million is provided for the PENNCARE appropriation which includes an increase of \$5.4 million to expand Attendant Care services to 480 additional recipients and reflects the reduction of \$26.1 million for the implementation of Community HealthChoices in the southeast beginning January 1, 2019, including the annualization of the southwest implementation which began January 2018. For additional details, see the Department Aging's presentation.

The Lottery Fund also provides funds to offset program costs for older Pennsylvanians in the Department of Health and Human Services. For 2018-19, \$153.1 million is provided to offset costs for the Community HealthChoices appropriation to reflect the transition of older Pennsylvanians who were previously funded from Long-Term Care, Home and Community-Based Services and the PENNCARE appropriations. In addition, \$81.4 million is provided to offset program costs in Long-Term Care and \$70.4 million to offset program costs for the Home and Community-Based Services program 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 2015-16. There was no surplus for fiscal year 2016-17.

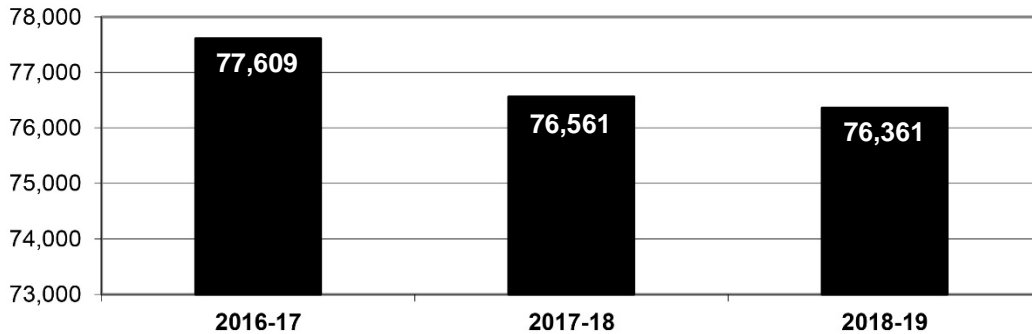
The Budget Stabilization Reserve Fund is anticipated to have a balance of \$476,000 as of June 30, 2018. This budget proposes the transfer of 25 percent of the 2018-19 General Fund surplus to the Budget Stabilization Reserve Fund.

Complement

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

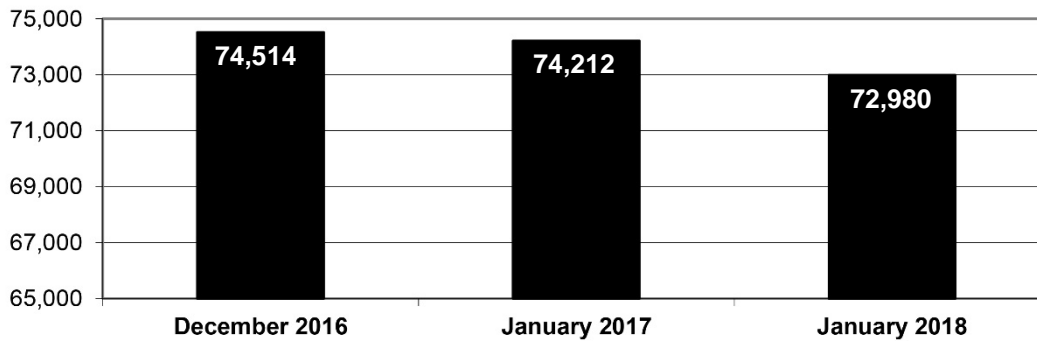
Authorized Complement

This budget proposes an overall decrease in the commonwealth’s current authorized FTE salaried complement level in 2018-19 of 200 positions, from 76,561 to 76,361 positions.



Filled Complement

The filled complement has decreased from 74,514 to 72,980 since December 2016.





STATEMENTS

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

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Seven Year Financial Statements By Fund

The following financial statements are a summary of the General Fund and selected Special Fund revenues and expenditures for the 2016-17 actual year, 2017-18 available year and 2018-19 budget year, as well as future year estimates. Additional information on revenues and expenditures is detailed in subsequent tables and in Section C of this budget.

General Fund

(Dollar Amounts in Thousands)

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
Beginning Balance.....	\$ 1,991	\$ -1,539,333	\$ 41,468	\$ 11,620	\$ 92,233	\$ 361,195	\$ 344,173
Revenues.....	\$ 31,669,000	\$ 34,752,100	\$ 34,220,300	\$ 35,956,300	\$ 37,338,500	\$ 37,964,300	\$ 38,457,300
Adjustments*	-1,268,537	-1,160,000	-1,259,000	-1,289,000	-1,337,000	-1,370,000	-1,394,000
Funds Available.....	\$ 30,402,454	\$ 32,052,767	\$ 33,002,768	\$ 34,678,920	\$ 36,093,733	\$ 36,955,495	\$ 37,407,473
Total Spending.....	31,941,787	31,997,476	32,987,275	34,555,942	35,612,139	36,496,597	37,404,888
Preliminary Balance.....	\$ -1,539,333	\$ 55,291	\$ 15,493	\$ 122,978	\$ 481,594	\$ 458,898	\$ 2,585
Less Transfer to Budget Stabilization Reserve Fund.....	0	-13,823	-3,873	-30,745	-120,399	-114,725	-646
Ending Balance.....	<u>\$ -1,539,333</u>	<u>\$ 41,468</u>	<u>\$ 11,620</u>	<u>\$ 92,233</u>	<u>\$ 361,195</u>	<u>\$ 344,173</u>	<u>\$ 1,939</u>

* Includes refunds, lapses and adjustments to beginning balances.

Seven Year Financial Statements By Fund

Motor License Fund^a

	(Dollar Amounts in Thousands)						
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
Beginning Balance.....	\$ 40,077	\$ 73,099	\$ 197,040	\$ 39,202	\$ 17,418	\$ 7,432	\$ 5,281
Receipts.....	<u>2,795,114</u>	<u>3,009,454</u>	<u>2,921,400</u>	<u>2,985,800</u>	<u>2,969,900</u>	<u>2,984,200</u>	<u>3,030,300</u>
Funds Available.....	\$ 2,835,191	\$ 3,082,553	\$ 3,118,440	\$ 3,025,002	\$ 2,987,318	\$ 2,991,632	\$ 3,035,581
Less Expenditures.....	<u>-2,762,092</u>	<u>-2,885,513</u>	<u>-3,079,238</u>	<u>-3,007,584</u>	<u>-2,979,886</u>	<u>-2,986,351</u>	<u>-3,034,211</u>
Ending Balance.....	<u>\$ 73,099</u>	<u>\$ 197,040</u>	<u>\$ 39,202</u>	<u>\$ 17,418</u>	<u>\$ 7,432</u>	<u>\$ 5,281</u>	<u>\$ 1,370</u>

Lottery Fund

	(Dollar Amounts in Thousands)						
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
Beginning Balance.....	\$ 26,941	\$ -18,223	\$ 1,272	\$ 6,956	\$ 12,545	\$ 39,701	\$ 1,309
Add Reserve From Prior Year.....	75,000	0	0	0	0	0	75,000
Receipts.....	<u>1,732,357</u>	<u>1,811,067</u>	<u>1,854,415</u>	<u>1,871,761</u>	<u>1,902,963</u>	<u>1,925,090</u>	<u>1,950,103</u>
Funds Available.....	\$ 1,834,298	\$ 1,792,844	\$ 1,855,687	\$ 1,878,717	\$ 1,915,508	\$ 1,964,791	\$ 2,026,412
Less Expenditures.....	<u>-1,852,521</u>	<u>-1,791,572</u>	<u>-1,848,731</u>	<u>-1,866,172</u>	<u>-1,875,807</u>	<u>-1,888,482</u>	<u>-1,900,997</u>
Less Reserve for Current Year.....	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-75,000</u>	<u>-75,000</u>
Ending Balance.....	<u>\$ -18,223</u>	<u>\$ 1,272</u>	<u>\$ 6,956</u>	<u>\$ 12,545</u>	<u>\$ 39,701</u>	<u>\$ 1,309</u>	<u>\$ 50,415</u>

^a Excludes restricted revenue.

Overview and Summaries

Seven Year Department Summary by Fund

The following is a summary by department of 2016-17 actual expenditures, the 2017-18 amounts available, the 2018-19 amounts budgeted and future year estimates for the General Fund and selected Special Funds.

	(Dollar Amounts in Thousands)						
	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
Governor's Office							
General Fund.....	\$ 6,887	\$ 6,548	\$ 6,548	\$ 6,548	\$ 6,548	\$ 6,548	\$ 6,548
Executive Offices							
General Fund.....	\$ 184,068	\$ 179,817	\$ 179,480	\$ 179,465	\$ 179,564	\$ 179,452	\$ 179,452
Motor License Fund.....	1,244	1,327	1,074	1,074	1,074	1,074	1,074
Department Total.....	\$ 185,312	\$ 181,144	\$ 180,554	\$ 180,539	\$ 180,638	\$ 180,526	\$ 180,526
Lieutenant Governor							
General Fund.....	\$ 1,755	\$ 1,682	\$ 1,741	\$ 1,741	\$ 1,741	\$ 1,741	\$ 1,741
Attorney General							
General Fund.....	\$ 95,583	\$ 95,583	\$ 103,034	\$ 103,034	\$ 103,034	\$ 103,034	\$ 103,034
Auditor General							
General Fund.....	\$ 48,234	\$ 41,958	\$ 42,905	\$ 42,905	\$ 42,905	\$ 42,905	\$ 42,990
Treasury							
General Fund.....	\$ 1,170,602	\$ 1,169,415	\$ 1,173,720	\$ 1,291,351	\$ 1,378,424	\$ 1,386,359	\$ 1,408,069
Motor License Fund.....	82,474	80,252	79,448	79,422	79,382	79,425	79,472
Department Total.....	\$ 1,253,076	\$ 1,249,667	\$ 1,253,168	\$ 1,370,773	\$ 1,457,806	\$ 1,465,784	\$ 1,487,541
Agriculture							
General Fund.....	\$ 143,658	\$ 143,806	\$ 141,760	\$ 142,110	\$ 142,110	\$ 142,110	\$ 142,110
Motor License Fund.....	32,728	33,228	33,228	32,728	32,728	32,728	32,728
Department Total.....	\$ 176,386	\$ 177,034	\$ 174,988	\$ 174,838	\$ 174,838	\$ 174,838	\$ 174,838
Civil Service Commission							
General Fund.....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
Community and Economic Development							
General Fund.....	\$ 145,500	\$ 145,240	\$ 123,269	\$ 123,269	\$ 123,269	\$ 123,269	\$ 123,269
Motor License Fund.....	1,073	1,073	750	750	750	750	750
Department Total.....	\$ 146,573	\$ 146,313	\$ 124,019	\$ 124,019	\$ 124,019	\$ 124,019	\$ 124,019
Conservation and Natural Resources							
General Fund.....	\$ 106,961	\$ 105,200	\$ 121,200	\$ 121,400	\$ 124,399	\$ 124,481	\$ 124,481
Motor License Fund.....	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Department Total.....	\$ 113,961	\$ 112,200	\$ 128,200	\$ 128,400	\$ 131,399	\$ 131,481	\$ 131,481
Criminal Justice							
General Fund.....	\$ 2,563,525	\$ 2,437,713	\$ 2,542,061	\$ 2,542,061	\$ 2,533,438	\$ 2,522,707	\$ 2,522,707
Education							
General Fund.....	\$ 12,801,142	\$ 13,242,829	\$ 13,863,669	\$ 14,329,183	\$ 14,666,774	\$ 14,989,074	\$ 15,328,374
Motor License Fund.....	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Department Total.....	\$ 12,802,242	\$ 13,243,929	\$ 13,864,769	\$ 14,330,283	\$ 14,667,874	\$ 14,990,174	\$ 15,329,474

Overview and Summaries

Seven Year Department Summary by Fund

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
Higher Education Assistance Agency							
General Fund.....	\$ 321,289	\$ 321,789	\$ 321,289	\$ 321,289	\$ 321,289	\$ 321,289	\$ 321,289
Emergency Management Agency							
General Fund.....	\$ 19,930	\$ 30,854	\$ 15,891	\$ 15,891	\$ 15,891	\$ 13,882	\$ 13,882
Environmental Protection							
General Fund.....	\$ 150,846	\$ 148,801	\$ 157,058	\$ 158,184	\$ 158,184	\$ 157,699	\$ 157,699
Ethics Commission							
General Fund.....	\$ 2,433	\$ 2,645	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667
General Services							
General Fund.....	\$ 119,390	\$ 116,844	\$ 120,624	\$ 130,400	\$ 130,400	\$ 130,400	\$ 130,400
Motor License Fund.....	10,306	9,300	9,387	9,387	9,387	9,387	9,387
Department Total.....	\$ 129,696	\$ 126,144	\$ 130,011	\$ 139,787	\$ 139,787	\$ 139,787	\$ 139,787
Health and Human Services							
General Fund.....	\$ 12,595,461	\$ 12,341,985	\$ 12,563,229	\$ 13,515,469	\$ 14,120,539	\$ 14,681,003	\$ 15,196,185
Lottery Fund.....	308,049	253,449	308,355	358,854	380,303	389,845	393,651
Department Total.....	\$ 12,903,510	\$ 12,595,434	\$ 12,871,584	\$ 13,874,323	\$ 14,500,842	\$ 15,070,848	\$ 15,589,836
Drug and Alcohol Programs							
General Fund.....	\$ 47,604	\$ 46,227	\$ 46,501	\$ 46,501	\$ 46,501	\$ 46,501	\$ 46,501
Aging							
Lottery Fund.....	\$ 543,787	\$ 534,280	\$ 505,196	\$ 472,271	\$ 452,595	\$ 449,078	\$ 450,788
Health Care Cost Containment Council							
General Fund.....	\$ 2,710	\$ 2,752	\$ 3,355	\$ 3,355	\$ 3,355	\$ 3,355	\$ 3,355
Historical and Museum Commission							
General Fund.....	\$ 21,927	\$ 20,633	\$ 21,272	\$ 21,272	\$ 21,272	\$ 21,272	\$ 21,272
Insurance							
General Fund.....	\$ 0	\$ 0	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
Labor and Industry							
General Fund.....	\$ 79,725	\$ 69,078	\$ 79,798	\$ 79,798	\$ 79,798	\$ 79,798	\$ 79,798
Military and Veterans Affairs							
General Fund.....	\$ 145,918	\$ 142,186	\$ 153,744	\$ 153,744	\$ 153,744	\$ 150,186	\$ 150,186
Revenue							
General Fund.....	\$ 178,788	\$ 183,612	\$ 186,298	\$ 186,298	\$ 186,298	\$ 184,298	\$ 184,298
Lottery Fund.....	821,803	831,552	856,298	856,165	864,027	870,677	877,676
Motor License Fund.....	43,824	49,085	49,685	50,197	50,630	47,784	48,261
Department Total.....	\$ 1,044,415	\$ 1,064,249	\$ 1,092,281	\$ 1,092,660	\$ 1,100,955	\$ 1,102,759	\$ 1,110,235

Overview and Summaries

Seven Year Department Summary by Fund

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
State							
General Fund.....	\$ 11,781	\$ 10,270	\$ 10,399	\$ 9,180	\$ 9,134	\$ 9,180	\$ 9,124
State Police							
General Fund.....	\$ 256,938	\$ 251,746	\$ 260,507	\$ 283,571	\$ 315,605	\$ 328,131	\$ 360,201
Motor License Fund.....	792,883	778,350	769,669	737,600	705,530	673,461	646,522
Department Total.....	\$ 1,049,821	\$ 1,030,096	\$ 1,030,176	\$ 1,021,171	\$ 1,021,135	\$ 1,001,592	\$ 1,006,723
Transportation							
General Fund.....	\$ 1,506	\$ 1,625	\$ 1,618	\$ 1,618	\$ 1,618	\$ 1,618	\$ 1,618
Lottery Fund.....	178,882	178,882	178,882	178,882	178,882	178,882	178,882
Motor License Fund.....	1,789,460	1,934,232	2,127,897	2,088,326	2,092,305	2,133,642	2,207,917
Department Total.....	\$ 1,969,848	\$ 2,114,739	\$ 2,308,397	\$ 2,268,826	\$ 2,272,805	\$ 2,314,142	\$ 2,388,417
Legislature							
General Fund.....	\$ 310,357	\$ 325,243	\$ 325,243	\$ 325,243	\$ 325,243	\$ 325,243	\$ 325,243
Judiciary							
General Fund.....	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503
Government Support Agencies							
General Fund.....	\$ 51,765	\$ 55,891	\$ 55,891	\$ 55,891	\$ 55,891	\$ 55,891	\$ 55,891
COMMONWEALTH TOTALS:							
General Fund.....	\$ 31,941,787	\$ 31,997,476	\$ 32,987,275	\$ 34,555,942	\$ 35,612,139	\$ 36,496,597	\$ 37,404,888
Lottery Fund.....	1,852,521	1,798,163	1,848,731	1,866,172	1,875,807	1,888,482	1,900,997
Motor License Fund.....	2,762,092	2,894,947	3,079,238	3,007,584	2,979,886	2,986,351	3,034,211
GRAND TOTAL.....	\$ 36,556,400	\$ 36,690,586	\$ 37,915,244	\$ 39,429,698	\$ 40,467,832	\$ 41,371,430	\$ 42,340,096

General and Special Funds

This table shows a summary by Commonwealth Programs of 2016-17 actual expenditures, the 2017-18 amounts available, the 2018-19 amounts budgeted and future year estimates for the General Fund and selected Special Funds.

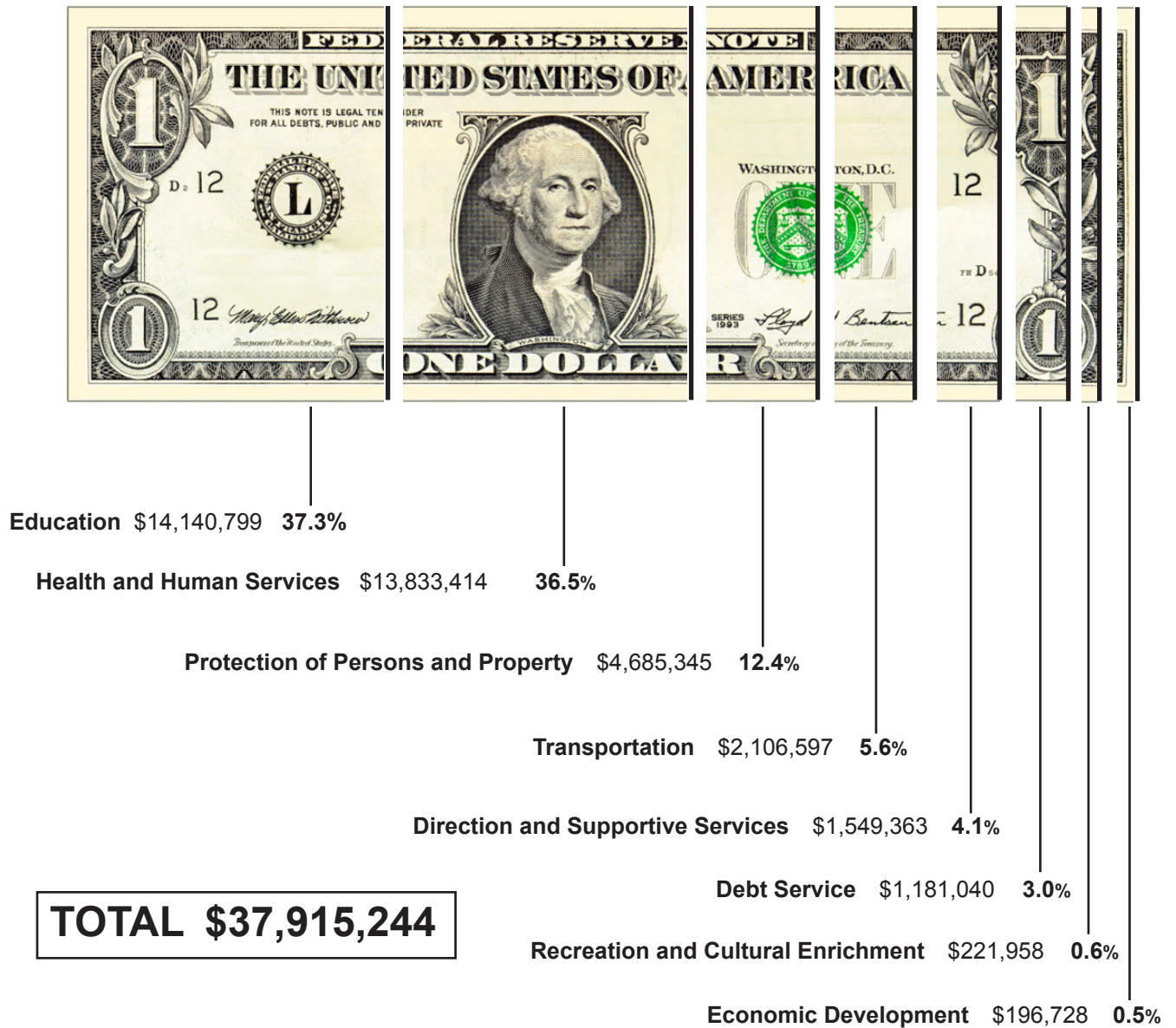
Seven Year Commonwealth Program Summary

Commonwealth Program	(Dollar amounts in Thousands)						
	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
Direction and Supportive Services.....	\$ 1,477,305	\$ 1,510,522	\$ 1,549,363	\$ 1,562,103	\$ 1,572,997	\$ 1,577,189	\$ 1,587,250
Protection of Persons and Property.....	4,667,725	4,540,396	4,685,345	4,679,129	4,658,051	4,618,736	4,623,702
Education.....	13,079,201	13,521,480	14,140,799	14,606,313	14,943,904	15,266,204	15,605,504
Health and Human Services.....	13,920,874	13,581,445	13,833,414	14,800,628	15,404,971	15,968,960	16,487,158
Economic Development.....	212,349	209,464	196,728	196,728	196,728	196,728	196,728
Transportation	1,814,071	1,946,032	2,106,597	2,063,994	2,080,346	2,124,718	2,199,102
Recreation and Cultural Enrichment.....	208,567	205,236	221,958	222,158	225,157	225,239	225,239
Debt Service.....	1,176,308	1,176,011	1,181,040	1,298,645	1,385,678	1,393,656	1,415,413
GENERAL FUND AND SPECIAL							
FUNDS TOTAL.....	<u>\$ 36,556,400</u>	<u>\$ 36,690,586</u>	<u>\$ 37,915,244</u>	<u>\$ 39,429,698</u>	<u>\$ 40,467,832</u>	<u>\$ 41,371,430</u>	<u>\$ 42,340,096</u>

Distribution of the Commonwealth Dollar

**GENERAL FUND AND
SPECIAL FUNDS**

2018-19 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 2016-17 expenditures, the 2017-18 amounts available, the 2018-19 amounts budgeted and future year estimates.

Seven Year Commonwealth Program Summary

	(Dollar amounts in Thousands)						
	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
Commonwealth Program							
Direction and Supportive Services.....	\$ 855,575	\$ 857,152	\$ 869,756	\$ 879,517	\$ 879,616	\$ 877,504	\$ 877,589
Protection of Persons and Property.....	3,687,843	3,561,736	3,682,266	3,705,587	3,728,952	3,724,741	3,756,755
Education.....	13,078,101	13,520,380	14,139,699	14,605,213	14,942,804	15,265,104	15,604,404
Health and Human Services.....	12,787,138	12,529,016	12,757,063	13,709,303	14,314,373	14,874,837	15,390,019
Economic Development.....	211,276	208,391	195,978	195,978	195,978	195,978	195,978
Recreation and Cultural Enrichment....	201,567	198,236	214,958	215,158	218,157	218,239	218,239
Debt Service.....	1,120,287	1,122,565	1,127,555	1,245,186	1,332,259	1,340,194	1,361,904
GENERAL FUND TOTAL.....	\$ 31,941,787	\$ 31,997,476	\$ 32,987,275	\$ 34,555,942	\$ 35,612,139	\$ 36,496,597	\$ 37,404,888

GENERAL FUND

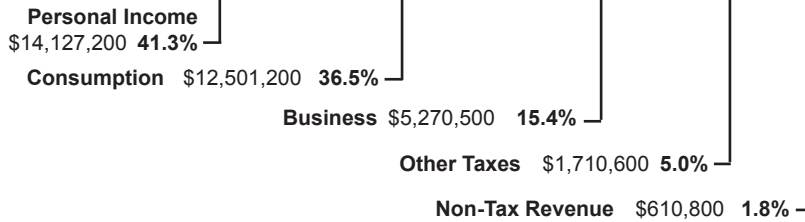
2018-19 Fiscal Year



Income

(Dollar Amounts in Thousands)

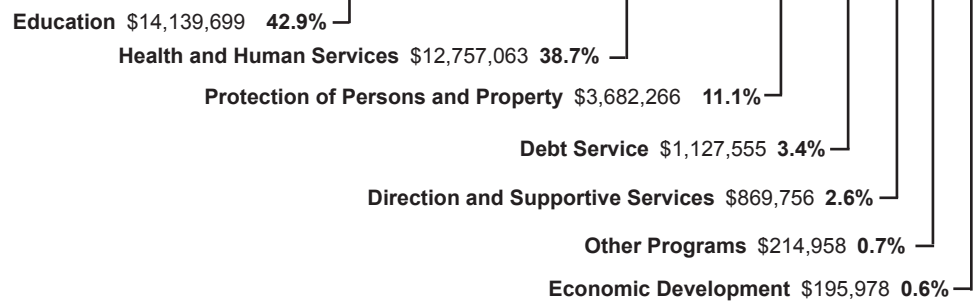
TOTAL INCOME	\$34,220,300
Refunds	-1,359,000
Beginning Balance.....	41,648
Lapses	100,000
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TOTAL	\$33,002,768



Outgo

(Dollar Amounts in Thousands)

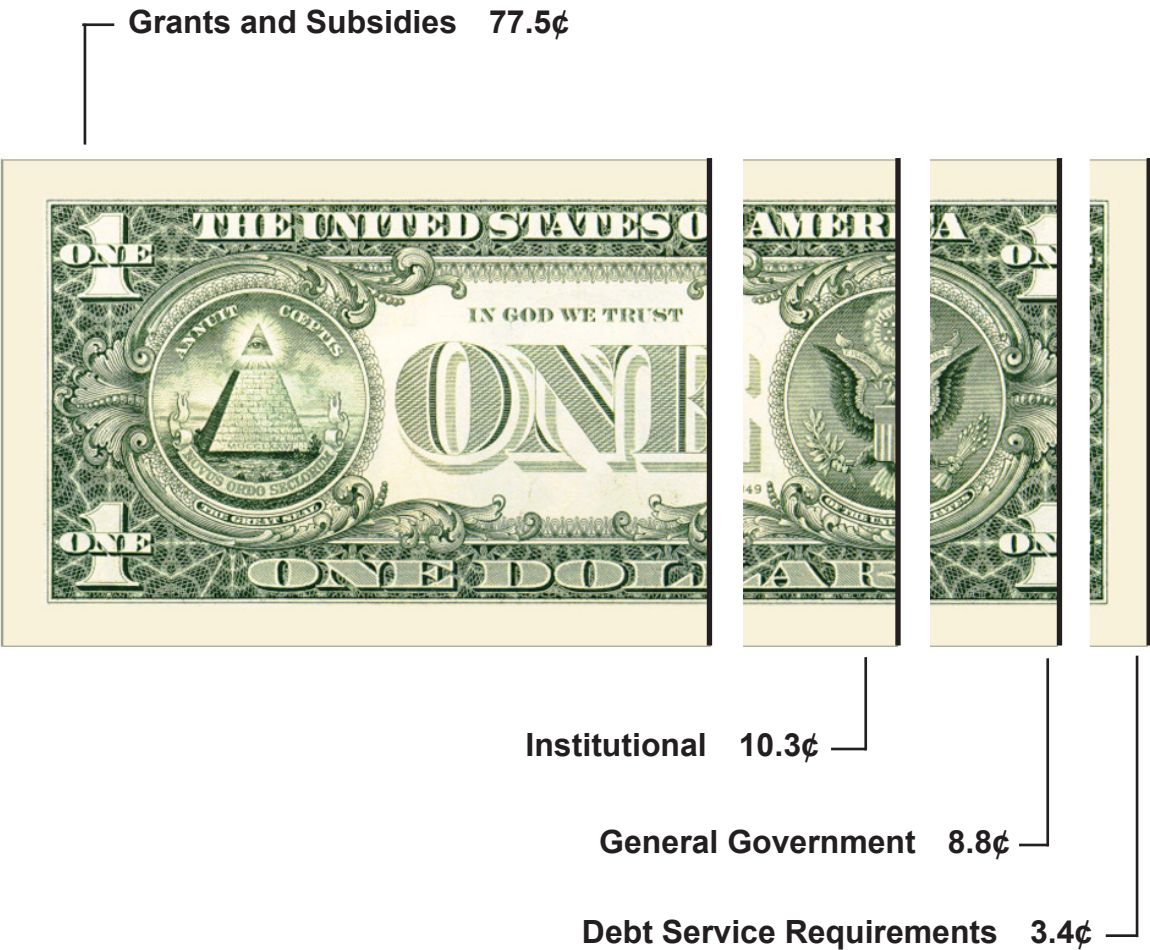
TOTAL OUTGO	\$ 32,987,275
Budget Stabilization	
Reserve Fund	3,873
Plus Ending Surplus	11,620
<hr/>	
TOTAL	\$ 33,002,768



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

2018-19 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 2017-18 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 2018-19 is a preliminary proposal. Opportunities for public review and comment may result in modifications to the proposed distribution.

Summary of Federal Block Grants

This table shows a summary by federal block grant of 2016-17 expenditures, 2017-18 available and 2018-19 amounts budgeted as presented in the 2018-19 Governor's Executive Budget.

(Dollar Amounts in Thousands)

	<u>2016-17 Actual Block Grant</u>	<u>2017-18 Available Block Grant</u>	<u>2018-19 Recommended Block Grant</u>
Anti-Drug Abuse.....	\$ 17,600	\$ 14,600	\$ 14,400
Child Care and Development Fund.....	377,194	419,058	418,084
Community Services.....	51,607	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.....	20,539	21,000	16,639
Preventive Health and Health Services.....	11,561	11,509	11,509
Social Services.....	96,060	92,798	92,798
Substance Abuse.....	67,664	68,069	66,102
Temporary Assistance to Needy Families.....	638,597	644,657	593,668
Workforce Innovation and Opportunity.....	240,000	240,000	240,000
TOTAL.....	<u>\$ 1,949,861</u>	<u>\$ 1,992,337</u>	<u>\$ 1,933,846</u>

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	2016-17 Actual Block Grant	2017-18 Available Block Grant	2018-19 Recommended Block Grant
Executive Offices:			
<i>Commission on Crime and Delinquency</i>			
Justice Assistance Grants.....	\$ 15,000	\$ 12,000	\$ 12,000
Justice Assistance Grants — Administration.....	1,300	1,300	1,100
Residential Substance Abuse Treatment Program.....	1,300	1,300	1,300
Subtotal.....	\$ 17,600	\$ 14,600	\$ 14,400
Criminal Justice			
RSAT — State Prisoners (EA).....	\$ 750 ^a	\$ 502 ^a	\$ 502 ^a
State Police:			
Law Enforcement Projects (EA)	\$ 1,937 ^a	\$ 626 ^a	\$ 3,215 ^a
TOTAL.....	\$ 17,600	\$ 14,600	\$ 14,400

^a 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.

Department / Appropriation	(Dollar Amounts in Thousands)		
	2016-17 Actual Block Grant	2017-18 Available Block Grant	2018-19 Recommended Block Grant
Executive Offices:			
<i>Inspector General - Welfare Fraud</i>			
CCDFBG — Subsidized Day Care Fraud.....	\$ 905	\$ 905	\$ 905
Health and Human Services:			
CCDFBG — Administration.....	\$ 22,895	\$ 23,205	\$ 23,206
CCDFBG — County Assistance Offices.....	0	15,000	0
CCDFBG — Child Care Services.....	265,268	284,966	310,298
CCDFBG — School Age.....	1,260	1,260	1,260
CCDFBG — Child Care Assistance.....	86,866	93,722	82,415
Subtotal.....	\$ 376,289	\$ 418,153	\$ 417,179
TOTAL.....	<u>\$ 377,194</u>	<u>\$ 419,058</u>	<u>\$ 418,084</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 remaining 90 percent of program monies are granted to existing CAAs for operating costs and low-income energy assistance efforts, the Community Action Association of Pennsylvania and competitive grants in the areas of employment training, job preparedness, community conservation corps, community economic development, summer employment and youth programs, emergency assistance and homeless assistance.

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

Department / Appropriation	(Dollar Amounts in Thousands)		
	2016-17 Actual Block Grant	2017-18 Available Block Grant	2018-19 Recommended Block Grant
Community and Economic Development:			
CSBG — Administration.....	\$ 1,607	\$ 1,607	\$ 1,607
Community Services Block Grant.....	50,000	50,000	50,000
TOTAL.....	<u>\$ 51,607</u>	<u>\$ 51,607</u>	<u>\$ 51,607</u>

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.

(Dollar Amounts in Thousands)

<u>Department / Appropriation</u>	<u>2016-17 Actual Block Grant</u>	<u>2017-18 Available Block Grant</u>	<u>2018-19 Recommended Block Grant</u>
Community and Economic Development:			
LIHEABG — Administration.....	\$ 1,500	\$ 1,500	\$ 1,500
LIHEABG — Weatherization Program.....	48,000	48,000	48,000
Subtotal.....	<u>\$ 49,500</u>	<u>\$ 49,500</u>	<u>\$ 49,500</u>
Health and Human Services:			
LIHEABG — Administration.....	\$ 27,000	\$ 27,000	\$ 27,000
LIHEABG — Low-Income Families and Individuals.....	320,000	320,000	320,000
Subtotal.....	<u>\$ 347,000</u>	<u>\$ 347,000</u>	<u>\$ 347,000</u>
TOTAL.....	<u><u>\$ 396,500</u></u>	<u><u>\$ 396,500</u></u>	<u><u>\$ 396,500</u></u>

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 ten 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.

(Dollar Amounts in Thousands)

<u>Department / Appropriation</u>	<u>2016-17 Actual Block Grant</u>	<u>2017-18 Available Block Grant</u>	<u>2018-19 Recommended Block Grant</u>
Health and Human Services:			
MCHSBG — Administration and Operation.....	\$ 14,641	\$ 14,641	\$ 14,641
MCHSBG — Program Services.....	17,898	17,898	17,898
TOTAL.....	<u><u>\$ 32,539</u></u>	<u><u>\$ 32,539</u></u>	<u><u>\$ 32,539</u></u>

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>2016-17 Actual Block Grant</u>	<u>2017-18 Available Block Grant</u>	<u>2018-19 Recommended Block Grant</u>
Health and Human Services:			
MHSBG — Administration.....	\$ 539	\$ 539	\$ 539
MHSBG — Community Mental Health Services.....	20,000	20,461	16,100
TOTAL.....	<u>\$ 20,539</u>	<u>\$ 21,000</u>	<u>\$ 16,639</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 ten percent.

(Dollar Amounts in Thousands)

<u>Department / Appropriation</u>	<u>2016-17 Actual Block Grant</u>	<u>2017-18 Available Block Grant</u>	<u>2018-19 Recommended Block Grant</u>
Education:			
Preventive Health and Health Services (EA).....	\$ 250 ^a	\$ 250 ^a	\$ 250 ^a
Health and Human Services:			
PHHSBG — Administration and Operation.....	\$ 4,561	\$ 4,509	\$ 4,509
PHHSBG — Block Program Services.....	7,000	7,000	7,000
PHHSBG — Domestic Violence (EA).....	100 ^a	100 ^a	100 ^a
Subtotal.....	<u>\$ 11,561</u>	<u>\$ 11,509</u>	<u>\$ 11,509</u>
TOTAL.....	<u>\$ 11,561</u>	<u>\$ 11,509</u>	<u>\$ 11,509</u>

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

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	2016-17 Actual Block Grant	2017-18 Available Block Grant	2018-19 Recommended Block Grant
Health and Human Services:			
SSBG — Administration.....	\$ 325	\$ 325	\$ 325
SSBG — County Assistance Offices.....	6,262	3,000	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.....	<u>\$ 96,060</u>	<u>\$ 92,798</u>	<u>\$ 92,798</u>

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	2016-17 Actual Block Grant	2017-18 Available Block Grant	2018-19 Recommended Block Grant
Criminal Justice:			
SABG — Drug and Alcohol Programs (EA).....	\$ 1,965 ^a	\$ 1,965 ^a	\$ 1,965 ^a
Drug and Alcohol Programs:			
SABG — Administration and Operation.....	\$ 8,193	\$ 8,617	\$ 8,327
SABG — Drug and Alcohol Services.....	59,471	59,452	57,775
Subtotal.....	<u>\$ 67,664</u>	<u>\$ 68,069</u>	<u>\$ 66,102</u>
Health and Human Services:			
SABG — DDAP Support Services (EA).....	\$ 399 ^a	\$ 257 ^a	\$ 91 ^a
SABG — Homeless Services (EA)	1,983 ^a	1,983 ^a	1,983 ^a
Subtotal.....	<u>\$ 2,382</u>	<u>\$ 2,240</u>	<u>\$ 2,074</u>
TOTAL.....	<u>\$ 67,664</u>	<u>\$ 68,069</u>	<u>\$ 66,102</u>

^a 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.

<u>Department / Appropriation</u>	(Dollar Amounts in Thousands)		
	<u>2016-17 Actual Block Grant</u>	<u>2017-18 Available Block Grant</u>	<u>2018-19 Recommended Block Grant</u>
Executive Offices:			
<i>Inspector General - Welfare Fraud</i>			
TANFBG — Program Accountability.....	\$ 1,500	\$ 1,500	\$ 1,500
Education:			
TANFBG — Teenage Parenting Education (EA).....	\$ 16,433 ^a	\$ 13,784 ^a	\$ 13,784 ^a
Labor and Industry:			
TANFBG — Youth Employment and Training.....	\$ 25,000	\$ 25,000	\$ 25,000
Health and Human Services:			
TANFBG — Administration.....	\$ 8,810	\$ 11,898	\$ 11,898
TANFBG — Information Systems.....	14,417	12,185	11,347
TANFBG — Statewide.....	1,072	1,072	1,072
TANFBG — County Assistance Offices.....	48,654	48,654	51,369
TANFBG — New Directions.....	109,522	111,275	109,249
TANFBG — Summer Intern (EA).....	60 ^a	0	0
TANFBG — Cash Grants.....	288,975	288,975	207,633
TANFBG — Alternatives to Abortion.....	1,000	1,000	1,000
TANFBG — Child Welfare.....	58,508	58,508	58,508
TANFBG — Child Care Assistance.....	81,139	84,590	115,092
Subtotal.....	\$ 612,097	\$ 618,157	\$ 567,168
TOTAL.....	<u>\$ 638,597</u>	<u>\$ 644,657</u>	<u>\$ 593,668</u>

^a 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.

<u>Department / Appropriation</u>	<i>(Dollar Amounts in Thousands)</i>		
	2016-17 Actual Block Grant	2017-18 Available Block Grant	2018-19 Recommended Block Grant
Labor and Industry:			
Workforce Innovation and Opportunity Act —	\$ 11,000	\$ 11,000	\$ 11,000
Administration.....			
WIOA — Adult Employment and Training.....	50,000	50,000	50,000
WIOA — Youth Employment and 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.....	<u>\$ 240,000</u>	<u>\$ 240,000</u>	<u>\$ 240,000</u>

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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 29 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)	
	2017-18 Estimate	2018-19 Estimate
Governor's Office.....	\$ 972	\$ 975
Executive Offices.....	295	306
Agriculture.....	478	485
Banking and Securities.....	507	520
Community and Economic Development.....	227	235
Conservation and Natural Resources.....	514	508
Criminal Justice*.....	667	692
Emergency Management Agency.....	384	395
Environmental Protection.....	2,335	2,405
Fish and Boat Commission.....	249	250
Game Commission.....	508	533
General Services.....	145	151
Health and Human Services**.....	1,502	1,354
Aging.....	279	343
Historical and Museum Commission.....	178	178
Insurance.....	368	401
Labor and Industry.....	583	626
Liquor Control Board.....	425	446
Military and Veterans Affairs.....	463	478
Milk Marketing Board.....	9	9
Public Utility Commission.....	334	374
Revenue.....	515	434
State.....	2,078	1,790
State Police.....	448	452
Transportation.....	4,981	5,075
TOTAL	<u>\$ 20,013</u>	<u>\$ 19,984</u>

* The Department of Corrections and the Board of Probation and Parole transferred to the Department of Criminal Justice.

** The Departments of Health and Human Services transferred to the Department of Health and Human Services.

---- *Lottery sales promotion* - \$51 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 2018-19. These expenditures are expected to generate approximately \$4.5 billion in lottery revenues during 2018-19.

---- *Economic development* - A total of \$3.567 million is budgeted in the General Fund to promote tourism and economic development. This will contribute to an estimated \$42.5 billion in 2018-19 business and leisure travel revenues to Pennsylvania and supports the State's effort to preserve and create jobs.

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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)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
BEGINNING BALANCES							
General Fund	\$ 1,991	\$ -1,539,333	\$ 41,468	\$ 11,620	\$ 92,233	\$ 361,195	\$ 344,173
Adjustment to Beginning Balance.....	3,150	15,000	0	0	0	0	0
Adjusted Beginning Balance.....	<u>\$ 5,141</u>	<u>\$ -1,524,333</u>	<u>\$ 41,468</u>	<u>\$ 11,620</u>	<u>\$ 92,233</u>	<u>\$ 361,195</u>	<u>\$ 344,173</u>
Special Funds	<u>\$ 67,018</u>	<u>\$ 54,876</u>	<u>\$ 198,312</u>	<u>\$ 46,158</u>	<u>\$ 29,963</u>	<u>\$ 47,133</u>	<u>\$ 6,590</u>
REVENUES							
General Fund:							
Corporation Taxes.....	\$ 2,751,473	\$ 3,010,100	\$ 3,074,700	\$ 4,007,700	\$ 4,289,800	\$ 3,932,700	\$ 3,847,800
Personal Income Tax.....	12,664,373	13,399,900	14,127,200	14,786,200	15,525,800	16,191,400	16,774,400
Sales and Use Tax.....	10,004,459	10,407,400	10,781,600	10,935,900	11,163,100	11,441,700	11,350,800
All Other Revenues/Taxes.....	6,248,695	7,934,700	6,236,800	6,226,500	6,359,800	6,398,500	6,484,300
Less Refunds.....	-1,350,000	-1,385,000	-1,359,000	-1,389,000	-1,437,000	-1,470,000	-1,494,000
Total General Fund.....	<u>\$ 30,319,000</u>	<u>\$ 33,367,100</u>	<u>\$ 32,861,300</u>	<u>\$ 34,567,300</u>	<u>\$ 35,901,500</u>	<u>\$ 36,494,300</u>	<u>\$ 36,963,300</u>
Special Funds.....	4,467,706	4,820,521	4,775,815	4,857,561	4,872,863	4,909,290	4,980,403
Federal Funds.....	28,537,387	29,200,624	29,596,794	29,893,878	30,827,177	31,760,551	32,661,589
Other Funds.....	14,608,676	15,587,273	17,215,802	16,636,936	16,775,611	16,873,345	17,003,862
Total Revenues and Balances.....	<u>\$ 78,004,928</u>	<u>\$ 81,506,061</u>	<u>\$ 84,689,491</u>	<u>\$ 86,013,453</u>	<u>\$ 88,499,347</u>	<u>\$ 90,445,814</u>	<u>\$ 91,959,917</u>
PROGRAM EXPENDITURES							
Direction and Supportive							
Services.....	\$ 1,906,904	\$ 1,969,023	\$ 2,219,018	\$ 2,231,585	\$ 2,242,007	\$ 2,245,817	\$ 2,255,579
Protection of Persons and							
Property.....	9,783,262	9,799,056	10,064,931	10,168,529	10,253,732	10,277,179	10,356,152
Education.....	16,307,500	16,892,067	17,439,809	17,903,925	18,242,200	18,564,608	18,904,016
Health and Human Services.....	39,908,423	40,361,310	42,298,987	43,117,980	44,672,960	46,174,341	47,595,268
Economic Development.....	2,163,832	2,225,139	2,156,123	2,140,979	2,126,380	2,113,285	2,113,559
Transportation.....	7,700,301	8,278,877	8,542,679	8,279,675	8,328,926	8,408,034	8,537,492
Recreation and Cultural Enrichment.....	673,994	704,944	729,146	733,194	737,850	738,219	738,833
Debt Service.....	1,258,247	1,248,067	1,277,147	1,384,645	1,466,565	1,483,843	1,504,648
Total Program Expenditures.....	<u>79,702,463</u>	<u>81,478,483</u>	<u>84,727,840</u>	<u>85,960,512</u>	<u>88,070,620</u>	<u>90,005,326</u>	<u>92,005,547</u>
Less General Fund Lapses.....	-78,313	-210,000	-100,000	-100,000	-100,000	-100,000	-100,000
Less Special Fund Lapses.....	-59,765	-16,025	0	0	0	0	0
Total Operating Expenditures.....	<u>\$ 79,564,385</u>	<u>\$ 81,252,458</u>	<u>\$ 84,627,840</u>	<u>\$ 85,860,512</u>	<u>\$ 87,970,620</u>	<u>\$ 89,905,326</u>	<u>\$ 91,905,547</u>
Transfer to Budget Stabilization							
Reserve Fund.....	0	-13,823	-3,873	-30,745	-120,399	-114,725	-646
ENDING BALANCES							
General Fund.....	<u>\$ -1,539,333</u>	<u>\$ 41,468</u>	<u>\$ 11,620</u>	<u>\$ 92,233</u>	<u>\$ 361,195</u>	<u>\$ 344,173</u>	<u>\$ 1,939</u>
Special Funds	<u>\$ 54,876</u>	<u>\$ 198,312</u>	<u>\$ 46,158</u>	<u>\$ 29,963</u>	<u>\$ 47,133</u>	<u>\$ 6,590</u>	<u>\$ 51,785</u>

Program Budget Summary

Seven Year Summary of Commonwealth Programs

The following is a summary for the seven Commonwealth Programs of 2016-17 actual expenditures, 2017-18 amounts available, 2018-19 amounts budgeted and future year estimates for all the operating funds and capital bond authorizations as presented in the 2018-19 Governor's Executive Budget. A breakdown of each Commonwealth Program by Category and Subcategory is shown on subsequent pages.

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
Direction and Supportive Services							
General Fund.....	\$ 855,575	\$ 857,152	\$ 869,756	\$ 879,517	\$ 879,616	\$ 877,504	\$ 877,589
Special Funds.....	621,730	653,370	679,607	682,586	693,381	699,685	709,661
Federal Funds.....	16,935	16,790	15,662	15,662	15,662	15,662	15,662
Other Funds.....	412,664	441,711	653,993	653,820	653,348	652,966	652,667
Total Operating.....	\$ 1,906,904	\$ 1,969,023	\$ 2,219,018	\$ 2,231,585	\$ 2,242,007	\$ 2,245,817	\$ 2,255,579
Protection of Persons and Property							
General Fund.....	\$ 3,687,843	\$ 3,561,736	\$ 3,682,266	\$ 3,705,587	\$ 3,728,952	\$ 3,724,741	\$ 3,756,755
Special Funds.....	979,882	978,660	1,003,079	973,542	929,099	893,995	866,947
Federal Funds.....	896,064	803,511	784,571	782,671	780,171	780,171	780,171
Other Funds.....	4,219,473	4,455,149	4,595,015	4,706,729	4,815,510	4,878,272	4,952,279
Total Operating.....	\$ 9,783,262	\$ 9,799,056	\$ 10,064,931	\$ 10,168,529	\$ 10,253,732	\$ 10,277,179	\$ 10,356,152
Education							
General Fund.....	\$ 13,078,101	\$ 13,520,380	\$ 14,139,699	\$ 14,605,213	\$ 14,942,804	\$ 15,265,104	\$ 15,604,404
Special Funds.....	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Federal Funds.....	2,402,626	2,413,236	2,338,902	2,337,902	2,337,902	2,337,902	2,337,902
Other Funds.....	825,673	957,351	960,108	959,710	960,394	960,502	960,610
Total Operating.....	\$ 16,307,500	\$ 16,892,067	\$ 17,439,809	\$ 17,903,925	\$ 18,242,200	\$ 18,564,608	\$ 18,904,016
Health and Human Services							
General Fund.....	\$ 12,787,138	\$ 12,529,016	\$ 12,757,063	\$ 13,709,303	\$ 14,314,373	\$ 14,874,837	\$ 15,390,019
Special Funds.....	1,133,736	1,052,429	1,076,351	1,091,325	1,090,598	1,094,123	1,097,139
Federal Funds.....	22,554,085	22,925,829	23,472,426	23,773,910	24,709,709	25,643,083	26,544,121
Other Funds.....	3,433,464	3,854,036	4,993,147	4,543,442	4,558,280	4,562,298	4,563,989
Total Operating.....	\$ 39,908,423	\$ 40,361,310	\$ 42,298,987	\$ 43,117,980	\$ 44,672,960	\$ 46,174,341	\$ 47,595,268
Economic Development							
General Fund.....	\$ 211,276	\$ 208,391	\$ 195,978	\$ 195,978	\$ 195,978	\$ 195,978	\$ 195,978
Special Funds.....	1,073	1,073	750	750	750	750	750
Federal Funds.....	782,942	774,748	754,909	754,909	754,909	754,909	754,909
Other Funds.....	1,168,541	1,240,927	1,204,486	1,189,342	1,174,743	1,161,648	1,161,922
Total Operating.....	\$ 2,163,832	\$ 2,225,139	\$ 2,156,123	\$ 2,140,979	\$ 2,126,380	\$ 2,113,285	\$ 2,113,559
Transportation							
General Fund.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Funds.....	1,814,071	1,946,032	2,106,597	2,063,994	2,080,346	2,124,718	2,199,102
Federal Funds.....	1,825,359	2,204,025	2,173,025	2,172,025	2,172,025	2,172,025	2,172,025
Other Funds.....	4,060,871	4,128,820	4,263,057	4,043,656	4,076,555	4,111,291	4,166,365
Total Operating.....	\$ 7,700,301	\$ 8,278,877	\$ 8,542,679	\$ 8,279,675	\$ 8,328,926	\$ 8,408,034	\$ 8,537,492
Recreation and Cultural Enrichment							
General Fund.....	\$ 201,567	\$ 198,236	\$ 214,958	\$ 215,158	\$ 218,157	\$ 218,239	\$ 218,239
Special Funds.....	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Federal Funds.....	59,376	62,485	57,299	56,799	56,799	56,799	56,799
Other Funds.....	406,051	437,223	449,889	454,237	455,894	456,181	456,795
Total Operating.....	\$ 673,994	\$ 704,944	\$ 729,146	\$ 733,194	\$ 737,850	\$ 738,219	\$ 738,833

Program Budget Summary

Seven Year Summary of Commonwealth Programs

The following is a summary for the seven Commonwealth Programs of 2016-17 actual expenditures, 2017-18 amounts available, 2018-19 amounts budgeted and future year estimates for all the operating funds and capital bond authorizations as presented in the 2018-19 Governor's Executive Budget. A breakdown of each Commonwealth Program by Category and Subcategory is shown on subsequent pages.

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
Debt Service							
General Fund.....	\$ 1,120,287	\$ 1,122,565	\$ 1,127,555	\$ 1,245,186	\$ 1,332,259	\$ 1,340,194	\$ 1,361,904
Special Funds.....	56,021	53,446	53,485	53,459	53,419	53,462	53,509
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	81,939	72,056	96,107	86,000	80,887	90,187	89,235
Total Operating.....	\$ 1,258,247	\$ 1,248,067	\$ 1,277,147	\$ 1,384,645	\$ 1,466,565	\$ 1,483,843	\$ 1,504,648
Capital Bond Authorizations...	\$ 0	\$ 0	\$ 878,082	\$ 851,581	\$ 902,933	\$ 900,480	\$ 871,337
Program Total.....	\$ 1,258,247	\$ 1,248,067	\$ 2,155,229	\$ 2,236,226	\$ 2,369,498	\$ 2,384,323	\$ 2,375,985
COMMONWEALTH TOTALS							
General Fund.....	\$ 31,941,787	\$ 31,997,476	\$ 32,987,275	\$ 34,555,942	\$ 35,612,139	\$ 36,496,597	\$ 37,404,888
Special Funds.....	4,614,613	4,693,110	4,927,969	4,873,756	4,855,693	4,874,833	4,935,208
Federal Funds.....	28,537,387	29,200,624	29,596,794	29,893,878	30,827,177	31,760,551	32,661,589
Other Funds.....	14,608,676	15,587,273	17,215,802	16,636,936	16,775,611	16,873,345	17,003,862
Total Operating.....	\$ 79,702,463	\$ 81,478,483	\$ 84,727,840	\$ 85,960,512	\$ 88,070,620	\$ 90,005,326	\$ 92,005,547
Capital Bond Authorizations...	\$ 0	\$ 0	\$ 878,082	\$ 851,581	\$ 902,933	\$ 900,480	\$ 871,337
Program Total.....	\$ 79,702,463	\$ 81,478,483	\$ 85,605,922	\$ 86,812,093	\$ 88,973,553	\$ 90,905,806	\$ 92,876,884

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 Protecting Taxpayers 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)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
Administrative and Support Services..... \$	180,412 \$	174,548 \$	178,554 \$	178,539 \$	178,638 \$	178,526 \$	178,526
Executive Direction.....	119,680	109,557	112,554	112,539	112,638	112,526	112,526
Personnel Selection.....	1	1	1	1	1	1	1
Ethics Commission.....	2,433	2,645	2,667	2,667	2,667	2,667	2,667
Legal Services.....	3,823	3,702	4,086	4,086	4,086	4,086	4,086
Health Care Reporting.....	2,710	2,752	3,355	3,355	3,355	3,355	3,355
Government Support Agencies.....	51,765	55,891	55,891	55,891	55,891	55,891	55,891
Fiscal Management..... \$	855,800 \$	883,686 \$	914,485 \$	917,464 \$	928,259 \$	932,563 \$	942,624
Revenue Collection and Administration.....	731,838	768,973	800,522	803,501	814,296	818,600	828,576
Disbursement.....	75,728	72,755	71,058	71,058	71,058	71,058	71,058
Auditing.....	48,234	41,958	42,905	42,905	42,905	42,905	42,990
Physical Facilities and Commodities Management..... \$	129,696 \$	126,144 \$	130,011 \$	139,787 \$	139,787 \$	139,787 \$	139,787
Facility, Property and Commodity Management.....	129,696	126,144	130,011	139,787	139,787	139,787	139,787
Legislative Processes..... \$	310,357 \$	325,243 \$	325,243 \$	325,243 \$	325,243 \$	325,243 \$	325,243
Legislature.....	310,357	325,243	325,243	325,243	325,243	325,243	325,243
Interstate Relations..... \$	1,040 \$	901 \$	1,070 \$	1,070 \$	1,070 \$	1,070 \$	1,070
Interstate Relations.....	1,040	901	1,070	1,070	1,070	1,070	1,070
PROGRAM TOTAL.....	1,477,305 \$	1,510,522 \$	1,549,363 \$	1,562,103 \$	1,572,997 \$	1,577,189 \$	1,587,250

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 Keeping Pennsylvania Safe and Protecting the Environment themes in the Overview and Summaries section highlight 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)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
General Administration and Support \$	45,092 \$	50,885 \$	46,693 \$	46,735 \$	46,735 \$	46,735 \$	46,735
Criminal and Juvenile Justice Planning.....	28,671	35,222	29,834	29,834	29,834	29,834	29,834
Environmental Support Services.....	16,421	15,663	16,859	16,901	16,901	16,901	16,901
Public Protection and Law Enforcement \$	1,301,181 \$	1,294,386 \$	1,335,010 \$	1,329,037 \$	1,316,628 \$	1,294,050 \$	1,299,072
State Police.....	1,049,821	1,030,096	1,030,176	1,021,171	1,021,135	1,001,592	1,006,723
Attorney General.....	95,583	95,583	103,034	103,034	103,034	103,034	103,034
Highway Safety Administration and Licensing.....	155,777	168,707	201,800	204,832	192,459	189,424	189,315
Control and Reduction of Crime \$	2,563,525 \$	2,437,713 \$	2,542,061 \$	2,542,061 \$	2,533,438 \$	2,522,707 \$	2,522,707
Institutionalization of Offenders.....	2,399,903	2,276,464	2,367,254	2,367,254	2,358,631	2,349,287	2,349,287
Reintegration of Adult Offenders.....	163,622	161,249	174,807	174,807	174,807	173,420	173,420
Juvenile Crime Prevention \$	21,807 \$	21,780 \$	21,922 \$	21,922 \$	21,922 \$	21,922 \$	21,922
Reintegration of Juvenile Delinquents.....	21,807	21,780	21,922	21,922	21,922	21,922	21,922
Adjudication of Defendants \$	355,503 \$	355,503 \$	355,503 \$	355,503 \$	355,503 \$	355,503 \$	355,503
State Judicial System.....	355,503	355,503	355,503	355,503	355,503	355,503	355,503
Public Order and Community Safety \$	41,680 \$	51,780 \$	41,655 \$	41,655 \$	41,655 \$	36,088 \$	36,088
Emergency Management.....	17,479	28,238	13,182	13,182	13,182	11,173	11,173
State Military Readiness.....	24,201	23,542	28,473	28,473	28,473	24,915	24,915
Protection From Natural Hazards and Disasters \$	134,425 \$	133,138 \$	140,199 \$	141,283 \$	141,283 \$	140,798 \$	140,798
Environmental Protection and Management.....	134,425	133,138	140,199	141,283	141,283	140,798	140,798
Consumer Protection \$	166,900 \$	166,037 \$	171,120 \$	169,751 \$	169,705 \$	169,751 \$	169,695
Consumer Protection.....	11,781	10,270	10,399	9,180	9,134	9,180	9,124
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)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
Consumer Protection (Continued)							
Protection and Development of Agricultural Industries.....	155,119	155,767	153,721	153,571	153,571	153,571	153,571
Community and Occupational Safety and Stability..... \$	28,193 \$	20,490 \$	21,164 \$	21,164 \$	21,164 \$	21,164 \$	21,164
Community and Occupational Safety and Stability.....	25,742	17,874	18,455	18,455	18,455	18,455	18,455
Fire Prevention and Safety.....	2,451	2,616	2,709	2,709	2,709	2,709	2,709
Prevention & Elimination of Discriminatory Practices. \$	9,419 \$	8,684 \$	10,018 \$	10,018 \$	10,018 \$	10,018 \$	10,018
Prevention & Elimination of Discriminatory Practices.....	9,419	8,684	10,018	10,018	10,018	10,018	10,018
PROGRAM TOTAL.....	\$ 4,667,725 \$	\$ 4,540,396 \$	\$ 4,685,345 \$	\$ 4,679,129 \$	\$ 4,658,051 \$	\$ 4,618,736 \$	\$ 4,623,702

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 Protecting Taxpayers and the Building a Workforce, Growing the Economy 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)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
Educational Support Services \$	27,959	\$ 29,711	\$ 29,883	\$ 29,883	\$ 29,883	\$ 29,883	\$ 29,883
Education Support Services.....	27,959	29,711	29,883	29,883	29,883	29,883	29,883
Basic Education \$	11,422,746	\$ 11,847,018	\$ 12,449,840	\$ 12,905,354	\$ 13,232,945	\$ 13,545,245	\$ 13,874,545
PreK-12 Education.....	11,404,951	11,829,282	12,433,042	12,888,556	13,216,147	13,528,447	13,857,747
Public Utility Realty Payments.....	17,795	17,736	16,798	16,798	16,798	16,798	16,798
Higher Education \$	1,628,496	\$ 1,644,751	\$ 1,661,076	\$ 1,671,076	\$ 1,681,076	\$ 1,691,076	\$ 1,701,076
Higher Education.....	1,307,207	1,322,962	1,339,787	1,349,787	1,359,787	1,369,787	1,379,787
Financial Assistance to Students.....	293,294	293,794	293,294	293,294	293,294	293,294	293,294
Financial Assistance to Institutions.....	27,995	27,995	27,995	27,995	27,995	27,995	27,995
PROGRAM TOTAL \$	13,079,201	\$ 13,521,480	\$ 14,140,799	\$ 14,606,313	\$ 14,943,904	\$ 15,266,204	\$ 15,605,504

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 Protecting Taxpayers, Supporting Opportunities for Women and Families, Protecting the Most Vulnerable, and Keeping Pennsylvania Safe themes in the Overview and Summaries section highlight 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)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
Health and Human Services Support.....	\$ 205,522	\$ 203,544	\$ 208,137	\$ 208,137	\$ 208,137	\$ 205,787	\$ 205,787
Health and Human Services Support.....	205,522	203,544	208,137	208,137	208,137	205,787	205,787
Social Development of Individuals.....	\$ 1,708,695	\$ 1,765,060	\$ 1,848,675	\$ 1,848,675	\$ 1,848,675	\$ 1,848,675	\$ 1,848,675
Human Services.....	1,275,948	1,305,387	1,356,623	1,356,623	1,356,623	1,356,623	1,356,623
Child Development.....	432,747	459,673	492,052	492,052	492,052	492,052	492,052
Support of Older Pennsylvanians.....	\$ 825,687	\$ 798,980	\$ 767,996	\$ 732,471	\$ 710,295	\$ 704,278	\$ 703,488
Community Services for Older Pennsylvanians.....	374,787	379,280	365,196	332,271	317,595	319,078	320,788
Homeowners and Renters Assistance.....	281,900	264,700	262,800	260,200	257,700	255,200	252,700
Pharmaceutical Assistance.....	169,000	155,000	140,000	140,000	135,000	130,000	130,000
Income Maintenance.....	\$ 599,524	\$ 543,411	\$ 514,583	\$ 513,392	\$ 513,392	\$ 513,392	\$ 513,392
Eligibility and Self-Sufficiency.....	579,069	522,275	493,395	492,204	492,204	492,204	492,204
Workers Compensation and Assistance.....	1,089	893	795	795	795	795	795
Military Compensation and Assistance.....	19,366	20,243	20,393	20,393	20,393	20,393	20,393
Physical Health Treatment.....	\$ 7,950,826	\$ 7,486,915	\$ 7,651,925	\$ 8,609,885	\$ 9,172,799	\$ 9,677,966	\$ 10,127,078
Medical Assistance and Health Care Delivery.....	5,016,547	4,381,697	4,357,157	4,653,983	4,864,194	5,082,652	5,349,561
Aging and Adult Community Living.....	2,577,791	2,771,897	2,970,193	3,631,327	3,984,030	4,270,739	4,452,942
Emergency Food Assistance.....	21,267	21,267	21,267	21,267	21,267	21,267	21,267
Prevention and Treatment of Drug and Alcohol Abuse.....	47,604	46,227	46,501	46,501	46,501	46,501	46,501
Veterans Homes.....	102,351	98,401	104,878	104,878	104,878	104,878	104,878
Public Health.....	163,238	144,075	128,009	128,009	128,009	128,009	128,009
Health Care Quality and Licensure.....	22,028	23,351	23,920	23,920	23,920	23,920	23,920
Mental Health and Substance Use Services.....	\$ 843,330	\$ 819,964	\$ 834,430	\$ 834,430	\$ 834,430	\$ 834,430	\$ 834,430
Mental Health and Substance Use Services.....	843,330	819,964	834,430	834,430	834,430	834,430	834,430
Intellectual Disabilities.....	\$ 1,787,290	\$ 1,963,571	\$ 2,007,668	\$ 2,053,638	\$ 2,117,243	\$ 2,184,432	\$ 2,254,308
Intellectual Disabilities.....	1,787,290	1,963,571	2,007,668	2,053,638	2,117,243	2,184,432	2,254,308
PROGRAM TOTAL.....	\$ 13,920,874	\$ 13,581,445	\$ 13,833,414	\$ 14,800,628	\$ 15,404,971	\$ 15,968,960	\$ 16,487,158

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 Protecting Taxpayers, Building a Workforce, Growing the Economy, Supporting Opportunities for Women and Families, and Protecting the Environment themes in the Overview and Summaries section highlight 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)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
Economic Development and Job Creation \$	79,987 \$	70,378 \$	75,011 \$	75,011 \$	75,011 \$	75,011 \$	75,011
Job Creation, Business Growth and Attraction.....	79,987	70,378	75,011	75,011	75,011	75,011	75,011
Global Economic Development \$	6,022 \$	5,800 \$	5,871 \$	5,871 \$	5,871 \$	5,871 \$	5,871
Pennsylvania Worldwide.....	6,022	5,800	5,871	5,871	5,871	5,871	5,871
Innovative Economic Development \$	15,350 \$	27,350 \$	26,500 \$	26,500 \$	26,500 \$	26,500 \$	26,500
Pennsylvania Innovation Economy.....	15,350	27,350	26,500	26,500	26,500	26,500	26,500
Workforce Investment \$	52,894 \$	50,311 \$	60,548 \$	60,548 \$	60,548 \$	60,548 \$	60,548
Workforce Development.....	2,313	2,313	11,813	11,813	11,813	11,813	11,813
Vocational Rehabilitation.....	50,581	47,998	48,735	48,735	48,735	48,735	48,735
Commonwealth Economic Assets \$	12,164 \$	13,642 \$	4,067 \$	4,067 \$	4,067 \$	4,067 \$	4,067
PA Assets.....	12,164	13,642	4,067	4,067	4,067	4,067	4,067
Community Development \$	45,932 \$	41,983 \$	24,731 \$	24,731 \$	24,731 \$	24,731 \$	24,731
Pennsylvania Communities.....	33,050	29,143	12,570	12,570	12,570	12,570	12,570
Public Utility Realty Payments.....	12,882	12,840	12,161	12,161	12,161	12,161	12,161
PROGRAM TOTAL \$	212,349 \$	209,464 \$	196,728 \$	196,728 \$	196,728 \$	196,728 \$	196,728

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 Keeping Pennsylvania Safe 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)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
Transportation Systems and Services.....	\$ 1,814,071	\$ 1,946,032	\$ 2,106,597	\$ 2,063,994	\$ 2,080,346	\$ 2,124,718	\$ 2,199,102
Transportation Support Services.....	60,536	63,421	63,421	63,421	63,421	63,421	63,421
Highways and Bridges.....	1,246,418	1,370,657	1,523,657	1,484,657	1,500,657	1,544,657	1,618,657
Local Highway and Bridge Assistance.....	328,235	333,072	340,637	337,034	337,386	337,758	338,142
Multimodal Transportation.....	178,882	178,882	178,882	178,882	178,882	178,882	178,882
PROGRAM TOTAL.....	\$ 1,814,071	\$ 1,946,032	\$ 2,106,597	\$ 2,063,994	\$ 2,080,346	\$ 2,124,718	\$ 2,199,102

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)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
Recreation \$	113,961 \$	112,200 \$	128,200 \$	128,400 \$	131,399 \$	131,481 \$	131,481
Parks and Forests Management.....	113,961	112,200	128,200	128,400	131,399	131,481	131,481
Cultural Enrichment \$	94,606 \$	93,036 \$	93,758 \$	93,758 \$	93,758 \$	93,758 \$	93,758
State Historical Preservation.....	19,927	18,633	19,272	19,272	19,272	19,272	19,272
Local Museum Assistance.....	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Development of Artists and Audiences.....	10,554	10,429	10,429	10,429	10,429	10,429	10,429
State Library Services.....	62,125	61,974	62,057	62,057	62,057	62,057	62,057
PROGRAM TOTAL \$	208,567 \$	205,236 \$	221,958 \$	222,158 \$	225,157 \$	225,239 \$	225,239

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)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
Debt Service.....	\$ 1,176,308	\$ 1,176,011	\$ 1,181,040	\$ 1,298,645	\$ 1,385,678	\$ 1,393,656	\$ 1,415,413
Debt Service.....	1,176,308	1,176,011	1,181,040	1,298,645	1,385,678	1,393,656	1,415,413
PROGRAM TOTAL.....	\$ 1,176,308	\$ 1,176,011	\$ 1,181,040	\$ 1,298,645	\$ 1,385,678	\$ 1,393,656	\$ 1,415,413



Commonwealth of Pennsylvania

Governor's Executive Budget

SUMMARY

BY

FUND

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GENERAL FUND

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

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

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Financial Statement

The following financial statement and accompanying notes are a summary of the General Fund revenues and expenditures for the 2016-17 actual year, 2017-18 available year and 2018-19 budget year. The financial statement excludes augmentations and Federal funds that are detailed in subsequent tables.

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Beginning Balance	\$ 1,991	\$ -1,539,333	\$ 41,468
Adjustment to Beginning Balance.....	3,150	15,000	0
Adjusted Beginning Balance.....	\$ 5,141	\$ -1,524,333	\$ 41,468
Revenue:			
Revenue Receipts.....	\$32,776,400	\$34,752,100	\$33,971,600
Adjustment to Revenue Receipts.....	-1,107,400	0	0
Proposed Revenue Changes.....	0	0	248,700
Less Refunds.....	-1,350,000	-1,385,000	-1,359,000
Total Revenue.....	\$30,319,000	\$33,367,100	\$32,861,300
Prior Year Lapses.....	78,313	210,000	100,000
Funds Available.....	\$30,402,454	\$32,052,767	\$33,002,768
Expenditures:			
Appropriations.....	\$31,941,787	\$32,011,101	\$32,987,275
Supplemental Appropriations.....	0	-13,625	0
Total State Expenditures.....	\$31,941,787	\$31,997,476	\$32,987,275
Preliminary Balance.....	\$ -1,539,333	\$ 55,291	\$ 15,493
Less Transfer to Budget Stabilization			
Reserve Fund.....	0	-13,823	-3,873
Ending Balance	<u>\$ -1,539,333</u>	<u>\$ 41,468</u>	<u>\$ 11,620</u>

NOTES ON FINANCIAL STATEMENT
(Dollar Amounts in Thousands)

PROPOSED TAX AND REVENUE MODIFICATIONS

**2018-19
Estimated**

Tax Revenue:

Severance Tax..... \$ 248,700
Effective July 1, 2018, a severance tax based on volume and the rate schedule below. The rate is applied to each thousand cubic feet (MCF).

PRICE RANGE	RATE PER MCF
\$0.00 - \$3.00	0.042
\$3.01 - \$4.99	0.053
\$5.00 - \$5.99	0.064
\$6.00 or greater	0.074

Corporate Net Income Tax (CNIT)..... NA
Effective January 1, 2019, cap Net Operating Losses at 40% of taxable income accompanied by mandatory combined reporting. Effective January 1, 2020, the CNIT rate is proposed to be reduced from 9.99% to 9.49%. The CNIT rate is proposed to be further reduced to 8.99% in 2021; 8.49% in 2022; 7.99% in 2023 and thereafter.

TOTAL PROPOSED TAX AND REVENUE MODIFICATIONS..... \$ 248,700

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

SUPPLEMENTAL APPROPRIATIONS

	2017-18 Available
STATE SUPPLEMENTALS	
Executive Offices	
Office of Administration.....	\$ -140
Commonwealth Technology Services.....	-552
Inspector General - Welfare Fraud.....	-118
Office of the Budget.....	-170
Office of General Counsel.....	-70
Human Relations Commission.....	-86
Executive Offices Total.....	<u>\$ -1,136</u>
Treasury	
Cash Management Loan Interest (EA).....	\$ -7,500
Agriculture	
General Government Operations.....	\$ -326
Community and Economic Development	
General Government Operations.....	\$ -139
Conservation and Natural Resources	
General Government Operations.....	\$ -165
State Parks Operations.....	-143
State Forests Operations.....	-78
Conservation and Natural Resources Total.....	<u>\$ -386</u>
Criminal Justice	
General Government Operations.....	\$ -259
Medical Care.....	-1,284
Inmate Education and Training.....	-450
State Correctional Institutions.....	-18,435
State Field Supervision.....	-1,484
PA Parole Board.....	-110
Criminal Justice Total.....	<u>\$ -22,022</u>
Education	
General Government Operations.....	\$ -172
Environmental Protection	
General Government Operations.....	\$ -85
Environmental Program Management.....	-275
Environmental Protection Operations.....	-913
Environmental Protection Total.....	<u>\$ -1,273</u>
General Services	
General Government Operations.....	\$ -502
Capitol Police Operations.....	-134
General Services Total.....	<u>\$ -636</u>
Health and Human Services	
General Government Operations.....	\$ -1,089
County Administration - Statewide.....	-449
County Assistance Offices.....	-3,910
Quality Assurance.....	-207
Vital Statistics.....	1,000
State Health Care Centers.....	4,638
New Directions.....	-252
Youth Development Institutions and Forestry Camps.....	-852
Mental Health Services.....	-7,622

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

SUPPLEMENTAL APPROPRIATIONS

	2017-18 Available
Health and Human Services (continued)	
Intellectual Disabilities - State Centers.....	-1,849
Medical Assistance - Capitation.....	-193,208
Medical Assistance - Fee for Service.....	\$ -28,024
Payment to Federal Government - Medicare Drug Program.....	1,608
Medical Assistance - Long-Term Care.....	50,038
Home and Community-Based Services.....	150,826
Long-Term Care Managed Care.....	-7,181
Services to Persons with Disabilities.....	27,015
Attendant Care.....	24,968
Autism Intervention and Services.....	761
Special Pharmaceutical Services.....	-204
Early Intervention.....	7,551
Health and Human Services Total.....	\$ 23,558
Labor and Industry	
General Government Operations.....	\$ -72
Military and Veterans Affairs	
General Government Operations.....	\$ -243
Veterans Homes.....	-1,175
Military and Veterans Affairs Total.....	\$ -1,418
Revenue	
General Government Operations.....	\$ -1,364
State Police	
General Government Operations.....	\$ -484
Emergency Management Agency	
General Government Operations.....	\$ -67
Historical and Museum Commission	
General Government Operations.....	\$ -188
TOTAL STATE SUPPLEMENTALS.....	\$ -13,625
 FEDERAL SUPPLEMENTALS	
Health and Human Services	
Medical Assistance - Physician Practice Plans.....	\$ 2
Medical Assistance - Academic Medical Centers.....	1,065
Medical Assistance - Home & Community-Based Services.....	158,660
Medical Assistance - Services to Persons with Disabilities.....	29,903
Medical Assistance - Attendant Care.....	26,965
Child Welfare Training and Certification.....	512
Family Violence Prevention Services.....	350
Health and Human Services Total.....	\$ 217,457
TOTAL FEDERAL SUPPLEMENTALS.....	\$ 217,457
TOTAL SUPPLEMENTALS.....	\$ 203,832

State Funds by Department

The following is a summary, by department, of 2016-17 actual expenditures, the 2017-18 amounts available and the 2018-19 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	2016-17 Actual	2017-18 Available	2018-19 Budget
Governor's Office.....	\$ 6,887	\$ 6,548	\$ 6,548
Executive Offices.....	184,068	179,817	179,480
Lieutenant Governor's Office.....	1,755	1,682	1,741
Attorney General.....	95,583	95,583	103,034
Auditor General.....	48,234	41,958	42,905
Treasury.....	1,170,602	1,169,415	1,173,720
Agriculture.....	143,658	143,806	141,760
Civil Service Commission.....	1	1	1
Community and Economic Development	145,500	145,240	123,269
Conservation and Natural Resources.....	106,961	105,200	121,200
Criminal Justice ^a	2,563,525	2,437,713	2,542,061
Education ^b	12,801,142	13,242,829	13,863,669
Higher Education Assistance Agency.....	321,289	321,789	321,289
Emergency Management Agency.....	19,930	30,854	15,891
Environmental Protection ^c	150,846	148,801	157,058
Ethics Commission.....	2,433	2,645	2,667
General Services.....	119,390	116,844	120,624
Health Care Cost Containment Council.....	2,710	2,752	3,355
Historical and Museum Commission.....	21,927	20,633	21,272
Health and Human Services ^d	12,595,461	12,341,985	12,563,229
Drug and Alcohol Programs.....	47,604	46,227	46,501
Insurance.....	-	-	7,000
Labor and Industry.....	79,725	69,078	79,798
Military and Veterans Affairs.....	145,918	142,186	153,744
Revenue ^e	178,788	183,612	186,298
State.....	11,781	10,270	10,399
State Police.....	256,938	251,746	260,507
Transportation.....	1,506	1,625	1,618
Legislature.....	310,357	325,243	325,243
Judiciary.....	355,503	355,503	355,503
Government Support Agencies.....	51,765	55,891	55,891
GRAND TOTAL.....	\$ 31,941,787	\$ 31,997,476	\$ 32,987,275

^a The Department of Corrections and the Board of Probation and Parole transferred to the Department of Criminal Justice (2017-18).

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

^c Includes Environmental Hearing Board.

^d The Department of Health and the Department of Human Services transfers to the Department of Health and Human Services (2018-19).

^e Excludes refunds.

Federal Funds by Department

The following is a summary of Federal funds, by department, of 2016-17 actual expenditures, the 2017-18 amounts available and the 2018-19 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	2016-17 Actual	2017-18 Available	2018-19 Budget
Executive Offices.....	\$ 148,012	\$ 151,806	\$ 172,967
Lieutenant Governor's Office.....	38	-	-
Attorney General.....	21,195	21,082	13,124
Agriculture.....	54,003	82,853	97,353
Community and Economic Development.....	247,739	251,540	232,007
Conservation and Natural Resources.....	41,875	41,832	43,678
Criminal Justice ^a	6,420	6,177	8,197
Education.....	2,411,126	2,421,736	2,347,402
Emergency Management Agency.....	237,335	170,438	142,442
Environmental Protection ^b	218,228	217,881	219,625
Health and Human Services ^c	22,054,893	22,381,416	22,978,710
Drug and Alcohol Programs.....	108,092	132,998	109,921
Aging.....	171,176	183,398	154,702
Historical and Museum Commission.....	8,083	7,792	4,141
Infrastructure Investment Authority.....	178,591	167,500	167,500
Insurance.....	4,555	8,750	8,750
Labor and Industry.....	491,643	500,492	496,742
Military and Veterans Affairs.....	256,281	195,539	174,655
Public Utility Commission.....	2,680	5,537	6,067
State.....	12,960	10,557	8,467
State Police.....	21,081	20,228	25,589
Transportation.....	155,498	197,200	165,200
Judiciary.....	2,137	1,784	1,547
Government Support Agencies.....	1,280	1,280	-
GRAND TOTAL.....	<u>\$ 26,854,921</u>	<u>\$ 27,179,816</u>	<u>\$ 27,578,786</u>

^a The Department of Corrections and the Board of Probation and Parole transferred to the Department of Criminal Justice (2017-18).

^b Includes Environmental Hearing Board.

^c The Department of Health and the Department of Human Services transfers to the Department of Health and Human Services (2018-19).

Augmentations by Department

The following is a summary of augmentations, by department, of 2016-17 actual expenditures, the 2017-18 amounts available and the 2018-19 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	2016-17 Actual	2017-18 Available	2018-19 Budget
Executive Offices.....	\$ 134,057	\$ 133,803	\$ 339,272
Attorney General ^a	15,825	17,338	17,446
Auditor General.....	11,218	11,671	11,550
Treasury.....	9,522	7,314	32,520
Agriculture.....	6,375	7,741	7,407
Banking and Securities ^a	8,500	8,500	9,515
Civil Service Commission.....	13,770	13,434	13,368
Community and Economic Development ^a	9,251	9,028	8,702
Conservation and Natural Resources.....	61,271	61,292	61,292
Criminal Justice ^b	35,671	46,882	46,230
Education.....	4,849	6,945	6,464
Higher Education Assistance Agency.....	97,000	97,500	97,500
Emergency Management Agency.....	1,053	1,064	1,050
Environmental Protection ^{a c}	33,942	40,584	38,299
General Services.....	64,304	61,380	62,493
Health and Human Services ^{a d}	2,536,695	2,836,929	4,061,991
Drug and Alcohol Programs.....	2,501	2,503	2,503
Historical and Museum Commission.....	1,273	1,289	1,388
Labor and Industry ^a	2,251	9,078	9,045
Military and Veterans Affairs.....	32,065	32,398	31,947
Public Utility Commission ^a	71,947	73,499	74,185
Revenue.....	65,484	64,033	59,697
State ^a	63,518	66,936	66,841
State Police ^a	81,990	87,685	171,249
Judiciary ^a	51,747	57,048	57,048
GRAND TOTAL.....	\$ 3,416,079	\$ 3,755,874	\$ 5,289,002

^a Includes funds appropriated or authorized from restricted revenues.

^b The Department of Corrections and the Board of Probation and Parole transferred to the Department of Criminal Justice (2017-18).

^c Includes Environmental Hearing Board.

^d The Department of Health and the Department of Human Services transfers to the Department of Health and Human Services (2018-19).

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)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
TAX REVENUE							
Corporation Taxes							
Corporate Net Income Tax.....	\$ 2,751,473	\$ 3,010,100	\$ 3,074,700	\$ 4,007,700	\$ 4,289,800	\$ 3,932,700	\$ 3,847,800
Selective Business:							
Gross Receipts Tax.....	1,230,536	1,229,400	1,229,900	1,229,900	1,229,900	1,229,900	1,229,900
Public Utility Realty Tax.....	40,185	40,800	41,200	41,600	42,000	42,400	42,800
Insurance Premium Tax.....	433,426	392,900	344,300	346,500	355,200	368,500	419,200
Financial Institutions Taxes.....	322,544	323,200	331,700	334,600	333,200	333,000	335,600
Severance Tax.....	0	0	248,700	264,100	355,300	376,500	393,500
Total - Corporation Taxes.....	\$ 4,778,164	\$ 4,996,400	\$ 5,270,500	\$ 6,224,400	\$ 6,605,400	\$ 6,283,000	\$ 6,268,800
Consumption Taxes							
Sales and Use Tax.....	\$ 10,004,459	\$ 10,407,400	\$ 10,781,600	\$ 10,935,900	\$ 11,163,100	\$ 11,441,700	\$ 11,350,800
Cigarette Tax.....	1,261,573	1,230,400	1,182,900	1,143,100	1,105,400	1,069,200	1,034,200
Other Tobacco Products Tax.....	83,915	122,200	123,400	124,600	125,800	127,000	128,200
Malt Beverage Tax.....	24,396	24,500	24,500	24,500	24,500	24,500	24,500
Liquor Tax.....	361,856	373,900	388,800	405,100	422,000	439,600	457,900
Total - Consumption Taxes.....	\$ 11,736,199	\$ 12,158,400	\$ 12,501,200	\$ 12,633,200	\$ 12,840,800	\$ 13,102,000	\$ 12,995,600
Other Taxes							
Personal Income Tax.....	\$ 12,664,373	\$ 13,399,900	\$ 14,127,200	\$ 14,786,200	\$ 15,525,800	\$ 16,191,400	\$ 16,774,400
Realty Transfer Tax.....	478,005	509,800	547,300	584,900	606,500	610,000	613,400
Inheritance Tax.....	977,927	1,012,700	1,061,600	1,102,400	1,142,100	1,182,600	1,226,200
Table Games.....	120,611	123,100	148,900	147,700	159,300	163,900	167,400
Minor and Repealed Taxes.....	-2,961 ^{ab}	-41,900	-47,200	-60,700	-79,600	-106,800	-129,300
Total - Other Taxes.....	\$ 14,237,955	\$ 15,003,600	\$ 15,837,800	\$ 16,560,500	\$ 17,354,100	\$ 18,041,100	\$ 18,652,100
TOTAL TAX REVENUES.....	\$ 30,752,318	\$ 32,158,400	\$ 33,609,500	\$ 35,418,100	\$ 36,800,300	\$ 37,426,100	\$ 37,916,500
NONTAX REVENUE							
State Stores Fund Transfer.....	\$ 216,400	\$ 185,100	\$ 185,100	\$ 185,100	\$ 185,100	\$ 185,100	\$ 185,100
Licenses, Fees and Miscellaneous:							
Licenses and Fees.....	119,139	366,400	158,670	115,900	115,900	115,900	118,500
Miscellaneous.....	501,867	1,974,000	194,830	165,000	165,000	165,000	165,000
Fines, Penalties and Interest:							
Other.....	79,276	68,200	72,200	72,200	72,200	72,200	72,200
TOTAL NONTAX REVENUES.....	\$ 916,682	\$ 2,593,700	\$ 610,800	\$ 538,200	\$ 538,200	\$ 538,200	\$ 540,800
GENERAL FUND TOTAL.....	\$ 31,669,000	\$ 34,752,100	\$ 34,220,300	\$ 35,956,300	\$ 37,338,500	\$ 37,964,300	\$ 38,457,300

^a This includes revenues originally collected under the Other Selective Business Taxes revenue classification.

^b This includes revenues originally collected under the Capital Stock and Franchise Taxes revenue classification.

Details may not add to totals due to rounding.

Adjustments to Revenue Estimate

On November 6, 2017, the Official Estimate for fiscal year 2017-18 was certified to be \$34,704,100. 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)		
	2017-18 Official Estimate	Adjustments	2017-18 Revised Estimate
TAX REVENUE			
Corporation Taxes			
Corporate Net Income Tax.....	\$ 3,118,700	\$ -108,600	\$ 3,010,100
Selective Business:			
Gross Receipts Tax.....	1,236,600	-7,200	1,229,400
Public Utility Realty Tax.....	40,500	300	40,800
Insurance Premiums Tax.....	388,100	4,800	392,900
Financial Institutions Tax.....	325,100	-1,900	323,200
Total — Corporation Taxes.....	<u>\$ 5,109,000</u>	<u>\$ -112,600</u>	<u>\$ 4,996,400</u>
Consumption Taxes			
Sales and Use Tax.....	\$ 10,340,900	\$ 66,500	\$ 10,407,400
Cigarette Tax.....	1,250,600	-20,200	1,230,400
Other Tobacco Products Tax.....	121,600	600	122,200
Malt Beverage Tax.....	24,500	0	24,500
Liquor Tax.....	379,600	-5,700	373,900
Total — Consumption Taxes.....	<u>\$ 12,117,200</u>	<u>\$ 41,200</u>	<u>\$ 12,158,400</u>
Other Taxes			
Personal Income Tax.....	\$ 13,304,800	\$ 95,100	\$ 13,399,900
Realty Transfer Tax.....	514,100	-4,300	509,800
Inheritance Tax.....	1,017,000	-4,300	1,012,700
Table Games.....	123,100	0	123,100
Minor and Repealed Taxes.....	-51,900	10,000	-41,900
Total — Other Taxes.....	<u>\$ 14,907,100</u>	<u>\$ 96,500</u>	<u>\$ 15,003,600</u>
TOTAL TAX REVENUE.....	<u>\$ 32,133,300</u>	<u>\$ 25,100</u>	<u>\$ 32,158,400</u>
NONTAX REVENUE			
State Stores Fund Transfer.....	\$ 185,100	\$ 0	\$ 185,100
Licenses Fees and Miscellaneous:			
Licenses and Fees.....	369,700	-3,300	366,400
Miscellaneous.....	1,946,600	27,400	1,974,000
Fines, Penalties and Interest:			
Other.....	69,400	-1,200	68,200
TOTAL NONTAX REVENUES.....	<u>\$ 2,570,800</u>	<u>\$ 22,900</u>	<u>\$ 2,593,700</u>
GENERAL FUND TOTAL.....	<u>\$ 34,704,100</u>	<u>\$ 48,000</u>	<u>\$ 34,752,100</u>

General Fund Revenue Sources

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

Corporate Net Income Tax

Tax Base: This tax is paid by all domestic and foreign business corporations for the privilege of doing business, carrying on activities, or employing or owning capital or property in Pennsylvania and is levied on Federal taxable income with Pennsylvania modifications. When the entire business of any corporation is not transacted within Pennsylvania, taxable income usually is determined by a 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 base of the tax will be changed to mandatory unitary combined reporting, effective for tax years beginning January 1, 2019 and after.

A lower rate will be in effect as follows:

January 1, 2020 to December 31, 2020	9.49%
January 1, 2021 to December 31, 2021	8.99%
January 1, 2022 to December 31, 2022	8.49%
January 1, 2023 and thereafter	7.99%

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.

Tax Rates:

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

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

Public Utility Realty Tax

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

General Fund Revenue Sources

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.

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:

Bank and Trust Company Shares Tax

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

Title Insurance Companies Shares Tax

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

Mutual Thrift Institution Tax

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 tax will be assessed as a fixed amount per thousand cubic feet (MCF) of natural gas severed. The per MCF rate will be determined by the average annual price of gas for the preceding calendar year according to the following schedule:

<u>Price Range</u>	<u>Rate</u>
\$0.00 - \$3.00	4.2¢
\$3.01 - \$4.99	5.3¢
\$5.00 - \$5.99	6.4¢
\$6.00 or greater.....	7.4¢

The average annual price is determined using the arithmetic mean of New York Mercantile Exchange one-month futures contracts. The proposed tax would be effective July 1, 2018 with the first payment due June 15, 2019. After the initial year, the tax will be paid annually on June 15th, and will cover production from May of the previous calendar year to April of the concurrent year. The proposal does not change the Act 13 impact fee, nor is the fee allowed as a credit or deduction 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.

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. An additional transfer is made to the Local Cigarette Tax Fund if prior year deposits fall below \$58 million, effective for deposits made in FY 2016-17. The transfer is equal to the difference between \$58 million and actual deposits into the fund. 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 (1ϕ) per pint or 6 fluid ounces or fraction thereof.

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

Liquor Tax

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

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

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.

General Fund Revenue Sources

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: 12 percent of gross table game revenue. 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.

Interactive Gaming Tax

Tax Base: The interactive gaming tax is imposed on daily gross interactive gaming revenue of interactive gaming certificate holders and a multi-use gaming device tax is imposed on the daily gross interactive airport gaming revenue of interactive gaming certificate holders authorized to conduct interactive gaming at qualified airports. The tax applicable to peer-to-peer interactive games and non-peer-to-peer interactive games that simulate table games is deposited to the General Fund.

Tax Rate: The rate for taxes deposited to the General Fund is 14 percent of daily gross interactive gaming revenue of peer-to-peer interactive games and non-peer-to-peer interactive games that simulate table games.

Reference: Purdon's Title 4 P.S. § 13B20.4 and 13B52.

Fantasy Contest Tax

Tax Base: The fantasy contest tax is imposed on the monthly fantasy contest adjusted revenue of licensed operators. Monthly fantasy contest adjusted revenue is defined as, for each fantasy contest, the total amount of all entry fees collected from all participants entering the fantasy contest minus prizes or awards paid to participants in the fantasy contest, multiplied by the in-state percentage. The in-state percentage is, for each fantasy contest, the percentage of entry fees collected from all in-state participants divided by the total entry fees collected from all participants in the fantasy contest.

Tax Rate: The rate is 15 percent of monthly fantasy adjusted revenue.

Reference: Purdon's Title 4 P.S. § 331.

Video Gaming Terminal Tax

Tax Base: The video gaming terminal tax is imposed on gross terminal revenue from all video gaming terminals operated by a terminal operator licensee within this commonwealth. The tax is imposed on gross terminal revenue, which is defined as the total of cash or cash equivalents received by a video gaming terminal minus the total of cash or cash equivalents paid out to players as a result of playing a video gaming terminal. The tax revenue is deposited in the Video Gaming Fund, but transferred to the General Fund at the end of each fiscal year.

Tax Rate: The rate is 42 percent of gross terminal revenue.

Reference: Purdon's Title 4 P.S. § 4102.

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. Agricultural Cooperative Associations Corporate Tax, Act of May 23, 1945, P.L. 893; and Consumer Fireworks Tax, Act of October 30, 2017, P.L. 672 (Purdon's Title 72 P.S. § 9401 et seq.). 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)

	2016-17 Actual	2017-18 Estimated	2018-19 Budget
TAX REVENUE			
Coporate Net Income Tax	\$ 2,751,473	\$ 3,010,100	\$ 3,074,700
Gross Receipts Tax			
Electric, Hydroelectric and Water Power.....	\$ 863,128	\$ 862,300	\$ 862,700
Telephone and Telegraph.....	370,265	369,900	370,100
Transportation.....	2,550	2,500	2,500
Alternative Fuel Incentive Grant Fund Transfer.....	-5,407	-5,300	-5,400
SUBTOTAL.....	\$ 1,230,536	\$ 1,229,400	\$ 1,229,900
Public Utility Realty Tax	\$ 40,185	\$ 40,800	\$ 41,200
Insurance Premium Tax			
Domestic Casualty.....	\$ 77,882	\$ 70,600	\$ 68,200
Domestic Fire.....	19,275	17,500	16,900
Domestic Life and Previously Exempted Lines.....	54,872	49,700	13,000
Excess Insurance Brokers.....	35,186	31,900	30,800
Foreign Excess Casualty.....	3,027	2,700	2,600
Foreign Excess Fire.....	-662	-600	-600
Foreign Life.....	227,863	206,600	199,400
Marine-Foreign.....	353	300	300
Marine-Domestic.....	13	0	0
Title Insurance.....	9,156	8,300	8,000
Unauthorized Insurance.....	6,461	5,900	5,700
SUBTOTAL.....	\$ 433,426	\$ 392,900	\$ 344,300
Financial Institutions Taxes			
Federal Mutual Thrift Institutions.....	\$ 14,217	\$ 13,100	\$ 13,100
National Banks.....	220,303	221,900	228,100
State Banks.....	58,413	58,800	60,500
State Mutual Thrift Institutions.....	6,124	5,700	5,700
Trust Companies.....	23,487	23,700	24,300
SUBTOTAL.....	\$ 322,544	\$ 323,200	\$ 331,700
Severance Tax			
Severance Tax.....	\$ 0	\$ 0	\$ 248,700
SUBTOTAL.....	\$ 0	\$ 0	\$ 248,700
Sales and Use Tax			
Motor Vehicle.....	\$ 1,366,778	\$ 1,403,600	\$ 1,420,100
Non-Motor Vehicle.....	8,637,681	9,003,800	9,361,500
SUBTOTAL.....	\$ 10,004,459	\$ 10,407,400	\$ 10,781,600
Cigarette Tax	\$ 1,261,573	\$ 1,230,400	\$ 1,182,900
Other Tobacco Products Tax	\$ 83,915	\$ 122,200	\$ 123,400
Malt Beverage Tax	\$ 24,396	\$ 24,500	\$ 24,500
Liquor Tax	\$ 361,856	\$ 373,900	\$ 388,800

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Estimated	2018-19 Budget
Personal Income Tax			
Non-Withholding.....	\$ 3,049,917	\$ 3,355,400	\$ 3,629,100
Withholding.....	9,614,456	10,044,500	10,498,100
SUBTOTAL.....	<u>\$ 12,664,373</u>	<u>\$ 13,399,900</u>	<u>\$ 14,127,200</u>
Realty Transfer Tax	<u>\$ 478,005</u>	<u>\$ 509,800</u>	<u>\$ 547,300</u>
Inheritance Tax			
Nonresident Inheritance and Estate Tax.....	\$ 7,400	\$ 7,700	\$ 8,000
Resident Inheritance and Estate Tax.....	970,527	1,005,000	1,053,600
SUBTOTAL.....	<u>\$ 977,927</u>	<u>\$ 1,012,700</u>	<u>\$ 1,061,600</u>
Table Games	<u>\$ 120,611</u>	<u>\$ 123,100</u>	<u>\$ 148,900</u>
Minor and Repealed Taxes			
Corporate Loans Tax.....	\$ 3,174	\$ 800	\$ 100
Excess Motor Vehicle Tax.....	6,784	8,400	8,400
Wine Excise Tax.....	564	100	2,400
Tax on Writs, Wills and Deeds.....	1,125	1,100	1,100
NIZ State Tax Transfer.....	-56,375	-46,600	-57,500
CRIZ State Tax Transfer.....	-3,634	-12,500	-12,500
Tavern Games.....	1,435	1,000	1,000
Miscellaneous Business Taxes.....	507	200	200
Fireworks Tax.....	0	2,200	7,800
Capital Stock and Franchise Taxes.....	33,051 ^b	0	0
Other.....	10,408	3,400	1,800
SUBTOTAL.....	<u>\$ -2,961</u>	<u>\$ -41,900</u>	<u>\$ -47,200</u>
TOTAL TAX REVENUE	<u><u>\$ 30,752,318</u></u>	<u><u>\$ 32,158,400</u></u>	<u><u>\$ 33,609,500</u></u>
NONTAX REVENUE			
State Stores Fund Transfer	<u><u>\$ 216,400</u></u>	<u><u>\$ 185,100</u></u>	<u><u>\$ 185,100</u></u>
Licenses, Fees and Miscellaneous			
Executive Offices			
MISCELLANEOUS REVENUE			
Revenue Bonds and Other Miscellaneous.....	\$ -5,711	\$ 1,507,037	\$ 7,037
DEPARTMENT TOTAL.....	<u><u>\$ -5,711</u></u>	<u><u>\$ 1,507,037</u></u>	<u><u>\$ 7,037</u></u>
Lieutenant Governor's Office			
LICENSES AND FEES			
Board Of Pardons Fees.....	\$ 19	\$ 19	\$ 19
Board Of Pardons - Filing Fees.....	15	13	13
SUBTOTAL.....	<u>\$ 34</u>	<u>\$ 32</u>	<u>\$ 32</u>
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ *	\$ 0	\$ 0
Right to Know.....	*	*	*
SUBTOTAL.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Estimated	2018-19 Budget
DEPARTMENT TOTAL.....	\$ 34	\$ 32	\$ 32
Auditor General			
LICENSES AND FEES			
Filing Fees - Board of Arbitration of Claims.....	\$ 1	\$ 1	\$ 1
DEPARTMENT TOTAL.....	\$ 1	\$ 1	\$ 1
Attorney General			
MISCELLANEOUS REVENUE			
Assessed Civil Penalties Payments.....	\$ 18,294	\$ 520	\$ 520
Miscellaneous Interest Offset for Appropriation 611.....	-463	-190	-190
Miscellaneous.....	10	40	40
Refunds of Expenditures Not Credited to Appropriations.....	12	30	30
SUBTOTAL.....	\$ 17,853	\$ 400	\$ 400
DEPARTMENT TOTAL.....	\$ 17,853	\$ 400	\$ 400
Treasury			
MISCELLANEOUS REVENUE			
Allocation Of Treasury Costs.....	\$ 5,940	\$ 4,189	\$ 4,148
Dividend Income Reinvested - Long Term.....	350	10	10
Interest On Average Collected Balance - WIC Program.....	18	15	18
Interest On Deposits.....	19	22	23
Interest On Securities.....	*	*	*
Miscellaneous.....	596	150	100
Redeposit of Checks.....	329	150	100
Treasury Invest Inc.....	12,897	14,191	14,924
Unclaimed Property - Claim Payments.....	-230,000	-262,000	-229,000
Unclaimed Property - Financial Institution Deposits.....	69,634	54,189	50,310
Unclaimed Property - Other Holder Deposits.....	352,101	284,286	256,393
Interest Transferred To Hodge Trust Fund.....	-1	0	0
SUBTOTAL.....	\$ 211,883	\$ 95,202	\$ 97,026
DEPARTMENT TOTAL.....	\$ 211,883	\$ 95,202	\$ 97,026
Agriculture			
LICENSES AND FEES			
Abattoir Licenses.....	\$ 5	\$ 1	\$ 4
Approved Inspectors Certificate And Registration Fees.....	3	3	3
Eating & Drinking Licenses.....	2,354	2,500	2,500
Egg Certification Fees.....	8	12	12
Garbage Feeders Licenses.....	*	*	*
Ice Cream Licenses.....	148	140	140
Lab Directors' Exam Fees.....	5	2	2
Livestock Branding Fees.....	1	1	0
Poultry Technician Licenses.....	5	5	5
Pub Weighmasters (Under Act 155).....	227	200	200
Registration Fee - Food Establishment.....	232	235	235
Rendering Plant Licenses.....	1	2	2
SUBTOTAL.....	\$ 2,989	\$ 3,101	\$ 3,103
MISCELLANEOUS REVENUE			
Interest Earnings Contra BA68.....	\$ -54	\$ 0	\$ 0
Miscellaneous.....	2	0	0
Refunds of Expenditures Not Credited to Appropriations.....	1	0	0

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Estimated	2018-19 Budget
Right to Know.....	1	1	1
SUBTOTAL.....	\$ -50	\$ 1	\$ 1
DEPARTMENT TOTAL.....	\$ 2,939	\$ 3,102	\$ 3,104
Banking and Securities			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ *	\$ *	\$ *
LICENSES AND FEES			
Licenses and Fees.....	\$ 27,144	\$ 27,129	\$ 27,129
DEPARTMENT TOTAL.....	\$ 27,144	\$ 27,129	\$ 27,129
Community and Economic Development			
LICENSES AND FEES			
Municipal Indebtedness Fees.....	\$ 325	\$ 300	\$ 300
MISCELLANEOUS REVENUE			
PA 1st Principal Repayment.....	\$ 34	\$ 22	\$ 47
PA 1st Interest on Loans.....	12	5	12
Miscellaneous.....	2	2	2
Contract Interest.....	12	15	15
HRA/EDS Principle Repayments.....	20	435	337
HRA/EDS Interest on Loans.....	*	85	74
HRA/EDS Penalty Charges.....	*	0	0
ID/BID Principle Repayments.....	581	0	0
ID/BID Penalty Charges.....	*	0	0
ID/BID Interest on Loans.....	93	0	0
PENNWORKS Interest on Loans.....	977	850	836
PENNWORKS Penalty Charges.....	2	0	0
PENNWORKS Principle Repayment.....	4,391	3,900	4,275
Refunds of Expenditures Not Credited to Appropriations.....	*	1	1
GENERAL Interest on Loans.....	0	7	2
SUBTOTAL.....	\$ 6,124	\$ 5,322	\$ 5,601
DEPARTMENT TOTAL.....	\$ 6,449	\$ 5,622	\$ 5,901
Conservation and Natural Resources			
MISCELLANEOUS REVENUE			
Camp Leases.....	\$ 820	\$ 795	\$ 795
Ground Rents.....	16	15	15
Housing Rents.....	24	24	24
Mineral Sales.....	1	1	1
Miscellaneous.....	1	2	2
Sale of DEP Water Kits.....	1	1	1
Parks Consignment Sales.....	*	1	1
Refunds of Expenditures Not Credited to Appropriations.....	*	0	0
Rights-Of-Way.....	1,137	1,000	1,000
Water Leases.....	37	20	20
SUBTOTAL.....	\$ 2,037	\$ 1,859	\$ 1,859
DEPARTMENT TOTAL.....	\$ 2,037	\$ 1,859	\$ 1,859

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Estimated	2018-19 Budget
Criminal Justice			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 75	\$ 1,370	\$ 1,384
Refunds of Expenditures Not Credited to Appropriations.....	1	0	0
Telephone Commissions.....	3,770	3,491	3,525
Miscellaneous Revenue BA25.....	*	0	0
SUBTOTAL.....	\$ 3,846	\$ 4,861	\$ 4,909
DEPARTMENT TOTAL.....	\$ 3,846	\$ 4,861	\$ 4,909
Education			
LICENSES AND FEES			
Fees For GED Transcripts.....	\$ 20	\$ 0	\$ 0
Fees For Licensing Private Schools.....	138	145	145
PDE Fees Transcripts - Closed Private Schools.....	*	*	*
Private Academic School Teacher Certification Fees.....	39	38	38
Fees For Licensing Private Driver Training Schools.....	88	90	95
Secondary Education Evaluation Fees.....	8	9	9
Teacher Certification Fees.....	2,084	2,000	2,000
Fingerprint and FBI Background Check Fees.....	791	850	850
SUBTOTAL.....	\$ 3,168	\$ 3,132	\$ 3,137
MISCELLANEOUS REVENUE			
Right to Know.....	\$ 2	\$ 0	\$ 0
Refunds of Expenditures Not Credited to Appropriations.....	*	*	*
SUBTOTAL.....	\$ 2	\$ 0	\$ 0
DEPARTMENT TOTAL.....	\$ 3,170	\$ 3,132	\$ 3,137
Emergency Management Agency			
MISCELLANEOUS REVENUE			
Interest Earnings Contra BA 31.....	\$ -1	\$ 0	\$ 0
DEPARTMENT TOTAL.....	\$ -1	\$ 0	\$ 0
Environmental Protection			
LICENSES AND FEES			
Bituminous Shot Firers And Machine Runners Exam A.....	\$ 3	\$ 3	\$ 3
Blasters' Examination And Licensing Fees.....	20	20	20
Explosives Storage Permit Fees.....	71	73	73
Government Financed Cost Contracts.....	30	52	52
Hazardous Waste Facility Annual Permit Administration Fees.....	24	50	50
Hazardous Waste Facility Permit Application Fees.....	62	87	87
Hazardous Waste Storage-Disposal Fac-Fee.....	152	112	112
Hazardous Waste Transporter License and Fees.....	42	48	48
Infectious & Chemical Waste Transport Fees.....	13	13	13
Municipal Waste Annual Permit Administration Fees.....	224	250	250
Municipal Waste Permit Application Fees.....	92	98	98
Residual Waste Permit Administration Fees.....	250	232	232
Residual Waste Permit Application/Modification Fees.....	97	61	61
Sewage Permit Fees.....	101	97	97
Submerged Land Fees.....	55	56	56
Water Bacteriological Examination Fees.....	11	12	12
Water Power And Supply Permit Fees.....	93	93	93
SUBTOTAL.....	\$ 1,340	\$ 1,357	\$ 1,357

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Estimated	2018-19 Budget
MISCELLANEOUS REVENUE			
Ground Rentals.....	\$ 10	\$ 10	\$ 10
Miscellaneous.....	9	9	9
Payment To Occupy Submerged Lands.....	1,736	1,589	1,589
Refunds of Expenditures Not Credited to Appropriations.....	1	3	3
Rights-Of-Way.....	56	42	42
Royalties to Recovery Of Materials - Schuylkill River.....	224	112	112
SUBTOTAL.....	<u>\$ 2,036</u>	<u>\$ 1,765</u>	<u>\$ 1,765</u>
DEPARTMENT TOTAL.....	<u>\$ 3,376</u>	<u>\$ 3,122</u>	<u>\$ 3,122</u>
Ethics Commission			
MISCELLANEOUS REVENUE			
Refunds of Expenditure Not Credited to Approp.....	\$ 0	\$ 3	\$ 1
DEPARTMENT TOTAL.....	<u>\$ 0</u>	<u>\$ 3</u>	<u>\$ 1</u>
General Services			
MISCELLANEOUS REVENUE			
Allocation of Purchasing Costs Job 7.....	\$ 2,536	\$ 2,599	\$ 2,664
Real Estate Services.....	509	522	535
Refunds of Expenditures Not Credited to Appropriations.....	*	*	*
Rental of State Property.....	145	90	90
Right to Know.....	*	1	1
Sale of State Property.....	1,802	2,000	2,000
Sale of Property Escrow.....	203	10	10
Reading State Office Building.....	219	224	230
Scranton State Office Building.....	553	566	580
Rebates to be Distributed.....	55	0	0
Miscellaneous BA15.....	62	0	0
SUBTOTAL.....	<u>\$ 6,084</u>	<u>\$ 6,012</u>	<u>\$ 6,110</u>
DEPARTMENT TOTAL.....	<u>\$ 6,084</u>	<u>\$ 6,012</u>	<u>\$ 6,110</u>
Human Services			
LICENSES AND FEES			
Personal Care Facilities Licenses.....	\$ 51	\$ 51	\$ 52 a
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 5	\$ 5	\$ 6 a
Refunds of Expenditures Not Credited to Appropriations.....	5	5	6 a
SUBTOTAL.....	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 12</u>
DEPARTMENT TOTAL.....	<u>\$ 61</u>	<u>\$ 61</u>	<u>\$ 64</u>
Health			
LICENSES AND FEES			
Bathing Place Program - Application Fees.....	\$ 1	\$ 1	\$ 1 a
Birth Certificate Fees.....	6,195	6,097	6,097 a
Birth Certificate Fees - Transfer.....	-3,056	-3,034	-3,010 a
CRE Certification Fees.....	18	20	20 a
Home Care Agency Licensure Fees.....	199	192	192 a
Hospice Licensing Fees.....	37	35	35 a
Immunization Service Fees.....	11	0	0 a
Miscellaneous Licensure Fees.....	263	249	249 a
Nursing Home Licenses.....	344	328	328 a
Pediatric Extended Care Licensing Fees.....	26	15	15 a

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Estimated	2018-19 Budget
Profit Making Hospital Licenses.....	226	209	209 a
Organized Camps Program Fees.....	2	0	0 a
Registration Fees - Hearing Aid Act.....	115	118	118 a
Registration Fees - Drugs Devices and Cosmetics Act.....	499	498	498 a
Vital Statistics Fees.....	1,718	1,689	1,689 a
Wholesale Prescription Drug Distribution Licenses.....	58	63	63 a
SUBTOTAL.....	<u>\$ 6,656</u>	<u>\$ 6,480</u>	<u>\$ 6,504</u>
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 142	\$ 128	\$ 128 a
Refunds of Expenditures Not Credited to Appropriations.....	*	1	1 a
SUBTOTAL.....	<u>\$ 142</u>	<u>\$ 129</u>	<u>\$ 129</u>
DEPARTMENT TOTAL.....	<u>\$ 6,798</u>	<u>\$ 6,609</u>	<u>\$ 6,633</u>
Historical and Museum Commission			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 0	\$ 30	\$ 30
DEPARTMENT TOTAL.....	<u>\$ 0</u>	<u>\$ 30</u>	<u>\$ 30</u>
Insurance			
LICENSES AND FEES			
Agents' Licenses.....	\$ 37,089	\$ 35,104	\$ 36,000
Brokers' Licenses.....	12,087	12,025	12,100
Division of Companies Certification - Certificates and Filing Fees.....	2,018	2,053	1,999
Examination Fees and Expenses.....	3,724	3,888	3,790
Market Conduct Examination Fees.....	828	391	700
Miscellaneous Fees.....	628	640	561
Contra Transfers.....	-33,065	-29,816	-32,088
Valuation of Policies Fees.....	9,760	5,531	7,625
SUBTOTAL.....	<u>\$ 33,069</u>	<u>\$ 29,816</u>	<u>\$ 30,687</u>
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ *	\$ 0	\$ 0
Refunds of Expenditures Not Credited to Appropriations.....	*	0	0
SUBTOTAL.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
DEPARTMENT TOTAL.....	<u>\$ 33,069</u>	<u>\$ 29,816</u>	<u>\$ 30,687</u>
Labor and Industry			
LICENSES AND FEES			
Accessibility.....	\$ 28	\$ 34	\$ 34
Approval Of Building Plan Fees.....	687	475	475
Approval Of Elevator Plan Fees.....	676	630	630
Bedding And Upholstery Fees.....	879	750	750
Boiler Inspections Fees.....	3,762	3,400	3,400
Boiler Plan Fees.....	63	60	60
Elevator Inspection Fees.....	1,590	800	800
Flammable Liquids Storage Fees.....	52	40	40
Industrial Board.....	102	100	100
Liquefied Petroleum Gas Plan Fees.....	34	45	45
Liquefied Petroleum Gas Regis Fees.....	167	92	92
Stuffed Toys Manufacturers' Registration Fees.....	60	60	60
UCC Certifications.....	66	65	65
SUBTOTAL.....	<u>\$ 8,166</u>	<u>\$ 6,551</u>	<u>\$ 6,551</u>

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Estimated	2018-19 Budget
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 2	\$ 1	\$ 1
Interest Earnings Contra BA12.....	-22	0	0
Refunds of Expenditures Not Credited to Appropriations.....	*	0	0
SUBTOTAL.....	<u>\$ -20</u>	<u>\$ 1</u>	<u>\$ 1</u>
DEPARTMENT TOTAL.....			
	<u>\$ 8,146</u>	<u>\$ 6,552</u>	<u>\$ 6,552</u>
Revenue			
LICENSES AND FEES			
Certification And Copy Fees.....	\$ 53	\$ 60	\$ 60
Cigarette Permit Fees.....	1,681	1,681	1,681
Domestic Violence and Rape Crisis Program Fee.....	1,118	1,000	1,000
Autho Fees Act12010.....	0	24,750	0
Fee - Act 42 of 2017.....	0	177,200	42,800
SUBTOTAL.....	<u>\$ 2,852</u>	<u>\$ 204,691</u>	<u>\$ 45,541</u>
MISCELLANEOUS REVENUE			
Exempt Collections Per Act 1992-67.....	\$ 15,341	\$ 16,225	\$ 16,725
District Justice Costs.....	12,345	11,989	11,633
Act 64 Contra.....	-4,714	-4,358	-4,002
Miscellaneous.....	369	135	135
Distribution Due Absentee.....	42	39	36
Conscience Money.....	*	2	2
Right to Know.....	*	*	*
Refunds of Expenditures Not Credited to Appropriations.....	41	44	44
Misc BA 18.....	1	1	1
Act 64 - Contra To Rev Code 001490-018000-106.....	-233	0	0
SUBTOTAL.....	<u>\$ 23,192</u>	<u>\$ 24,077</u>	<u>\$ 24,574</u>
DEPARTMENT TOTAL.....			
	<u>\$ 26,044</u>	<u>\$ 228,768</u>	<u>\$ 70,115</u>
State			
LICENSES AND FEES			
Charities Bureau Registration Fees.....	\$ 2,695	\$ 2,750	\$ 2,800
Commission And Filing Fees - Bureau Of Elections.....	558	646	550
Commission And Filing Fees - Corporation Bureau.....	28,572	29,000	29,250
Campaign Finance Fee.....	89	50	85
Notary Public Commission Fees.....	1,010	900	925
SUBTOTAL.....	<u>\$ 32,924</u>	<u>\$ 33,346</u>	<u>\$ 33,610</u>
MISCELLANEOUS REVENUE			
Prof. & Occupational Affairs Credit Card Transfer.....	\$ 309	\$ 0	\$ 0
Interest Transferred to HAVA Program.....	-72	0	0
SUBTOTAL.....	<u>\$ 237</u>	<u>\$ 0</u>	<u>\$ 0</u>
DEPARTMENT TOTAL.....			
	<u>\$ 33,161</u>	<u>\$ 33,346</u>	<u>\$ 33,610</u>
State Police			
MISCELLANEOUS REVENUE			
Act 64 - Contra Miscellaneous Revenue.....	\$ -34	\$ 0	\$ 0
Miscellaneous.....	-462	175	175
Refunds of Expenditures Not Credited to Appropriations.....	2	300	300
Reimbursement For Lost Property.....	0	1	1
SUBTOTAL.....	<u>\$ -494</u>	<u>\$ 476</u>	<u>\$ 476</u>

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Estimated	2018-19 Budget
DEPARTMENT TOTAL.....	\$ -494	\$ 476	\$ 476
Transportation			
MISCELLANEOUS REVENUE			
Right to Know.....	\$ 12	\$ 10	\$ 10
DEPARTMENT TOTAL.....	\$ 12	\$ 10	\$ 10
Other			
LICENSES AND FEES			
Gaming Control Board - Ancillary Table Games License Fees.....	\$ 368	\$ 405	\$ 103
Slot License Fees.....	0	50,000	555
Liquor Control Board - Small Games of Chance – License Fees.....	52	8	8
SUBTOTAL.....	\$ 420	\$ 50,413	\$ 666
MISCELLANEOUS REVENUE			
Payments in Lieu of Taxes - SWIF.....	\$ 3,805	\$ 3,000	\$ 3,000
Insurance Contra IROF Return.....	0	1,919	0
Loans From Other Funds.....	165,000	0	0
Supreme Court.....	84	86	88
Interest Transferred to SHARE Loan Program.....	0	0	1
Transfers From Special Funds.....	65,796	321,800	41,800
SUBTOTAL.....	\$ 234,685	\$ 326,805	\$ 44,889
DEPARTMENT TOTAL.....	\$ 235,105	\$ 377,218	\$ 45,555
Total Licenses, Fees and Miscellaneous.....	\$ 621,006	\$ 2,340,400	\$ 353,500
Other Fines and Penalties			
Agriculture			
Amusement Rides and Attractions - Fines.....	\$ 0	\$ 3	\$ 3
General Food Fines.....	22	18	18
Miscellaneous Fines.....	-3	0	0
Civil Penalties - Food Establishments.....	4	5	5
Fines - Weights & Measurements Division.....	13	3	3
Environmental Protection			
Miscellaneous Fines.....	9	9	9
Ethics Commission			
Violations-Act 1978-170.....	105	65	85
Lobbying Act Civil Penalties Act 134-206.....	23	55	40
Gaming Control Board			
Miscellaneous Fines and Penalties.....	793	416	416
Health			
Non-Compliance Fines and Penalties BA67.....	59	0	0
Insurance			
Miscellaneous Fines.....	3,138	1,500	1,500
Surcharge on Moving Vehicles Violations.....	32,450	28,552	30,444
Labor and Industry			
Minor Labor Law Fines.....	0	1	1
Attorney General			
Criminal Restitution General Fund.....	154	45	45
Labor and Industry			
Miscellaneous Fines.....	34	50	50

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Estimated	2018-19 Budget
Miscellaneous Fines.....	-3	0	0
Public Utility Commission			
Violation of Order Fines.....	6,790	200	200
Revenue			
CRIZ Program Penalties.....	6	6	6
Commercial Driver Fines.....	327	310	310
Act 154 - 1994 Police Pursuits.....	*	*	*
Act 64 Contra revenue code.....	-12,809	-9,456	-6,498
Vehicle Codes Fines - Lcl Police Enf.....	20,200	19,144	18,143
Vehicle Code Fines - Overweight Trucks.....	481	480	480
Vehicle Code Fines - St Police Enf.....	15,769	13,478	11,520
Transportation			
Emission Regulation Fines & Penalties.....	2	2	2
Fines - Restoration - Operating Privileges.....	9,582	10,914	12,718
Restoration of Vehicle Registration.....	2,130	2,400	2,700
SUBTOTAL.....	<u>\$ 79,276</u>	<u>\$ 68,200</u>	<u>\$ 72,200</u>
Total Fines, Penalties and Interest.....	<u>\$ 79,276</u>	<u>\$ 68,200</u>	<u>\$ 72,200</u>
TOTAL NONTAX REVENUES.....	<u>\$ 916,682</u>	<u>\$ 2,593,700</u>	<u>\$ 610,800</u>
TOTAL GENERAL FUND REVENUES.....	<u>\$ 31,669,000</u>	<u>\$ 34,752,100</u>	<u>\$ 34,220,300</u>

^a These items will be consolidated into the Department of Health and Human Services.

^b Originally collected under the Capital Stock and Franchise Taxes revenue classification.

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

Details may not add to totals 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)

	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual
TAX REVENUE						
Corporation Taxes						
Corporate Net Income Tax.....	\$ 2,022,401	\$ 2,423,441	\$ 2,501,635	\$ 2,811,484	\$ 2,842,388	\$ 2,751,473
Selective Business:						
Gross Receipts Tax.....	1,330,023	1,306,271	1,279,229	1,261,821	1,304,907	1,230,536
Public Utility Realty Tax.....	28,721	43,884	37,048	38,157	39,211	40,185
Insurance Premium Tax.....	458,409	446,946	432,073	454,307	464,626	433,426
Financial Institutions Taxes.....	272,462	351,477	317,875	294,080	329,997	322,544
Total - Corporation Taxes.....	<u>\$ 4,112,016</u>	<u>\$ 4,572,019</u>	<u>\$ 4,567,860</u>	<u>\$ 4,859,849</u>	<u>\$ 4,981,129</u>	<u>\$ 4,778,164</u>
Consumption Taxes						
Sales and Use Tax.....	\$ 8,772,266	\$ 8,893,714	\$ 9,129,621	\$ 9,493,107	\$ 9,795,189	\$ 10,004,459
Cigarette Tax.....	1,069,907	1,024,081	976,908	927,205	911,512	1,261,573
Other Tobacco Products Tax.....	0	0	0	0	0	83,915
Malt Beverage Tax.....	25,903	25,152	25,096	24,473	24,946	24,396
Liquor Tax.....	298,144	311,248	320,912	334,414	348,056	361,856
Total - Consumption Taxes.....	<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>	<u>\$ 11,736,199</u>
Other Taxes						
Personal Income Tax.....	\$ 10,800,528	\$ 11,371,245	\$ 11,437,304	\$ 12,107,377	\$ 12,505,964	\$ 12,664,373
Realty Transfer Tax.....	292,152	338,745	375,408	413,778	481,720	478,005
Inheritance Tax.....	827,682	845,258	877,423	1,002,259	962,234	977,927
Table Games.....	95,029	88,679	90,451	95,921	100,200	120,611
Minor and Repealed Taxes.....	854,902 ^{ab}	597,021 ^{ab}	297,081 ^{ab}	233,936 ^{ab}	146,870 ^{ab}	-2,961 ^{ab}
Total - Other Taxes.....	<u>\$ 12,870,293</u>	<u>\$ 13,240,948</u>	<u>\$ 13,077,667</u>	<u>\$ 13,853,271</u>	<u>\$ 14,196,988</u>	<u>\$ 14,237,955</u>
TOTAL TAX REVENUES.....	<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>	<u>\$ 30,752,318</u>
NONTAX REVENUE						
State Stores Fund Transfer.....	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 0 ^c	\$ 216,400
Licenses, Fees and Miscellaneous:						
Licenses and Fees.....	138,822	137,010	109,287	110,082	116,716	119,139
Miscellaneous.....	244,141	307,338	248,832	839,933	455,091	501,867
Fines, Penalties and Interest:						
On Taxes.....	14,344	14,524	0	0	0	0
Other.....	52,164	40,911	70,969	70,167	71,954	79,276
TOTAL NONTAX REVENUES.....	<u>\$ 529,471</u>	<u>\$ 579,783</u>	<u>\$ 509,088</u>	<u>\$ 1,100,182</u>	<u>\$ 643,761</u>	<u>\$ 916,682</u>
GENERAL FUND TOTAL.....	<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>	<u>\$ 31,669,000</u>

^a This includes revenues originally collected under the Other Selective Business Taxes revenue classification.

^b This includes revenues originally collected under the Capital Stock and Franchise Taxes revenue classification.

^c Act 10A of 2015 appropriates \$100 million Liquor Store Profits directly from the State Store Fund.

Details may not add to totals due to rounding.



MOTOR LICENSE FUND

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

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

FINANCIAL STATEMENT *

(Dollar Amounts in Thousands)

	2016-17 <u>Actual</u>	2017-18 <u>Available</u>	2018-19 <u>Estimated</u>
Beginning Balance.....	\$ 40,077	\$ 73,099	\$ 197,040
Adjustment to Beginning Balance.....	<u>0</u>	<u> </u>	<u> </u>
Adjusted Beginning Balance.....	\$ 40,077	\$ 73,099	\$ 197,040
Revenue:			
Revenue Receipts.....	\$ 2,758,529	\$ 2,896,500	\$ 2,921,400
Adjustment to Official Estimate.....	0	44,800	0
Prior Year Lapses.....	<u>36,585</u>	<u>68,154</u>	<u>0</u>
Funds Available	<u>\$ 2,835,191</u>	<u>\$ 3,082,553</u>	<u>\$ 3,118,440</u>
Expenditures:			
Appropriations.....	\$ 2,778,254	\$ 2,894,947	\$ 3,079,238
Less Current Year Lapses.....	<u>-16,162</u>	<u>-9,434</u>	<u>0</u>
Estimated Expenditures.....	<u>\$ 2,762,092</u>	<u>\$ 2,885,513</u>	<u>\$ 3,079,238</u>
Ending Balance.....	<u>\$ 73,099</u>	<u>\$ 197,040</u>	<u>\$ 39,202</u>

* Excludes restricted revenue.

Summary by Department

	(Dollar Amounts in Thousands)		
	2016-17 Actual	2017-18 Estimated	2018-19 Budget
Executive Offices			
General Government			
Commonwealth Technology Services.....	\$ 1,244	\$ 1,327	\$ 1,074
DEPARTMENT TOTAL.....	<u>\$ 1,244</u>	<u>\$ 1,327</u>	<u>\$ 1,074</u>
Treasury Department			
General Government			
Administration Refunding Liquid Fuels Tax.....	\$ 533	\$ 533	\$ 533
Refunding Liquid Fuels Taxes — Agricultural (EA).....	4,250	4,000	4,000
Refunding Liquid Fuels Taxes — State Share (EA).....	6,000	5,000	5,000
Refunding Liquid Fuels Taxes — Political Subdivisions (EA).....	3,600	3,800	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	11,973	11,130
Subtotal.....	<u>\$ 26,453</u>	<u>\$ 26,806</u>	<u>\$ 25,963</u>
Debt Service Requirements			
Capital Debt Transportation Projects.....	\$ 38,156	\$ 35,581	\$ 35,620
General Obligation Debt Service.....	17,815	17,815	17,815
Loan and Transfer Agents.....	50	50	50
Subtotal.....	<u>\$ 56,021</u>	<u>\$ 53,446</u>	<u>\$ 53,485</u>
TOTAL STATE FUNDS	<u><u>\$ 82,474</u></u>	<u><u>\$ 80,252</u></u>	<u><u>\$ 79,448</u></u>
Restricted Revenue.....	\$ 51,355	\$ 51,185	\$ 51,054
DEPARTMENT TOTAL.....	<u>\$ 133,829</u>	<u>\$ 131,437</u>	<u>\$ 130,502</u>
Department of Agriculture			
Weights & Measures Administration.....	\$ 4,728	\$ 5,228	\$ 5,228
Dirt, Gravel and Low Volume Roads.....	28,000	28,000	28,000
DEPARTMENT TOTAL.....	<u>\$ 32,728</u>	<u>\$ 33,228</u>	<u>\$ 33,228</u>
Department of Community and Economic Development			
Appalachian Regional Commission.....	\$ 1,073	\$ 1,073	\$ 750
DEPARTMENT TOTAL.....	<u>\$ 1,073</u>	<u>\$ 1,073</u>	<u>\$ 750</u>
Department of Conservation and Natural Resources			
Dirt and Gravel Roads.....	\$ 7,000	\$ 7,000	\$ 7,000
TOTAL STATE FUNDS	<u><u>\$ 7,000</u></u>	<u><u>\$ 7,000</u></u>	<u><u>\$ 7,000</u></u>
Federal Funds.....	\$ 0	\$ 3,381	\$ 0
Restricted Revenue.....	11,000	11,000	11,000
DEPARTMENT TOTAL.....	<u>\$ 18,000</u>	<u>\$ 21,381</u>	<u>\$ 18,000</u>
Department of Education			
Grants and Subsidies			
Safe Driving Course.....	\$ 1,100	\$ 1,100	\$ 1,100
DEPARTMENT TOTAL.....	<u>\$ 1,100</u>	<u>\$ 1,100</u>	<u>\$ 1,100</u>
Department of General Services			
Tort Claims Payments.....	\$ 10,000	\$ 9,000	\$ 9,000
Harristown Rental Charges (EA).....	111	112	136
Harristown Utility and Municipal Charges (EA).....	195	188	251
DEPARTMENT TOTAL.....	<u>\$ 10,306</u>	<u>\$ 9,300</u>	<u>\$ 9,387</u>

Summary by Department (continued)

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Estimated	2018-19 Budget
Department of Revenue			
General Government			
Collections — Liquid Fuels Tax.....	\$ 16,624	\$ 19,785	\$ 19,285
Refunding Liquid Fuels Tax (EA).....	27,200	29,300	30,400
TOTAL STATE FUNDS.....	\$ 43,824	\$ 49,085	\$ 49,685
Federal Funds.....	\$ 250	\$ 0	\$ 0
DEPARTMENT TOTAL.....	\$ 44,074	\$ 49,085	\$ 49,685
State Police			
General Government			
General Government Operations.....	\$ 724,290	\$ 688,911	\$ 678,048
Statewide Public Safety Radio System.....	18,012	38,943	39,995
Law Enforcement Information Technology.....	20,697	20,697	20,697
Municipal Police Training.....	1,744	1,828	1,838
Patrol Vehicles.....	12,000	12,000	12,000
Automated Fingerprint Identification System	85	0	0
Commercial Vehicle Inspections.....	11,055	10,971	12,091
Subtotal.....	\$ 787,883	\$ 773,350	\$ 764,669
Grants and Subsidies			
Municipal Police Training Grants.....	\$ 5,000	\$ 5,000	\$ 5,000
TOTAL STATE FUNDS.....	\$ 792,883	\$ 778,350	\$ 769,669
Augmentations.....	\$ 758	\$ 785	\$ 785
Federal Funds.....	9,295	9,602	9,183
DEPARTMENT TOTAL.....	\$ 802,936	\$ 788,737	\$ 779,637
Department of Transportation			
General Government			
General Government Operations.....	\$ 58,586	\$ 60,921	\$ 60,921
Welcome Centers.....	3,519	4,115	4,115
Highway Systems Technology and Innovation.....	0	0	16,000
Highway and Safety Improvements.....	70,000	232,000	264,000
Rural Commercial Routes.....	0	0	40,000
Municipal Bridge Improvements and Bundling.....	0	0	10,000
Highway Capital Projects (EA).....	220,000	230,000	230,000
Highway Maintenance.....	908,899	860,542	860,542
Expanded Maintenance Improvements.....	0	0	50,000
Reinvestment in Facilities.....	16,000	16,000	21,000
Driver and Vehicle Services.....	154,271	167,082	172,216
Homeland Security - Real ID.....	0	0	27,966
Refunding Collected Monies (EA).....	1,950	2,500	2,500
Subtotal.....	\$ 1,433,225	\$ 1,573,160	\$ 1,759,260
Grants and Subsidies			
Local Road Maintenance and Construction Payments.....	\$ 248,235	\$ 253,072	\$ 260,637
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.....	40,000	40,000	40,000
Payment to Turnpike Commission (EA).....	28,000	28,000	28,000
Subtotal.....	\$ 356,235	\$ 361,072	\$ 368,637
TOTAL STATE FUNDS.....	\$ 1,789,460	\$ 1,934,232	\$ 2,127,897
Federal Funds.....	\$ 1,672,861	\$ 2,007,825	\$ 2,008,825
Augmentations.....	279,271	75,766	75,774
Restricted Revenue.....	1,803,709	1,976,418	1,976,600
DEPARTMENT TOTAL.....	\$ 5,545,301	\$ 5,994,241	\$ 6,189,096

Summary by Department (continued)

	(Dollar Amounts in Thousands)		
	2016-17 Actual	2017-18 Estimated	2018-19 Budget
Fund Summary			
State Funds — Transportation.....	\$ 1,789,460	\$ 1,934,232	\$ 2,127,897
State Funds — Other Departments.....	972,632	960,715	951,341
TOTAL STATE FUNDS.....	<u>\$ 2,762,092</u>	<u>\$ 2,894,947</u>	<u>\$ 3,079,238</u>
Motor License Fund Total—All Funds			
State Funds.....	\$ 2,762,092	\$ 2,894,947	\$ 3,079,238
Federal Funds.....	1,682,406	2,020,808	2,018,008
Augmentations.....	280,029	76,551	76,559
Restricted Revenue.....	1,866,064	2,038,603	2,038,654
FUND TOTAL.....	<u>\$ 6,590,591</u>	<u>\$ 7,030,909</u>	<u>\$ 7,212,459</u>

Revenue Summary: Five Year Revenue Projections

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Estimated	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
Liquid Fuels Taxes.....	\$ 1,732,660	\$ 1,855,800	\$ 1,838,800	\$ 1,843,000	\$ 1,847,400	\$ 1,852,100	\$ 1,856,600
Motor Licenses and Fees.....	1,000,528	1,038,300	1,064,200	1,124,200	1,103,800	1,113,200	1,154,600
Other Motor License Fund Revenues.....	25,341	47,200	18,400	18,600	18,700	18,900	19,100
TOTAL MOTOR LICENSE FUND REVENUES.....	\$ 2,758,529	\$ 2,941,300	\$ 2,921,400	\$ 2,985,800	\$ 2,969,900	\$ 2,984,200	\$ 3,030,300
Aviation Restricted Revenues.....	\$ 7,254	\$ 8,000	\$ 7,100	\$ 7,100	\$ 7,100	\$ 7,100	\$ 7,100
Highway Bridge Improvement Restricted Revenues.....	\$ 198,184	\$ 221,500	\$ 223,600	\$ 225,700	\$ 227,900	\$ 230,100	\$ 232,300
State Highway Transfer Restricted Revenues.....	\$ 49,420	\$ 55,600	\$ 55,700	\$ 55,800	\$ 55,900	\$ 56,000	\$ 56,100
Oil Company Franchise Tax Restricted Revenues.....	\$ 906,042	\$ 1,019,600	\$ 1,021,200	\$ 1,022,600	\$ 1,024,000	\$ 1,025,400	\$ 1,026,800
Supplemental Maintenance Restricted Revenues.....	\$ 634,229	\$ 714,100	\$ 715,200	\$ 716,200	\$ 717,200	\$ 718,200	\$ 719,200

Adjustments to Revenue Estimate

On October 24, 2017 an official estimate for the 2017-18 fiscal year of \$2,896,500,000 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)

	2017-18 Official Estimate	Adjustments	2017-18 Revised Estimate
Liquid Fuels Taxes.....	\$ 1,856,400	\$ -600	\$ 1,855,800
Motor Licenses and Fees.....	992,400	45,900	1,038,300
Other Motor License Fund Revenues.....	47,700	-500	47,200
TOTAL.....	\$ 2,896,500	\$ 44,800	\$ 2,941,300

Revenue Sources

Liquid Fuels Taxes

Actual		Estimated	
2011-12.....	1,223,985	2017-18.....	\$ 1,855,800
2012-13.....	1,223,141	2018-19.....	1,838,800
2013-14.....	1,294,432	2019-20.....	1,843,000
2014-15.....	1,562,431	2020-21.....	1,847,400
2015-16.....	1,659,197	2021-22.....	1,852,100
2016-17.....	1,732,660	2022-23.....	1,856,600

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 applies 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	
2011-12.....	\$ 892,586	2017-18.....	\$ 1,038,300
2012-13.....	892,517	2018-19.....	1,064,200
2013-14.....	893,886	2019-20.....	1,124,200
2014-15.....	950,807	2020-21.....	1,103,800
2015-16.....	962,678	2021-22.....	1,113,200
2016-17.....	1,000,528	2022-23.....	1,154,600

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	
2011-12.....	\$ 297,644	2017-18.....	\$ 47,200
2012-13.....	300,581	2018-19.....	18,400
2013-14.....	258,447	2019-20.....	18,600
2014-15.....	98,274	2020-21.....	18,700
2015-16.....	35,673	2021-22.....	18,900
2016-17.....	25,341	2022-23.....	19,100

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)

	2016-17 Actual	2017-18 Estimated	2018-19 Budget
MOTOR FUELS TAXES			
Liquid Fuels Tax			
Liquid Fuels Tax.....	\$ 37	\$ 0	\$ 0
Liquid Fuels Tax Interest.....	23	0	0
Liquid Fuels Tax Penalties.....	0	0	0
Subtotal.....	<u>\$ 60</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fuel Use Tax			
Fuel Use Tax.....	\$ 0	\$ 0	\$ 0
Alternative Fuel Tax			
Alternative Fuel Tax.....	\$ 11,076	\$ 12,990	\$ 13,590
Alternative Fuel Tax Interest and Penalties.....	9	10	10
Subtotal.....	<u>\$ 11,085</u>	<u>\$ 13,000</u>	<u>\$ 13,600</u>
Motor Carriers Road Tax — International Fuel Tax Agreement			
Motor Carriers Road/IFTA — Fuels Tax.....	\$ 97,629	\$ 127,130	\$ 127,720
Motor Carriers Road/IFTA — Registration Fees,			
Special Permit Fees and Fines.....	2,281	2,970	2,980
Subtotal.....	<u>\$ 99,910</u>	<u>\$ 130,100</u>	<u>\$ 130,700</u>
Oil Company Franchise Tax			
Oil Company Franchise Tax	\$ 903,989	\$ 1,005,900	\$ 1,007,600
OCFT - Liquid Fuels.....	570,806	559,670	542,680
OCFT - Liquid Fuels Interest.....	15	10	10
OCFT - Liquid Fuels Penalties.....	225	220	210
OCFT - Fuel Use.....	146,570	146,900	144,000
Subtotal.....	<u>\$ 1,621,605</u>	<u>\$ 1,712,700</u>	<u>\$ 1,694,500</u>
TOTAL MOTOR FUELS TAXES.....	<u><u>\$ 1,732,660</u></u>	<u><u>\$ 1,855,800</u></u>	<u><u>\$ 1,838,800</u></u>
MOTOR LICENSES AND FEES			
Operators' Licenses.....	\$ 69,658	\$ 71,800	\$ 73,600
Other Fees Collected by Bureau of Motor Vehicles.....	18,821	19,400	19,600
Registration Fees Received from Other States/IRP.....	122,018	136,900	140,300
Special Hauling Permit Fees.....	32,399	34,800	35,100
Vehicle Registration and Titling.....	757,632	775,400	795,600
TOTAL MOTOR LICENSES AND FEES.....	<u><u>\$ 1,000,528</u></u>	<u><u>\$ 1,038,300</u></u>	<u><u>\$ 1,064,200</u></u>

Revenue Detail (continued)

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Estimated	2018-19 Budget
OTHER MOTOR LICENSE FUND REVENUES			
Fines and Penalties			
Department of Revenue			
Vehicle Code Fines.....	\$ 2,797	\$ 500	\$ 500
Miscellaneous Revenues			
Treasury Department			
Interest Income Reinvested - Long Term.....	\$ 28	\$ 80	\$ 30
Interest on Securities.....	0	0	0
Treasury Investment Income.....	14,902	43,620	14,870
Treasury Gain or Loss.....	0	0	0
Subtotal.....	<u>\$ 14,930</u>	<u>\$ 43,700</u>	<u>\$ 14,900</u>
Department of General Services			
Sale of Unserviceable Property.....	\$ 415	\$ 400	\$ 400
Department of Transportation			
Fees for Reclaiming Abandoned Vehicles.....	\$ 35	\$ 20	\$ 20
Highway Bridge Income.....	3	0	0
Highway Encroachment Permits.....	4,531	2,850	2,850
Interest Earned - Restricted Revenue.....	-555 ^a	-350 ^a	-350 ^a
Loan Repayments - Interest.....	0	0	0
Miscellaneous Revenues.....	46	30	30
Recovered Damages.....	5	0	0
Refunds of Expenditures Not Credited to			
Appropriations or Allocations.....	1	0	0
Sale of Inspection Stickers.....	3,054	0	0
Sale of Maps and Plans.....	76	50	50
Subtotal.....	<u>\$ 7,196</u>	<u>\$ 2,600</u>	<u>\$ 2,600</u>
Department of Revenue			
Fare Evasion.....	\$ 3	\$ 0	\$ 0
Miscellaneous.....	0	0	0
Subtotal.....	<u>\$ 3</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL OTHER MOTOR LICENSE FUND REVENUES.....	<u><u>\$ 25,341</u></u>	<u><u>\$ 47,200</u></u>	<u><u>\$ 18,400</u></u>
TOTAL MOTOR LICENSE FUND REVENUES.....	<u><u>\$ 2,758,529</u></u>	<u><u>\$ 2,941,300</u></u>	<u><u>\$ 2,921,400</u></u>

^a Amounts transferred to restricted revenue account.

Restricted Revenues Not Included in Department Total

Aviation Revenues

	Actual		Estimated
2011-12.....	\$ 7,802	2017-18.....	\$ 8,000
2012-13.....	9,027	2018-19.....	7,100
2013-14.....	8,699	2019-20.....	7,100
2014-15.....	9,756	2020-21.....	7,100
2015-16.....	7,582	2021-22.....	7,100
2016-17.....	7,254	2022-23.....	7,100

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, 2018, is 5.7 cents per gallon on aviation gasoline and 1.8 cents per gallon on jet fuel. Aviation restricted revenues are not included in Motor License Fund revenue totals.

	2016-17 <u>Actual</u>	2017-18 <u>Estimated</u>	2018-19 <u>Budget</u>
AVIATION REVENUES			
Aviation Liquid Fuels Tax.....	\$ 6,699	\$ 6,500	\$ 6,500
Interest.....	<u>555</u>	<u>1,500</u>	<u>600</u>
TOTAL AVIATION REVENUES.....	<u>\$ 7,254</u>	<u>\$ 8,000</u>	<u>\$ 7,100</u>

Highway Bridge Improvement Revenues

	Actual		Estimated
2011-12.....	\$ 103,551	2017-18.....	\$ 221,500
2012-13.....	107,290	2018-19.....	223,600
2013-14.....	124,088	2019-20.....	225,700
2014-15.....	168,274	2020-21.....	227,900
2015-16.....	191,096	2021-22.....	230,100
2016-17.....	198,184	2022-23.....	232,300

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 1.5 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.

	2016-17 <u>Actual</u>	2017-18 <u>Estimated</u>	2018-19 <u>Budget</u>
HIGHWAY BRIDGE IMPROVEMENT REVENUES			
Registration Fee Portion-PA-Based Motor Vehicles.....	\$ 11,786	\$ 11,900	\$ 12,000
Temporary Permit Fees.....	436	500	400
Oil Company Franchise Tax.....	<u>185,962</u>	<u>209,100</u>	<u>211,200</u>
TOTAL HIGHWAY BRIDGE REVENUES.....	<u>\$ 198,184</u>	<u>\$ 221,500</u>	<u>\$ 223,600</u>

Restricted Revenues Not Included in Department Total (continued)

State Highway Transfer Revenues

Actual		Estimated	
2011-12.....	\$ 24,105	2017-18.....	\$ 55,600
2012-13.....	23,430	2018-19.....	55,700
2013-14.....	28,110	2019-20.....	55,800
2014-15.....	39,339	2020-21.....	55,900
2015-16.....	45,888	2021-22.....	56,000
2016-17.....	49,420	2022-23.....	56,100

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. 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 account.

Oil Company Franchise Tax Revenues

Actual		Estimated	
2011-12.....	\$ 441,932	2017-18.....	\$ 1,019,600
2012-13.....	429,543	2018-19.....	1,021,200
2013-14.....	515,346	2019-20.....	1,022,600
2014-15.....	721,220	2020-21.....	1,024,000
2015-16.....	841,279	2021-22.....	1,025,400
2016-17.....	906,042	2022-23.....	1,026,800

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	
2011-12.....	\$ 309,352	2017-18.....	\$ 714,100
2012-13.....	300,681	2018-19.....	715,200
2013-14.....	360,743	2019-20.....	716,200
2014-15.....	504,854	2020-21.....	717,200
2015-16.....	588,896	2021-22.....	718,200
2016-17.....	634,229	2022-23.....	719,200

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Beginning Balance	\$ 26,941	\$ -18,223	\$ 1,272
Reserve from Previous Year.....	<u>75,000</u>	<u>0</u>	<u>0</u>
Total Beginning Balance.....	<u>\$ 101,941</u>	<u>\$ -18,223</u>	<u>\$ 1,272</u>
Receipts:			
Gross Ticket Sales.....	\$ 4,001,035	\$ 4,134,029	\$ 4,456,066
Less Field Paid Prizes and Commissions.....	-2,441,121	-2,507,044	-2,752,701
Transfers and Earnings.....	<u>149,263</u>	<u>153,950</u>	<u>141,050</u>
Net Revenue Estimate.....	\$ 1,709,177	\$ 1,780,935	\$ 1,844,415
Prior Year Lapses.....	<u>23,180</u>	<u>30,132</u>	<u>10,000</u>
Total Receipts.....	<u>\$ 1,732,357</u>	<u>\$ 1,811,067</u>	<u>\$ 1,854,415</u>
Funds Available	<u>\$ 1,834,298</u>	<u>\$ 1,792,844</u>	<u>\$ 1,855,687</u>
Expenditures:			
Appropriated.....	\$ 1,852,521	\$ 1,798,163	\$ 1,848,731
Current Year Lapses.....	<u>0</u>	<u>-6,591</u>	<u>0</u>
Estimated Expenditures.....	<u>\$ 1,852,521</u>	<u>\$ 1,791,572</u>	<u>\$ 1,848,731</u>
Reserve for Current Year.....	\$ 0	\$ 0	\$ 0
Ending Balance	<u><u>\$ -18,223</u></u>	<u><u>\$ 1,272</u></u>	<u><u>\$ 6,956</u></u>

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

SUPPLEMENTAL APPROPRIATIONS

	2017-18 Available
STATE SUPPLEMENTALS	
Health and Human Services	
Medical Assistance - Long-Term Care.....	\$ -54,800
Aging	
Pharmaceutical Assistance Fund.....	\$ 30,000
TOTAL STATE SUPPLEMENTALS.....	<u>\$ -24,800</u>

Summary by Department

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Estimate	2018-19 Budget
Department of Aging			
General Government			
General Government Operations.....	\$ 9,272	\$ 8,949	\$ 8,315
Grants and Subsidies			
PENNCARE.....	\$ 331,246	\$ 336,062	\$ 333,778
Pre-Admission Assessment.....	19,916	19,916	8,750
Caregiver Support.....	12,103	12,103	12,103
Alzheimer's Outreach.....	250	250	250
Pharmaceutical Assistance Fund.....	169,000	155,000 ^a	140,000
Grants to Senior Centers.....	2,000	2,000	2,000
Subtotal.....	<u>\$ 534,515</u>	<u>\$ 525,331</u>	<u>\$ 496,881</u>
TOTAL STATE FUNDS.....	<u>\$ 543,787</u>	<u>\$ 534,280</u>	<u>\$ 505,196</u>
Augmentations.....	421	353	353
DEPARTMENT TOTAL.....	<u>\$ 544,208</u>	<u>\$ 534,633</u>	<u>\$ 505,549</u>
Department of Health and Human Services			
Grants and Subsidies			
Medical Assistance - Long-Term Care.....	\$ 184,081 ^b	\$ 129,281 ^c	\$ 81,381
Home and Community-Based Services.....	120,668 ^b	120,668 ^b	70,390
Medical Assistance - Community HealthChoices.....	0	0	153,084
Medical Assistance - Transportation Services.....	3,300 ^b	3,500 ^b	3,500
DEPARTMENT TOTAL.....	<u>\$ 308,049</u>	<u>\$ 253,449</u>	<u>\$ 308,355</u>
TOTAL STATE FUNDS.....	<u>\$ 308,049</u>	<u>\$ 253,449</u>	<u>\$ 308,355</u>
Augmentations.....	0	0	0
DEPARTMENT TOTAL.....	<u>\$ 308,049</u>	<u>\$ 253,449</u>	<u>\$ 308,355</u>

Summary by Department (continued)

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Estimate	2018-19 Budget
Department of Revenue			
General Government			
General Operations (EA).....	\$ 51,625	\$ 49,300	\$ 57,339
Lottery Advertising (EA).....	44,000	48,180	51,000
Property Tax Rent Rebate - General Operations (EA).....	15,224	15,463	15,298
On-line Vendor Commissions (EA).....	42,566	41,178	41,087
Instant Vendor Commissions (EA).....	29,134	29,517	29,218
iLottery Vendor Commission (EA).....	0	1,307	6,536
Payment of Prize Money (EA).....	357,354	381,907	393,020
PTRR Settlement (EA).....	12,000	0	0
Subtotal.....	<u>\$ 551,903</u>	<u>\$ 566,852</u>	<u>\$ 593,498</u>
Grants and Subsidies			
Property Tax & Rent Rebate for Older Pennsylvanians (EA).....	\$ 269,900	\$ 264,700	\$ 262,800
TOTAL STATE FUNDS	<u>\$ 821,803</u>	<u>\$ 831,552</u>	<u>\$ 856,298</u>
Augmentations.....	154	180	180
DEPARTMENT TOTAL.....	<u>\$ 821,957</u>	<u>\$ 831,732</u>	<u>\$ 856,478</u>
Department of Transportation			
Grants and Subsidies			
Transfer to Public Transportation Trust Fund (EA).....	\$ 95,907	\$ 95,907	\$ 95,907
Older Pennsylvanians Shared Rides (EA).....	82,975	82,975	82,975
DEPARTMENT TOTAL.....	<u>\$ 178,882</u>	<u>\$ 178,882</u>	<u>\$ 178,882</u>
TOTAL STATE FUNDS	<u>\$ 1,852,521</u>	<u>\$ 1,798,163</u>	<u>\$ 1,848,731</u>
Augmentations.....	575	533	533
FUND TOTAL.....	<u>\$ 1,853,096</u>	<u>\$ 1,798,696</u>	<u>\$ 1,849,264</u>

^a Includes recommended supplemental appropriation of \$30,000,000.

^b Appropriated in Department of Human Services.

^c Appropriated as \$184,081,000 in Department of Human Services and includes recommended appropriation reduction of \$54,800,000.

Revenue Summary: Five Year Revenue Projections

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Estimated	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
Collections.....	\$ 1,559,914	\$ 1,626,985	\$ 1,703,365	\$ 1,733,211	\$ 1,766,913	\$ 1,791,540	\$ 1,816,553
Gaming Fund Transfers.....	148,000	145,700	139,800	137,300	134,800	132,300	132,300
Miscellaneous Revenue.....	1,263	8,250	1,250	1,250	1,250	1,250	1,250
TOTAL LOTTERY FUND REVENUES.....	\$ 1,709,177	\$ 1,780,935	\$ 1,844,415	\$ 1,871,761	\$ 1,902,963	\$ 1,925,090	\$ 1,950,103

Revenue Sources

Net Lottery Collections

(Dollar Amounts in Thousands)

Actual	Estimated
2011-12.....	2017-18..... \$ 1,626,985
2012-13.....	2018-19..... 1,703,365
2013-14.....	2019-20..... 1,733,211
2014-15.....	2020-21..... 1,766,913
2015-16.....	2021-22..... 1,791,540
2016-17.....	2022-23..... 1,816,553

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

The Lottery currently offers eleven 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. Fast Play, the most recent terminal-based game, was added in 2017. **Revenue growth is anticipated from the implementation of Act 42 of 2017. This Act authorizes the State Lottery to conduct online games which are exempt from the profit margin requirement and allows the sale of Keno. Act 42 authorizes the department to operate iLottery and Internet instant games. iLottery and Internet instant games are lottery games of chance in which, by the use of a computer, tablet computer, other mobile device or other web or mobile applications a player purchases a lottery play that reveals numbers, letters or symbols indicating whether a lottery prize has been won. All revenues from the sales of iLottery will be deposited into the Lottery Fund.**

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)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Ticket Sales.....	\$ 4,001,035	\$ 4,134,029	\$ 4,456,066	\$ 4,587,480	\$ 4,728,668	\$ 4,804,129	\$ 4,884,039
Commissions.....	-200,052	-203,951	-209,053	-212,374	-215,933	-219,706	-223,702
Field Paid Prizes.....	-2,241,069	-2,303,093	-2,543,648	-2,641,895	-2,745,822	-2,792,883	-2,843,784
NET LOTTERY COLLECTIONS.....	\$ 1,559,914	\$ 1,626,985	\$ 1,703,365	\$ 1,733,211	\$ 1,766,913	\$ 1,791,540	\$ 1,816,553

Revenue Sources (continued)

Gaming Fund Transfers

(Dollar Amounts in Thousands)

Actual		Estimated	
2011-12.....	\$ 164,100	2017-18.....	\$ 145,700
2012-13.....	166,800	2018-19.....	139,800
2013-14.....	166,500	2019-20.....	137,300
2014-15.....	162,800	2020-21.....	134,800
2015-16.....	166,800	2021-22.....	132,300
2016-17.....	148,000	2022-23.....	132,300

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	
2011-12.....	\$ 14,067	2017-18.....	\$ 8,250
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
2016-17.....	1,263	2022-23.....	1,250

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

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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.

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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 2018-19 Governor’s Executive Budget presents this tax expenditure analysis covering commonwealth taxes that have historically had 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 2016-17 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 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 18.0	\$ 18.0	\$ 18.0	\$ 18.0	\$ 18.0	\$ 18.0	\$ 18.0

Beneficiaries: Approximately 165 companies and 125 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 2016-17 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 10.1	\$ 10.1	\$ 10.1	\$ 10.1	\$ 10.1	\$ 10.1	\$ 10.1

Beneficiaries: Approximately 35 companies and 45 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 2016-17 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 55.0	\$ 55.0	\$ 55.0	\$ 55.0	\$ 55.0	\$ 55.0	\$ 55.0

Beneficiaries: Approximately 950 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. Act 43 of 2017 extended the application date for the additional KOZs from October 2016 to October 2018. Act 43 of 2017 also extended the date for the Department of Community and Economic Development to approve said applications from December 2016 to December 2018.

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 89.5	\$ 92.1	\$ 95.1	\$ 93.0	\$ 91.7	\$ 93.0	\$ 94.4

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. Act 55 of 2017 increased the amount of EITC credits that can be awarded in fiscal year 2017-18 and forward to \$135 million, while the amount that can be awarded under the EOSTC remained unchanged at \$50 million per fiscal year.

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 2016-17 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 122.0	\$ 135.0	\$ 135.0	\$ 135.0	\$ 135.0	\$ 135.0	\$ 135.0

Beneficiaries Approximately 2,290 companies, 3,530 individuals, and 960 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 2016-17 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 41.8	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0

Beneficiaries: Approximately 515 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: The Keystone Innovation Zone (KIZ) program was created to foster growth in research and development and other high technology businesses. The zones are defined parcels operated by a partnership of business groups and higher education institutions. Existing zones may expand 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

Qualified businesses operating in a zone are entitled to priority consideration for a number of state programs, as well as 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 more than \$100,000 in tax credits per year. The credit may be applied against personal income, corporate net income, and capital stock/foreign franchise tax liabilities. The program cap is currently \$15 million per fiscal year.

The estimate for fiscal year 2016-17 reflects actual credits awarded under the program for that period. The estimates for future fiscal years reflect the program cap.

Purpose: This tax credit provides a financial incentive to foster growth of research and development and other high technology businesses in affiliation with institutions of higher education.

Administrative Costs: Cost to administer the KIZ program, including the review and award of KIZ tax credits, are borne by the Department of Community and Economic Development. The Department of Revenue is responsible for applying credits to taxpayer accounts. Estimated costs for both departments total \$0.2 million per year.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 15.0	\$ 15.0	\$ 15.0	\$ 15.0	\$ 15.0	\$ 15.0	\$ 15.0

Beneficiaries: Approximately 260 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

The current program, established by Act 55 of 2007, provides a credit of 25 percent for qualified film production expenses incurred in Pennsylvania. An additional five percent credit is available if the production is filmed in a qualified production facility that meets all minimum stage filming requirements.

The program cap has varied throughout the years. Most recently, 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, in addition to capital stock/foreign franchise, corporate net income, personal income, bank shares, and insurance premiums taxes. The act also authorized the reissue of unused credits from previous fiscal years.

Act 43 of 2017 created film production tax credit districts, which must meet certain location, size, and investment criteria. Up to two districts may be designated in the commonwealth. Beginning in fiscal year 2019-20, film production tax credits may be awarded exclusively for activity occurring in film production tax credit districts; the credits are in addition to the existing film production tax credits authorized under section 1716-D(A).

The estimate for fiscal year 2016-17 reflects actual credits awarded under the program for that period. The estimates for future fiscal years reflect the program cap. The impact of tax credits for film production tax credit districts is not reflected in the estimate. The impact of this provision is not currently known.

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 60.0	\$ 65.0	\$ 65.0	\$ 65.0	\$ 65.0	\$ 65.0	\$ 65.0

Beneficiaries: Approximately 30 film projects 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, and 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ --	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0

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

Concert Rehearsal and Tour Tax Credit

Act 84 of 2016 created the Concert Rehearsal and Tour Tax Credit. After Act 7 of 2017 briefly moved the credit to Title 12, Chapter 33 of the Pennsylvania Consolidated Statutes, Act 43 of 2017 moved the authorizing language back to the Tax Reform Code.

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), capital stock/foreign franchise, bank and trust company shares, and insurance premiums taxes.

The credit may be awarded to up to five tours per fiscal year, and each tour may be awarded up to \$800,000 in tax credits. Tax credits awarded to individual tours 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. Previously, the total amount of tax credits that could be awarded in any fiscal year was capped at \$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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ --	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0

Beneficiaries: An unknown number of taxpayers will benefit from this 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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. The tax credit may be used against personal income, corporate net income, capital stock/foreign franchise, bank shares and trust company shares, title insurance company shares, insurance premiums, and mutual thrift institutions taxes.

The estimate for fiscal year 2016-17 reflects actual credits awarded under the program for that period. The estimates for fiscal years reflect the program cap of \$10 million per fiscal year..

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 9.3	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0

Beneficiaries: Approximately 75 businesses and 200 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ --	\$ 0.0	\$ 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ --	\$ --

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

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.0	\$ 5.0	\$ 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 15th 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)

Estimates:	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ --	\$ 1.5	\$ 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 7.5	\$ 10.0	\$ 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ --	\$ 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ --	\$ 5.0	\$ 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.

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, and 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ --	\$ 2.0	\$ 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ --	\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.0

Beneficiaries: Approximately 720 entities could benefit from this tax expenditure.

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.

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. The amounts below also include the nominal administrative costs associated with selective business taxes.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 4.8	\$ 5.0	\$ 5.1	\$ 5.3	\$ 5.4	\$ 5.6	\$ 5.8

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 59.1	\$ 59.3	\$ 59.5	\$ 59.6	\$ 59.8	\$ 60.0	\$ 60.2

Beneficiaries: Approximately 2,500 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 636.5	\$ 632.2	\$ 627.9	\$ 623.7	\$ 619.4	\$ 615.2	\$ 610.9

Beneficiaries: More than 34,500 corporations are affected by this expenditure. Of those, 8,000 benefit (i.e., have their taxable income reduced) from the expenditure. The estimates shown above reflect the net impact and represent the change in corporate net income tax from corporations who have their taxable income reduced, as well as the impact on corporations that have their taxable income increased as a result of this tax expenditure.

FICA TAX ON TIPS

Description: Eating and drinking establishments can claim a deduction from their Pennsylvania taxable income equal to the amount of FICA (Federal Insurance Contributions Act) tax on employees’ tips.

Purpose: This deduction corrects for a change in federal law. In 1993, a credit for the amount of FICA tax paid on employees’ tips was created in the Internal Revenue Code. Taxpayers taking the federal credit may not also take a deduction for tax paid. Pennsylvania does not permit the credit and instead allows this additional deduction from federal taxable income.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 3.2	\$ 3.3	\$ 3.5	\$ 3.6	\$ 3.8	\$ 4.0	\$ 4.2

Beneficiaries: Approximately 2,300 taxpayers representing eating and drinking establishments could benefit from this tax expenditure.

NET OPERATING LOSS CARRYFORWARD

Description: Corporations may deduct from current taxable income the net losses from previous years to arrive at their tax liability. Act 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. Act 52 of 2013 increased the annual cap on deductions for tax year 2016 to \$5 million or 30 percent of taxable income, whichever is greater.

Following the decision in *Nextel v. Commonwealth of Pennsylvania*, the \$5 million cap on net operating loss carryforward will not be available for tax years 2017 and beyond, leaving only a percentage cap. The Pennsylvania Supreme Court struck down the fixed dollar cap, finding that it violated the Uniformity Clause of the Pennsylvania Constitution. For tax year 2017, the cap remains at 30 percent of taxable income. Act 43 of 2017 increased the cap to 35 percent for tax year 2018, and 40 percent for tax years 2019 and forward.

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 474.1	\$ 360.0	\$ 433.0	\$ 498.5	\$ 531.1	\$ 531.2	\$ 525.3

Beneficiaries: Approximately 18,500 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 533.2	\$ 577.3	\$ 599.8	\$ 625.5	\$ 655.4	\$ 687.0	\$ 718.8

Beneficiaries: Approximately 161,100 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 976.8	\$1,055.2	\$1,097.3	\$1,144.6	\$1,199.0	\$1,256.8	\$1,315.0

Beneficiaries: As many as 158,200 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)

Estimates:	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	NA	NA	NA	NA	NA	NA	NA

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

QUALIFIED MANUFACTURING INNOVATION & REINVESTMENT DEDUCTION

Description: Act 43 of 2017 created a deduction from federal income for taxpayers who invest at least \$100 million in the creation of a new or refurbished manufacturing facility within three years of a designated start date. The taxpayer will be allowed to deduct five percent of the total private capital investment from their federal income as reported on a separate company basis for five years. The deduction cannot reduce total tax liability by more than 50 percent. The deduction is non-transferable and expires at the end of the corresponding tax year. Businesses can inform the commonwealth of their intent to initiate an eligible project after the effective date of December 29, 2017.

Purpose: The deduction will make Pennsylvania a more attractive place to make large capital investments in modern manufacturing.

(Dollar Amounts in Millions)

Estimates:	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	NA	NA	NA	NA	NA	NA	NA

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

GROSS RECEIPTS TAX

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

The gross receipts tax is imposed on the following companies conducting business in Pennsylvania: pipeline, conduit, steamboat, canal, slack water navigation and transportation companies; freight or oil transporters; telephone and telegraph companies; express service, palace car or sleeping car companies; and electric light, water power and hydroelectric energy companies. Municipalities are entitled to exemptions.

A tax is levied at 50 mills on gross receipts from passengers, baggage, freight, and oil transported within the 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 10.8	\$ 10.8	\$ 10.9	\$ 10.9	\$ 10.9	\$ 10.9	\$ 10.9

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: One hundred fifty electric suppliers could potentially benefit from this tax expenditure.

General Fund Tax Expenditures

ELECTRIC COOPERATIVES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 22.7	\$ 23.5	\$ 24.3	\$ 25.1	\$ 25.9	\$ 26.8	\$ 27.7

Beneficiaries: The 14 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 3.3	\$ 3.3	\$ 3.3	\$ 3.4	\$ 3.4	\$ 3.4	\$ 3.5

Beneficiaries: The 285 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 2.9	\$ 2.9	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.1

Beneficiaries: The 285 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 6.8	\$ 6.8	\$ 6.9	\$ 6.9	\$ 7.0	\$ 7.1	\$ 7.1

Beneficiaries: The 60 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 5.9	\$ 6.0	\$ 6.1	\$ 6.1	\$ 6.2	\$ 6.2	\$ 6.3

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 3.7	\$ 3.7	\$ 3.7	\$ 3.8	\$ 3.8	\$ 3.8	\$ 3.9

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 26.9	\$ 27.1	\$ 27.3	\$ 27.6	\$ 27.8	\$ 28.1	\$ 28.3

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 20.5	\$ 20.7	\$ 19.8	\$ 20.2	\$ 20.7	\$ 21.1	\$ 21.6

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 378 of 1937), the Nonprofit Medical, Osteopathic, Dental and Podiatry Service Corporation Act (Act 399 of 1939), and their successor acts are exempt from the insurance premiums tax.

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 74.7	\$ 79.1	\$ 82.8	\$ 86.9	\$ 91.3	\$ 95.8	\$ 100.6

Beneficiaries: Eleven 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

Beneficiaries: Approximately 820 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.3	\$ 29.1	\$ 42.7	\$ 44.1	\$ 44.1	\$ 43.8	\$ 15.0

Beneficiaries: Approximately 410 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)

Estimates:	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	Nominal	Nominal	\$ 0.7	\$ 1.4	\$ 2.1	\$ 2.8	\$ 3.6

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)

Estimates:	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 7.5	\$ 20.0	\$ 20.0	\$ 20.0	\$ 20.0	\$ 12.5	\$ 0.0

Beneficiaries: Approximately 30 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 75.2	\$ 74.6	\$ 75.9	\$ 77.3	\$ 78.5	\$ 80.2	\$ 82.5

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ --	\$ 2.7	\$ 5.6	\$ 8.6	\$ 11.9	\$ 15.3	\$ 15.8

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 7.8	\$ 9.1	\$ 9.4	\$ 9.7	\$ 10.0	\$ 10.3	\$ 10.7

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.

The sales and use tax is imposed on the retail sale, consumption, rental, or use of tangible personal property in Pennsylvania. The tax is also imposed on certain services relating to such property and on the charge for specific business services. The Pennsylvania sales tax rate is six percent. By law, a one percent local tax is added to purchases made in Allegheny County, and two percent local tax is added to purchases made in Philadelphia. Effective with Act 46 of 2003 for transfers after June 30, 2003, 0.947 percent of total sales and use tax receipts are transferred monthly to the Public Transportation Assistance Fund. Act 44 of 2007 provided that 4.4 percent of sales and use tax receipts be transferred monthly to the Public Transportation Transfer Fund, effective July 1, 2007. Act 85 of 2016 created a transfer in the amount that is necessary to make payment for principal and interest obligations for outstanding indebtedness of the Commonwealth Financing Authority, beginning July 1, 2016. An annual \$0.7 million transfer to the Transit Revitalization Investment Districts, beginning in 2016 and sunseting after twenty years, was created by Act 151 of 2016. The analyses below reflect only the General Fund portion of the tax expenditures.

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 18.0	\$ 18.2	\$ 18.5	\$ 18.8	\$ 19.1	\$ 19.3	\$ 19.6

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$1,356.6	\$1,387.3	\$1,425.2	\$1,464.2	\$1,505.4	\$1,547.1	\$1,589.4

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 63.1	\$ 64.5	\$ 66.3	\$ 68.1	\$ 70.0	\$ 71.9	\$ 73.9

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 42.8	\$ 44.2	\$ 45.5	\$ 47.3	\$ 49.6	\$ 51.7	\$ 53.7

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 13.6	\$ 12.7	\$ 12.3	\$ 12.0	\$ 11.8	\$ 11.7	\$ 11.6

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 30.2	\$ 30.3	\$ 30.4	\$ 30.6	\$ 31.0	\$ 31.5	\$ 31.8

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 651.4	\$ 663.4	\$ 629.2	\$ 637.6	\$ 648.4	\$ 658.2	\$ 666.1

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 915.3	\$ 964.3	\$1,018.6	\$1,084.7	\$1,166.9	\$1,261.4	\$1,367.5

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 130.8	\$ 138.3	\$ 146.2	\$ 155.8	\$ 168.0	\$ 182.0	\$ 197.7

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 122.9	\$ 128.9	\$ 136.1	\$ 143.8	\$ 151.9	\$ 159.2	\$ 166.3

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 10.5	\$ 10.8	\$ 11.2	\$ 11.6	\$ 11.9	\$ 12.4	\$ 12.8

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 19.6	\$ 20.3	\$ 21.1	\$ 22.1	\$ 23.1	\$ 24.1	\$ 25.2

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 1.6	\$ 1.6	\$ 1.7	\$ 1.7	\$ 1.8	\$ 1.8	\$ 1.9

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 8.7	\$ 8.4	\$ 8.2	\$ 8.0	\$ 7.9	\$ 7.7	\$ 7.6

Beneficiaries: As many as 780,000 college students may benefit from this tax expenditure.

General Fund Tax Expenditures

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 7.4	\$ 7.6	\$ 8.0	\$ 8.6	\$ 9.1	\$ 9.7	\$ 10.3

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 94.3	\$ 98.4	\$ 103.2	\$ 108.0	\$ 113.0	\$ 117.6	\$ 122.1

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 131.4	\$ 132.7	\$ 135.2	\$ 135.5	\$ 135.1	\$ 136.1	\$ 137.3

Beneficiaries: Approximately 70,000 households and an unknown number of 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 8.1	\$ 8.4	\$ 8.6	\$ 8.9	\$ 9.2	\$ 9.5	\$ 9.9

Beneficiaries: Approximately 140,000 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>	Electric:						
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 428.4	\$ 433.1	\$ 447.9	\$ 467.2	\$ 485.3	\$ 502.3	\$ 521.2
	Fuel Oil/Gas:						
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 150.4	\$ 156.2	\$ 160.7	\$ 168.8	\$ 174.3	\$ 178.6	\$ 184.1
	Telephone:						
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 37.3	\$ 37.7	\$ 39.2	\$ 40.6	\$ 41.6	\$ 42.2	\$ 42.5

Beneficiaries: Virtually all 5.1 million households (electricity), 3.6 million households (fuel oil/gas), and 3.0 million households (telephone) benefit from this tax expenditure.

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 118.8	\$ 121.9	\$ 125.5	\$ 129.6	\$ 133.9	\$ 138.3	\$ 142.8

Beneficiaries: Approximately 4.4 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 929.7	\$ 975.6	\$ 995.5	\$1,073.6	\$1,169.9	\$1,245.7	\$1,314.5

Beneficiaries: Approximately 4.8 million households and owners of more than 2.0 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 manufactures at a competitively neutral position relative to manufacturers in those states allowing this exemption.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 5.5	\$ 5.8	\$ 6.0	\$ 6.2	\$ 6.4	\$ 6.6	\$ 6.8

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 73.7	\$ 77.1	\$ 80.6	\$ 83.6	\$ 86.2	\$ 88.7	\$ 91.1

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 18.4	\$ 18.9	\$ 19.5	\$ 20.1	\$ 20.7	\$ 21.2	\$ 21.7

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 4.4	\$ 4.5	\$ 4.6	\$ 4.7	\$ 4.8	\$ 4.9	\$ 5.1

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 20.7	\$ 20.8	\$ 20.9	\$ 21.0	\$ 21.0	\$ 21.1	\$ 21.2

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$1,239.6	\$1,253.0	\$1,285.3	\$1,312.3	\$1,336.4	\$1,362.1	\$1,387.1

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 64.0	\$ 65.0	\$ 65.5	\$ 66.6	\$ 67.8	\$ 69.3	\$ 70.9

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 102.7	\$ 102.5	\$ 103.8	\$ 105.1	\$ 106.1	\$ 106.9	\$ 107.6

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 2.6	\$ 2.6	\$ 2.7	\$ 2.7	\$ 2.8	\$ 2.8	\$ 2.9

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 36.1	\$ 36.2	\$ 36.3	\$ 36.4	\$ 36.5	\$ 36.6	\$ 36.7

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.9	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.0	\$ 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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.

General Fund Tax Expenditures

HOTEL-PERMANENT RESIDENT

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 5.8	\$ 6.1	\$ 6.3	\$ 6.5	\$ 6.8	\$ 7.0	\$ 7.2

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 30.0	\$ 13.8	\$ 14.3	\$ 14.8	\$ 15.2	\$ 15.7	\$ 16.3

Beneficiaries: Approximately 188,850 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 294.6	\$ 305.9	\$ 315.5	\$ 323.1	\$ 326.0	\$ 327.3	\$ 328.8

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 102.3	\$ 105.6	\$ 109.7	\$ 113.4	\$ 116.3	\$ 120.5	\$ 124.8

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	NA	NA	NA	NA	NA	NA	NA

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

General Fund Tax Expenditures

HORSES

Description: The sale of a horse is exempt from taxation if the seller is directed to deliver the horse to an out-of-state location. A horse may be temporarily delivered to a resident or agent prior to being delivered out-of-state.

Purpose: This exemption provides preferential treatment of horses relative to other tangible personal property by permitting temporary location in Pennsylvania before being delivered out-of-state.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 2.7	\$ 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	NA	NA	NA	NA	NA	NA	NA

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

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)

Estimates:	Charitable Organizations:						
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 14.7	\$ 15.0	\$ 15.5	\$ 15.8	\$ 16.1	\$ 16.4	\$ 16.7
	Volunteer Firemen's Organizations:						
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 14.8	\$ 15.2	\$ 15.6	\$ 15.9	\$ 16.3	\$ 16.6	\$ 16.7
	Nonprofit Educational Institutions:						
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 73.0	\$ 74.5	\$ 76.4	\$ 78.3	\$ 79.9	\$ 81.3	\$ 82.0
	Religious Organizations:						
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 10.0	\$ 10.2	\$ 10.5	\$ 10.7	\$ 10.9	\$ 11.2	\$ 11.4
	Health & Social Assistance Organizations:						
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 167.3	\$ 170.4	\$ 173.9	\$ 178.5	\$ 183.6	\$ 189.1	\$ 195.2

Beneficiaries: Approximately 32,200 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)

Estimates:	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 380.1	\$ 392.7	\$ 406.6	\$ 422.1	\$ 439.0	\$ 457.4	\$ 476.3

Beneficiaries: Approximately 3,130 governmental units benefit from this tax expenditure.

General Fund Tax Expenditures

SUBSTITUTED TAX BASE

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 11.4	\$ 11.8	\$ 12.2	\$ 12.6	\$ 13.0	\$ 13.3	\$ 13.7

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

General Fund Tax Expenditures

FISH FEED

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 183.8	\$ 187.9	\$ 192.9	\$ 197.7	\$ 202.1	\$ 206.3	\$ 210.6

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.6	\$ 0.6

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 3.5	\$ 3.6	\$ 3.8	\$ 4.0	\$ 4.2	\$ 4.4	\$ 4.6

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 2.1	\$ 2.2	\$ 2.3	\$ 2.4	\$ 2.4	\$ 2.5	\$ 2.6

Beneficiaries: As many as 139,100 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 20.9	\$ 21.3	\$ 21.8	\$ 22.3	\$ 22.8	\$ 23.3	\$ 23.8

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 1.4	\$ 1.4	\$ 1.5	\$ 1.5	\$ 1.6	\$ 1.7	\$ 1.7

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 9.7	\$ 10.1	\$ 10.4	\$ 10.7	\$ 11.1	\$ 11.4	\$ 11.8

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.1	\$ 3.2	\$ 3.2

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, corrugated boxes used by a person engaged in the manufacture of snack food products, 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 43 of 2017 expanded this definition to include kegs used to contain malt or brewed beverages.

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
LODGING							
Recreational parks, camps & campgrounds	\$ 12.1	\$ 12.7	\$ 13.2	\$ 13.5	\$ 13.9	\$ 14.4	\$ 14.8
PERSONAL SERVICES							
Dry-cleaning & laundry services	\$ 39.4	\$ 40.7	\$ 42.1	\$ 43.6	\$ 45.3	\$ 47.0	\$ 48.7
Personal care services	209.0	217.3	225.7	235.6	246.3	256.9	267.8
Funeral parlors, crematories & death care services....	64.5	67.0	69.6	72.7	76.0	79.3	82.6
Other: personal services	54.8	56.8	58.9	61.3	63.9	66.5	69.2
BUSINESS SERVICES							
Advertising, public relations, & related services.....	\$ 746.6	\$ 760.8	\$ 778.4	\$ 793.8	\$ 809.0	\$ 824.9	\$ 839.8
Services to buildings and dwellings.....	218.7	222.8	228.7	234.0	239.2	244.7	250.1
Consulting (scientific, environmental, & technical).....	348.8	355.4	362.9	369.4	376.4	383.7	390.2
Scientific research & development services	94.4	95.7	97.7	99.3	100.9	102.7	104.4
Information services.....	55.0	56.5	58.4	60.2	62.1	64.0	65.6
Administrative services	494.1	504.3	517.6	529.5	541.1	553.7	566.0
COMPUTER SERVICES							
Custom programming, design & data processing	\$ 357.7	\$ 356.9	\$ 364.1	\$ 370.1	\$ 376.3	\$ 383.0	\$ 389.1
AUTOMOTIVE SERVICES							
Parking lots & garages	\$ 71.9	\$ 74.7	\$ 77.5	\$ 80.8	\$ 84.4	\$ 87.9	\$ 91.5
RECREATION SERVICES							
Spectator sports admissions (excludes schools)	\$ 83.4	\$ 86.0	\$ 89.0	\$ 92.4	\$ 96.0	\$ 99.6	\$ 103.2
Theater, dance, music & performing arts admissions .	105.3	108.3	111.7	115.4	119.1	122.9	126.9
Amusement & recreation industries.....	416.0	431.0	447.5	467.6	488.3	509.2	530.9
Museums, historical sites, zoos & parks.....	32.8	34.0	35.3	36.9	38.6	40.3	42.1
HEALTH SERVICES							
Home health care, nursing care, & other ambulatory health care services	\$ 491.5	\$ 509.9	\$ 527.3	\$ 547.9	\$ 574.8	\$ 604.6	\$ 636.8
Hospitals	1,254.0	1,300.8	1,345.2	1,397.8	1,466.5	1,542.4	1,624.5
Physician & dental services.....	1,433.0	1,486.6	1,537.3	1,597.5	1,675.9	1,762.7	1,856.4
Social assistance including day care	167.7	174.0	180.0	187.0	196.2	206.3	217.3
PROFESSIONAL SERVICES							
Legal.....	\$ 665.6	\$ 683.7	\$ 703.9	\$ 725.3	\$ 747.9	\$ 771.0	\$ 793.6
Architectural, engineering, & related services.....	289.5	293.9	301.2	306.7	311.4	316.5	320.7
Accounting, auditing and bookkeeping services	292.8	299.1	307.1	314.3	321.2	328.8	336.0
Specialized design	71.1	72.6	74.5	76.2	78.0	79.8	81.6
All other professional and technical services	164.3	167.4	175.8	183.9	187.8	191.9	195.7
TRANSPORTATION SERVICES							
Transit & ground transportation.....	\$ 30.8	\$ 32.0	\$ 33.0	\$ 33.7	\$ 34.4	\$ 35.4	\$ 36.2
Air transportation.....	3.5	3.7	3.8	3.9	4.0	4.1	4.1
Truck transportation	18.8	19.4	20.0	20.5	21.0	21.5	22.0
Other transportation	14.0	14.4	14.7	15.0	15.4	15.4	15.8
MISCELLANEOUS SERVICES							
Basic television	\$ 160.2	\$ 162.0	\$ 168.3	\$ 173.7	\$ 177.9	\$ 180.7	\$ 182.2
Tuition (college, vocational training & instruction).....	904.5	940.1	976.5	1,018.9	1,064.8	1,110.5	1,157.3
Electrical, plumbing, heating & AC service fees.....	NA	NA	NA	NA	NA	NA	NA
Veterinary fees.....	73.5	76.3	79.3	82.7	86.4	90.1	93.9
Financial institution fees.....	186.8	196.8	208.3	220.4	232.6	244.7	255.4
Waste management and remediation services.....	158.8	162.7	178.0	182.6	176.8	181.5	186.1

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, with the first transfer occurring 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 8.1	\$ 7.8	\$ 7.5	\$ 7.3	\$ 7.1	\$ 6.8	\$ 6.6

Beneficiaries: Approximately 100 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 2.3	\$ 2.4	\$ 2.5	\$ 2.6	\$ 2.6	\$ 2.7	\$ 2.8

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$3,004.7	\$3,138.0	\$3,270.5	\$3,404.1	\$3,538.7	\$3,674.3	\$3,810.7

Beneficiaries: As many as 3.0 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 830.2	\$ 860.3	\$ 898.6	\$ 938.0	\$ 978.4	\$1,020.6	\$1,064.1

Beneficiaries: As many as 6.0 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 42.3	\$ 44.7	\$ 47.3	\$ 50.0	\$ 52.8	\$ 55.8	\$ 59.0

Beneficiaries: Approximately 62,500 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 21.3	\$ 21.9	\$ 22.7	\$ 23.4	\$ 24.2	\$ 25.0	\$ 25.8

Beneficiaries: Individuals filing approximately 271,700 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 957.0	\$ 984.7	\$1,016.7	\$1,051.2	\$1,086.5	\$1,122.2	\$1,159.5

Beneficiaries: As many as 6.0 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 98.4	\$ 102.0	\$ 106.5	\$ 111.2	\$ 116.0	\$ 121.0	\$ 126.1

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 148.3	\$ 151.9	\$ 155.6	\$ 159.4	\$ 163.3	\$ 167.3	\$ 171.3

Beneficiaries: The death payment beneficiaries of approximately 192,600 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 67.7	\$ 68.1	\$ 68.0	\$ 67.9	\$ 68.1	\$ 68.3	\$ 68.5

Beneficiaries: Approximately 471,400 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 90.3	\$ 90.6	\$ 90.9	\$ 91.2	\$ 91.5	\$ 91.9	\$ 92.2

Beneficiaries: As many as 159,000 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 4.8	\$ 4.8	\$ 5.4	\$ 5.4	\$ 5.4	\$ 5.4	\$ 5.4

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 133.3	\$ 141.0	\$ 153.0	\$ 165.4	\$ 170.7	\$ 177.9	\$ 182.3

Beneficiaries: The owners of approximately 245,700 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 110.2	\$ 110.8	\$ 112.2	\$ 113.7	\$ 115.2	\$ 116.9	\$ 118.6

Beneficiaries: Approximately 52,800 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 170.5	\$ 182.0	\$ 194.3	\$ 207.4	\$ 221.4	\$ 236.3	\$ 252.2

Beneficiaries: The recipients of approximately 262,200 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 3.8	\$ 3.7	\$ 3.5	\$ 3.3	\$ 3.1	\$ 3.0	\$ 2.8

Beneficiaries: Approximately 31,000 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 63.0	\$ 61.9	\$ 61.2	\$ 60.8	\$ 60.5	\$ 60.3	\$ 60.2

Beneficiaries: Individuals filing approximately 1.0 million returns benefit from this tax expenditure.

BUSINESS INCOME DEDUCTIONS

Description: Ordinary and reasonable expenses necessary to operate a business or profession may be deducted from the gross receipts of that business or profession. This expenditure does not measure the cost of sales and operations or wages and salaries deductions.

Purpose: Businesses and professions are taxed on "net" profits; therefore, expenses necessary to produce the income may be deducted before tax is computed.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<i>Depreciation:</i>						
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 96.7	\$ 101.3	\$ 104.1	\$ 106.6	\$ 109.2	\$ 112.7	\$ 116.3

	<i>Other:</i>						
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$1,646.2	\$1,724.0	\$1,772.2	\$1,814.4	\$1,857.5	\$1,918.5	\$1,978.4

Beneficiaries: Approximately 934,000 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 1.6	\$ 1.7	\$ 1.8	\$ 1.9	\$ 1.9	\$ 2.0	\$ 2.1

Beneficiaries: The foster parents of approximately 18,300 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 29.8	\$ 31.0	\$ 32.2	\$ 33.4	\$ 34.7	\$ 36.1	\$ 37.5

Beneficiaries: At least 122,100 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 1.7	\$ 1.7	\$ 1.5	\$ 1.3	\$ 1.2	\$ 0.8	\$ 0.7

Beneficiaries: The winners of approximately 600 noncash prizes 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 62.8	\$ 72.2	\$ 85.4	\$ 93.4	\$ 95.0	\$ 95.0	\$ 95.0

Beneficiaries: Approximately 274,700 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)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.6	\$ 0.6	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7

Beneficiaries: Approximately 10,200 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)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 1.1	\$ 1.8	\$ 2.0	\$ 2.2	\$ 2.3	\$ 2.4	\$ 2.4

Beneficiaries: Approximately 140 taxpayers benefit from this expenditure.

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. Act 43 of 2017 further provided that contributions made to an ABLE account shall be deductible from the taxable income of the contributor. Total contributions to all ABLE accounts allowable as a deduction by a contributor in a taxable year shall not exceed the limit set in Section 2503(B) of the Internal Revenue Code, nor shall the deduction result in taxable income less than zero.

Purpose: These provisions lessen the burden of tax on disabled individuals and their families.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.0	\$ 0.6	\$ 1.5	\$ 2.8	\$ 6.3	\$ 8.1	\$ 10.1

Beneficiaries: Approximately 500 disabled Pennsylvanians and their families 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 267.7	\$ 261.8	\$ 255.8	\$ 249.9	\$ 243.9	\$ 238.0	\$ 232.0

Beneficiaries: Individuals filing approximately 1.2 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 351.8	\$ 364.0	\$ 383.2	\$ 400.3	\$ 417.3	\$ 435.2	\$ 454.2

Beneficiaries: Individuals filing approximately 128,000 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 5.8	\$ 5.2	\$ 4.9	\$ 4.9	\$ 5.4	\$ 5.7	\$ 6.4

Beneficiaries: Approximately 47,800 fiduciaries are estimated to benefit from this tax expenditure.

ESTIMATED TAXES FOR FARMERS

Description: Individuals having an estimated gross income from farming which is at least two-thirds of their total gross income may file an estimated tax declaration any time on or before January 15 of the succeeding year. If such an individual files a final return and pays the entire tax due by March 1, the return may be considered the declaration due on or before January 15. The estimates measure the interest lost due to delayed estimated payments.

Purpose: This provision provides assistance to farmers by allowing more liberal estimated payment rules, enhancing the farmers' cash flow.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.1	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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

Beneficiaries: Taxpayers filing nearly 32,400 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' SERVICE 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 4.9	\$ 5.3	\$ 5.8	\$ 5.9	\$ 5.9	\$ 6.0	\$ 6.1

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 69.5	\$ 74.8	\$ 81.7	\$ 83.1	\$ 83.7	\$ 85.1	\$ 86.5

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 1.7	\$ 1.8	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.1	\$ 2.1

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 2.3	\$ 2.5	\$ 2.7	\$ 2.8	\$ 2.8	\$ 2.8	\$ 2.9

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 2.2	\$ 2.3	\$ 2.5	\$ 2.6	\$ 2.6	\$ 2.6	\$ 2.7

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.4	\$ 0.4	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5

Beneficiaries: Approximately 70 land conservancies could benefit from this tax expenditure.

REAL ESTATE DEVOTED TO AGRICULTURE

Description: A transfer of real estate devoted to the business of agriculture to a family farm 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 4,710 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 4,710 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 1,970 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: The 285 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 1.7	\$ 1.8	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.1	\$ 2.1

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	NA	NA	NA	NA	NA	NA	NA

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

INHERITANCE TAX

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

The inheritance tax is imposed on the value of the decedent's estate transferred to beneficiaries by will or intestacy. Inheritance tax on the transfer of non-jointly held property to spouses is levied at 0 percent. The transfer of property from children 21 years of age or younger to their parent is taxed at a rate of 0 percent. All other transfers to lineal heirs are taxed at the rate of 4.5 percent. Transfers to siblings are subject to a tax rate of 12 percent, while transfers to all other persons are taxed at a rate of 15 percent.

Inheritance tax payments are due upon the death of the decedent and become delinquent nine months after the individual's death. If inheritance taxes are paid within three months of the decedent's death, a five percent discount is allowed.

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$1,170.9	\$1,217.3	\$1,272.0	\$1,319.8	\$1,351.6	\$1,404.3	\$1,456.6

Beneficiaries: Approximately 38,000 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$2,344.5	\$2,437.5	\$2,547.0	\$2,642.7	\$2,706.3	\$2,811.9	\$2,916.6

Beneficiaries: Approximately 35,000 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 1.2	\$ 1.3	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.5	\$ 1.6

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 26.1	\$ 27.2	\$ 28.4	\$ 29.5	\$ 30.2	\$ 31.3	\$ 32.5

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 140.7	\$ 145.9	\$ 151.3	\$ 156.9	\$ 162.8	\$ 168.8	\$ 175.0

Beneficiaries: Estates of the decedents associated with approximately 81,000 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 1.7	\$ 1.8	\$ 1.8	\$ 1.9	\$ 1.9	\$ 2.0	\$ 2.1

Beneficiaries: Approximately 7,800 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 8.2	\$ 8.7	\$ 9.3	\$ 10.0	\$ 10.7	\$ 11.4	\$ 12.2

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 68.0	\$ 70.6	\$ 73.3	\$ 76.0	\$ 78.9	\$ 81.8	\$ 84.9

Beneficiaries: Approximately 47,600 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 74.1	\$ 76.9	\$ 79.8	\$ 82.8	\$ 85.9	\$ 89.1	\$ 92.5

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0

Beneficiaries: As many as 60,300 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 60,300 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.5	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.7	\$ 0.7	\$ 0.7

Beneficiaries: The owners of 58,200 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 6.1	\$ 6.0	\$ 6.0	\$ 6.1	\$ 6.1	\$ 6.2	\$ 6.2

Beneficiaries: The owners of 58,200 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 5.8	\$ 6.0	\$ 6.2	\$ 6.5	\$ 6.6	\$ 6.8	\$ 7.1

Beneficiaries: The owners of 187,000 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.4	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5

Beneficiaries: Approximately 3,300 estates 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 119.9	\$ 124.4	\$ 129.1	\$ 133.9	\$ 139.0	\$ 144.2	\$ 149.6

Beneficiaries: An estimated 32,200 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 2010 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 2.2	\$ 4.4	\$ 2.1	\$ 1.9	\$ 1.8	\$ 1.8	\$ 1.9

Beneficiaries: All licensed gaming entities in Pennsylvania operating table games may benefit from this tax expenditure.

FANTASY CONTESTS TAX

Authorization: Chapter 3 of Title 4 of the Pennsylvania Consolidated Statutes.

Act 42 of 2017 imposed a fantasy contest tax on the monthly fantasy contest adjusted revenue of licensed operators.

The tax is imposed on monthly fantasy contest adjusted revenue, defined as, for each fantasy contest, the total amount of all entry fees collected from all participants entering the fantasy contest minus prizes or awards paid to participants in the fantasy contest, multiplied by the in-state percentage. The in-state percentage is, for each fantasy contest, the percentage of entry fees collected from all in-state participants divided by the total entry fees collected from all participants in the fantasy contest. The rate is 15 percent of monthly fantasy adjusted revenue.

The fantasy contest tax contains no tax expenditures as defined for this tax expenditure analysis.

INTERACTIVE GAMING TAX

Authorization: Chapter 13B of Title 4 of the Pennsylvania Consolidated Statutes.

Act 42 of 2017 imposed an interactive gaming tax on daily gross interactive gaming revenue of interactive gaming certificate holders and a multi-use gaming device tax on the daily gross interactive airport gaming revenue of interactive gaming certificate holders authorized to conduct interactive gaming at qualified airports.

The tax is imposed on daily gross interactive gaming revenue. The rate for taxes deposited in the General Fund is 14 percent of daily gross interactive gaming revenue of peer-to-peer interactive games and non-peer-to-peer interactive games that simulate table games. There is a 52 percent tax on the daily gross interactive gaming revenue of non-peer-to-peer games simulating slot machines. That revenue is deposited in other funds.

The interactive gaming tax and multi-use gaming device tax contain no tax expenditures as defined for this tax expenditure analysis.

VIDEO GAMING TERMINAL TAX

Authorization: Part III of Title 4 of the Pennsylvania Consolidated Statutes.

Act 42 of 2017 imposed a video gaming terminal tax on gross terminal revenue from all video gaming terminals operated by a terminal operator licensee within this commonwealth.

The tax is imposed on gross terminal revenue, which is defined as the total of cash or cash equivalents received by a video gaming terminal minus the total of cash or cash equivalents paid out to players as a result of playing a video gaming terminal. The tax revenue is deposited in the Video Gaming Fund, but transferred to the General Fund at the end of each fiscal year. The rate is 42 percent of gross terminal revenue.

The video gaming terminal tax contains no tax expenditures as defined for this tax expenditure analysis.

OIL COMPANY FRANCHISE TAX

Authorization: Chapter 95 of Title 75 of the Pennsylvania Consolidated Statutes.

Act 3 of 1997 imposed a tax of 153.5 mills for all taxable liquid fuels and 208.5 mills for all taxable fuels on oil companies conducting business in Pennsylvania. 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 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, Act 32 of 1983 set minimum and maximum average wholesale prices at \$0.90 and \$1.25 per gallon, respectively. The tax rate for calendar year 2018 is 57.6 cents per gallon for liquid fuels and 74.1 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. The estimated expenditures herein include the impact on both unrestricted and restricted Motor License Fund revenue.

Administrative Costs: Costs to administer the multiple tax expenditures associated with the oil company franchise tax cannot be separately identified from the other motor fuel taxes deposited into the Motor License Fund. 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7

POLITICAL SUBDIVISIONS

Description: Fuels purchased by political subdivisions of the commonwealth are exempt from the tax.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 51.9	\$ 56.6	\$ 56.4	\$ 56.5	\$ 56.6	\$ 56.7	\$ 56.8

Beneficiaries: Approximately 3,130 governmental units benefit from these tax expenditures.

Motor License Fund Tax Expenditures

VOLUNTEER EMERGENCY VEHICLES

Description: Fuel purchased by a volunteer fire company, volunteer ambulance service, or volunteer rescue squad, and used solely in official vehicles, is exempt from the tax.

Purpose: Volunteer emergency organizations provide public services that are perceived to benefit citizens. This exemption permits these services to be rendered at a reduced cost.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 14.9	\$ 16.3	\$ 16.2	\$ 16.2	\$ 16.3	\$ 16.3	\$ 16.3

Beneficiaries: Approximately 1,800 volunteer fire departments and an unknown number of other volunteer organizations benefit from these tax expenditures.

NONPROFIT NONPUBLIC SCHOOLS

Description: Fuel purchased by any nonprofit nonpublic school in which a commonwealth resident may legally fulfill compulsory school attendance requirements is granted an exemption from the tax.

Purpose: Since state government indirectly subsidizes transporting public school children, this exemption provides similar treatment to nonprofit nonpublic schools.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3

Beneficiaries: As many as 3,000 nonprofit nonpublic schools may benefit from these tax expenditures.

SECOND CLASS COUNTY PORT AUTHORITIES

Description: Purchases of fuel by second class county port authorities are exempt from the tax.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: One second class county port authority benefits from this tax expenditure.

Motor License Fund Tax Expenditures

ELECTRIC COOPERATIVES

Description: Fuel purchases for vehicles operated by electric cooperatives are exempt from the tax.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.2	\$ 0.3	\$ 0.2	\$ 0.2	\$ 0.3	\$ 0.3	\$ 0.3

Beneficiaries: There are 13 electric cooperative in the commonwealth that benefit from these tax expenditures.

AGRICULTURAL USE

Description: A full refund of tax paid is granted for fuel consumed in agricultural use relating to the actual production of farm products. Fuel used in farm machinery or equipment engaged in the production or harvesting of agricultural products is exempt from taxation under these provisions.

Purpose: This exemption allows farmers to provide agricultural products at a reduced cost.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 4.5	\$ 4.9	\$ 4.9	\$ 4.9	\$ 4.9	\$ 4.9	\$ 4.9

Beneficiaries: Individuals operating approximately 58,200 farms benefit from these tax expenditures.

TRUCK REFRIGERATION UNITS

Description: A full refund of tax paid is granted for undyed diesel fuel used in truck refrigeration units when the tank that fuels the refrigeration unit is used solely for that purpose and is separate from that which powers the vehicle.

Purpose: This provision allows a refund for fuel consumed in an off-road manner when such use can be clearly documented.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 4.5	\$ 4.9	\$ 4.9	\$ 4.9	\$ 4.9	\$ 4.9	\$ 4.9

Beneficiaries: Approximately 250 entities benefit from these tax expenditures.

Motor License Fund 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)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	Nominal	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

Beneficiaries: Approximately 10 taxpayers benefit from these tax expenditures.

DISCOUNT

Description: A distributor is permitted a variable percentage discount 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 20th day of each month for the preceding month's sales.

Purpose: This discount is intended to defray the cost of preparing and remitting the tax reports and payments.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 5.8	\$ 5.8	\$ 5.6	\$ 5.6	\$ 5.6	\$ 5.6	\$ 5.6

Beneficiaries: Approximately 840 distributors benefit from these tax expenditures.

FOREIGN DIPLOMATS

Description: Fuel purchased by foreign diplomats whose countries have entered into a treaty with the United States is exempt from payment of the tax.

Purpose: The commonwealth grants this exemption administratively at the request of the federal government.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8

Beneficiaries: Approximately 70 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. This is 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. 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.9	\$ 1.0	\$ 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 31.4	\$ 40.3	\$ 35.4	\$ 35.7	\$ 36.1	\$ 36.4	\$ 36.4

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 8.6	\$ 11.1	\$ 9.7	\$ 9.8	\$ 9.9	\$ 10.0	\$ 10.0

Beneficiaries: Individuals operating approximately 59,300 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 15.2	\$ 19.5	\$ 17.1	\$ 17.3	\$ 17.5	\$ 17.6	\$ 17.6

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	Nominal	\$ 0.1	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: The owners of approximately 190 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 2.7	\$ 3.4	\$ 3.0	\$ 3.0	\$ 3.1	\$ 3.1	\$ 3.1

Beneficiaries: Approximately 25,200 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 14.2	\$ 18.2	\$ 16.0	\$ 16.1	\$ 16.3	\$ 16.5	\$ 16.5

Beneficiaries: Approximately 6,100 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	NA	NA	NA	NA	NA	NA	NA

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

MOTOR VEHICLE CODE

Authorization: Title 75 of the Pennsylvania Consolidated Statutes.

The Motor Vehicle Code, contained Act 81 of 1976, became effective July 1, 1977. This amended Act 32 of 1959 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>	Disabled/Severely Disabled Veterans:						
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.4	\$ 0.4

Beneficiaries: The owners of approximately 5,900 vehicles benefit from this tax expenditure.

Charitable Organizations:

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.7

Beneficiaries: The owners of approximately 17,800 vehicles benefit from this tax expenditure.

Former Prisoners of War:

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: The owners of approximately 170 vehicles benefit from this tax expenditure.

Farm Trucks:

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 4.2	\$ 4.3	\$ 4.4	\$ 4.5	\$ 4.6	\$ 4.7	\$ 4.8

Beneficiaries: The owners of approximately 10,100 farm trucks benefit from this tax expenditure.

Motor License Fund Tax Expenditures

Emergency Vehicles:

<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
\$ 7.6	\$ 7.8	\$ 7.9	\$ 8.1	\$ 8.2	\$ 8.5	\$ 8.6

Beneficiaries: Organizations owning approximately 13,600 vehicles benefit from this tax expenditure.

Political Subdivisions:

<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
\$ 24.2	\$ 24.9	\$ 25.2	\$ 25.8	\$ 26.1	\$ 27.0	\$ 27.3

Beneficiaries: Approximately 3,130 governmental units benefit from this tax expenditure.

Older Pennsylvanians:

<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
\$ 4.3	\$ 4.7	\$ 4.9	\$ 5.2	\$ 5.5	\$ 5.9	\$ 6.2

Beneficiaries: Older Pennsylvanians owning approximately 121,600 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: The owners of approximately 60 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 is deposited in the Multimodal Fund and the Public Transportation Trust Fund as of July 1, 2017. Therefore, the impact to the Motor License Fund ceased 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.5	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

Beneficiaries: The owners of approximately 8,950 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 is deposited in the Multimodal Fund and the Public Transportation Trust Fund as of July 1, 2017. Therefore, the impact to the Motor License Fund ceased 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.2	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

Beneficiaries: Approximately 3,130 governmental units benefit from this tax expenditure.

BRIDGE PERMITS

Description: Bridges on state owned rights-of-way need periodic maintenance and construction work. Permits are issued, for a fee, by the state to perform such work. The commonwealth administratively grants an exemption from the permit fee to political subdivisions who are performing work for the state.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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.

The Racing Fund contains no tax expenditures as defined by this tax expenditure analysis.

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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$10,441.4	\$10,668.8	\$11,014.5	\$11,439.3	\$11,912.7	\$12,408.6	\$12,918.2

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 2017, there were 282,386 contributory employers to the Unemployment Compensation Fund. The following is a breakdown of these employers according to major industry division¹:

Natural Resources and Mining	3,221	Financial Activities.....	18,975
Construction	28,487	Professional and Business Services	55,304
Manufacturing	13,442	Education and Health Services	45,427
Trade.....	47,885	Leisure and Hospitality	27,426
Transportation, Warehousing, Utilities....	8,001	Other Services	29,368
Information	3,632	Local Government.....	1,209

¹Based on NAICS industry classification. Data may not add to totals due to the unavailability of industry classification for some employers.

PUBLIC TRANSPORTATION ASSISTANCE FUND

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

The Public Transportation Assistance Fund provides for the capital, asset maintenance, and certain other transportation needs of the commonwealth's public transit entities.

Fund revenues are derived from a motor vehicle lease tax; a motor vehicle rental fee; a fee on the sale of new tires; 0.44 percent of total sales and use tax receipts in lieu of the repealed periodicals tax; 0.09 percent of total sales and use tax receipts in lieu of the repealed lease tax on class four and above motor carriers; and 0.417 percent of sales and use tax in lieu of transfers from the public utility realty tax (PURTA) and the utilities gross receipts tax. By provisions of Act 46 of 2003, beginning in fiscal year 2003-04, revenues associated with the 7.6 mills of PURTA, previously transferred to this fund, will remain in the General Fund. Act 138 of 1996 (electric competition) provided for transfers from the utility gross receipts tax to the Public Transportation Assistance Fund beginning in fiscal year 1998-99. Act 46 of 2003 repealed this transfer effective for fiscal year 2003-04 and forward. Certain entities and transactions are exempt from these taxes and fees. With the exception of the fee on tires and the class 4 and above motor carrier tax expenditure, the remaining tax expenditures parallel those in the General Fund sales and use tax expenditures.

Administrative Costs: Administrative costs are believed to be nominal.

MOTOR VEHICLE LEASE TAX AND MOTOR VEHICLE RENTAL FEE

The commonwealth levies a 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 is imposed on each rental of a motor vehicle subject to tax under Article II of the Tax Reform Code of 1971, with exceptions for carsharing rates. Act 43 of 2017 allows for a prorated fee for partial day carsharing service rentals using the following schedule: 25 cents for a period of less than two hours, 50 cents for a period of two to three hours, and \$1.25 cents for a period of three to four hours. Any rental period over four hours would incur the full \$2.00 per day fee for vehicle rentals

COMMON CARRIERS

Description: Vehicles leased or rented by a public utility, engaged in business as a common carrier, to be used in rendering utility services, are exempt from taxation. Since the enactment of the Federal Aviation Act, effective January 1, 1995, Pennsylvania has recognized contract carriers as common carriers. Household goods carriers and private carriers remain taxable.

Purpose: Without this exemption, the tax would be built into the rate base of these types of public utility services and, ultimately, passed on to consumers. Therefore, this exemption reduces the overall cost of utility services that are considered to be basic necessities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Vehicle Leases:						
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	NA	NA	NA	NA	NA	NA	NA
	Motor Vehicle Rentals:						
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>	Motor Vehicle Leases:						
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 2.8	\$ 2.8	\$ 2.8	\$ 2.8	\$ 2.9	\$ 2.9	\$ 2.9
	Motor Vehicle Rentals:						
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

Beneficiaries: Approximately 6,100 schools may benefit from this tax expenditure.

MOTOR CARRIERS (CLASS 4 AND ABOVE)

Description: Motor carriers in vehicle classes 4 and above are exempt from the motor vehicle lease tax.

Purpose: This exemption benefits those entities engaged in commercial leasing. Presumably, many of these vehicles are operated as common carriers that are normally treated as a utility service.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Vehicle Leases:						
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The owners of approximately 446,000 motor carrier vehicles (class 4 and above) could benefit from this tax expenditure.

Special Fund Tax Expenditures

EXEMPT ORGANIZATIONS

Description: The lease or rental of personal property to or for use by any charitable organization, volunteer fireman's organization, nonprofit educational institution, or religious organization is exempt from taxation. Transactions unrelated to the trade or business of such organizations are taxable.

Purpose: These organizations provide public and charitable services that are perceived to benefit the general public. This exemption permits these services to be rendered at reduced cost.

(Dollar Amounts in Millions)

Estimates:

Motor Vehicle Leases:							
<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	
NA	NA	NA	NA	NA	NA	NA	NA

Motor Vehicle Rentals:							
<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	
NA	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 32,200 organizations may benefit from this tax expenditure.

EXEMPT GOVERNMENTAL UNITS

Description: The lease or rental of personal property to or for use by the federal government, the commonwealth, or its instrumentalities or political subdivisions is exempt from taxation. Based on the criteria adopted to define tax expenditures, federal transactions are not included in this study. Commonwealth transactions are also excluded because revenues would offset expenditures with no net effect. The estimates, therefore, represent local government tax expenditures.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

Estimates:

Motor Vehicle Leases:							
<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	
\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.4	\$ 1.4	\$ 1.5	\$ 1.5	

Motor Vehicle Rentals:							
<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	
\$ 0.5	\$ 0.5	\$ 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 1.2	\$ 1.3	\$ 1.3	\$ 1.4	\$ 1.4	\$ 1.5	\$ 1.6

Beneficiaries: Approximately 1,000 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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

Beneficiaries: Approximately 4,400 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.

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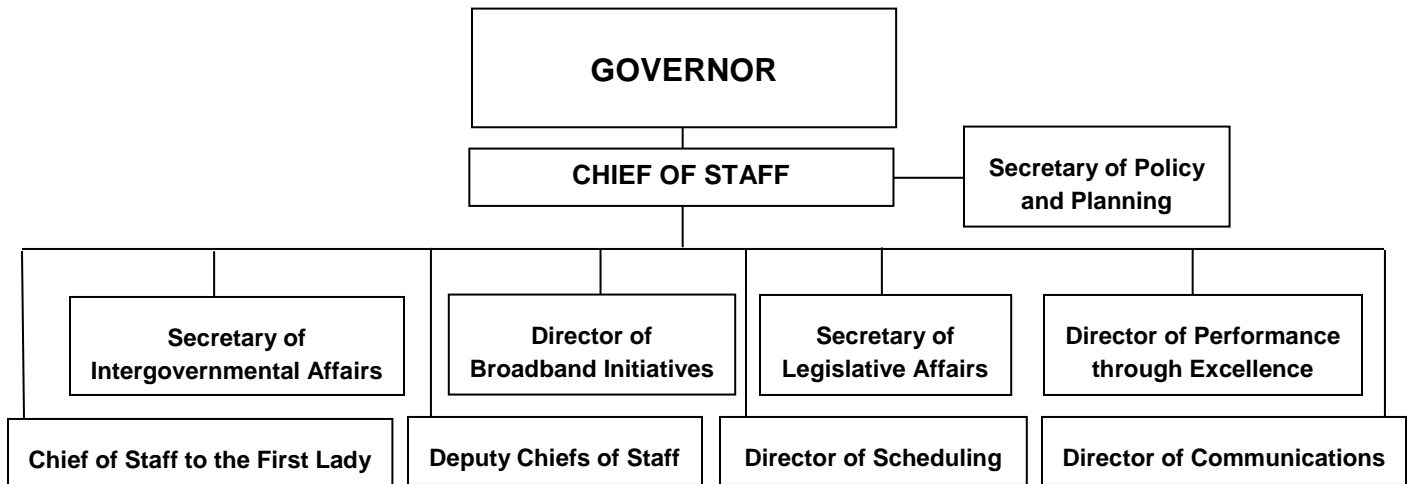
GOVERNOR'S OFFICE

The governor directs and coordinates the work of state government and guides the programs of the agencies in the direction that ensures compliance with existing law, definable needs and administration goals.

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



- **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.
- **Secretary of Intergovernmental Affairs** connects the governor with constituents, coalitions and issue groups, county and local governments and the federal government. In addition, the office oversees the appointment and nomination process for more than 450 boards and commissions and handles advance for the governor's events throughout the state.
- **Director of Broadband Initiatives** oversees the commonwealth's broadband program, develops broadband policy for agencies under the governor's jurisdiction, and works with stakeholders to leverage the commonwealth's investment in technology to expand broadband access for all Pennsylvanians.
- **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.
- **Director, Governor's Office of Performance through Excellence** manages the operations and directs the efforts of the governor's initiative to change the way governmental agencies and employees do business, how the commonwealth measures its success and assist the governor with using these measures to chart future direction.
- **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.
- **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.
- **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.
- **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.

Authorized Complement

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
68	68	68	68	68	68	68

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

GENERAL FUND:

General Government:

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
Governor's Office.....	\$ 6,887	\$ 6,548	\$ 6,548

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 6,887	\$ 6,548	\$ 6,548	\$ 6,548	\$ 6,548	\$ 6,548	\$ 6,548
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 6,887	\$ 6,548	\$ 6,548	\$ 6,548	\$ 6,548	\$ 6,548	\$ 6,548
ALL PROGRAMS:							
GENERAL FUND.....	\$ 6,887	\$ 6,548	\$ 6,548	\$ 6,548	\$ 6,548	\$ 6,548	\$ 6,548
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 6,887	\$ 6,548	\$ 6,548	\$ 6,548	\$ 6,548	\$ 6,548	\$ 6,548

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)

The Governor's Office appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Governor's Office	\$ 6,887	\$ 6,548	\$ 6,548	\$ 6,548	\$ 6,548	\$ 6,548	\$ 6,548

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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 most 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.*

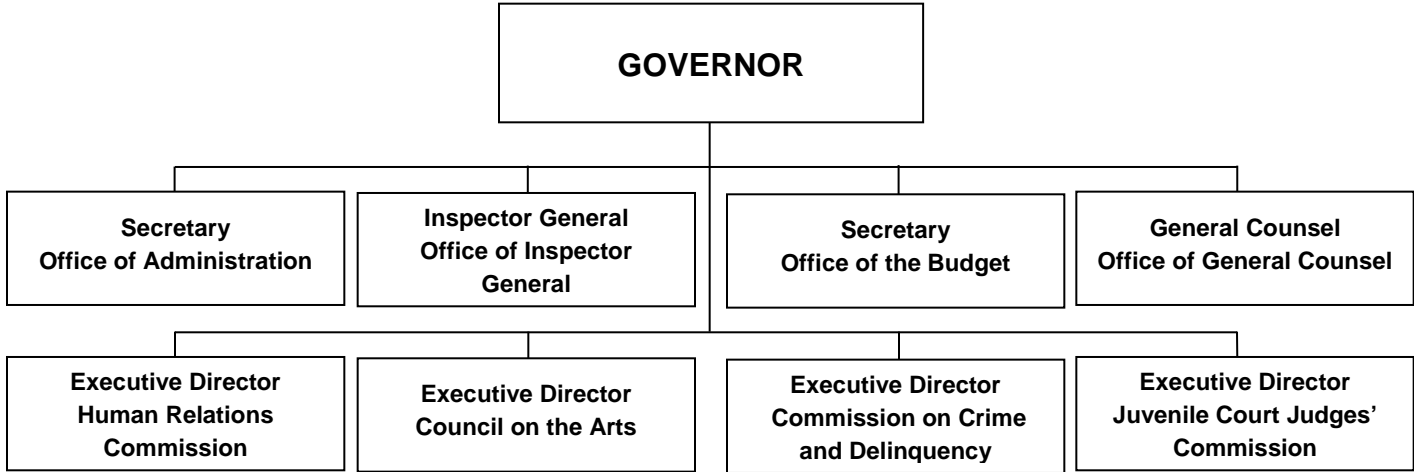
Prevention and Elimination of Discriminatory Practices: *To ensure equal opportunities and participation for all individuals regardless of race, religion, color, creed, handicap or disability, ancestry, national origin, familial status, age or sex in all areas of employment, housing, credit, commercial 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.
- **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

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18* Available	2018-19 Budget
1,887	1,789	1,733	1,743	1,594	3,196	3,196

*Reflects the consolidation of human resources and information technology personnel through the Shared Services Transformation project.

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
General Government:			
Office of Administration	\$ 8,670	\$ 9,718^a	\$ 10,226
(F)Homeland Security Grant Program (EA).....	134	134	134
(A)Benefit Administration.....	745	740	1,064
(A)Classification and Pay Services.....	2,887	2,888	2,888
(A)Workplace Support Division (SEAP).....	3,441	2,931	3,181
(A)Temporary Clerical Pool.....	5,082	4,586	4,594
(A)Enterprise Services.....	2,066	1,866	2,219
(A)CDL Drug and Alcohol Testing.....	196	310	310
(A)Labor Relations.....	4,185	1,922	1,876
(A)Managing for Government Responsiveness Training.....	91	325	325
(A)Group Life Insurance Program Commissions.....	100	100	100
(A)Leadership Development Institute.....	87	80	80
(A)HR Shared Services Center.....	9,137	9,178	58,326 ^b
(A)PHMC Personnel Services.....	97	100	100
(A)OHR Personnel Services.....	275	311	318
(A)BEAS Personnel Services.....	192	274	180
(A)Legal Services.....	56	56	1,001
Subtotal.....	\$ 37,441	\$ 35,519	\$ 86,922
Medicare Part B Penalties	175	100	100
Commonwealth Technology Services	61,444	54,275^c	55,832
(F)NSTIC Grant.....	225	225	225
(F)Information Sharing Initiative.....	246	246	246
(F)JNET MARIS Federated Person Search (EA).....	218	42	0
(F)JNET Inter-County Case Transfer (EA).....	87	45	45
(F)JNET Electronic Reporting Improvements (EA).....	136	107	107
(F)JNET JFRS - Messaging Queue (EA).....	500	150	0
(A)Integrated Enterprise System.....	39,204	39,213	38,424
(A)Project Management Resources.....	8	25	0
(A)Shared Service Delivery.....	10,028	9,546	167,201 ^d
Subtotal.....	\$ 112,096	\$ 103,874	\$ 262,080
Office of Inspector General	4,334	4,042	3,900
(A)Reimbursements for Special Fund Investigations.....	1,111	1,111	1,111
Subtotal.....	\$ 5,445	\$ 5,153	\$ 5,011
Inspector General - Welfare Fraud	12,268	11,189^e	11,729
(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	5,000	5,500
(F)CCDFBG - Subsidized Day Care Fraud.....	905	905	905
Subtotal.....	\$ 25,873	\$ 25,594	\$ 26,634
Office of the Budget	19,103	17,577^f	18,404
(A)Support for Commonwealth Payroll Operations.....	6,558	6,886	6,886
(A)BOA - Single Audit.....	661	704	704
(A)Comptroller Single Audit.....	2,469	2,809	2,809
(A)Support for PLCB Comptroller's Office.....	5,750	5,690	5,690
(A)Support for Comptroller Services.....	32,300	34,685	35,736
(A)OAS Support Services.....	71	80	80
(A)RCAP - eGrant System.....	199	99	100
Subtotal.....	\$ 67,111	\$ 68,530	\$ 70,409
Audit of the Auditor General	0	99	0
Law Enforcement Activities	3,800	3,000	3,000
Office of General Counsel	3,823	3,702^g	4,086
(A)CLE Registration Fees.....	144	121	121
Subtotal.....	\$ 3,967	\$ 3,823	\$ 4,207
Human Relations Commission	9,419	8,684^h	10,018

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
(F)EEOC - Special Project Grant.....	1,100	1,000	900
(F)HUD - Special Project Grant.....	800	600	500
Subtotal.....	<u>\$ 11,319</u>	<u>\$ 10,284</u>	<u>\$ 11,418</u>
Council on the Arts.....	964	839	839
(F)NEA - Grants to the Arts - Administration.....	563	980	980
Subtotal.....	<u>\$ 1,527</u>	<u>\$ 1,819</u>	<u>\$ 1,819</u>
Juvenile Court Judges Commission.....	2,862	2,835	2,977
(F)PA JCMS Assessment Evaluation (EA).....	156	156	0
Subtotal.....	<u>\$ 3,018</u>	<u>\$ 2,991</u>	<u>\$ 2,977</u>
Commission on Crime and Delinquency.....	4,635	11,766	6,378
(F)Plan for Juvenile Justice.....	150	150	150
(F)Justice Assistance Grants.....	15,000	12,000	12,000
(F)Justice Assistance Grants - Administration.....	1,300	1,300	1,100
(F)Statistical Analysis Center.....	150	200	200
(F)Criminal Identification Technology.....	1,000	1,500	1,500
(F)Crime Victims Compensation Services.....	8,500	8,500	8,500
(F)Crime Victims Assistance.....	80,000	85,000	110,000
(F)Violence Against Women.....	6,000	7,000	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.....	4,000	4,000	4,000
(F)Assault Services Program.....	500	600	600
(F)Second Chance Act - Juvenile Offender Reentry.....	1,000	1,000	1,000
(F)Juvenile Accountability Incentive Program.....	500	200	0
(F)Juvenile Justice and Delinquency Prevention.....	3,000	3,000	3,000
(F)Project Safe Neighborhoods.....	1,000	0	0
(F)Forensic Science Program.....	1,000	1,000	1,000
(F)Adam Walsh Implementation Support.....	500	750	750
(F)Byrne Competitive Program.....	1,500	2,000	0
(F)Justice and Mental Health Collaboration.....	240	250	0
(F)Prosecutor and Defender Incentives.....	200	0	0
(F)Children's Justice Act (EA).....	243	250	0
(F)Justice Reinvestment Initiative.....	1,000	1,000	1,000
(F)VOCA Training.....	1,000	900	900
(F)PA Youth Survey - DDAP (EA).....	50	50	75
(F)Substance Abuse Prevention - DDAP (EA).....	154	166	250
(F)Drug Court Operations (EA).....	0	1,000	0
(A)Interagency MOUs.....	2,471	2,310	698
Subtotal.....	<u>\$ 136,993</u>	<u>\$ 147,792</u>	<u>\$ 162,001</u>
Victims of Juvenile Offenders.....	1,300	1,300	1,300
Violence and Delinquency Prevention Programs.....	4,569	3,989	3,989
(A)Interagency MOUs.....	4,446	4,857	3,150
Subtotal.....	<u>\$ 9,015</u>	<u>\$ 8,846</u>	<u>\$ 7,139</u>
Subtotal - State Funds.....	\$ 137,366	\$ 133,115	\$ 132,778
Subtotal - Federal Funds.....	147,657	151,806	172,967
Subtotal - Augmentations.....	134,057	133,803	339,272
Total - General Government.....	<u>\$ 419,080</u>	<u>\$ 418,724</u>	<u>\$ 645,017</u>
Grants and Subsidies:			
Intermediate Punishment Treatment Programs.....	\$ 18,167	\$ 18,167	\$ 18,167
Juvenile Probation Services.....	18,945	18,945	18,945
Grants to the Arts.....	9,590	9,590	9,590
(F)NEA - Grants to the Arts.....	355	0	0
Subtotal.....	<u>\$ 9,945</u>	<u>\$ 9,590</u>	<u>\$ 9,590</u>
Subtotal - State Funds.....	\$ 46,702	\$ 46,702	\$ 46,702

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
Subtotal - Federal Funds.....	355	0	0
Total - Grants and Subsidies.....	<u>\$ 47,057</u>	<u>\$ 46,702</u>	<u>\$ 46,702</u>
STATE FUNDS.....	\$ 184,068	\$ 179,817	\$ 179,480
FEDERAL FUNDS.....	148,012	151,806	172,967
AUGMENTATIONS.....	134,057	133,803	339,272
GENERAL FUND TOTAL.....	<u>\$ 466,137</u>	<u>\$ 465,426</u>	<u>\$ 691,719</u>
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Commonwealth Technology Services.....	<u>\$ 1,244</u>	<u>\$ 1,327</u>	<u>\$ 1,074</u>
OTHER FUNDS:			
GENERAL FUND:			
Victim & Witness Services.....	\$ 5,748	\$ 6,000	\$ 6,000
Crime Victims Reimbursements.....	12,905	10,657	11,190
Constables Education and Training Account.....	2,375	2,495	2,458
Luzerne County Youth Settlement.....	45	0	0
Sheriff & Deputy Sheriff Education and Training Account.....	6,279	6,000	4,540
Children's Advocacy Centers.....	1,710	2,000	2,000
First Chance Trust Fund.....	0	0	445
GENERAL FUND TOTAL.....	<u>\$ 29,062</u>	<u>\$ 27,152</u>	<u>\$ 26,633</u>
JUSTICE REINVESTMENT FUND:			
Victim Services.....	\$ 1,000	\$ 500	\$ 250
Innovative Policing Grants.....	3,537	0	0
County Probation Grants.....	2,138	0	0
JUSTICE REINVESTMENT FUND TOTAL.....	<u>\$ 6,675</u>	<u>\$ 500</u>	<u>\$ 250</u>
MONETARY PENALTY ENDOWMENTS TRUST FUND:			
NCAA - Penn State Settlement (EA).....	\$ 4,800	\$ 4,800	\$ 4,800
SUBSTANCE ABUSE EDUCATION AND DEMAND REDUCTION FUND:			
Substance Abuse Education & Demand Reduction Programs (EA).....	\$ 10,000	\$ 8,000	\$ 8,000
Substance Abuse Education & Demand Reduction - Admin (EA).....	300	300	300
SUBSTANCE ABUSE EDUCATION AND DEMAND REDUCTION FUND TOTAL.....	<u>\$ 10,300</u>	<u>\$ 8,300</u>	<u>\$ 8,300</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 184,068	\$ 179,817	\$ 179,480
SPECIAL FUNDS.....	1,244	1,327	1,074
FEDERAL FUNDS.....	148,012	151,806	172,967
AUGMENTATIONS.....	134,057	133,803	339,272
OTHER FUNDS.....	50,837	40,752	39,983
TOTAL ALL FUNDS.....	<u>\$ 518,218</u>	<u>\$ 507,505</u>	<u>\$ 732,776</u>

^a Reflects recommended appropriation reduction of \$140,000.

^b Includes \$50,379,000 for HR shared services consolidation.

^c Reflects recommended appropriation reduction of \$552,000.

^d Includes \$153,458,000 for IT shared services consolidation.

^e Reflects recommended appropriation reduction of \$118,000.

^f Reflects recommended appropriation reduction of \$170,000.

^g Reflects recommended appropriation reduction of \$70,000.

^h Reflects recommended appropriation reduction of \$86,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 109,794	\$ 100,000	\$ 103,191	\$ 103,176	\$ 103,275	\$ 103,163	\$ 103,163
SPECIAL FUNDS.....	1,244	1,327	1,074	1,074	1,074	1,074	1,074
FEDERAL FUNDS.....	15,307	15,510	15,662	15,662	15,662	15,662	15,662
OTHER FUNDS.....	126,996	126,515	335,303	335,303	335,303	335,303	335,303
SUBCATEGORY TOTAL.....	\$ 253,341	\$ 243,352	\$ 455,230	\$ 455,215	\$ 455,314	\$ 455,202	\$ 455,202
LEGAL SERVICES							
GENERAL FUND.....	\$ 3,823	\$ 3,702	\$ 4,086	\$ 4,086	\$ 4,086	\$ 4,086	\$ 4,086
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	144	121	121	121	121	121	121
SUBCATEGORY TOTAL.....	\$ 3,967	\$ 3,823	\$ 4,207	\$ 4,207	\$ 4,207	\$ 4,207	\$ 4,207
PREVENTION AND ELIMINATION OF DISCRIMINATORY PRACTICES							
GENERAL FUND.....	\$ 9,419	\$ 8,684	\$ 10,018	\$ 10,018	\$ 10,018	\$ 10,018	\$ 10,018
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,900	1,600	1,400	1,400	1,400	1,400	1,400
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 11,319	\$ 10,284	\$ 11,418	\$ 11,418	\$ 11,418	\$ 11,418	\$ 11,418
DEVELOPMENT OF ARTISTS AND AUDIENCES							
GENERAL FUND.....	\$ 10,554	\$ 10,429	\$ 10,429	\$ 10,429	\$ 10,429	\$ 10,429	\$ 10,429
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	918	980	980	980	980	980	980
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 11,472	\$ 11,409	\$ 11,409	\$ 11,409	\$ 11,409	\$ 11,409	\$ 11,409
CRIMINAL AND JUVENILE JUSTICE PLANNING AND COORDINATION							
GENERAL FUND.....	\$ 28,671	\$ 35,222	\$ 29,834	\$ 29,834	\$ 29,834	\$ 29,834	\$ 29,834
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	129,887	133,716	154,925	154,925	154,925	154,925	154,925
OTHER FUNDS.....	57,754	47,919	43,831	46,403	52,284	61,866	62,077
SUBCATEGORY TOTAL.....	\$ 216,312	\$ 216,857	\$ 228,590	\$ 231,162	\$ 237,043	\$ 246,625	\$ 246,836
REINTEGRATION OF JUVENILE DELINQUENTS							
GENERAL FUND.....	\$ 21,807	\$ 21,780	\$ 21,922	\$ 21,922	\$ 21,922	\$ 21,922	\$ 21,922
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.....	\$ 21,807	\$ 21,780	\$ 21,922	\$ 21,922	\$ 21,922	\$ 21,922	\$ 21,922
ALL PROGRAMS:							
GENERAL FUND.....	\$ 184,068	\$ 179,817	\$ 179,480	\$ 179,465	\$ 179,564	\$ 179,452	\$ 179,452
SPECIAL FUNDS.....	1,244	1,327	1,074	1,074	1,074	1,074	1,074
FEDERAL FUNDS.....	148,012	151,806	172,967	172,967	172,967	172,967	172,967
OTHER FUNDS.....	184,894	174,555	379,255	381,827	387,708	397,290	397,501
DEPARTMENT TOTAL.....	\$ 518,218	\$ 507,505	\$ 732,776	\$ 735,333	\$ 741,313	\$ 750,783	\$ 750,994

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.

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, and strategic/innovation programs to help improve results, reduce costs and enhance customer service of all agencies under the governor's jurisdiction.

Effective July 1, 2017, most human resources (HR) and information technology (IT) employees under the governor's jurisdiction were transferred to the Office of Administration, as part of the Shared Services Transformation project. The purpose of this reorganization is to transform the operations of HR and IT to improve services for Pennsylvanians, while reducing costs and streamlining operations.

The Office for Human Resource Management provides policy direction and support for human resource services through 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 Talent Management Office is responsible for developing and managing the commonwealth's recruit to hire functions including talent planning, talent acquisition, organizational design and management and employee development. The Employee Relations and Workforce Support Office is responsible for management of employee benefits, employee relations, workforce support and equal opportunity programs. The HR Service Center serves as the central point of contact for employees and managers for common human resource transactions, benefits and payroll services and information. The six Human Resource Delivery Centers serve as shared service organizations for mission aligned agencies. These services are provided to agencies under the governor's jurisdiction as well independent boards and commissions electing to utilize the services provided by OA.

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.

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 enterprise shared services.

The Enterprise Technology Services Office is responsible for overseeing the enterprise data center as well as the enterprise help desk and the state telecommunications infrastructure. The Enterprise Information Security Office oversees the commonwealth's cyber security program. The Bureau of Enterprise Solutions builds and maintains enterprise applications, develops web-based applications, provides enterprise application shared services, and maintains the commonwealth's enterprise web portal. The Office of Strategy and Management is responsible for policy and IT standards, project management, and reviewing investments in current and future technology and managing the IT service management processes within the agency. The Office for Data and Digital Technology operates within Information Technology and works with commonwealth agencies to transform the collection and use of data to better serve citizens. The six Information Technology Delivery Centers serve as shared service organizations for mission aligned agencies. These services are provided to agencies under the governor's jurisdiction as well independent boards and commissions electing to utilize the services provided by OA.

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 2016-17, the OIG received 635 complaints and investigative requests, which resulted in 46 investigations into possible fraud, waste, abuse and misconduct in commonwealth agencies. The office conducted 284 pre-employment background investigations for individuals being considered for employment or promotion within the

Program: Executive Direction (continued)

commonwealth. The office 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 2016-17, the OIG conducted 24,801 field investigations which resulted in cost savings in excess of \$76.1 million based on ineligibility determinations. Through a fraud investigation program, the office investigates overpaid benefits to determine if welfare fraud occurred. In 2016-17, the office conducted 5,884 fraud investigations which resulted in \$4.4 million in restitution for both criminal prosecution cases and administrative disqualification hearings. This also resulted in cost savings of \$2.3 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, the office 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 2016-17 is in excess of \$26 million. The cost benefit analysis for the investigation of welfare fraud is a return on investment of \$10.28 in cost savings and collections for every dollar spent on investigative activities.

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)

	GENERAL FUND			Office of the Budget
	Office of Administration	\$	827	—to continue current program.
\$	508			
	Commonwealth Technology Services	\$	-99	Audit of the Auditor General
\$	1,557			—triennial audit of the Department of the Auditor General.
	Office of Inspector General			
\$	-142			All other appropriations are recommended at the current year funding level.
	Inspector General - Welfare Fraud			MOTOR LICENSE FUND
\$	540			Commonwealth Technology Services
		\$	-253	—to continue current program.

Appropriations within this Program:

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Office of Administration.....	\$ 8,670	\$ 9,718	\$ 10,226	\$ 10,226	\$ 10,226	\$ 10,226	\$ 10,226
Medicare Part B Penalties.....	175	100	100	85	85	72	72
Commonwealth Technology Services.....	61,444	54,275	55,832	55,832	55,832	55,832	55,832
Office of Inspector General.....	4,334	4,042	3,900	3,900	3,900	3,900	3,900
Inspector General - Welfare Fraud.....	12,268	11,189	11,729	11,729	11,729	11,729	11,729
Office of the Budget.....	19,103	17,577	18,404	18,404	18,404	18,404	18,404
Audit of the Auditor General.....	0	99	0	0	99	0	0
Law Enforcement Activities.....	3,800	3,000	3,000	3,000	3,000	3,000	3,000
TOTAL GENERAL FUND.....	\$ 109,794	\$ 100,000	\$ 103,191	\$ 103,176	\$ 103,275	\$ 103,163	\$ 103,163
MOTOR LICENSE FUND:							
Commonwealth Technology Services.....	\$ 1,244	\$ 1,327	\$ 1,074	\$ 1,074	\$ 1,074	\$ 1,074	\$ 1,074

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.

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)

\$ 384 **Office of General Counsel**
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Office of General Counsel	\$ 3,823	\$ 3,702	\$ 4,086	\$ 4,086	\$ 4,086	\$ 4,086	\$ 4,086

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. Beginning in 2016-17, an education committee was formed to more closely focus and guide the unit’s activities. The commission and its local advisory councils also offer outreach programs to provide information to community leaders and public officials regarding their civil rights, the importance of fair housing, 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)

		Human Relations Commission
\$	737	—to continue current program.
	597	—Initiative—to provide additional support and resources for victims of sexual misconduct.
	<u>1,334</u>	<i>Appropriation Increase</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Human Relations Commission	\$ 9,419	\$ 8,684	\$ 10,018	\$ 10,018	\$ 10,018	\$ 10,018	\$ 10,018

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). 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 organizations and programs that employ more than 100,000 full-time equivalent jobs, yielding \$2.2 billion in household income;
- 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. More than 30 regional partner organizations help deliver localized grantmaking backed by on-the-ground knowledge of the people and organizations of each 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, training, and technical assistance 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 contributes to city and community revitalization by advising and assisting with projects such as regional cultural plans.

Program Recommendations:

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

All appropriations are recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Council on the Arts	\$ 964	\$ 839	\$ 839	\$ 839	\$ 839	\$ 839	\$ 839
Grants to the Arts.....	9,590	9,590	9,590	9,590	9,590	9,590	9,590
TOTAL GENERAL FUND	\$ 10,554	\$ 10,429	\$ 10,429	\$ 10,429	\$ 10,429	\$ 10,429	\$ 10,429

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 composed of a board of justice system professionals 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. More information on the commission can be found at <http://www.pccd.pa.gov/AboutUs/Pages/default.aspx>.

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.

A primary responsibility of PCCD is the awarding of state and federal funds in support of justice related projects designed to improve systems and available services. PCCD funds projects that are reviewed and vetted by the commission and its advisory committees. Funded projects can be found at <http://www.pccd.pa.gov/Funding/Pages/Grants-App.aspx>.

The commission administers the County 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 or 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. The participating and recognized CJABs can be found at http://www.pccd.pa.gov/criminaljustice/advisory_boards/Pages/CJAB-Map-with-Representatives-and-Contacts.aspx.

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 Delinquency 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. The results of these programs and their return on investment can be found at <http://www.pccd.pa.gov/Juvenile-Justice/Pages/Juvenile-Justice-and-Delinquency-Prevention-Preventing-Delinquency.aspx>.

PCCD oversees several justice training programs, including the legislatively mandated basic and continuing education training of sheriffs, deputy sheriffs, constables, and deputy constables. The commission provides quality, relevant and current job-related training for local justice practitioners.

Victim Services

PCCD's Victims' Services has three components: Victims Compensation Assistance Program (VCAP), 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.

PCCD's VSP administers a variety of state and federal funds designed to assist victims of crime. These funds support services such as: courtroom accompaniment, victim rights notification, assistance with victim impact statements, crisis intervention, shelter, counseling and other emergency services.

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.

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

More information on the PCCD Victim Service Program can be found at <http://www.pccd.pa.gov/Victim-Services/Pages/Victim-Services--Rights,-Services,-Technology-and-Training.aspx>.

Program Recommendations:

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

	Commission On Crime and Delinquency
\$ -785	—program reduction.
<u>-4,603</u>	—to continue current program.
\$ -5,388	<i>Appropriation Decrease</i>

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Commission on Crime and Delinquency ...	\$ 4,635	\$ 11,766	\$ 6,378	\$ 6,378	\$ 6,378	\$ 6,378	\$ 6,378
Victims of Juvenile Offenders	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Violence and Delinquency Prevention Programs	4,569	3,989	3,989	3,989	3,989	3,989	3,989
Intermediate Punishment Treatment Programs	18,167	18,167	18,167	18,167	18,167	18,167	18,167
TOTAL GENERAL FUND.....	\$ 28,671	\$ 35,222	\$ 29,834	\$ 29,834	\$ 29,834	\$ 29,834	\$ 29,834

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, as well as the percentage of juvenile offenders who are in school, employed or engaged in a vocational activity at case closing. Since 1993, the JCJC has collected outcome measures on all cases closed within juvenile probation departments in the commonwealth. Information regarding community protection, competency development and accountability measures are included in an annual report. This report can be found at <http://www.jcjc.pa.gov/Research-Statistics/Pages/OutcomeMeasures.aspx>.

The JCJC is also coordinating the ongoing 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. Since 2011, the JCJC has collected and analyzed this outcome measure on an annual basis. Every year, a comprehensive report is published with updated findings. This report examines numerous case level variables and their relationship to recidivism, and can be found at www.jcjc.pa.gov/Research-Statistics/Pages/Recidivism.aspx.

The JCJC conditions 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.

Additional details regarding the Juvenile Court Judges' Commission can be found at www.jcjc.pa.gov.

Program Recommendations:

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

\$ 142 Juvenile Court Judges Commission
—to continue current program.

Juvenile Probation Services is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Juvenile Court Judges Commission	\$ 2,862	\$ 2,835	\$ 2,977	\$ 2,977	\$ 2,977	\$ 2,977	\$ 2,977
Juvenile Probation Services	18,945	18,945	18,945	18,945	18,945	18,945	18,945
TOTAL GENERAL FUND	\$ 21,807	\$ 21,780	\$ 21,922	\$ 21,922	\$ 21,922	\$ 21,922	\$ 21,922

Program Measures

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
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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	62%	73%	61%	73%	74%	80%	80%
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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	16	12	11	12	9	9	9
Days required to process requests for clerks from the temporary clerical pool	5	4	9	13	8	8	8
Days required to process requests for typists from the temporary clerical pool	6	6	9	12	12	9	9
Percentage of HR agency services that met established response time goals	90%	94%	98%	99%	99%	99%	99%
HR Service Centers' customer satisfaction rating (scale of 1 to 4, low to high)	3.62	3.60	3.63	3.63	3.48	3.50	3.50

Objective: Reduce the number of work related accidents.**Office of Administration - Human Resources**

Workers' compensation claims filed and accepted	5,360	4,824	4,786	4,219	4,282	4,200	4,175
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Objective: Improve the commonwealth's accounting and financial reporting system.**Office of the Budget**

Agency/Purchasing/Corporate credit card rebates earned	\$3,288,325	\$4,142,398	\$4,880,029	\$4,360,420	\$4,680,768	\$4,908,000	\$5,200,000
Percentage of invoices submitted electronically	14.90%	18%	20%	22%	23.20%	24.20%	25.30%

Objective: Increase government agencies' awareness of the investigative services and resources available from the Office of Inspector General.**Office of Inspector General**

General investigations	579	555	574	359	309	310	310
Pre-employment background investigations	446	413	510	283	264	265	265

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

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	\$33,073,815	\$22,440,301	\$22,078,981	\$23,104,989	\$26,535,418	\$26,800,000	\$26,800,000
Amount of cost savings and collections for every dollar spent on investigative activities	\$14	\$12	\$11.51	\$11.75	\$10.28	\$10.30	\$10.30
Prosecutions: Resulting cost savings	\$1,610,977	\$1,695,475	\$1,500,345	\$1,521,232	\$1,406,352	\$1,430,000	\$1,430,000
Administrative Disqualification Hearings: Resulting cost savings	\$402,642	\$496,168	\$590,119	\$986,230	\$946,648	\$950,000	\$950,000
Long Term Care Sanctions: Resulting cost savings	\$3,193,480	\$2,649,046	\$2,149,798	\$2,711,709	\$1,799,425	\$1,800,000	\$1,800,000

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	\$1,294,650	\$1,273,920	\$1,216,215	\$1,240,483	\$1,088,567	\$1,100,000	\$1,100,000
Amount of cost savings based on ineligibility determinations	\$93,214,804	\$90,448,351	\$87,567,454	\$90,555,235	\$76,199,721	\$76,500,000	\$76,500,000

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	19%	15%	13%	15%	18%	15%	12%
Percentage of cases closed within one year	N/A	44%	46%	48%	47%	48%	52%
Average case age statewide (in days)	N/A	487	456	496	527	426	400

Objective: Reduce case processing time in housing discrimination investigations to resolve cases faster whenever possible.

Human Relations Commission

Number of housing discrimination cases dually filed with HUD that are closed within 100 days	79	45	49	47	44	47	47
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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	28%	26%	34%	38%	38%	41%	42%
Number of community meetings and outreach events	N/A	47	81	90	160	100	105

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

Program: Development of Artists and Audiences

Objective: Increase participation in the arts and cultural programs.

Council on the Arts

Attendance at supported events (in thousands)	15,810	44,608	44,608	47,547	47,547	47,547	48,000
Grant applications received/reviewed	1,950	1,358	1,350	1,500	1,500	1,500	1,500
Grant awards made	1,820	1,258	1,244	1,218	1,400	1,400	1,400

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:

Total number of jail days averted for all offenders who completed their Intermediate Punishment sentence during the fiscal year	N/A	N/A	208,042	181,256	127,731	185,000	188,000
Percent of individuals who successfully completed their Intermediate Punishment sentence during the fiscal year	N/A	N/A	85%	85%	83%	85%	85%
Total number of individuals actively participating in an Intermediate Punishment sentence during the fiscal year	N/A	N/A	7,502	11,219	15,132	15,300	15,400

Planning and Coordination: Youth:

Percentage of youth with improved academic performance after participating in evidence-based programs	N/A	N/A	69%	67%	51%	70%	70%
Percentage of youth participating in research-based programs with a demonstrated improvement related to the program's targeted behavioral outcome	49%	53%	48%	52%	49%	55%	58%

Victim Services:

Percentage of victims who are satisfied with the services provided by the Victims Compensation Assistance program	84.70%	85%	97.70%	93.90%	84.30%	86.40%	86.60%
Number of victims served by victim service programs throughout Pennsylvania through the utilization of RASA funds	184,000	193,322	149,253	149,887	147,316	210,000	246,621

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

Program: Reintegration of Juvenile Delinquents

Objective: Increase the percentage of juveniles who successfully complete supervision without committing a new offense.

Juvenile Court Judges' Commission

Percentage of juveniles 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	83.60%	83.20%	83.40%	83.80%	84%	85%	87%
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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%	84.70%	84%	84.40%	84.50%	85%	90%
Commitments as a percentage of total dispositions	8.10%	7.90%	7.70%	7.10%	6.90%	6.50%	6.50%
Juveniles arrested for violent crime	3,692	3,610	3,220	2,909	2,824	2,800	2,750
Percentage of juveniles with a judicial finding of technical violations of probation while under supervision	18.20%	19.10%	19.70%	20.40%	20.30%	20%	18%
Percentage of juveniles who made full restitution to their victim(s)	81%	76.70%	84%	83.20%	82.90%	85%	90%



LIEUTENANT GOVERNOR

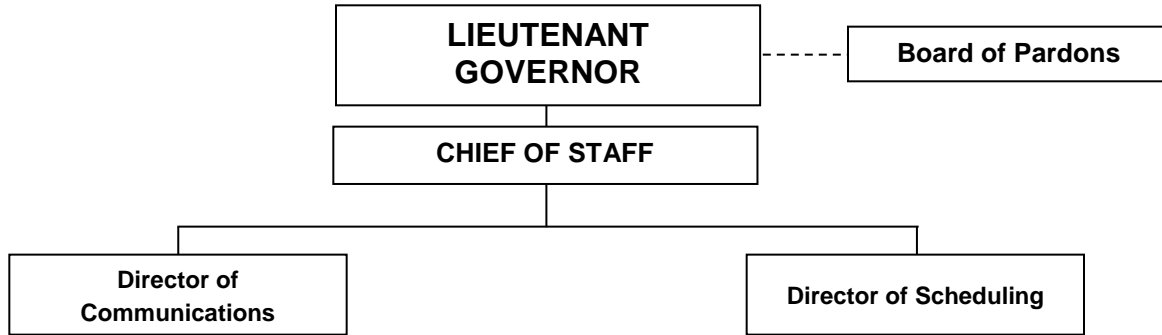
The mission of the lieutenant governor is to perform legislative and administrative functions as delegated by the Pennsylvania Constitution and the governor.

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

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
13	13	13	13	14	14	14

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Lieutenant Governor's Office.....	\$ 1,037	\$ 1,001	\$ 1,001
Board of Pardons.....	718	681	740
(F)PA Board of Pardons Website Upgrade (EA).....	38	0	0
Subtotal - State Funds.....	\$ 1,755	\$ 1,682	\$ 1,741
Subtotal - Federal Funds.....	38	0	0
Total - General Government.....	<u>\$ 1,793</u>	<u>\$ 1,682</u>	<u>\$ 1,741</u>
STATE FUNDS.....	\$ 1,755	\$ 1,682	\$ 1,741
FEDERAL FUNDS.....	38	0	0
GENERAL FUND TOTAL.....	<u>\$ 1,793</u>	<u>\$ 1,682</u>	<u>\$ 1,741</u>

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 1,755	\$ 1,682	\$ 1,741	\$ 1,741	\$ 1,741	\$ 1,741	\$ 1,741
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	38	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 1,793	\$ 1,682	\$ 1,741	\$ 1,741	\$ 1,741	\$ 1,741	\$ 1,741
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1,755	\$ 1,682	\$ 1,741	\$ 1,741	\$ 1,741	\$ 1,741	\$ 1,741
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	38	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 1,793	\$ 1,682	\$ 1,741	\$ 1,741	\$ 1,741	\$ 1,741	\$ 1,741

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 Pennsylvania Military Community Enhancement Commission, and has been elected by his fellow commissioners as the chairman. Also, under statute, the lieutenant governor serves as chairperson 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)

\$ 59 **Board of Pardons**
—to continue current program.

The Lieutenant Governor's Office appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Lieutenant Governor's Office.....	\$ 1,037	\$ 1,001	\$ 1,001	\$ 1,001	\$ 1,001	\$ 1,001	\$ 1,001
Board of Pardons.....	718	681	740	740	740	740	740
TOTAL GENERAL FUND	\$ 1,755	\$ 1,682	\$ 1,741	\$ 1,741	\$ 1,741	\$ 1,741	\$ 1,741

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ATTORNEY GENERAL

The Commonwealth Attorneys Act establishes the Attorney General as the chief legal and law enforcement officer of the commonwealth and defines the following fundamental duties and responsibilities of the Office of Attorney General:

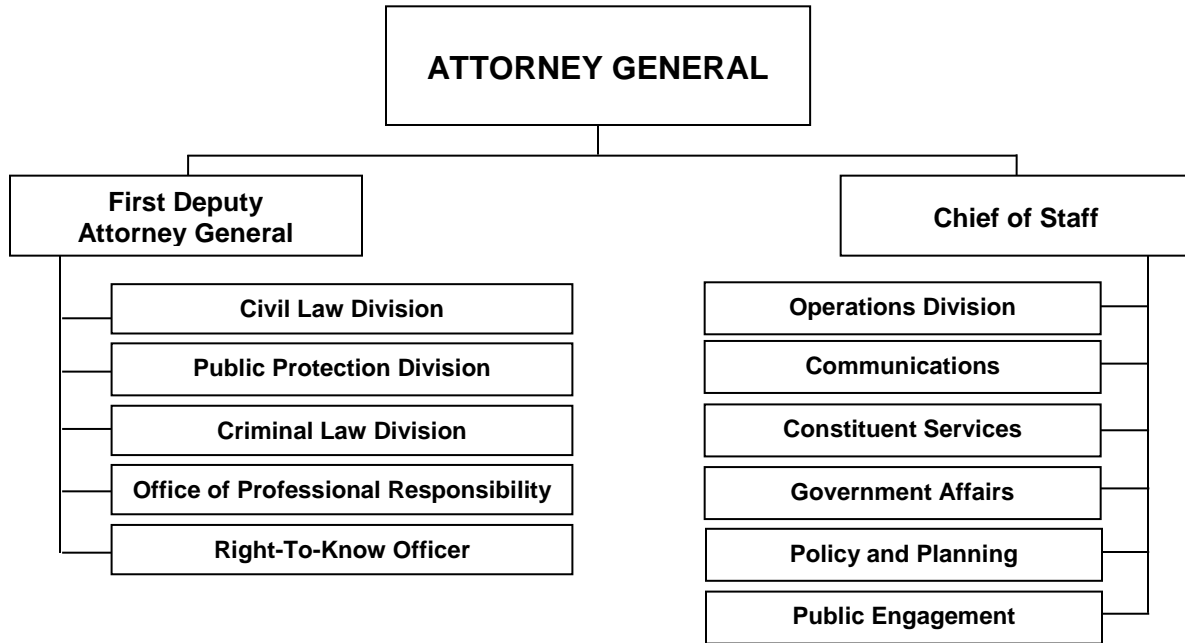
- To prosecute organized crime and public corruption. This law enforcement program includes a criminal investigations unit and drug law enforcement program as well as direction of statewide and multi-county investigating grand juries and a Medicaid Fraud Control Section.
- To represent the commonwealth 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 to the commonwealth which shall be referred to and placed with the Attorney General.
- To administer the provisions relating to consumer protection and appoint the Advisory Committee.
- To represent the commonwealth and its residents 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 residents 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.
- **Operations 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)

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-2017 Actual	2017-18 Available	2018-19 Budget
788	822	830	826	850	837	901

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 42,752	\$ 39,363	\$ 44,111
(F)Medicaid Fraud.....	7,908	7,795	7,816
(F)MAGLOCLEN.....	7,979	7,979	0
(A)MAGLOCLEN Non-Profit.....	0	1,063	723
(A)Reimbursements.....	0	21	21
(A)Miscellaneous.....	10	5	5
Subtotal.....	<u>\$ 58,649</u>	<u>\$ 56,226</u>	<u>\$ 52,676</u>
(R)Office of Consumer Advocate.....	5,492	5,686	5,850
(R)Home Improvement Consumer Protection.....	2,053	2,363	2,647
Drug Law Enforcement.....	26,849	28,966	30,060
(F)High Intensity Drug Trafficking Areas.....	5,308	5,308	5,308
(A)Recovery of Narcotics Investigation Overtime Costs.....	196	100	100
(A)Miscellaneous.....	7	0	0
Subtotal.....	<u>\$ 32,360</u>	<u>\$ 34,374</u>	<u>\$ 35,468</u>
Local Drug Task Forces.....	12,327	12,975	13,565
Joint Local-State Firearm Task Force.....	3,882	4,040	4,285
Witness Relocation.....	1,215	1,215	1,215
Child Predator Interception.....	4,408	4,767	5,176
Tobacco Law Enforcement.....	1,950	2,057	2,240
Strategic Response Team.....	2,000^a	2,000^a	2,182
Subtotal - State Funds.....	\$ 95,383	\$ 95,383	\$ 102,834
Subtotal - Federal Funds.....	21,195	21,082	13,124
Subtotal - Augmentations.....	213	1,189	849
Subtotal - Restricted Revenues.....	7,545	8,049	8,497
Total - General Government.....	<u>\$ 124,336</u>	<u>\$ 125,703</u>	<u>\$ 125,304</u>
<i>Grants and Subsidies:</i>			
County Trial Reimbursement.....	\$ 200	\$ 200	\$ 200
(R)Reimbursement to Counties - Full Time District Attorney (EA).....	8,067	8,100	8,100
Subtotal - State Funds.....	\$ 200	\$ 200	\$ 200
Subtotal - Restricted Revenues.....	8,067	8,100	8,100
Total - Grants and Subsidies.....	<u>\$ 8,267</u>	<u>\$ 8,300</u>	<u>\$ 8,300</u>
STATE FUNDS.....	\$ 95,583	\$ 95,583	\$ 103,034
FEDERAL FUNDS.....	21,195	21,082	13,124
AUGMENTATIONS.....	213	1,189	849
RESTRICTED REVENUES.....	15,612	16,149	16,597
GENERAL FUND TOTAL.....	<u>\$ 132,603</u>	<u>\$ 134,003</u>	<u>\$ 133,604</u>

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
OTHER FUNDS:			
GENERAL FUND:			
Seized/Forfeited Property - State Court Awarded.....	\$ 7,643	\$ 9,710	\$ 9,741
Seized/Forfeited Property - U.S. Department of Justice.....	527	1,765	1,845
Seized/Forfeited Property - U.S. Treasury Department.....	29	100	100
Seized/Forfeited Property - U.S. Homeland Security.....	487	540	540
Investigative Funds - Outside Sources.....	6,982	8,674	9,203
Public Protection Law Enforcement.....	9,207	13,918	17,086
Community Drug Abuse Prevention Program.....	495	840	840
Coroner's Education Board.....	0	85	0
Judicial Fee Account.....	0	3,750	5,000
Collection Administration Account.....	0	1,875	2,500
GENERAL FUND TOTAL.....	\$ 25,370	\$ 41,257	\$ 46,855
CIGARETTE FIRE SAFETY AND FIREFIGHTER PROTECTION ACT FUND:			
Cigarette Fire Safety & Firefighter Protection Enforcement.....	\$ 50	\$ 250	\$ 50
HOMEOWNER ASSISTANCE SETTLEMENT FUND:			
Housing Consumer Protection.....	\$ 337	\$ 361	\$ 0
STATE GAMING FUND:			
(R)Gaming Enforcement.....	\$ 1,223	\$ 1,300	\$ 1,340
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 95,583	\$ 95,583	\$ 103,034
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	21,195	21,082	13,124
AUGMENTATIONS.....	213	1,189	849
RESTRICTED.....	15,612	16,149	16,597
OTHER FUNDS.....	26,980	43,168	48,245
TOTAL ALL FUNDS.....	\$ 159,583	\$ 177,171	\$ 181,849

^a Appropriated as Mobile Street Crimes.

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
PUBLIC PROTECTION AND LAW ENFORCEMENT							
GENERAL FUND.....	\$ 95,583	\$ 95,583	\$ 103,034	\$ 103,034	\$ 103,034	\$ 103,034	\$ 103,034
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	21,195	21,082	13,124	13,124	13,124	13,124	13,124
OTHER FUNDS.....	42,805	60,506	65,691	65,691	65,691	65,691	65,691
SUBCATEGORY TOTAL.....	\$ 159,583	\$ 177,171	\$ 181,849	\$ 181,849	\$ 181,849	\$ 181,849	\$ 181,849
ALL PROGRAMS:							
GENERAL FUND.....	\$ 95,583	\$ 95,583	\$ 103,034	\$ 103,034	\$ 103,034	\$ 103,034	\$ 103,034
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	21,195	21,082	13,124	13,124	13,124	13,124	13,124
OTHER FUNDS.....	42,805	60,506	65,691	65,691	65,691	65,691	65,691
DEPARTMENT TOTAL.....	\$ 159,583	\$ 177,171	\$ 181,849	\$ 181,849	\$ 181,849	\$ 181,849	\$ 181,849

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. The Office of Attorney General works with the State Police and local law enforcement to curtail drug abuse in the commonwealth by apprehending illegal drug traffickers and stopping the diversion of prescription drugs for illicit purposes. 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.

The Office of Attorney General plays an important role protecting the public from fraud and deceptive business practices; securing and recovering damages owed 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 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 for a 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. The Strategic Response Team, previously appropriated as 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)

<p>GENERAL FUND General Government Operations \$ 4,748 —to continue current program.</p>	<p>Joint Local-State Firearm Task Force \$ 245 —to continue current program.</p>
<p>Drug Law Enforcement \$ 1,094 —to continue current program.</p>	<p>Child Predator Interception \$ 409 —to continue current program.</p>
<p>Local Drug Task Forces \$ 590 —to continue current program.</p>	<p>Tobacco Law Enforcement \$ 183 —to continue current program.</p>

Program: Public Protection and Law Enforcement (continued)

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

Strategic Response Team
 \$ 182 —to continue current program.

Witness Relocation and County Trial Reimbursement appropriations are recommended at the current year funding levels.

The Reimbursement to Counties – Full Time District Attorney (EA) is recommended at the current year funding level.

This budget also recommends the following changes in appropriations from restricted accounts.

Office of Consumer Advocate
 \$ 164 —to continue current program.

Home Improvement Consumer Protection
 \$ 284 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
General Government Operations	\$ 42,752	\$ 39,363	\$ 44,111	\$ 44,111	\$ 44,111	\$ 44,111	\$ 44,111
Drug Law Enforcement.....	26,849	28,966	30,060	30,060	30,060	30,060	30,060
Local Drug Task Forces.....	12,327	12,975	13,565	13,565	13,565	13,565	13,565
Joint Local-State Firearm Task Force.....	3,882	4,040	4,285	4,285	4,285	4,285	4,285
Witness Relocation.....	1,215	1,215	1,215	1,215	1,215	1,215	1,215
Child Predator Interception.....	4,408	4,767	5,176	5,176	5,176	5,176	5,176
Tobacco Law Enforcement	1,950	2,057	2,240	2,240	2,240	2,240	2,240
Strategic Response Team	2,000	2,000	2,182	2,182	2,182	2,182	2,182
County Trial Reimbursement.....	200	200	200	200	200	200	200
TOTAL GENERAL FUND	\$ 95,583	\$ 95,583	\$ 103,034	\$ 103,034	\$ 103,034	\$ 103,034	\$ 103,034

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

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	68	25	84	115	38	38	38
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Objective: Curtail drug abuse in the commonwealth by apprehending illegal drug traffickers.

Local drug task force arrests	6,781	7,388	8,472	7,008	7,778	8,600	8,600
Drug arrests resulting from Grand Jury presentments	187	131	146	202	59	59	59

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	2,381	2,148	1,928	2,205	2,109	2,200	2,200
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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	34,382	36,473	26,591	20,736	20,230	22,000	22,000
Dollar value of recoupment to consumers regarding business practices (in thousands)	\$3,468	\$22,537	\$3,652	\$2,940	\$2,881	\$2,881	\$2,881
Legal actions resulting from consumer tips, complaints, and other sources	41	41	110	115	114	115	115
Dollar value of restitution to consumers related to legal actions (in thousands)	\$837	\$780	\$9,343	\$3,099	\$7,132	\$3,000	\$3,000
Consumer complaints concerning business practices - health care industry	1,907	2,088	2,513	2,153	1,939	1,939	1,939
Dollar value of recoupment to consumers regarding business practices - health care industry (in thousands)	\$1,181	\$1,007	\$1,270	\$1,825	\$2,172	\$2,172	\$2,172



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.

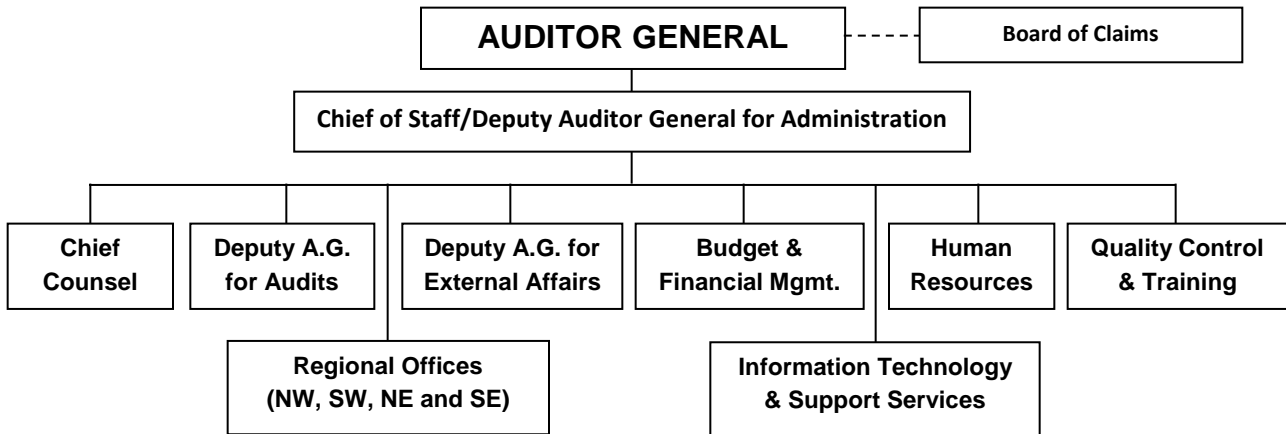
The objective is to ensure conformance with established legislative and administrative regulations and to assure that all money has been disbursed legally and properly. In addition, the Auditor General examines the accounts of revenue collecting agents to ensure that all money due the commonwealth was 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, the Municipal Pension Reporting Program (formerly known as PERC) 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)

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
575	496	491	491	491	475	468

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Auditor General's Office.....	\$ 43,404	\$ 40,136	\$ 41,006
(A)Reimbursement Auditing Services.....	11,218	11,671	11,550
Information Technology Modernization.....	3,000	0	0
Subtotal.....	\$ 57,622	\$ 51,807	\$ 52,556
Board of Claims.....	1,830	1,822	1,899
Subtotal - State Funds.....	\$ 48,234	\$ 41,958	\$ 42,905
Subtotal - Augmentations.....	11,218	11,671	11,550
Total - General Government.....	\$ 59,452	\$ 53,629	\$ 54,455
STATE FUNDS.....	\$ 48,234	\$ 41,958	\$ 42,905
AUGMENTATIONS.....	11,218	11,671	11,550
GENERAL FUND TOTAL.....	\$ 59,452	\$ 53,629	\$ 54,455
OTHER FUNDS:			
MUNICIPAL PENSION AID FUND:			
Municipal Pension Aid.....	\$ 286,743	\$ 293,441	\$ 279,961
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 48,234	\$ 41,958	\$ 42,905
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	0	0	0
AUGMENTATIONS.....	11,218	11,671	11,550
OTHER FUNDS.....	286,743	293,441	279,961
TOTAL ALL FUNDS.....	\$ 346,195	\$ 347,070	\$ 334,416

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
AUDITING							
GENERAL FUND.....	\$ 48,234	\$ 41,958	\$ 42,905	\$ 42,905	\$ 42,905	\$ 42,905	\$ 42,990
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	11,218	11,671	11,550	11,550	11,550	11,550	11,550
SUBCATEGORY TOTAL.....	\$ 59,452	\$ 53,629	\$ 54,455	\$ 54,455	\$ 54,455	\$ 54,455	\$ 54,540
MUNICIPAL PENSION SYSTEMS							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	286,743	293,441	279,961	279,961	279,961	279,961	279,961
SUBCATEGORY TOTAL.....	\$ 286,743	\$ 293,441	\$ 279,961	\$ 279,961	\$ 279,961	\$ 279,961	\$ 279,961
ALL PROGRAMS:							
GENERAL FUND.....	\$ 48,234	\$ 41,958	\$ 42,905	\$ 42,905	\$ 42,905	\$ 42,905	\$ 42,990
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	297,961	305,112	291,511	291,511	291,511	291,511	291,511
DEPARTMENT TOTAL.....	\$ 346,195	\$ 347,070	\$ 334,416	\$ 334,416	\$ 334,416	\$ 334,416	\$ 334,501

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 and the performance of state government, as well as the affairs of certain local government entities. The department 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 ensure 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, the Delaware and Susquehanna River Basin Commissions, 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 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 and are required to be conducted in accordance with Generally Accepted Government Auditing Standards. Special audits must also be conducted by the Auditor General at the Governor's request. The Auditor General also has the authority to demand and compel the production of documents.

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 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)

Auditor General's Office
\$ 870 —to continue current program.

Board of Claims
\$ 77 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Auditor General's Office	\$ 43,404	\$ 40,136	\$ 41,006	\$ 41,006	\$ 41,006	\$ 41,006	\$ 41,006
Information Technology Modernization	3,000	0	0	0	0	0	0
Security and Other Expenses –							
Outgoing Governor	0	0	0	0	0	0	85
Board of Claims	1,830	1,822	1,899	1,899	1,899	1,899	1,899
TOTAL GENERAL FUND	\$ 48,234	\$ 41,958	\$ 42,905	\$ 42,905	\$ 42,905	\$ 42,905	\$ 42,990

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 General Municipal Pension Systems State Aid Program, established by Act 205 to distribute funding to municipal pension plans for police officers, paid firefighters and other full-time municipal non-uniformed employees. 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
 \$ -13,480 —non-recurring prior year costs.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
MUNICIPAL PENSION AID FUND:							
Municipal Pension Aid	\$ 286,743	\$ 293,441	\$ 279,961	\$ 279,961	\$ 279,961	\$ 279,961	\$ 279,961



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.

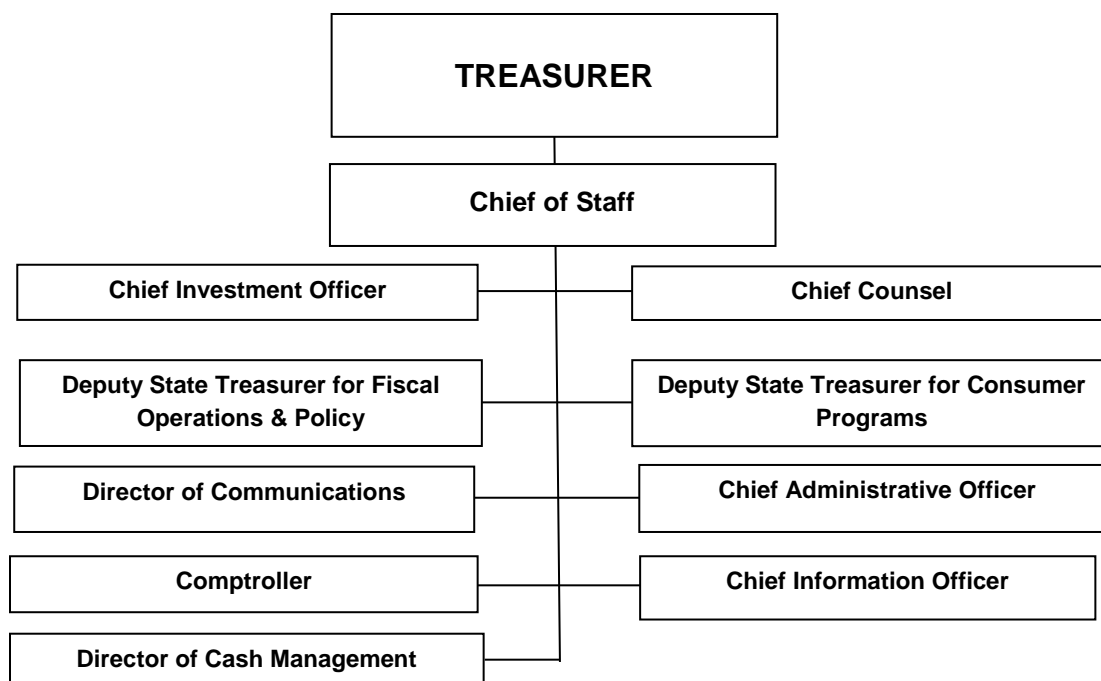
Programs and Goals

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



- **Chief Investment Officer** oversees the managing and monitoring of investment activity of portfolios under the control of the Treasury Department.
- **Deputy State Treasurer for Fiscal Operations & Policy** oversees the bureaus of Fiscal Review and Unemployment Compensation Disbursements, and advises the Treasurer on specific strategic policy matters.
- **Director of Communications** manages and directs internal and external communications.
- **Comptroller** oversees the preparation and implementation of the department’s budget, and the uniform accounting, payroll and financial reporting systems.
- **Director of Cash Management** manages and determines the cash requirements need for cash flow of the funds overseen by the Treasury Department.
- **Chief Counsel** oversees the legal and legislative representation of the Treasury Department. Also oversees the operations of the Board of Finance and Revenue.
- **Deputy State Treasurer for Consumer Programs** oversees the multiple public programs operated by Treasury, including PA 529, ABLE and unclaimed property.
- **Chief Administrative Officer** directs the procurement and human resources activity of the department.
- **Chief Information Officer** is responsible for the information technology and computer systems that supports the department’s goals.

Reported Complement

(Independent Agency – Complement Not Under the Governor’s Jurisdiction/Control)

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
381	371	353	346	344	350	350

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 36,757	\$ 36,990	\$ 36,990
(A)Unemployment Compensation Service Reimbursements.....	4,505	4,687	5,345
(A)Administrative Service Fees.....	1,599	1,427	1,195
(A)Unclaimed Property Service Fees.....	3,418	1,200	980
Subtotal.....	<u>\$ 46,279</u>	<u>\$ 44,304</u>	<u>\$ 44,510</u>
Board of Finance and Revenue.....	2,967	2,956	2,956
Divestiture Reimbursement.....	2,551	23	39
Publishing Monthly Statements.....	15	15	15
Intergovernmental Organizations.....	1,040	901	1,070
Information Technology Modernization.....	3,000	1,870	1,000
Subtotal - State Funds.....	\$ 46,330	\$ 42,755	\$ 42,070
Subtotal - Augmentations.....	9,522	7,314	7,520
Total - General Government.....	<u>\$ 55,852</u>	<u>\$ 50,069</u>	<u>\$ 49,590</u>
<i>Grants and Subsidies:</i>			
Law Enforcement & Emergency Response Personnel Death Benefit.....	\$ 2,500	\$ 2,980	\$ 2,980
Transfer to ABLE Fund.....	1,500	1,130	1,130
Total - Grants and Subsidies.....	<u>\$ 4,000</u>	<u>\$ 4,110</u>	<u>\$ 4,110</u>
<i>Debt Service:</i>			
Loan and Transfer Agents.....	\$ 50	\$ 50	\$ 40
Cash Management Loan Interest (EA).....	8,837	2,500 ^a	2,500
General Obligation Debt Service.....	1,111,385	1,120,000	1,125,000
(A)Leased Assets.....	0	0	25,000
Subtotal - State Funds.....	\$ 1,120,272	\$ 1,122,550	\$ 1,127,540
Subtotal - Augmentations.....	0	0	25,000
Total - Debt Service.....	<u>\$ 1,120,272</u>	<u>\$ 1,122,550</u>	<u>\$ 1,152,540</u>
STATE FUNDS.....	\$ 1,170,602	\$ 1,169,415	\$ 1,173,720
AUGMENTATIONS.....	9,522	7,314	32,520
GENERAL FUND TOTAL.....	<u>\$ 1,180,124</u>	<u>\$ 1,176,729</u>	<u>\$ 1,206,240</u>
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Administration Refunding Liquid Fuels Tax.....	\$ 533	\$ 533	\$ 533
<i>Refunds:</i>			
Refunding Liquid Fuels Taxes - State Share (EA).....	\$ 6,000	\$ 5,000	\$ 5,000
Refunding Liquid Fuels Taxes - Agriculture (EA).....	4,250	4,000	4,000
Refunding Liquid Fuels Taxes - Political Subdivisions (EA).....	3,600	3,800	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	11,973	11,130
Total - Refunds.....	<u>\$ 25,920</u>	<u>\$ 26,273</u>	<u>\$ 25,430</u>

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
Debt Service:			
Capital Debt Transportation Projects.....	\$ 38,156	\$ 35,581	\$ 35,620
General Obligation Debt Service.....	17,815	17,815	17,815
(R)Capital Bridge Debt Service (EA).....	51,355	51,185	51,054
Loan and Transfer Agents.....	50	50	50
Subtotal - State Funds.....	\$ 56,021	\$ 53,446	\$ 53,485
Subtotal - Restricted Revenues.....	51,355	51,185	51,054
Total - Debt Service.....	<u>\$ 107,376</u>	<u>\$ 104,631</u>	<u>\$ 104,539</u>
STATE FUNDS.....	\$ 82,474	\$ 80,252	\$ 79,448
RESTRICTED REVENUES.....	51,355	51,185	51,054
MOTOR LICENSE FUND TOTAL.....	<u>\$ 133,829</u>	<u>\$ 131,437</u>	<u>\$ 130,502</u>
OTHER FUNDS:			
ACHIEVING A BETTER LIFE EXPERIENCE FUND:			
General Operations.....	\$ 1,500	\$ 1,130	\$ 1,130
ENVIRONMENTAL STEWARDSHIP FUND:			
Debt Service for Growing Greener (EA).....	\$ 30,584	\$ 20,871	\$ 20,053
LIQUID FUELS TAX FUND:			
Refunding Liquid Fuels Taxes - Boat Fund (EA).....	\$ 107	\$ 108	\$ 103
TUITION ACCOUNT GUARANTEED SAVINGS PROGRAM FUND:			
Tuition Account Program Bureau.....	\$ 3,220	\$ 3,220	\$ 3,039
(A)Application Fees.....	1,781	1,268	1,794
TUITION ACCOUNT GUARANTEED SAVINGS PROGRAM FUND TOTAL.....	<u>\$ 5,001</u>	<u>\$ 4,488</u>	<u>\$ 4,833</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 1,170,602	\$ 1,169,415	\$ 1,173,720
SPECIAL FUNDS.....	82,474	80,252	79,448
FEDERAL FUNDS.....	0	0	0
AUGMENTATIONS.....	9,522	7,314	32,520
RESTRICTED.....	51,355	51,185	51,054
OTHER FUNDS.....	37,192	26,597	26,119
TOTAL ALL FUNDS.....	<u>\$ 1,351,145</u>	<u>\$ 1,334,763</u>	<u>\$ 1,362,861</u>

^a Reflects revised executive authorization estimate.

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
DISBURSEMENT							
GENERAL FUND.....	\$ 49,275	\$ 45,949	\$ 45,095	\$ 45,095	\$ 45,095	\$ 45,095	\$ 45,095
SPECIAL FUNDS.....	26,453	26,806	25,963	25,963	25,963	25,963	25,963
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	16,130	13,040	13,586	13,586	13,586	13,586	13,586
SUBCATEGORY TOTAL.....	\$ 91,858	\$ 85,795	\$ 84,644	\$ 84,644	\$ 84,644	\$ 84,644	\$ 84,644
INTERSTATE RELATIONS							
GENERAL FUND.....	\$ 1,040	\$ 901	\$ 1,070	\$ 1,070	\$ 1,070	\$ 1,070	\$ 1,070
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 1,040	\$ 901	\$ 1,070	\$ 1,070	\$ 1,070	\$ 1,070	\$ 1,070
DEBT SERVICE							
GENERAL FUND.....	\$ 1,120,287	\$ 1,122,565	\$ 1,127,555	\$ 1,245,186	\$ 1,332,259	\$ 1,340,194	\$ 1,361,904
SPECIAL FUNDS.....	56,021	53,446	53,485	53,459	53,419	53,462	53,509
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	81,939	72,056	96,107	86,000	80,887	90,187	89,235
SUBCATEGORY TOTAL.....	\$ 1,258,247	\$ 1,248,067	\$ 1,277,147	\$ 1,384,645	\$ 1,466,565	\$ 1,483,843	\$ 1,504,648
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1,170,602	\$ 1,169,415	\$ 1,173,720	\$ 1,291,351	\$ 1,378,424	\$ 1,386,359	\$ 1,408,069
SPECIAL FUNDS.....	82,474	80,252	79,448	79,422	79,382	79,425	79,472
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	98,069	85,096	109,693	99,586	94,473	103,773	102,821
DEPARTMENT TOTAL.....	\$ 1,351,145	\$ 1,334,763	\$ 1,362,861	\$ 1,470,359	\$ 1,552,279	\$ 1,569,557	\$ 1,590,362

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 electronic payments and checks are issued daily.

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.

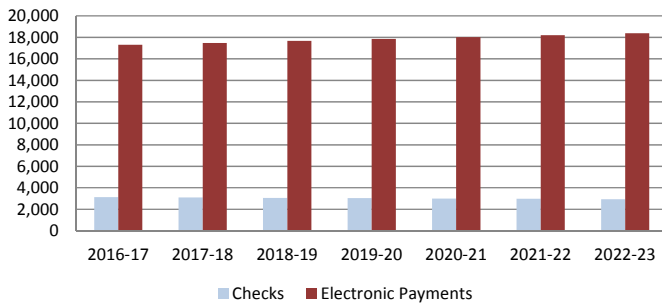
The Treasury Department administers the Tuition Account Program, which provides two programs for postsecondary educational savings. The Tuition Account Guaranteed Savings Program Fund provides for the advance purchase of tuition credits for students who will attend institutions of higher education. Savings 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.

The Treasury Department administers the Achieving a Better Life Experience Fund which provides qualifying individuals with disabilities and their families with a tax-free way to save for disability-related expenses while maintaining government benefits.

Treasury Disbursements

(in thousands)



The State Treasurer is Chairman of the Board of Finance and Revenue which is charged with reviewing

Program Recommendations:

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

	GENERAL FUND		MOTOR LICENSE FUND
	Divestiture Reimbursement		Refunding Liquid Fuels Taxes - Boat Fund (EA)
\$ 16	—increase in program requirements.	\$ -843	—based on most recent projection of program requirements.
\$ -870	Information Technology Modernization		
	—to continue current project.		

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

Program: Disbursement (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
General Government Operations	\$ 36,757	\$ 36,990	\$ 36,990	\$ 36,990	\$ 36,990	\$ 36,990	\$ 36,990
Board of Finance and Revenue.....	2,967	2,956	2,956	2,956	2,956	2,956	2,956
Divestiture Reimbursement	2,551	23	39	39	39	39	39
Information Technology Modernization.....	3,000	1,870	1,000	1,000	1,000	1,000	1,000
Law Enforcement & Emergency Response							
Personnel Death Benefit	2,500	2,980	2,980	2,980	2,980	2,980	2,980
Transfer to ABLE Fund	1,500	1,130	1,130	1,130	1,130	1,130	1,130
TOTAL GENERAL FUND	\$ 49,275	\$ 45,949	\$ 45,095	\$ 45,095	\$ 45,095	\$ 45,095	\$ 45,095
MOTOR LICENSE FUND:							
Administration Refunding Liquid Fuels Tax \$	533	\$ 533	\$ 533	\$ 533	\$ 533	\$ 533	\$ 533
Refunding Liquid Fuels Taxes – State							
Share (EA)	6,000	5,000	5,000	5,000	5,000	5,000	5,000
Refunding Liquid Fuels Taxes –							
Agriculture (EA).....	4,250	4,000	4,000	4,000	4,000	4,000	4,000
Refunding Liquid Fuels Taxes – Political							
Subdivisions (EA).....	3,600	3,800	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	11,973	11,130	11,130	11,130	11,130	11,130
TOTAL MOTOR LICENSE FUND.....	\$ 26,453	\$ 26,806	\$ 25,963	\$ 25,963	\$ 25,963	\$ 25,963	\$ 25,963

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)

\$ 169 **Intergovernmental Organizations**
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Intergovernmental Organizations	\$ 1,040	\$ 901	\$ 1,070	\$ 1,070	\$ 1,070	\$ 1,070	\$ 1,070

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)

<p>GENERAL FUND \$ 4,990 —the net effect on principal and interest requirements and other costs relating to General Fund debt service.</p> <p>MOTOR LICENSE FUND \$ 39 —the net effect on principal and interest requirements and other costs relating to Motor License Fund debt service.</p>	<p>ENVIRONMENTAL STEWARDSHIP FUND \$ -818 —the net effect on principal and interest requirements and other costs relating to Environmental Stewardship Fund debt service.</p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Publishing Monthly Statements	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15
Loan and Transfer Agents	50	50	40	40	40	40	40
Cash Management Loan Interest (EA)	8,837	2,500	2,500	2,500	2,500	2,500	2,500
General Obligation Debt Service	1,111,385	1,120,000	1,125,000	1,242,631	1,329,704	1,337,639	1,359,349
TOTAL GENERAL FUND	\$ 1,120,287	\$ 1,122,565	\$ 1,127,555	\$ 1,245,186	\$ 1,332,259	\$ 1,340,194	\$ 1,361,904
MOTOR LICENSE FUND:							
Capital Debt Transportation Projects	\$ 38,156	\$ 35,581	\$ 35,620	\$ 35,661	\$ 35,736	\$ 35,779	\$ 35,826
General Obligation Debt Service	17,815	17,815	17,815	17,748	17,633	17,633	17,633
Loan and Transfer Agents	50	50	50	50	50	50	50
TOTAL MOTOR LICENSE FUND	\$ 56,021	\$ 53,446	\$ 53,485	\$ 53,459	\$ 53,419	\$ 53,462	\$ 53,509
ENVIRONMENTAL STEWARDSHIP FUND:							
Debt Service for Growing Greener (EA)	\$ 30,584	\$ 20,871	\$ 20,053	\$ 20,220	\$ 14,984	\$ 15,073	\$ 13,911

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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.

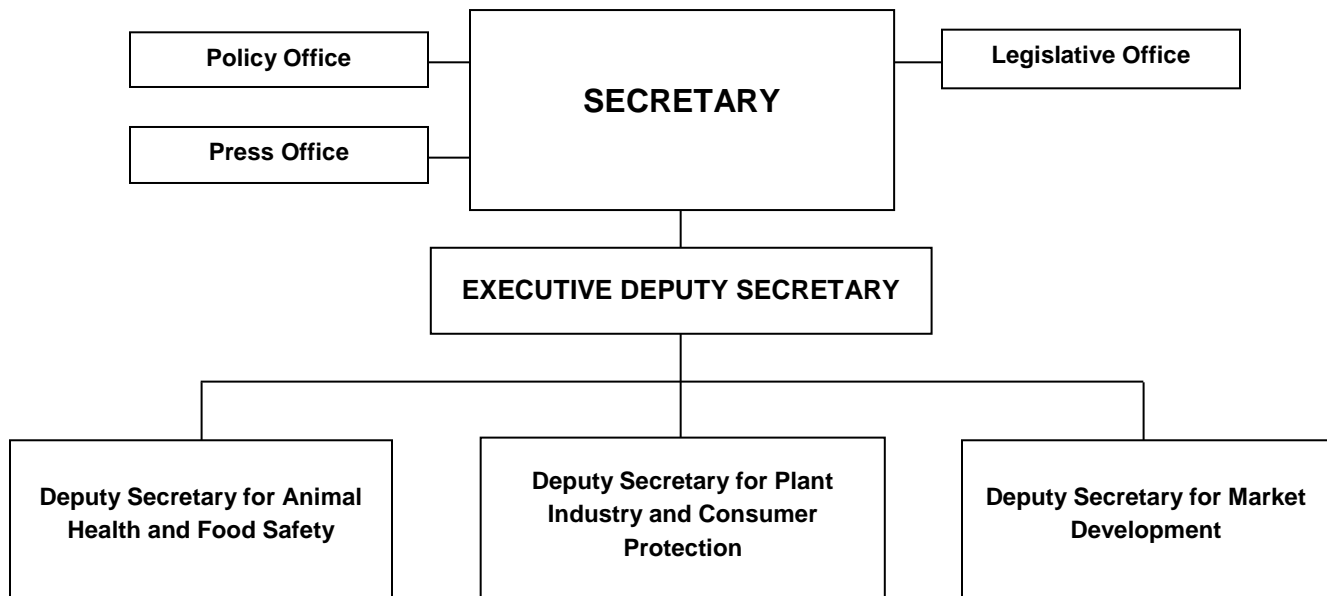
Programs and Goals

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 for the coordination of human resources and information technology with the Office of Administration.
- **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

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
594	592	597	604	585	557	573

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 29,379	\$ 30,784^a	\$ 33,407
(F) Plant Pest Detection System.....	1,300	1,300	1,300
(F) Poultry Grading Service.....	100	100	100
(F) Medicated Feed Mill Inspection.....	50	100	100
(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	3,500	3,500
(F) Organic Cost Distribution.....	650	650	650
(F) Animal Disease Control.....	2,000	4,000	4,000
(F) Food Establishment Inspections.....	3,500	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.....	2,000	25,000	25,000
(F) Oral Rabies Vaccine.....	100	0	0
(F) Exotic Newcastle Disease Control.....	300	0	0
(F) Scrapie Disease Control.....	60	60	60
(F) Foot and Mouth Disease Monitoring.....	150	150	150
(F) Wildlife Services.....	800	0	0
(F) Innovative Nutrient and Sediment Reduction.....	750	750	750
(F) Animal Identification.....	2,000	2,000	2,000
(F) Specialty Crops.....	1,500	2,500	3,500
(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).....	60	60	60
(F) Food Contamination Investigation (EA).....	283	283	283
(F) Spotted Lanternfly.....	1,500	5,000	12,000
(F) Animal Feed Regulatory Program.....	2,000	2,000	2,000
(F) Conservation Partnership Farmland Preservation.....	0	0	6,500
(A) Lime Control Fees.....	30	33	29
(A) Commercial Feed Inspections.....	717	675	690
(A) Milk Plant Inspections.....	21	24	24
(A) Administrative Services.....	2,797	3,891	3,837
(A) Pesticide Regulation.....	715	700	700
(A) Training Rides and Attractions.....	33	40	40
(A) Food Site Inspection.....	131	107	107
(A) Apiary Registration and Fees.....	21	15	20
(A) Transfer from Fertilizer Account.....	9	25	8
(A) Consumer Fireworks License.....	365	650	450
(A) Taxidermy Permit Registrations.....	115	115	115
(A) Transfer from Motor License Fund.....	0 ^b	0 ^b	0 ^b
(A) Transfer from Other State Agencies.....	209	395	212
(A) Vet Lab Diagnostic Fees.....	860	775	775
(A) Domestic Animal Dealer License.....	54	53	53
(A) Food Site Inspection, License and Registration Fees.....	30	25	25
(A) Certificates of Free Sale.....	49	0	75
(A) Transfer from Environmental Stewardship Fund.....	219	218	247
Subtotal.....	\$ 83,807	\$ 115,428	\$ 132,217
Avian Flu Preparedness and Response.....	2,000	0	0
Agricultural Excellence.....	1,210	1,331	0
Farmers' Market Food Coupons.....	2,079	2,079	2,079
(F) Farmers' Market Food Coupons.....	3,500	3,500	3,500
(F) Senior Farmers' Market Nutrition.....	2,200	2,200	2,200
Agricultural Research.....	1,687	1,687	0
Agricultural Promotion, Education and Exports.....	275	303	0
Hardwoods Research and Promotion.....	385	424	0

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
Subtotal - State Funds.....	\$ 37,015	\$ 36,608	\$ 35,486
Subtotal - Federal Funds.....	53,753	82,603	97,103
Subtotal - Augmentations.....	6,375	7,741	7,407
Total - General Government.....	\$ 97,143	\$ 126,952	\$ 139,996
Grants and Subsidies:			
Livestock Show.....	\$ 195	\$ 215	\$ 0
Open Dairy Show.....	195	215	0
Youth Shows.....	154	169	169
State Food Purchase.....	19,188	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.....	51,813	52,313	52,313
PA Preferred Program Trademark Licensing.....	605	605	605
University of Pennsylvania - Veterinary Activities.....	30,135	30,135	30,135
University of Pennsylvania - Center for Infectious Disease.....	281	281	281
Subtotal - State Funds.....	\$ 106,643	\$ 107,198	\$ 106,274
Subtotal - Federal Funds.....	250	250	250
Total - Grants and Subsidies.....	\$ 106,893	\$ 107,448	\$ 106,524
STATE FUNDS.....	\$ 143,658	\$ 143,806	\$ 141,760
FEDERAL FUNDS.....	54,003	82,853	97,353
AUGMENTATIONS.....	6,375	7,741	7,407
GENERAL FUND TOTAL.....	\$ 204,036	\$ 234,400	\$ 246,520
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Weights & Measures Administration.....	\$ 4,728	\$ 5,228	\$ 5,228
<i>Grants and Subsidies:</i>			
Dirt, Gravel and Low Volume Roads.....	\$ 28,000	\$ 28,000	\$ 28,000
MOTOR LICENSE FUND TOTAL.....	\$ 32,728	\$ 33,228	\$ 33,228
OTHER FUNDS:			
FARM PRODUCTS SHOW FUND:			
General Operations (EA).....	\$ 13,884	\$ 12,798	\$ 13,438
RACING FUND:			
State Racing Commission.....	\$ 7,467	\$ 8,293	\$ 7,466
Equine Toxicology and Research Laboratory.....	10,149	12,950	13,025
(A)Reimbursements - Out-of-State Testing.....	18	15	15
Pennsylvania Fairs - Administration.....	207	207	0
Horse Racing Promotion.....	2,450	2,450	2,393
(R)Sire Stakes Fund.....	9,752	9,500	12,000
(R)Breeders' Fund.....	21,049	17,300	18,500
(R)PA Standardbred Breeders Development Fund.....	5,582	8,200	8,200
RACING FUND TOTAL.....	\$ 56,674	\$ 58,915	\$ 61,599

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2016-17	2017-18	2018-19
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
Agriculture Farm Operations.....	\$ 557	\$ 712	\$ 567
Dog Law Administration.....	7,048	7,409	8,753
Pesticide Regulation.....	3,818	4,500	4,923
Plant Pest Management.....	482	465	517
National School Lunch.....	11	60	60
Agronomic Regulatory Account.....	343	379	484
Fruit and Vegetable Inspection and Grading.....	385	389	460
Cervidae Livestock Operations.....	43	50	50
GENERAL FUND TOTAL.....	\$ 12,687	\$ 13,964	\$ 15,814
AGRICULTURAL COLLEGE LAND SCRIP FUND:			
Agricultural Research Programs and Extension Services.....	\$ 0 ^c	\$ 0 ^c	\$ 0 ^c
AGRICULTURAL CONSERVATION EASEMENT PURCHASE FUND:			
Purchase of County Easements (EA).....	\$ 32,000	\$ 40,000	\$ 40,000
CONSERVATION DISTRICT FUND:			
Conservation District Grants (EA).....	\$ 3,275	\$ 2,851	\$ 2,877
ENVIRONMENTAL STEWARDSHIP FUND:			
Transfer to Agricultural Conservation Easement Program (EA).....	\$ 10,264	\$ 9,893	\$ 11,037
NUTRIENT MANAGEMENT FUND:			
Planning, Loans, Grants and Technical Assistance (EA).....	\$ 365	\$ 370	\$ 305
Nutrient Management - Administration (EA).....	698	726	744
NUTRIENT MANAGEMENT FUND TOTAL.....	\$ 1,063	\$ 1,096	\$ 1,049
PA RACE HORSE DEVELOPMENT TRUST FUND:			
(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
PA RACE HORSE DEVELOPMENT TRUST FUND TOTAL.....	\$ 19,659	\$ 19,659	\$ 19,659
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 143,658	\$ 143,806	\$ 141,760
SPECIAL FUNDS.....	32,728	33,228	33,228
FEDERAL FUNDS.....	54,003	82,853	97,353
AUGMENTATIONS.....	6,375	7,741	7,407
OTHER FUNDS.....	149,506	159,176	165,473
TOTAL ALL FUNDS.....	\$ 386,270	\$ 426,804	\$ 445,221

^a Reflects recommended appropriation reduction of \$326,000.

^b Transfer from Motor License Fund not added to the total to avoid double counting: 2016-17 Actual is \$4,728,000; 2017-18 Available is \$5,228,000; and 2018-19 Budget is \$5,228,000.

^c Not added to the total to avoid double counting: 2016-17 Actual is \$51,813,000; 2017-18 Available is 52,313,000; and 2018-19 Budget is \$52,313,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
PROTECTION AND DEVELOPMENT OF AGRICULTURAL INDUSTRIES							
GENERAL FUND.....	\$ 122,391	\$ 122,539	\$ 120,493	\$ 120,843	\$ 120,843	\$ 120,843	\$ 120,843
SPECIAL FUNDS.....	32,728	33,228	33,228	32,728	32,728	32,728	32,728
FEDERAL FUNDS.....	37,693	66,843	81,343	81,343	81,343	81,343	81,343
OTHER FUNDS.....	99,207	108,002	111,281	111,226	112,110	112,021	112,188
SUBCATEGORY TOTAL.....	\$ 292,019	\$ 330,612	\$ 346,345	\$ 346,140	\$ 347,024	\$ 346,935	\$ 347,102
HORSE RACING REGULATION							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	56,674	58,915	61,599	61,599	61,599	61,599	61,599
SUBCATEGORY TOTAL.....	\$ 56,674	\$ 58,915	\$ 61,599	\$ 61,599	\$ 61,599	\$ 61,599	\$ 61,599
EMERGENCY FOOD ASSISTANCE							
GENERAL FUND.....	\$ 21,267	\$ 21,267	\$ 21,267	\$ 21,267	\$ 21,267	\$ 21,267	\$ 21,267
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	16,310	16,010	16,010	16,010	16,010	16,010	16,010
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 37,577	\$ 37,277	\$ 37,277	\$ 37,277	\$ 37,277	\$ 37,277	\$ 37,277
ALL PROGRAMS:							
GENERAL FUND.....	\$ 143,658	\$ 143,806	\$ 141,760	\$ 142,110	\$ 142,110	\$ 142,110	\$ 142,110
SPECIAL FUNDS.....	32,728	33,228	33,228	32,728	32,728	32,728	32,728
FEDERAL FUNDS.....	54,003	82,853	97,353	97,353	97,353	97,353	97,353
OTHER FUNDS.....	155,881	166,917	172,880	172,825	173,709	173,620	173,787
DEPARTMENT TOTAL.....	\$ 386,270	\$ 426,804	\$ 445,221	\$ 445,016	\$ 445,900	\$ 445,811	\$ 445,978

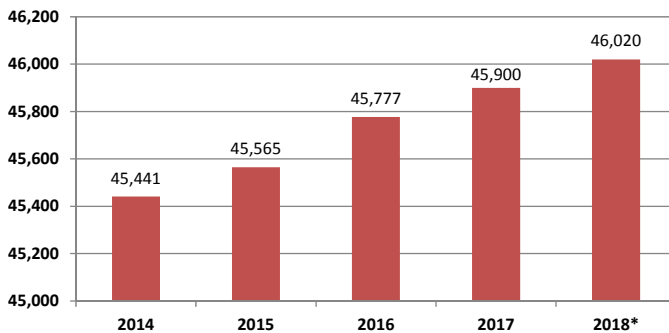
Program: Protection and Development of Agricultural Industries

Goal: To strengthen the agricultural economy and related enterprises.

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 retail food facilities – a number that continues to grow each year as municipalities 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

	2014-15	2015-16	2016-17	2017-18*
Weights and Measures Devices and Systems	153,647	153,559	147,016	152,000
Amusement Rides	9,112	9,300	9,511	9,511
Fuel Dispenser Meters Certified	79,790	82,464	76,207	82,464

* Estimated

The department is on the leading edge of protecting all of agriculture, including the state's landscapes and forests against potentially devastating plant pests and diseases, including invasive species such as the Spotted Lanternfly or the fungus that causes Sudden Oak Death. These and other new pests represent threats to Pennsylvania's ecological systems and agricultural production. The 2018-19 budget includes \$1.597 million to support the Department of Agriculture's (PDA) coordinated effort to

address Spotted Lanternfly. The funding will leverage additional federal dollars and create a rapid response team to step up efforts for detection and eradication of the pest. Additionally, the department works to protect consumers and public health by overseeing the sale, use and handling of pesticides. Agronomic products such as seeds, feed and fertilizer are monitored for safety and for accurate labeling.

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 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 5,200 farms and nearly 545,000 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.

Promotion and Market Development

The future viability of agriculture is tied to the industry's ability to produce products efficiently, reach new markets and expand existing markets.

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. The PA Preferred™ program offers marketing and promotional support for its more than 2,000 members who grow or process locally produced agricultural products. In 2016-17, exports of food

Program: Protection and Development of Agricultural Industries (continued)

and agricultural products totaled approximately \$2 billion. With hardwood exports included, total exports exceeded \$3.2 billion.

As part of our economic development program, PAgrows was launched in 2005 to help agribusinesses access the money they need to begin, continue and expand their business. PAgrows specializes in helping farmers, food processors, farm market operations and other agricultural businesses understand the lending process. The program offers technical assistance and guidance on the various local, state and federal programs available to agribusinesses.

In 2016, the Next Generation Farmer Loan Program provided 12 loans that qualified for tax exempt status, totaling more than \$5 million. This, in turn, generated an additional \$2.8 million in private investment for projects. These 12 loans secured the transfer of between 900 to 1,000 acres to new and beginning farmers in 2016.

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. The facility generates nearly \$500 million in total economic impact annually. Fairs held throughout the state add another \$126 million in statewide economic impact, attracting more than 5.5 million visitors annually and employing nearly 6,600 people part-time and 1,700 full-time. The department also distributes funding to 4-H programs in more than 60 counties and Future Farmers of America chapters in 40 counties.

Laboratory Services, Research and Extension

Expanding knowledge 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 work 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 include the Pennsylvania State University, as well as the University of Pennsylvania's School of Veterinary Medicine. 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

	2014-15	2015-16	2016-17	2017-18*
Samples Tested in the Animal Health and Diagnostic Laboratory System	580,000	630,000	630,000	640,000
Avian Influenza Samples	100,000	200,000	200,000	225,000
Rabies Testing	2,000	2,000	2,000	2,500
Chronic Wasting Disease	10,000	10,000	10,000	12,500
Animal Health Inspections	8,000	8,800	8,800	8,800

* Estimated

Program Recommendations:

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

GENERAL FUND	
General Government Operations	
\$ -250	—funding reduction.
1,276	—to continue current program.
1,597	—Initiative—to increase Spotted Lanternfly detection and eradication efforts.
<hr/>	
\$ 2,623	<i>Appropriation Increase</i>
Agricultural Excellence	
\$ -1,331	—program elimination.
Agricultural Research	
\$ -1,687	—program elimination.
Agricultural Promotion, Education and Exports	
\$ -303	—program elimination.

\$ -424	Hardwoods Research and Promotion —program elimination.
\$ -215	Livestock Show —program elimination.
\$ -215	Open Dairy Show —program elimination.
\$ -494	Food Marketing and Research —program elimination.

All other appropriations are recommended at current year funding levels.

Program: Protection and Development of Agricultural Industries (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
General Government Operations	\$ 29,379	\$ 30,784	\$ 33,407	\$ 33,407	\$ 33,407	\$ 33,407	\$ 33,407
Avian Flu Preparedness and Response	2,000	0	0	0	0	0	0
Agricultural Excellence	1,210	1,331	0	0	0	0	0
Agricultural Research	1,687	1,687	0	0	0	0	0
Agricultural Promotion, Education and Exports	275	303	0	0	0	0	0
Hardwoods Research and Promotion	385	424	0	0	0	0	0
Livestock Show	195	215	0	0	0	0	0
Open Dairy Show	195	215	0	0	0	0	0
Youth Shows	154	169	169	169	169	169	169
Food Marketing and Research	494	494	0	0	0	0	0
Transfer to Nutrient Management Fund	2,714	2,714	2,714	3,064	3,064	3,064	3,064
Transfer to Conservation District Fund	869	869	869	869	869	869	869
Transfer to Agricultural College Land Scrip Fund	51,813	52,313	52,313	52,313	52,313	52,313	52,313
PA Preferred Program Trademark Licensing	605	605	605	605	605	605	605
University of Pennsylvania - Veterinary Activities	30,135	30,135	30,135	30,135	30,135	30,135	30,135
University of Pennsylvania - Center for Infectious Disease	281	281	281	281	281	281	281
TOTAL GENERAL FUND	\$ 122,391	\$ 122,539	\$ 120,493	\$ 120,843	\$ 120,843	\$ 120,843	\$ 120,843
FARM PRODUCTS SHOW FUND:							
General Operations (EA)	\$ 13,884	\$ 12,798	\$ 13,438	\$ 13,438	\$ 13,438	\$ 13,438	\$ 13,438
MOTOR LICENSE FUND:							
Weights & Measures Administration	4,728	5,228	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
TOTAL MOTOR LICENSE FUND	\$ 32,728	\$ 33,228	\$ 33,228	\$ 32,728	\$ 32,728	\$ 32,728	\$ 32,728

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 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 Trust Fund. Due to year-over-year declines in wagering and the rising costs of race horse testing, this proposed budget maintains significant transfers from the Pennsylvania Race Horse Development Trust Fund.

The commission maintains the Pennsylvania Equine Toxicology and Research Laboratory to ensure legitimacy of race results. This lab performs equine blood and urine testing to ensure that no foreign, performance-enhancing substances have been introduced to race horses which would undermined the integrity and legitimacy of results. Such substances could also threaten the health of the animals.

In 2016, Governor Wolf signed Act 114 which provided historic reforms to the racing industry. Operations were

modernized, oversight and governance were strengthened and the State Racing Fund was immediately stabilized. Comprehensive studies required by Act 114 to review and assess the financial, regulatory, and market factors of the horse racing industry support the department's continued oversight of horse racing in Pennsylvania. However, the statute did not provide a long-term, permanent funding solution. The current funding solution, which allows the costs of the race horse testing program to be paid by appropriations from the Pennsylvania Race Horse Development Trust Fund, will terminate in 2019-20.

Horse and Harness Racing Regulation	2014-15	2015-16	2016-17	2017-18*
Licenses Issued by the Horse and Harness Racing Commissions	12,382	11,511	11,482	10,650
Compliance Investigations	7,275	5,712	4,057	5,000
Licenses Suspended	328	389	391	480
Samples Processed at the Pennsylvania Equine Lab	31,536	31,120	31,478	33,000

* Estimated

Program Recommendations:

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

<p>RACING FUND State Racing Commission \$ -827 —to continue current program.</p> <p>Equine Toxicology and Research Laboratory \$ 75 —to continue current program.</p>	<p>Pennsylvania Fairs - Administration \$ -207 —program costs shifted to the Pennsylvania Race Horse Development Trust Fund.</p> <p>Horse Racing Promotion \$ -57 —to continue current program.</p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
RACING FUND:							
State Racing Commission	\$ 7,467	\$ 8,293	\$ 7,466	\$ 7,466	\$ 7,466	\$ 7,466	\$ 7,466
Equine Toxicology and Research Laboratory	10,149	12,950	13,025	13,025	13,025	13,025	13,025
Pennsylvania Fairs - Administration	207	207	0	0	0	0	0
Horse Racing Promotion	2,450	2,450	2,393	2,393	2,393	2,393	2,393
(R)Sire Stakes Fund	9,752	9,500	12,000	12,000	12,000	12,000	12,000
(R)Breeders' Fund	21,049	17,300	18,500	18,500	18,500	18,500	18,500
(R)PA Standardbred Breeders Development Fund	5,582	8,200	8,200	8,200	8,200	8,200	8,200
TOTAL RACING FUND	\$ 56,656	\$ 58,900	\$ 61,584	\$ 61,599	\$ 61,599	\$ 61,599	\$ 61,599

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.

According to research, hunger touches every county in Pennsylvania, and nearly one in seven of the state’s residents is at risk of hunger, including almost half a million children. The department administers a number of federal and state programs to address this 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 residents 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 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). Since April 2016, more than 5.6 million pounds of food

have been distributed in the form of 53 different products sourced from 98 farmers, processors and growers across the commonwealth.

Food Assistance	2014-15	2015-16	2016-17	2017-18*
Dollar Value of Commodities Distributed <i>(in millions)</i>	76.1	84.4	87.1	85.0
State Food Purchase Program Individuals Served <i>(in millions)</i>	2	2	2	2
Emergency Food Assistance Program Individuals Served <i>(in millions)</i>	8	8	11.6	11.5
Redemption Rate for WIC Participants – Farmers Market Nutrition Program	50%	49%	45%	52%
Redemption Rate for Senior Participants – Farmers Market Nutrition Program	85%	84%	82%	87%

* 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)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Farmers' Market Food Coupons.....	\$ 2,079	\$ 2,079	\$ 2,079	\$ 2,079	\$ 2,079	\$ 2,079	\$ 2,079
State Food Purchase.....	19,188	19,188	19,188	19,188	19,188	19,188	19,188
TOTAL GENERAL FUND	\$ 21,267	\$ 21,267	\$ 21,267	\$ 21,267	\$ 21,267	\$ 21,267	\$ 21,267

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

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	N/A	N/A	162	315	470	480	490
Dirt, Gravel and Low Volume Environmentally Sensitive Maintenance worksites (project miles) completed	N/A	167	162	137	213	300	300
Farm acreage preserved	13,795	16,423	16,962	14,160	17,500	20,000	20,000

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)	\$1,800	\$2,096	\$2,214	\$2,200	\$2,000	\$2,000	\$2,050
Dollar value of Pennsylvania hardwood exports (in millions)	\$1,200	\$1,300	\$1,302	\$1,265	\$1,287	\$1,350	\$1,350
Occupancy rate at the Pennsylvania Farm Show Complex and Expo Center	74%	77%	79%	81%	81%	81%	81%

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)	\$11,663	\$5,849	\$11,686	\$6,519	\$3,748	\$4,000	\$4,000
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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)	732	465	475	474	455	460	465
Number of farm acres covered by approved Nutrient Balance Sheets (in thousands)	N/A	62	65	67	89	68	69

Objective: Facilitate introduction of industrial hemp as a viable food and fiber crop.

Number of industrial hemp research applications	N/A	N/A	N/A	N/A	16	20	20
Number of acres of industrial hemp planted in Pennsylvania	N/A	N/A	N/A	N/A	36	400	1,000

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

Program: Emergency Food Assistance

Objective: Increase consumer access to healthy, nutritious food for food insecure Pennsylvanians.

Improving Participant Access to Pennsylvania fruits and vegetables

Dollar value of commodities distributed (in thousands)*	\$55,777	\$66,300	\$62,400	\$62,400	\$82,789	\$75,000	\$75,000
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Persons receiving donated or surplus foods

Number of individuals served through the State Food Purchase program (in millions)	2	2	2	2	2	2	2
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Number of individuals served through the Emergency Food Assistance program (in millions)	6	8	8	8	11.60	11.50	11.50
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Percentage of farmers' market coupons redeemed

Redemption rates for Women, Infants and Children (WIC) Farmers' Market Nutrition Program participants	55%	52%	50%	49%	45%	52%	53%
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Redemption rate for senior participants in the Farmers' Market Nutrition program	90%	86%	85%	84%	82%	87%	87%
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Number of pounds of food provided to the charitable food system annually by utilizing the Pennsylvania Agricultural Surplus System (PASS) (in millions)	N/A	N/A	N/A	2.20	2.73	2	2
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*Department was eligible for "bonus" commodities in 2016-17.

Program: GO-TIME

Objective: Improve government efficiency and service delivery.

Efficiency

Number of additional inspections performed by the Bureau of Food Safety and Laboratory Services after reorganization has been completed	N/A	N/A	N/A	38,817	39,638	39,728	39,820
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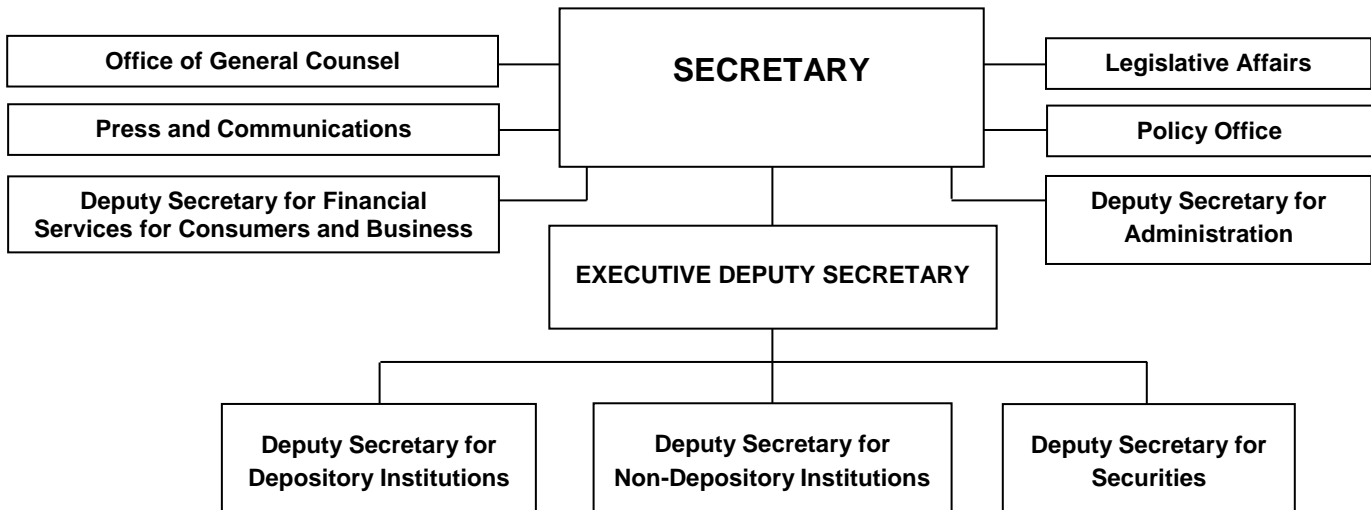
DEPARTMENT OF BANKING AND SECURITIES

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 nearly 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 more than 24,000 non-bank financial services institutions and professionals doing business in Pennsylvania. These companies include residential mortgage lenders and brokers, check cashers, consumer discount companies, 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 more than 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 Business Services Office, the Consumer Services Office and the 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 and works with the Employment, Banking & Revenue Delivery Center for human resources and information technology services. The deputate oversees all the administrative support functions for the department.

Authorized Complement

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
251	243	234	233	225	215	215

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2016-17	2017-18	2018-19
	ACTUAL	AVAILABLE	BUDGET
<u>OTHER FUNDS:</u>			
BANKING FUND:			
General Government Operations.....	\$ 23,235	\$ 23,235	\$ 24,463
Transfer to Institution Resolution Account (EA).....	2,000	2,000	2,000
BANKING FUND TOTAL.....	<u>\$ 25,235</u>	<u>\$ 25,235</u>	<u>\$ 26,463</u>
<u>GENERAL FUND:</u>			
<i>General Government:</i>			
(R)Securities Operations.....	\$ 8,500	\$ 8,500	\$ 9,515
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	0	0	0
AUGMENTATIONS.....	0	0	0
RESTRICTED.....	8,500	8,500	9,515
OTHER FUNDS.....	25,235	25,235	26,463
TOTAL ALL FUNDS.....	<u>\$ 33,735</u>	<u>\$ 33,735</u>	<u>\$ 35,978</u>

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
FINANCIAL SERVICES INDUSTRY							
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.....	33,735	33,735	35,978	35,978	35,978	35,978	35,978
SUBCATEGORY TOTAL.....	\$ 33,735	\$ 33,735	\$ 35,978	\$ 35,978	\$ 35,978	\$ 35,978	\$ 35,978
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	33,735	33,735	35,978	35,978	35,978	35,978	35,978
DEPARTMENT TOTAL.....	\$ 33,735	\$ 33,735	\$ 35,978	\$ 35,978	\$ 35,978	\$ 35,978	\$ 35,978

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, credit unions, non-depository trust companies, residential mortgage lenders and brokers, check cashers, consumer discount companies, auto sales finance companies, pawnbrokers, debt management companies, debt settlement companies, and money transmitters. The department also oversees broker-dealers, broker-dealer agents, investment advisers, investment adviser representatives, and investment adviser notice filers.

The department fielded and resolved more than 5,000 inquiries and complaints from consumers during the 2016-17 fiscal year. As of June 30, 2017 the department provided regulation and oversight for the following:

Financial Institutions		Non-Depository Licensees		Securities Industry	
Credit unions	54	Mortgage originators	16,183	Securities agents	199,613
Commercial banks	45	Installment sellers	2,895	Investment adviser representatives	20,749
Savings banks	44	Mortgage lenders	2,152	Investment adviser and notice filers	3,301
Bank and trust companies	40	Sales finance companies	1,065	Broker-dealers	2,048
Non-depository trust companies	14	Check cashers	767	Total Securities Industry Regulation	225,711
Total Financial Institutions	197	Mortgage brokers	477		
		Debt management services	138		
		Mortgage discount companies	94		
		Other licensees	645		
		Total Non-Depository Licensees	24,416		

Program Recommendations:

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

		BANKING FUND
		General Government Operations
\$	13	—to continue current program.
	1,215	—modernization of case management system.
\$	1,228	<i>Appropriation Increase</i>

In addition, \$9,515,000 for Securities Operations is provided for securities regulation.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
BANKING FUND:							
General Government Operations	\$ 23,235	\$ 23,235	\$ 24,463	\$ 24,463	\$ 24,463	\$ 24,463	\$ 24,463
Transfer to Institution Resolution Account (EA)	2,000	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL BANKING FUND	\$ 25,235	\$ 25,235	\$ 26,463	\$ 26,463	\$ 26,463	\$ 26,463	\$ 26,463

Program Measures

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
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Program: Financial Services Industry Regulation**Objective: Complete independent depository examinations in a timely manner.**

Average number of days for turnaround of independent depository institution examinations	28	30.81	31	29.46	35	30	30
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Objective: Develop an expert examination staff.

Percentage of depository examiners with the highest certification available for their level of experience	92%	93%	91%	100%	100%	90%	90%
Percentage of non-depository examiners with the highest certification available for their level of experience	0%	0%	0%	0%	0%	90%	90%

Objective: Examine non-depository licensees on a regular basis.

Percentage of all non-depository licensees examined	24%	21.70%	25%	22.40%	22.90%	20%	20%
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Objective: Respond to consumer complaints in a timely and fair manner.

Average number of days to respond to consumer complaints	6	8.64	7	4.73	5.29	10	10
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Objective: Examine Securities Investment Adviser registrants on an annual basis.

Percentage of Securities Investment Adviser registrants examined on an annual basis	9.43%	5.62%	4%	18.87%	20.26%	20%	20%
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CIVIL SERVICE COMMISSION

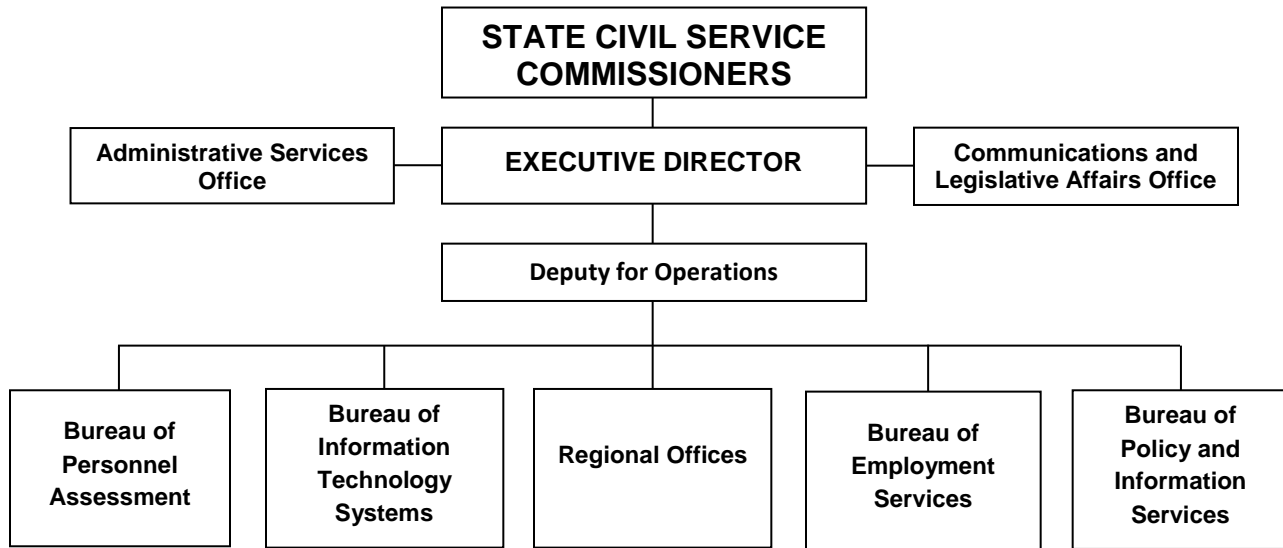
The mission of the Civil Service Commission is to attract qualified individuals and verify that they are appointed and promoted on the basis of merit.

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

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
131	121	108	108	90	87	87

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 1	\$ 1	\$ 1
(A) Fees From Agencies.....	12,944	12,809	12,699
(A) Special Merit System Services.....	826	625	669
Subtotal - State Funds.....	\$ 1	\$ 1	\$ 1
Subtotal - Augmentations.....	13,770	13,434	13,368
Total - General Government.....	<u>\$ 13,771</u>	<u>\$ 13,435</u>	<u>\$ 13,369</u>
STATE FUNDS.....	\$ 1	\$ 1	\$ 1
AUGMENTATIONS.....	13,770	13,434	13,368
GENERAL FUND TOTAL.....	<u>\$ 13,771</u>	<u>\$ 13,435</u>	<u>\$ 13,369</u>

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
PERSONNEL SELECTION							
GENERAL FUND.....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	13,770	13,434	13,368	13,368	13,368	13,368	13,368
SUBCATEGORY TOTAL.....	\$ 13,771	\$ 13,435	\$ 13,369	\$ 13,369	\$ 13,369	\$ 13,369	\$ 13,369
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	13,770	13,434	13,368	13,368	13,368	13,368	13,368
DEPARTMENT TOTAL.....	\$ 13,771	\$ 13,435	\$ 13,369	\$ 13,369	\$ 13,369	\$ 13,369	\$ 13,369

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 2016-17, approximately 76,000 candidates took examinations. Also, approximately 9,500 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. During 2016-17, nearly 700 appeal requests were received and processed.

The majority of funds supporting this program are received from billing state and local client agencies.

Program Recommendations:

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

**General Government Operations
Augmentations**
\$ -66 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
General Government Operations	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1

Program Measures

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
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Program: Personnel Selection

Objective: To provide a sufficient number of qualified, available persons to meet agency merit system staffing needs.

Persons taking examinations	104,277	101,357	71,950	81,755	75,989	76,000	76,000
Appeal requests received and processed	414	415	424	423	688	420	420
Annual cost of merit system per covered employee	\$199	\$204	\$208	\$229	\$212	\$206	\$209



DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

The Department of Community and Economic Development's mission is to encourage the shared prosperity of all Pennsylvanians by supporting good stewardship and sustainable development initiatives across our commonwealth. With a keen eye toward diversity and inclusiveness, the department acts as an advisor and advocate, providing strategic technical assistance, training, and financial resources to help our communities and industries flourish.

Programs and Goals

Job Creation, Workforce Training, Business Growth and Attraction: *To stimulate business growth and attraction to create "jobs that pay", and develop and maintain a high-quality workforce by training Pennsylvania's workers.*

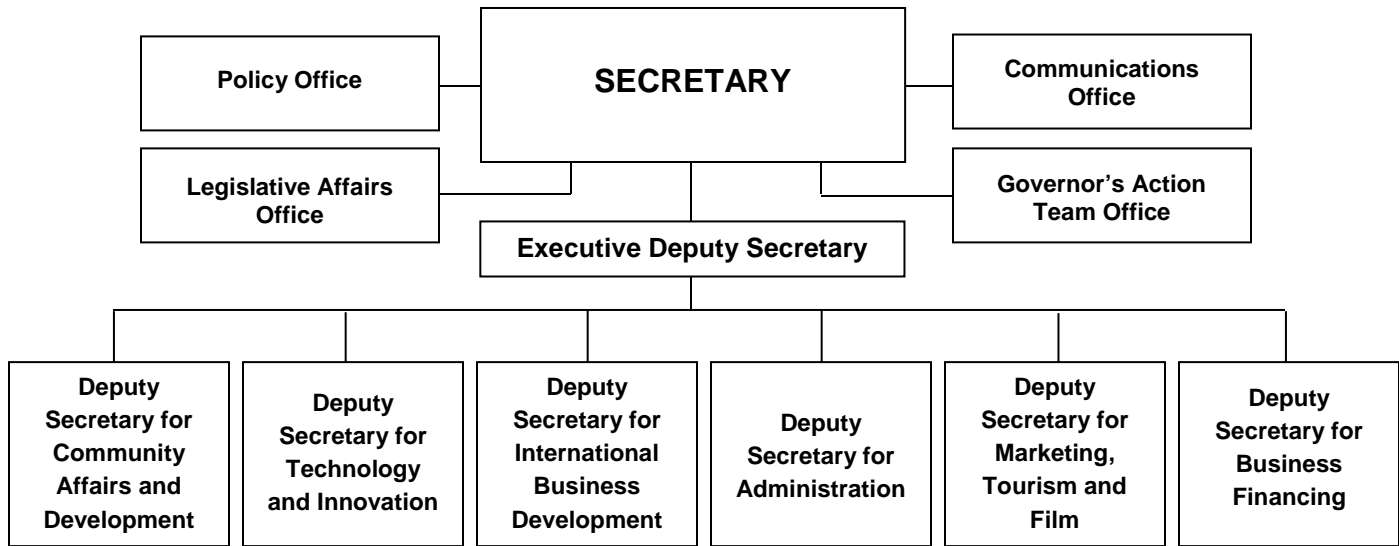
Pennsylvania Innovation Economy: *To provide technical support and access to capital to Pennsylvania's business and entrepreneurial community through strategic networks, while leveraging other sources of capital, including private and federal funds, to increase the number of successful, innovative technology companies in Pennsylvania.*

Pennsylvania Worldwide: *To leverage the state's overseas network and local partnerships to increase DCED-facilitated export sales, foreign direct investments and global opportunities in targeted markets, ultimately creating and retaining jobs in the commonwealth.*

Pennsylvania Assets: *To increase domestic and international leisure travel to the commonwealth 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 natural gas, water, oil, coal, and timber.*

Pennsylvania Communities: *Provide resources and technical assistance and make impactful investments that enhance the performance and quality of Pennsylvania's local governments and communities.*

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** oversees the agency's financial, customer and administrative services and is responsible for the coordination of human resources and information technology with the Office of Administration. 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

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
315	307	302	309	308	282	282

Community and Economic Development

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 17,888	\$ 16,161 a	\$ 17,500
(F)ARC - Technical Assistance.....	225	225	700
(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	0
(F)EMG Solutions Administration.....	1,000	1,000	1,000
(F)Economic Adjustment Assistance.....	5,000	9,000	9,000
(F)SCDBG - Disaster Recovery Administration.....	1,500	1,500	1,500
(F)Emergency Shelter for the Homeless.....	2,000	2,000	2,000
(F)SCDBG - HUD Disaster Recovery.....	2,000	2,000	2,000
(F)Federal Grant Initiatives.....	3,000	3,000	4,000
(F)Council of the Arts eGrant Program (EA).....	200	21	0
(A)Pennsylvania Industrial Development Authority.....	1,678	1,700	1,700
(A)Pennsylvania Economic Development Financing Authority.....	630	600	600
(A)Community Development Bank.....	37	35	35
(A)Commonwealth Financing Authority.....	3,513	3,400	3,400
(A)Local Match.....	138	100	100
(A)Governmental Transfers.....	1,106	978	737
(A)Reimbursements.....	0	195	0
Subtotal.....	<u>\$ 49,609</u>	<u>\$ 51,609</u>	<u>\$ 53,479</u>
(R)Small Business Advocate - Utilities.....	1,470	1,715	1,855
Center for Local Government Services.....	4,140	4,132	4,132
(F)State Energy Program (EA).....	120	0	0
(A)Local Government Training.....	382	0	0
(A)Reimbursements.....	153	165	165
Office of Open Records.....	2,526	2,915	2,930
Office of International Business Development.....	6,022	5,800	5,871
(F)SBA State Trade and Export Promotion (STEP).....	950	950	950
Marketing to Attract Tourists.....	11,414	12,892	4,067
(A)Travel Advertisements.....	65	60	60
(A)Film Tax Credit App.....	79	67	50
(A)Reimbursements.....	0	13	0
Marketing to Attract Business.....	2,005	1,990	2,010
Base Realignment and Closure.....	798	550	559
Regional Events Security and Support.....	10,000	0	0
Subtotal - State Funds.....	\$ 54,793	\$ 44,440	\$ 37,069
Subtotal - Federal Funds.....	25,689	29,390	30,357
Subtotal - Augmentations.....	7,781	7,313	6,847
Subtotal - Restricted Revenues.....	1,470	1,715	1,855
Total - General Government.....	<u>\$ 89,733</u>	<u>\$ 82,858</u>	<u>\$ 76,128</u>
Grants and Subsidies:			
Local Municipal Emergency Relief.....	\$ 3,000	\$ 9,000	\$ 0
Transfer to Municipalities Financial Recovery Revolving Fund.....	3,000	2,550	2,550
Transfer to Ben Franklin Tech. Development Authority Fund.....	14,500	14,500	14,500
Intergovernmental Cooperation Authority - 2nd Class Cities.....	250	0	0
Pennsylvania First.....	20,000	15,000	20,000
Municipal Assistance Program.....	642	546	546
(F)FEMA Technical Assistance.....	350	450	450
(F)FEMA - Mapping.....	200	200	200
Keystone Communities.....	12,200	13,507	6,357
(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

Community and Economic Development

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
(F)Assets for Independence.....	500	500	0
(F)EMG Solutions Program.....	12,000	12,000	12,000
(F)SCDBG - Disaster Recovery Grant.....	56,000	56,000	56,000
(F)Community Services Block Grant.....	50,000	50,000	50,000
Partnerships for Regional Economic Performance.....	11,880	9,880	9,880
(F)State Small Business Credit Initiative.....	20,000	20,000	0
Manufacturing PA.....	0	12,000	12,000
Tourism - Accredited Zoos.....	750	750	0
Rural Leadership Training.....	100	100	0
Super Computer Center.....	500	500	0
Infrastructure Technology Assistance Program.....	1,750	1,750	0
Early Intervention for Distressed Municipalities.....	2,785	2,367	2,367
Powdered Metals.....	100	100	0
Infrastructure and Facilities Improvement Grants.....	19,000	18,000	18,000
Public Television Technology.....	250	250	0
Subtotal - State Funds.....	\$ 90,707	\$ 100,800	\$ 86,200
Subtotal - Federal Funds.....	222,050	222,150	201,650
Total - Grants and Subsidies.....	<u>\$ 312,757</u>	<u>\$ 322,950</u>	<u>\$ 287,850</u>
STATE FUNDS.....	\$ 145,500	\$ 145,240	\$ 123,269
FEDERAL FUNDS.....	247,739	251,540	232,007
AUGMENTATIONS.....	7,781	7,313	6,847
RESTRICTED REVENUES.....	1,470	1,715	1,855
GENERAL FUND TOTAL.....	<u>\$ 402,490</u>	<u>\$ 405,808</u>	<u>\$ 363,978</u>
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Appalachian Regional Commission.....	\$ 1,073	\$ 1,073	\$ 750
OTHER FUNDS:			
GENERAL FUND:			
Industrial Sites Environmental Assessment Fund.....	\$ 15,831	\$ 3,000	\$ 3,000
Industrialized Housing.....	50	475	325
New American Development Fund.....	1	0	0
GENERAL FUND TOTAL.....	<u>\$ 15,882</u>	<u>\$ 3,475</u>	<u>\$ 3,325</u>
BEN FRANKLIN TECHNOLOGY DEVELOPMENT AUTHORITY FUND:			
Ben Franklin Technology.....	\$ 19,000	\$ 19,000	\$ 21,000
HOME INVESTMENT TRUST FUND:			
(F)Affordable Housing Act Administration.....	\$ 3,000	\$ 3,500	\$ 3,500
HOMEOWNER ASSISTANCE SETTLEMENT FUND:			
Homeowner's Emergency Mortgage Assistance.....	\$ 6,068	\$ 7	\$ 0
HOUSING AFFORDABILITY AND REHABILITATION ENHANCEMENT FUND:			
Housing Affordability and Rehabilitation Program.....	\$ 5,716	\$ 17,186	\$ 30,068
INDUSTRIAL SITES CLEANUP FUND:			
Industrial Sites Cleanup - Administration (EA).....	\$ 314	\$ 314	\$ 314
Industrial Sites Cleanup - Projects (EA).....	5,300	5,300	5,300
INDUSTRIAL SITES CLEANUP FUND TOTAL.....	<u>\$ 5,614</u>	<u>\$ 5,614</u>	<u>\$ 5,614</u>
LOCAL GOVERNMENT CAPITAL PROJECT LOAN FUND:			
Local Government Capital Project Loans (EA).....	\$ 1,000	\$ 1,000	\$ 1,000
MACHINERY AND EQUIPMENT LOAN FUND:			
General Operations (EA).....	\$ 778	\$ 778	\$ 778
Machinery and Equipment Loans (EA).....	11,000	45,000	11,000
MACHINERY AND EQUIPMENT LOAN FUND TOTAL.....	<u>\$ 11,778</u>	<u>\$ 45,778</u>	<u>\$ 11,778</u>

Community and Economic Development

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
MINORITY BUSINESS DEVELOPMENT FUND:			
General Operations (EA).....	\$ 330	\$ 330	\$ 330
Minority Business Development Loans (EA).....	1,000	1,000	1,000
MINORITY BUSINESS DEVELOPMENT FUND TOTAL.....	\$ 1,330	\$ 1,330	\$ 1,330
MUNICIPALITIES FINANCIAL RECOVERY REVOLVING AID FUND:			
Distressed Community Assistance (EA).....	\$ 9,000	\$ 9,000	\$ 6,350
SMALL BUSINESS FIRST FUND:			
Administration (EA).....	\$ 1,958	\$ 1,958	\$ 1,958
Loans (EA).....	20,042	22,000	10,042
Community Economic Development Loans (EA).....	3,000	3,000	3,000
SMALL BUSINESS FIRST FUND TOTAL.....	\$ 25,000	\$ 26,958	\$ 15,000
TOBACCO SETTLEMENT FUND:			
Life Sciences Greenhouses.....	\$ 3,000	\$ 3,000	\$ 3,000
WORKMEN'S COMPENSATION ADMINISTRATION FUND:			
(R)Small Business Advocate - Workers' Compensation.....	\$ 274	\$ 275	\$ 275
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 145,500	\$ 145,240	\$ 123,269
SPECIAL FUNDS.....	1,073	1,073	750
FEDERAL FUNDS.....	247,739	251,540	232,007
AUGMENTATIONS.....	7,781	7,313	6,847
RESTRICTED.....	1,470	1,715	1,855
OTHER FUNDS.....	106,662	136,123	102,240
TOTAL ALL FUNDS.....	\$ 510,225	\$ 543,004	\$ 466,968

^a Reflects recommended appropriation reduction of \$139,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
JOB CREATION, WORKFORCE TRAINING, BUSINESS GROWTH AND ATTRACTION							
GENERAL FUND.....	\$ 79,987	\$ 70,378	\$ 75,011	\$ 75,011	\$ 75,011	\$ 75,011	\$ 75,011
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	40,619	44,440	25,407	25,407	25,407	25,407	25,407
OTHER FUNDS.....	80,565	108,871	75,492	75,492	75,492	75,492	75,492
SUBCATEGORY TOTAL.....	\$ 201,171	\$ 223,689	\$ 175,910	\$ 175,910	\$ 175,910	\$ 175,910	\$ 175,910
PENNSYLVANIA INNOVATION ECONOMY							
GENERAL FUND.....	\$ 15,350	\$ 27,350	\$ 26,500	\$ 26,500	\$ 26,500	\$ 26,500	\$ 26,500
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	22,000	22,000	24,000	24,000	24,000	24,000	24,000
SUBCATEGORY TOTAL.....	\$ 37,350	\$ 49,350	\$ 50,500	\$ 50,500	\$ 50,500	\$ 50,500	\$ 50,500
PENNSYLVANIA WORLDWIDE							
GENERAL FUND.....	\$ 6,022	\$ 5,800	\$ 5,871	\$ 5,871	\$ 5,871	\$ 5,871	\$ 5,871
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
SUBCATEGORY TOTAL.....	\$ 6,972	\$ 6,750	\$ 6,821	\$ 6,821	\$ 6,821	\$ 6,821	\$ 6,821
PENNSYLVANIA ASSETS							
GENERAL FUND.....	\$ 12,164	\$ 13,642	\$ 4,067	\$ 4,067	\$ 4,067	\$ 4,067	\$ 4,067
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	144	140	110	110	110	110	110
SUBCATEGORY TOTAL.....	\$ 12,308	\$ 13,782	\$ 4,177	\$ 4,177	\$ 4,177	\$ 4,177	\$ 4,177
PENNSYLVANIA COMMUNITIES							
GENERAL FUND.....	\$ 31,977	\$ 28,070	\$ 11,820	\$ 11,820	\$ 11,820	\$ 11,820	\$ 11,820
SPECIAL FUNDS.....	1,073	1,073	750	750	750	750	750
FEDERAL FUNDS.....	206,170	206,150	205,650	205,650	205,650	205,650	205,650
OTHER FUNDS.....	13,204	14,140	11,340	11,340	11,340	11,340	11,340
SUBCATEGORY TOTAL.....	\$ 252,424	\$ 249,433	\$ 229,560	\$ 229,560	\$ 229,560	\$ 229,560	\$ 229,560
ALL PROGRAMS:							
GENERAL FUND.....	\$ 145,500	\$ 145,240	\$ 123,269	\$ 123,269	\$ 123,269	\$ 123,269	\$ 123,269
SPECIAL FUNDS.....	1,073	1,073	750	750	750	750	750
FEDERAL FUNDS.....	247,739	251,540	232,007	232,007	232,007	232,007	232,007
OTHER FUNDS.....	115,913	145,151	110,942	110,942	110,942	110,942	110,942
DEPARTMENT TOTAL.....	\$ 510,225	\$ 543,004	\$ 466,968	\$ 466,968	\$ 466,968	\$ 466,968	\$ 466,968

Community and Economic Development

Program: Job Creation, Workforce Training, Business Growth and Attraction

Goal: To stimulate business growth and attraction to create “jobs that pay”, and develop and maintain a high-quality workforce by training Pennsylvania workers.

Pennsylvania First (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, encourages development of critical infrastructure and advances workforce development efforts. It 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 PA First funding include job training, land and building acquisition and construction, purchase and upgrade of machinery and equipment, construction and rehabilitation of infrastructure, working capital, and environmental assessment and remediation. Program requirements include competitive private investment, a seven-year commitment to operate the business at the approved project site and demonstration of significant job creation and/or retention.

Pennsylvania’s incumbent worker training program, WEDnetPA, is funded through the PA First appropriation. WEDnetPA provides funding to Pennsylvania companies for essential skills and advanced technology training. WEDnetPA is a job training alliance of 26 partners, which includes nine universities in the Pennsylvania State System of Higher Education, Pennsylvania’s 14 community colleges, Pennsylvania College of Technology, North Central PA Regional Planning & Development Commission, and the University of Pittsburgh at Bradford. The WEDnetPA alliance partners are required to seek

the input of local workforce development boards and key economic development organizations to determine the target industries and training priorities in their regions. Since its inception, this program has trained more than one million Pennsylvania workers, including almost 100,000 in advanced technology skills.

The Department of Community and Economic Development (DCED) monitors PA First projects for compliance with the commitments made by the grantee upon receipt of funds. If the grantee does not meet its commitments, and cannot provide an acceptable reason for its failure to do so, the department may require repayment of some or all of the grant funds.

Infrastructure and Facilities Improvement Program (IFIP)

The Infrastructure and Facilities Improvement Program, established by Act 23 of 2004, awards multi-year grants to debt-issuing authorities toward the payment of debt service and related costs for economic development projects. Grant awards are calculated based on the expected sales tax, hotel occupancy tax or personal income tax to be generated by the project.

Unlike local tax increment financing projects, where incremental tax revenues generated by a project are collected and deposited into a debt service reserve fund for the payment of debt, annual grants are awarded based on the incremental amount of state personal income tax, sales tax, and hotel occupancy tax generated by the project.

Tax Credits

Tax credits are established for securing job-creating economic development opportunities and fostering the growth and development of economic development prospects to the commonwealth. Additional detail on tax credits can be found in Section D.

Program Recommendations:

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

	GENERAL FUND				Base Realignment and Closure
	General Government Operations		\$	9	—to continue current program.
\$	1,589	—to continue current program.			
	-250	—funding reduction.			
\$	1,339	<i>Appropriation Increase</i>	\$	5,000	Pennsylvania First
					—Initiative—to increase investment and job creation throughout the commonwealth.
\$	15	Office of Open Records			Infrastructure Technology Assistance Program
		—to continue current program.	\$	-1,750	—program elimination.
\$	20	Marketing to Attract Business			
		—to continue current program.			

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

Additionally, the Small Business Advocate appropriation, from the restricted account, is increased by \$140,000 to a total of \$1,855,000.

Community and Economic Development

Program: Job Creation, Workforce Training, Business Growth and Attraction (continued)

Appropriations within this Program:

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
General Government Operations	\$ 17,888	\$ 16,161	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500
Center for Local Government Services	4,140	4,132	4,132	4,132	4,132	4,132	4,132
Office of Open Records	2,526	2,915	2,930	2,930	2,930	2,930	2,930
Marketing to Attract Business	2,005	1,990	2,010	2,010	2,010	2,010	2,010
Base Realignment and Closure	798	550	559	559	559	559	559
Pennsylvania First	20,000	15,000	20,000	20,000	20,000	20,000	20,000
Partnerships for Regional Economic Performance	11,880	9,880	9,880	9,880	9,880	9,880	9,880
Infrastructure Technology Assistance Program	1,750	1,750	0	0	0	0	0
Infrastructure and Facilities Improvement Grants	19,000	18,000	18,000	18,000	18,000	18,000	18,000
TOTAL GENERAL FUND	\$ 79,987	\$ 70,378	\$ 75,011	\$ 75,011	\$ 75,011	\$ 75,011	\$ 75,011

Program: Pennsylvania Innovation Economy

Goal: To provide technical support and access to capital to Pennsylvania's businesses and entrepreneurial community through strategic networks, while leveraging other sources of capital, including private and federal funds to increase the number of successful, innovative technology companies in Pennsylvania.

Ben Franklin Technology Development Authority

Nationally recognized for being one of the best and most respected programs with a succinct focus on technology-based economic development, the Ben Franklin Technology Development Authority (BFTDA) ensures that Pennsylvania technology-enabled companies, entrepreneurs and innovators have the necessary tools to build their businesses or commercialize their technologies. The BFTDA has supported the advance of technologies in traditional and emerging industries, as well as small business, through a series of programs that are flexible and dynamic and built to proactively respond to changing markets and key industry sectors. These initiatives are also tailored to meet companies' needs throughout its lifecycle, providing seed capital and critical technical services at each step of the process.

The BFTDA's programs are as follows:

- Ben Franklin Technology Partners, which are strategically located throughout the commonwealth and are designed to advance the commercialization of new technologies and support company growth.
- Venture Investment, which provides risk capital to venture partnerships that invest in Pennsylvania-based companies.

The Pennsylvania Life Sciences Greenhouses

Now in their 14th year of operation, Pennsylvania's three Life Sciences Greenhouses continue to stimulate economic growth and job creation by providing critical capital to university-based researchers, emerging companies and companies seeking to expand. Investments are designed to advance the life sciences and to stimulate economic growth across the commonwealth. The overall health and welfare of Pennsylvanians, the commercialization of new healthcare technologies and the creation of high-quality, sustainable jobs is of utmost importance.

Partnerships for Regional Economic Performance (PREP)

PREP supports the coordination and collaboration of over 100 economic development organizations in 10 regions across Pennsylvania. Core partners include the Industrial Development Organizations (IDOs), Local Development Districts (LDDs), and the Small Business Development Centers (SBDCs). PREP is designed to integrate these networks by encouraging regional coordination of economic development efforts, which yield superior customer service to the business community

and a comprehensive, efficient statewide economic development delivery strategy.

Funding is provided to regional networks to serve current and potential businesses in good standing across the commonwealth. PREP partner organizations deliver a wide array of coordinated business development services designed to encourage the creation of new companies and increase and strengthen the capacity of Pennsylvania business to compete successfully in the global economy. Partners also collaborate to provide the necessary infrastructure (broadband, business sites, incubators, etc.) to attract, retain and expand Pennsylvania businesses.

Engage! is a Pennsylvania statewide business retention and expansion (BRE) program designed to regularly and proactively interact with targeted companies. The overall goal of *Engage!* is to retain existing businesses in a community and to help them grow and expand by building solid relationships with business owners or key decision makers and economic development partners. *Engage!* complements and supports PA's statewide PREP network by proactively calling upon companies across the commonwealth to ensure that they are taking advantage of the vast resources available to help retain and expand PA's job creators. *Engage!* provides grants for purposes of a systematic BRE program to assist in the identification and targeting of PA companies; the engagement of those companies through various outreach methods; assessment of the needs of those targeted companies; and assisting those targeted companies through referrals and direct technical assistance.

Manufacturing PA

Manufacturing PA is a new, multi-faceted initiative designed to support Pennsylvania's manufacturing community, with an emphasis on small to medium sized manufacturers. The Manufacturing PA initiative will – at its core – support Pennsylvania's manufacturing community through the department's strategic partners including the National Institutes of Standards and Technology Manufacturing Extension Partnership (NIST MEP)-funded Industrial Resource Centers (IRC), Pennsylvania's colleges, universities, technical schools and those non-profit organizations that provide critical training and workforce development opportunities to support both the industry sector and the workforce. An emphasis will be placed on job training to career pathways, ensuring that training will lead to family-sustaining jobs and career advancement opportunities.

Community and Economic Development

Program: Pennsylvania Innovation Economy (continued)

Program Recommendations:

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

	GENERAL FUND						
	Super Computer Center					Public Television Technology	
\$	-500	—program elimination.		\$	-250	—program elimination.	
	Powdered Metals						
\$	-100	—program elimination.					

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

GENERAL FUND:	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
Transfer to Ben Franklin Technical Development Authority Fund.....	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500
Manufacturing PA	0	12,000	12,000	12,000	12,000	12,000	12,000
Super Computer Center	500	500	0	0	0	0	0
Powdered Metals	100	100	0	0	0	0	0
Public Television Technology	250	250	0	0	0	0	0
TOTAL GENERAL FUND	\$ 15,350	\$ 27,350	\$ 26,500	\$ 26,500	\$ 26,500	\$ 26,500	\$ 26,500

Community and Economic Development

Program: Pennsylvania Worldwide

Goal: To leverage the state's overseas network and local partnerships to increase DCED-facilitated export sales, foreign direct investments and global opportunities in targeted markets, ultimately creating and retaining jobs in the commonwealth.

Office of International Business Development (OIBD)

In today's increasingly complex global economy, state leadership in international trade and investment is not simply a trend, but a competitive necessity. DCED's Office of International Business Development (OIBD) works to promote Pennsylvania exports in key international markets and to attract foreign investments 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 OIBD's success as a nationally-recognized award-winning international

program with a wide range of programs and services designed to expand the global reach and capacity of the commonwealth's business community.

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 top competitor for international business development.

Program Recommendations:

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

GENERAL FUND:
Office of International Business Development
 \$ 71 —to continue current program.

Appropriations within this Program:

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Office of International Business Development.....	\$ 6,022	\$ 5,800	\$ 5,871	\$ 5,871	\$ 5,871	\$ 5,871	\$ 5,871

Community and Economic Development

Program: Pennsylvania Assets

Goal: To increase domestic and international leisure travel to the commonwealth 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 natural gas, water, oil, coal and timber.

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, through job creation and tax revenue for the state and local governments. 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 and supports nearly 500,000 jobs. The funding provides for a comprehensive and effective marketing agenda including the popular visitPA.com website, social media channels, media relations activities, travel guides and targeted paid investments. The tourism office will encourage public/private partnerships within the industry to maximize Pennsylvania's presence on the national and global travel and tourism stage. The tourism office will continue to leverage social media communities including Twitter, Facebook, YouTube, Pinterest, and others to provide highly customized and targeted information directly to travelers, extending the reach of the office's traditional marketing efforts.

Marketing to Attract Business

Pennsylvania is competing against other states and countries to attract and retain business and talent. Pennsylvania offers many competitive advantages, including our workforce, higher education system, transportation and utility infrastructure, natural resources, proximity to top U.S. and Canadian markets and quality of life. DCED's Marketing Office is tasked with ensuring the right audiences know about the opportunities available in Pennsylvania, including the technical and financial assistance offered by DCED's many programs and resources.

Alternative Energy

The Alternate Energy Investment Act was signed into law in July 2008. The act is comprised of several components administered in the Departments of Environmental Protection, Human Services, and Community and Economic Development. The Commonwealth Financing Authority manages programs and funds administered within DCED's Center 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 high-performance energy-efficient building projects, for geothermal and wind energy projects and for alternative energy production projects involving solar technologies.

Program Recommendations:

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

	GENERAL FUND:			Tourism - Accredited Zoos
	Marketing to Attract Tourists			—program elimination.
\$	-8,825	—funding reduction.	\$	-750

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Marketing to Attract Tourists	\$ 11,414	\$ 12,892	\$ 4,067	\$ 4,067	\$ 4,067	\$ 4,067	\$ 4,067
Tourism - Accredited Zoos	750	750	0	0	0	0	0
TOTAL GENERAL FUND	\$ 12,164	\$ 13,642	\$ 4,067	\$ 4,067	\$ 4,067	\$ 4,067	\$ 4,067

Program: Pennsylvania Communities

Goal: Provide resources and technical assistance and make impactful investments that enhance the performance and quality of Pennsylvania's local governments and communities.

Keystone Communities

The Keystone Communities program is designed to encourage the creation of partnerships between the public and private sectors in communities to support the growth and stability of 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 making physical improvements that support the commonwealth's core communities. The program allows communities to tailor the assistance to meet the needs of its specific revitalization effort.

The Keystone Communities program's approach offers four designation types and several grant types that can, in most cases, be independently awarded. An applicant for a planning or development grant or accessible housing funding does not have to first seek or ultimately be seeking a designation status. Any community may apply and receive designation or grant funding in whatever order the community deems appropriate depending on its local needs and circumstances.

Since funding is limited, priority is given to communities administering designated programs. Designation also offers some benefits that may assist a community in non-financial ways, such as providing a roadmap and a process to guide a community's revitalization efforts. The department will provide either designation, grant funding or both as warranted to help communities achieve their goals and address specific local revitalization needs.

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 will create more attractive places to live, encourage business expansion and job creation and retention in Pennsylvania.

Small Community Development Block Grant

The federal Small Community Development Block Grant program provides financial assistance to expand low and moderate-income housing opportunities; enhances economic development and job opportunities for low and moderate-income individuals; corrects deficiencies in water and sewer systems; and improves streets, streetscapes, recreational facilities and public facilities in an overall effort to strengthen a pro-growth and pro-business environment.

Community Services Block Grant

The federal Community Services Block Grant program provides funds for community-based programs that

demonstrate proven expertise in providing health, nutrition and housing, employment/training and asset development services to improve the standard of living for low-income persons and to improve the communities in which they live. Other program efforts include economic development and revitalization projects that focus on neighborhood preservation and enhance the collaboration of services in communities. By law, 90 percent of the funds must go to the existing network of community action agencies.

Weatherization Assistance Program

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.
- Funds from the U.S. Department of Health and Human Services support home weatherization efforts in addition to a heating crisis program that operates during the winter in coordination with the Pennsylvania Department of Human Services' Low-Income Home Energy Assistance program (LIHEAP).

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 – regionalization, consolidation or merging of services; shared personnel; high-impact projects servicing many municipalities or large areas; and boundary change efforts.
- Community planning – comprehensive plans; community revitalization plans; zoning and subdivision ordinances; and Transit Revitalization Investment District (TRID) planning studies.
- Floodplain management – reimbursements to municipalities for costs incurred in the preparation, enactment, administration and enforcement of floodplain management regulations.

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. A match of at least 50 percent is required.

Community and Economic Development

Program: Pennsylvania Communities (continued)

Early Intervention Program

In order to assist municipalities interested in improving their fiscal position, the Early Intervention Program is used to provide financial assistance to municipal and county governments for the development and implementation of five-year financial management plans and departmental operational overviews. The plans supply both short-term and long-term strategies to promote best management practices and ultimately avert fiscal distress.

The department's Center for Local Government Services has developed the Early Warning System, an approach to identify at-risk municipalities. The system looks at multiple financial factors to determine which municipalities may be experiencing fiscal difficulties. This approach, combined with the resources available under the Early Intervention program, provides tools that significantly aid in keeping governments from an Act 47 Municipality's Financial Recovery Program filing.

Municipalities Financial Recovery Program – Act 47

The Center for Local Government Services has a responsibility under Act 47 of 1987 to assist local governments facing potential financial insolvency, and that are having difficulty providing for the health, safety, and welfare of their citizens. When a municipality is declared

distressed by the department, the Municipal Financial Recovery program is used by the center to provide extensive technical assistance in the fields of financial management and public administration, as well as financial assistance through the Distressed Municipalities Revolving Fund. 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.

Transportation Projects

Act 89 of 2013 provides for funding to be transferred to the Commonwealth Financing Authority each year to assist with the implementation of a variety of transportation projects including: projects that coordinate local land use with transportation assets to enhance existing communities; projects related to streetscape, lighting, sidewalk enhancement and pedestrian safety; projects that will improve connectivity or the use of existing transportation assets; and projects related to transit-oriented development. Financial assistance provided by the authority will be matched by local funding in an amount not less than 30 percent of the non-federal share of the project costs.

Program Recommendations:

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

	GENERAL FUND		MOTOR LICENSE FUND
\$ -9,000	Local Municipal Emergency Relief —program elimination.	\$ -323	Appalachian Regional Commission —to continue current program.
\$ -7,150	Keystone Communities —funding reduction.		
\$ -100	Rural Leadership Training —program elimination.		

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

Community and Economic Development

Program: Pennsylvania Communities (continued)

Appropriations within this Program:

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Regional Events Security and Support.....	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Local Municipal Emergency Relief	3,000	9,000	0	0	0	0	0
Transfer to Municipalities Financial Recovery Revolving Fund.....	3,000	2,550	2,550	2,550	2,550	2,550	2,550
Intergovernmental Cooperation Authority-2nd Class Cities.....	250	0	0	0	0	0	0
Municipal Assistance Program	642	546	546	546	546	546	546
Keystone Communities.....	12,200	13,507	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	2,785	2,367	2,367	2,367	2,367	2,367	2,367
TOTAL GENERAL FUND	\$ 31,977	\$ 28,070	\$ 11,820	\$ 11,820	\$ 11,820	\$ 11,820	\$ 11,820
MOTOR LICENSE FUND:							
Appalachian Regional Commission.....	\$ 1,073	\$ 1,073	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750

Community and Economic Development

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

Program: Job Creation, Workforce Training, Business Growth and Attraction

Objective: To stimulate business growth and attraction to create “jobs that pay,” and develop and maintain a high-quality workforce by training Pennsylvania workers.

Jobs pledged to be created	42,931	55,657	49,236	50,033	53,008	54,598	55,068
Jobs pledged to be retained	106,148	86,391	121,511	50,888	86,527	89,123	91,796
Private funds leveraged (in thousands)	\$2,254,267	\$2,603,574	\$1,254,725	\$4,015,413	\$4,209,273	\$4,293,458	\$4,379,328
Public funds leveraged (in thousands)	\$343,583	\$587,778	\$765,955	\$792,127	\$849,067	\$866,048	\$867,184
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	N/A	N/A	N/A	16,246	50,780	65,000	70,000
Number of trainings to PA workers (WEDNet, PREP, LGTP and CSBG)	41,776	40,359	78,715	107,369	136,883	110,000	111,000
Businesses assisted	19,054	17,405	4,773	4,796	5,305	5,464	5,481

Program: Pennsylvania Innovation Economy

Objective: To provide technical support and access to capital to Pennsylvania’s business and entrepreneurial community through its strategic networks while leveraging other sources of capital, including private and Federal funds, to support special initiatives across the commonwealth, and to increase the number of successful, innovative technology companies in Pennsylvania.

Jobs created	2,395	3,462	3,014	2,350	3,068	2,819	2,118
Jobs retained	3,431	4,657	4,750	5,373	13,566	12,927	8,864
New technology companies established	153	278	216	130	210	169	85
Businesses assisted	3,200	3,835	17,633	18,227	15,916	16,822	17,082
Private funds leveraged (in thousands)	\$889,523	\$661,044	\$1,154,325	\$1,948,731	\$845,524	\$831,210	\$607,156
Public funds leveraged (in thousands)	\$133,315	\$121,630	\$143,231	\$122,792	\$77,616	\$75,697	\$54,522

Program: Pennsylvania Worldwide

Objective: To leverage the state’s overseas network and local partnerships to increase DCED-facilitated export sales, foreign direct investments and global opportunities in targeted markets, ultimately creating and retaining jobs in the commonwealth.

Estimated state and local tax revenues generated (in thousands)	N/A	N/A	\$58,350	\$43,360	\$55,414	\$57,076	\$58,789
Amount of export sales facilitated (in thousands)	\$795,862	\$864,903	\$864,903	\$613,026	\$769,787	\$792,881	\$816,667
Foreign direct investments (FDI): capital investments facilitated (in thousands)	\$74,811	\$180,645	\$241,295	\$34,475	\$42,700	\$43,981	\$45,300
Foreign direct investments (FDI): projects completed	25	24	26	12	20	21	21
Businesses assisted	2,097	1,364	1,424	1,118	967	996	1,026

Community and Economic Development

Program Measures

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Jobs supported	7,027	7,495	7,934	6,434	9,025	9,296	9,575

Program: Pennsylvania Assets

Objective: 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.

Number of hotel rooms sold (in thousands)	29,080	29,630	30,245	30,605	31,596	32,228	32,840
Travelers' expenditures (in thousands)	\$40,426,000	\$39,615,000	\$39,615,000	\$40,411,110	\$43,131,000	\$44,209,000	\$45,314,000
Tax revenues generated (in thousands)	\$4,065,087	\$4,146,000	\$4,187,000	\$4,250,000	\$4,654,000	\$4,771,000	\$4,890,000

Program: Pennsylvania Communities

Objective: Provide resources and technical assistance and make impactful investments that enhance the performance and quality of Pennsylvania's local governments and communities.

Number of designated distressed communities in Act 47	21	21	22	21	18	19	19
Early Intervention Program (EIP): local governments assisted	12	14	16	15	24	25	25
Keystone Communities projects	60	45	41	23	74	42	42
Municipal Assistance Program: number of local governments assisted	150	300	150	349	298	307	316
Number of persons participating in job training and human services	315,000	325,000	379,156	577,876	964,514	500,000	500,000
Homes weatherized	1,295	1,027	1,412	880	3,485	3,590	3,697

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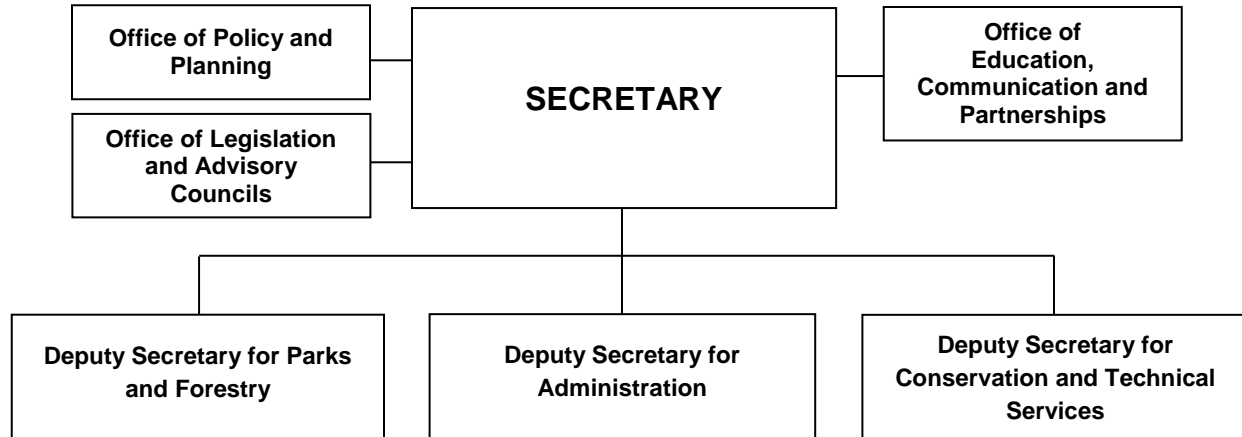
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

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 all administrative and managerial staff functions of the department. These include budgeting and fiscal management, data resource management and the coordination of human resources and information technology with the Office of Administration.
- **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

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
1,383	1,403	1,406	1,426	1,360	1,269	1,271

Conservation and Natural Resources

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 19,375	\$ 20,324 ^a	\$ 22,063
(F) Topographic and Geologic Survey Grants.....	500	500	400
(F) Land and Water Conservation Fund.....	12,000	9,000	9,000
(F) Highlands Conservation Program.....	2,000	4,500	6,500
(F) U.S. Endowment - Healthy Watershed.....	0	200	200
(F) Cooperative Endangered Species.....	28	28	28
(F) Intermodal Surface Transportation (EA).....	5,000	0	0
(A) Payment for Department Services.....	1,906	1,881	230
(A) Water Well Drillers.....	0	38	38
(A) Keystone Recreation, Park and Conservation Fund.....	2,894	2,894	2,894
(A) Internet Record Imaging System.....	156	200	200
(A) Environmental Stewardship Fund Admin.....	0	0	281
Subtotal.....	\$ 43,859	\$ 39,565	\$ 41,834
State Parks Operations.....	54,450	51,028 ^b	57,801
(F) PA Recreation Trails (EA).....	7,000	7,000	7,000
(F) Disaster Relief (EA).....	2,808	8,000	8,000
(F) Coastal Zone Management Special Projects (EA).....	50	50	50
(A) State Parks User Fees.....	25,600	24,950	26,000
(A) Reimbursement for Services.....	4,602	2,795	2,795
(A) Vehicle Sale.....	97	82	82
Subtotal.....	\$ 94,607	\$ 93,905	\$ 101,728
State Forests Operations.....	27,104	22,664 ^c	30,750
(F) Forest Fire Protection and Control.....	2,000	2,000	2,000
(F) Forestry Incentives and Agriculture Conservation.....	75	75	75
(F) Forest Management and Processing.....	3,800	3,800	3,800
(F) Great Lakes Restoration.....	900	0	0
(F) Aid to Volunteer Fire Companies.....	750	750	850
(F) Natural Resource Conservation Service.....	264	264	150
(F) Forest Insect and Disease Control.....	4,000	4,000	4,000
(F) National Fish and Wildlife Foundation.....	0	1,000	1,000
(F) Wetland Protection Fund.....	300	300	300
(F) Environmental Education Local Grants Program.....	150	0	0
(F) Wetlands Program Development (EA).....	250	250	250
(F) PA Adoptive Toolbox for Conservation Saturation (EA).....	0	75	75
(F) Eradication of Spotted Lantern Fly (EA).....	0	40	0
(A) Reimbursement for Services.....	1,429	3,600	3,600
(A) Reimbursement - Forest Fires.....	1,889	750	1,070
(A) Sale of Vehicles - Forests.....	195	100	100
(A) Timber Sales.....	22,500	24,000	24,000
(A) Miscellaneous Tickets and Fines.....	3	2	2
Subtotal.....	\$ 65,609	\$ 63,670	\$ 72,022
Subtotal - State Funds.....	\$ 100,929	\$ 94,016	\$ 110,614
Subtotal - Federal Funds.....	41,875	41,832	43,678
Subtotal - Augmentations.....	61,271	61,292	61,292
Total - General Government.....	\$ 204,075	\$ 197,140	\$ 215,584

Conservation and Natural Resources

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
Grants and Subsidies:			
Heritage and Other Parks.....	\$ 2,875	\$ 2,875	\$ 2,250
Annual Fixed Charges - Flood Lands.....	65	65	65
Annual Fixed Charges - Project 70.....	40	88	88
Annual Fixed Charges - Forest Lands.....	2,627	7,731	7,758
Annual Fixed Charges - Park Lands.....	425	425	425
Total - Grants and Subsidies.....	\$ 6,032	\$ 11,184	\$ 10,586
STATE FUNDS.....	\$ 106,961	\$ 105,200	\$ 121,200
FEDERAL FUNDS.....	41,875	41,832	43,678
AUGMENTATIONS.....	61,271	61,292	61,292
GENERAL FUND TOTAL.....	\$ 210,107	\$ 208,324	\$ 226,170
MOTOR LICENSE FUND:			
General Government:			
Dirt and Gravel Roads.....	\$ 7,000	\$ 7,000	\$ 7,000
(F)Delaware Canal State Park Improvement.....	0	3,381	0
Subtotal - State Funds.....	\$ 7,000	\$ 7,000	\$ 7,000
Subtotal - Federal Funds.....	0	3,381	0
Total - General Government.....	\$ 7,000	\$ 10,381	\$ 7,000
Grants and Subsidies:			
(R)Forestry Bridges - Excise Tax (EA).....	\$ 11,000	\$ 11,000	\$ 11,000
STATE FUNDS.....	\$ 7,000	\$ 7,000	\$ 7,000
FEDERAL FUNDS.....	0	3,381	0
RESTRICTED REVENUES.....	11,000	11,000	11,000
MOTOR LICENSE FUND TOTAL.....	\$ 18,000	\$ 21,381	\$ 18,000
OTHER FUNDS:			
GENERAL FUND:			
Snowmobile & ATV Regulation.....	\$ 2,744	\$ 2,462	\$ 0
ATV Management.....	898	3,825	3,680
Snowmobile Management.....	492	675	653
Forest Regeneration.....	2,781	2,400	2,850
Forestry Research.....	97	250	250
GENERAL FUND TOTAL.....	\$ 7,012	\$ 9,612	\$ 7,433
ENVIRONMENTAL EDUCATION FUND:			
General Operations (EA).....	\$ 317	\$ 221	\$ 254
ENVIRONMENTAL STEWARDSHIP FUND:			
Parks & Forest Facility Rehabilitation (EA).....	\$ 12,414	\$ 10,496	\$ 13,831
Community Conservation Grants (EA).....	4,000	5,050	4,300
Natural Diversity Conservation Grants (EA).....	300	300	300
ENVIRONMENTAL STEWARDSHIP FUND TOTAL.....	\$ 16,714	\$ 15,846	\$ 18,431
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
Park & Forest Facility Rehabilitation (EA).....	\$ 26,801	\$ 25,744	\$ 31,137
Grants for Local Recreation (EA).....	22,334	21,453	25,948
Grants to Land Trusts (EA).....	8,934	8,581	10,379
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....	\$ 58,069	\$ 55,778	\$ 67,464

Conservation and Natural Resources

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2016-17	2017-18	2018-19
	ACTUAL	AVAILABLE	BUDGET
OIL AND GAS LEASE FUND:			
General Government Operations.....	\$ 0	\$ 50,000	\$ 37,045
State Parks Operations.....	0	7,739	7,555
State Forests Operations.....	0	3,552	4,198
General Operations (EA).....	50,000	0	0
Transfer to Marcellus Legacy Fund (EA).....	0 ^d	0 ^d	0 ^d
OIL AND GAS LEASE FUND TOTAL.....	\$ 50,000	\$ 61,291	\$ 48,798
STATE GAMING FUND:			
Payments in Lieu of Taxes (EA).....	\$ 5,261	\$ 5,261	\$ 5,278
WILD RESOURCE CONSERVATION FUND:			
General Operations (EA).....	\$ 143	\$ 143	\$ 132
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 106,961	\$ 105,200	\$ 121,200
SPECIAL FUNDS.....	7,000	7,000	7,000
FEDERAL FUNDS.....	41,875	45,213	43,678
AUGMENTATIONS.....	61,271	61,292	61,292
RESTRICTED.....	11,000	11,000	11,000
OTHER FUNDS.....	137,516	148,152	147,790
TOTAL ALL FUNDS.....	\$ 365,623	\$ 377,857	\$ 391,960

^a Reflects recommended appropriation reduction of \$165,000.

^b Reflects recommended appropriation reduction of \$143,000.

^c Reflects recommended appropriation reduction of \$78,000.

^d Not added 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: 2016-17 Actual is \$20,000,000, 2017-18 Available is \$20,000,000 and 2018-19 Budget is \$20,000,000. Hazardous Sites Cleanup Fund: 2016-17 Actual is \$5,000,000, 2017-18 Available is \$15,000,000 and 2018-19 Budget is \$15,000,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
PARKS AND FORESTS MANAGEMENT							
GENERAL FUND.....	\$ 106,961	\$ 105,200	\$ 121,200	\$ 121,400	\$ 124,399	\$ 124,481	\$ 124,481
SPECIAL FUNDS.....	7,000	7,000	7,000	7,000	7,000	7,000	7,000
FEDERAL FUNDS.....	41,875	45,213	43,678	43,678	43,678	43,678	43,678
OTHER FUNDS.....	209,787	220,444	220,082	223,248	224,234	224,415	224,923
SUBCATEGORY TOTAL.....	\$ 365,623	\$ 377,857	\$ 391,960	\$ 395,326	\$ 399,311	\$ 399,574	\$ 400,082
ALL PROGRAMS:							
GENERAL FUND.....	\$ 106,961	\$ 105,200	\$ 121,200	\$ 121,400	\$ 124,399	\$ 124,481	\$ 124,481
SPECIAL FUNDS.....	7,000	7,000	7,000	7,000	7,000	7,000	7,000
FEDERAL FUNDS.....	41,875	45,213	43,678	43,678	43,678	43,678	43,678
OTHER FUNDS.....	209,787	220,444	220,082	223,248	224,234	224,415	224,923
DEPARTMENT TOTAL.....	\$ 365,623	\$ 377,857	\$ 391,960	\$ 395,326	\$ 399,311	\$ 399,574	\$ 400,082

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 Department of Conservation and Natural Resources (DCNR) manages 2.6 million acres of Pennsylvania through its state parks and state forests across the commonwealth. State forests are managed for multiple uses, including protection of streams and drinking water, provision of clean air, conservation of wildlife habitat and many unique and rich plant and animal communities. Forests also provide opportunities for public recreation – from hunting and fishing to hiking and mountain biking as well as opportunities for scientific research and support a recovering forest products industry with a steady supply of forest products. Our 121 state parks protect many natural, aesthetic, geologic, scenic and historical treasures that make the commonwealth unique and diverse. About 40 million people visit state parks annually to camp, learn and enjoy nature. Numerous studies show that parks contribute to physical and mental health, draw out-of-state visitors to Pennsylvania and generate income for businesses located in or near state parks.

The department maintains more than 4,700 structures, thousands of road miles, bridges, dams, treatment plants and other infrastructure. DCNR is also working to reduce its footprint and save money by incorporating energy-saving features in existing and new buildings, water-saving measures in our landscapes and using recycled building materials. DCNR just completed its 15th LEED-certified building in 2017.

DCNR is also leading by example in the way it manages the state parks and forests. The department is working to incorporate adaptation practices to protect our infrastructure and natural resources from flooding, higher temperatures and other impacts of a changing climate. DCNR is working to diversify its workforce and programming to better serve an increasingly diverse commonwealth population. DCNR is managing forestlands to limit impacts from development, to keep the deer herd in balance with the forest's ability to regenerate and combatting invasive species outbreaks that threaten ash and hemlock trees. In 2017 the Bureau of State Parks and Bureau of Forestry began 25-year updates of their strategic plans to chart the course of management into 2050 and beyond.

Promote Responsible Stewardship of the Commonwealth's Natural Resources

DCNR uses adaptive management in its efforts

to conserve the state's forests, streams and natural communities. The stewardship of Pennsylvania's natural resources is the responsibility of local communities, counties, state and federal agencies, businesses, nonprofit conservation organizations, private landowners and citizens. DCNR provides leadership and guidance to its partners through technical assistance, ecological and geologic information and 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 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 hands-on assistance to private forest landowners, who own three-quarters of all forestland in the state. The department's goal is to reduce forest fragmentation and loss by conserving additional forest acres and planting additional trees. DCNR is expanding its work to help the Chesapeake Bay and local streams by funding and encouraging riparian forest buffer projects across the commonwealth.

Improve Communities Through Access to Conservation and Recreation Resources

Making grant investments in local community assets like parks, trails and greenways generates economic returns for local townships, cities and boroughs. 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 rails-to-trails. These grants have assisted every Pennsylvania county and reached more than 50 percent of the commonwealth's communities.

DCNR also directly supports jobs through its expanding PA Outdoor Corps, with 6-week summer youth corps and 10-month crews made up of older youth gaining on-the-job skills by working outdoors. Projects include building trails and shelters, combatting invasive species, and learning planning and design skills. Promoting conservation as a career creates a pipeline of young people interested in restoration and recreation, helping the next generation become lifelong stewards of our natural resources.

Conservation and Natural Resources

Program: Parks and Forests Management (continued)

Program Recommendation:

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

GENERAL FUND AND OIL AND GAS LEASE FUND COMBINED:			
	General Government Operations	\$	7,166
\$ -11,216	—to continue current program.	1,566	
		\$ 8,732	<i>Appropriation Increase</i>
	State Parks Operations		
\$ -500	—funding reduction.		
5,273	—to continue current program.	\$ -625	Heritage and Other Parks
1,816	—Initiative—statewide radio upgrade.		—funding reduction.
\$ 6,589	<i>Appropriation Increase</i>		
		\$ 27	Annual Fixed Charges - Forest Lands
			—to continue current program.

All other appropriations are recommended at the current funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
General Government Operations	\$ 19,375	\$ 20,324	\$ 22,063	\$ 22,215	\$ 24,492	\$ 21,987	\$ 21,987
State Parks Operations	54,450	51,028	57,801	57,832	58,296	59,601	59,601
State Forests Operations.....	27,104	22,664	30,750	30,767	31,025	32,307	32,307
Heritage and Other Parks.....	2,875	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	88	88	88	88	88	88
Annual Fixed Charges - Forest Lands.....	2,627	7,731	7,758	7,758	7,758	7,758	7,758
Annual Fixed Charges - Park Lands.....	425	425	425	425	425	425	425
TOTAL GENERAL FUND	\$ 106,961	\$ 105,200	\$ 121,200	\$ 121,400	\$ 124,399	\$ 124,481	\$ 124,481
MOTOR LICENSE FUND:							
Dirt and Gravel Roads	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
OIL AND GAS LEASE FUND:							
General Government Operations	\$ 0	\$ 50,000	\$ 37,045	\$ 36,893	\$ 34,616	\$ 37,121	\$ 37,121
State Parks Operations	0	7,739	7,555	7,524	7,060	5,755	5,755
State Forests Operations.....	0	3,552	4,198	4,181	3,923	2,641	2,641
General Operations (EA).....	50,000	0	0	0	0	0	0
TOTAL OIL AND GAS LEASE FUND...	\$ 50,000	\$ 61,291	\$ 48,798	\$ 48,598	\$ 45,599	\$ 45,517	\$ 45,517

Conservation and Natural Resources

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

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	4,300	6,083	36,409	5,636	6,181	8,000	8,000
TreeVitalize - total trees planted (cumulative)	360,683	391,595	426,220	446,000	457,530	469,060	480,590
Total carbon sequestered in state forest timber resources (million standard tons, annual accumulation)	4.24	4.38	4.58	4.65	4.85	5	5.18
Number of volunteer hours	170,200	172,766	171,633	173,289	147,821	149,299	150,792

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 (in millions)	36.40	38	37.90	40.50	40.10	40.20	40.30
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Improve Communities Through Access to Conservation and Recreational Resources

Miles of new trails developed	74	83	28	42	41	75	75
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Promote Responsible Stewardship of the Commonwealth's Natural Resources

Number of youth trained and employed through the Pennsylvania Outdoor Corps	N/A	N/A	N/A	62	195	226	226
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Objective: Design, build and fund high-performing green buildings, and demonstrate energy efficiency through the use of hybrid/electric vehicles.

Operate More Effectively and Efficiently

Number of LEED certified buildings in state parks and forests	11	10	10	13	15	15	17
Number of hybrid or electric vehicles in the DCNR fleet	N/A	N/A	N/A	N/A	8	9	14

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)	145,000	213,000	301,000	410,470	526,883	550,000	575,000
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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.

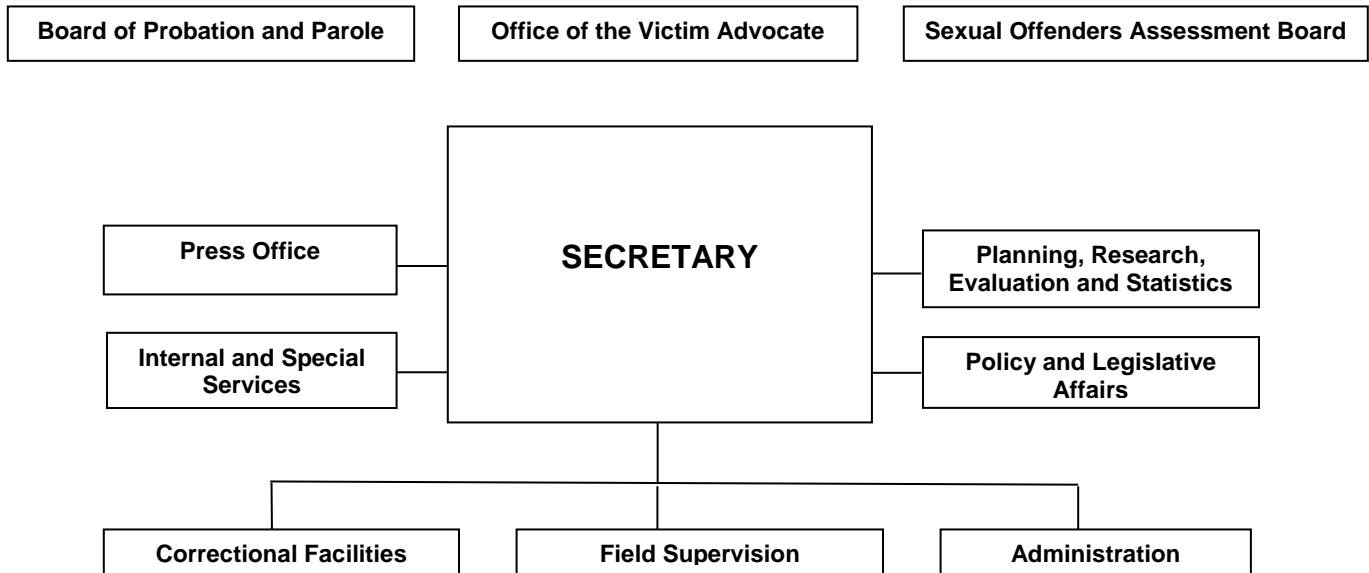
The department maintains a state system for the custody and rehabilitation of convicted offenders. Included within this system are residential programs to provide supervision, counseling and treatment, enabling them to satisfactorily adjust to society. The department further supervises persons on parole, helping them to continue to reintegrate within society. The Pennsylvania Board of Probation and Parole ensures citizen safety through careful selection of individuals 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



- **Correctional Facilities** confine offenders for a period of time specified by the courts or the Board of Probation and Parole, and prepare for release and reintegration into the community.
- **Field Supervision** is responsible for providing initial support and guidance to paroled individuals as well as ongoing supervision of the total parolee population.
- **Administration** is responsible for Correctional Industries, health care services, administration, human resources and operations and for the coordination of human resources and information technology with the Office of Administration.
- **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.
- **Sexual Offenders Assessment Board** independently conducts assessments for convicted sexual offenders.

Authorized Complement

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
17,209	17,189	17,259	17,519	17,026	16,699	16,699

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

GENERAL FUND:

Institutional:

	2016-17 ACTUAL ^a	2017-18 AVAILABLE	2018-19 BUDGET
Medical Care.....	\$ 256,855	\$ 250,889 ^b	\$ 270,117
(A)AIDS SPBP Rebates.....	12,001	14,500	14,500
(A)Medical Reimbursements.....	389	482	398
Subtotal.....	<u>\$ 269,245</u>	<u>\$ 265,871</u>	<u>\$ 285,015</u>
Inmate Education and Training.....	44,880	42,006 ^c	44,174
(F)Correctional Education.....	725	750	750
(F)Improving Reentry Education.....	552	650	650
Subtotal.....	<u>\$ 46,157</u>	<u>\$ 43,406</u>	<u>\$ 45,574</u>
State Correctional Institutions.....	2,039,872	1,935,259 ^d	2,006,115
(F)Reimbursement for Alien Inmates.....	1,800	1,900	3,800
(F)Changing Offender Behavior.....	50	25	305
(F)Volunteer Support.....	25	0	0
(F)SABG - Drug and Alcohol Programs (EA).....	1,965	1,965	1,965
(F)RSAT - State Prisoners (EA).....	750	502	502
(F)PREA Compliance (EA).....	166	166	0
(A)Community Service Centers.....	392	739	400
(A)Institutional Reimbursements.....	284	382	383
(A)Social Security.....	164	264	163
(A)Reimbursements from Other Jurisdictions.....	0	7,500	7,500
Subtotal.....	<u>\$ 2,045,468</u>	<u>\$ 1,948,702</u>	<u>\$ 2,021,133</u>
Subtotal - State Funds.....	\$ 2,341,607	\$ 2,228,154	\$ 2,320,406
Subtotal - Federal Funds.....	6,033	5,958	7,972
Subtotal - Augmentations.....	13,230	23,867	23,344
Total - Institutional.....	<u>\$ 2,360,870</u>	<u>\$ 2,257,979</u>	<u>\$ 2,351,722</u>

General Government:

General Government Operations.....	\$ 48,682	\$ 48,310 ^e	\$ 46,848
(A)County Training.....	139	175	174
(A)Miscellaneous.....	1	19	20
Subtotal.....	<u>\$ 48,822</u>	<u>\$ 48,504</u>	<u>\$ 47,042</u>
State Field Supervision.....	127,333	125,084 ^f	137,129
(F)Adam Walsh Equipment (EA).....	8	0	0
(F)Sex Offender Agent Overtime (EA).....	38	0	0
(A)State Parole Supervision Fees.....	4,100	4,100	4,157
(A)Interstate Supervision Fees.....	120	90	90
Subtotal.....	<u>\$ 131,599</u>	<u>\$ 129,274</u>	<u>\$ 141,376</u>
Pennsylvania Parole Board.....	11,376	11,175 ^g	12,385
Office of Victim Advocate.....	2,414	2,371	2,478
(F)OVA Education and Awareness (EA).....	102	0	0
(F)OVA Sex Offender Registration and Notification (EA).....	136	105	107
(F)OVA Dialogue Program (EA).....	103	114	118
Subtotal.....	<u>\$ 2,755</u>	<u>\$ 2,590</u>	<u>\$ 2,703</u>
Sexual Offenders Assessment Board.....	6,277	6,397	6,593
Transfer to Justice Reinvestment Fund (EA).....	9,614	0	0
Subtotal - State Funds.....	\$ 205,696	\$ 193,337	\$ 205,433
Subtotal - Federal Funds.....	387	219	225
Subtotal - Augmentations.....	4,360	4,384	4,441
Total - General Government.....	<u>\$ 210,443</u>	<u>\$ 197,940</u>	<u>\$ 210,099</u>

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL ^a	2017-18 AVAILABLE	2018-19 BUDGET
Grants and Subsidies:			
Improvement of Adult Probation Services.....	\$ 16,222	\$ 16,222	\$ 16,222
(R)County Parole Supervision Fees.....	18,081	18,631	18,445
Subtotal - State Funds.....	\$ 16,222	\$ 16,222	\$ 16,222
Subtotal - Restricted Revenues.....	18,081	18,631	18,445
Total - Grants and Subsidies.....	<u>\$ 34,303</u>	<u>\$ 34,853</u>	<u>\$ 34,667</u>
STATE FUNDS.....	\$ 2,563,525	\$ 2,437,713	\$ 2,542,061
FEDERAL FUNDS.....	6,420	6,177	8,197
AUGMENTATIONS.....	17,590	28,251	27,785
RESTRICTED REVENUES.....	18,081	18,631	18,445
GENERAL FUND TOTAL.....	<u>\$ 2,605,616</u>	<u>\$ 2,490,772</u>	<u>\$ 2,596,488</u>
OTHER FUNDS:			
GENERAL FUND:			
Firearms Education and Training Commission.....	\$ 319	\$ 586	\$ 587
Seized/Forfeited Property - Federal.....	92	0	0
GENERAL FUND TOTAL.....	<u>\$ 411</u>	<u>\$ 586</u>	<u>\$ 587</u>
MANUFACTURING FUND:			
General Operations (EA).....	\$ 80,401	\$ 83,741	\$ 80,702
JUSTICE REINVESTMENT FUND:			
Medium and Short Minimum Offender Diversion.....	\$ 1,727	\$ 0	\$ 0
Coordinated Community Reentry.....	329	0	0
Streamline State Parole Process.....	493	0	0
JUSTICE REINVESTMENT FUND TOTAL.....	<u>\$ 2,549</u>	<u>\$ 0</u>	<u>\$ 0</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 2,563,525	\$ 2,437,713	\$ 2,542,061
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	6,420	6,177	8,197
AUGMENTATIONS.....	17,590	28,251	27,785
RESTRICTED.....	18,081	18,631	18,445
OTHER FUNDS.....	83,361	84,327	81,289
TOTAL ALL FUNDS.....	<u>\$ 2,688,977</u>	<u>\$ 2,575,099</u>	<u>\$ 2,677,777</u>

^a Appropriated in Department of Corrections and Pennsylvania Board of Probation and Parole.

^b Reflects recommended appropriation reduction of \$1,284,000.

^c Reflects recommended appropriation reduction of \$450,000.

^d Reflects recommended appropriation reduction of \$18,435,000.

^e Reflects recommended appropriation reduction of \$259,000.

^f Reflects recommended appropriation reduction of \$1,484,000.

^g Reflects recommended appropriation reduction of \$110,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
INSTITUTIONALIZATION OF OFFENDERS							
GENERAL FUND.....	\$ 2,399,903	\$ 2,276,464	\$ 2,367,254	\$ 2,367,254	\$ 2,358,631	\$ 2,349,287	\$ 2,349,287
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	6,033	5,958	7,972	6,072	6,072	6,072	6,072
OTHER FUNDS.....	95,827	107,802	104,240	104,240	104,240	104,240	104,240
SUBCATEGORY TOTAL.....	\$ 2,501,763	\$ 2,390,224	\$ 2,479,466	\$ 2,477,566	\$ 2,468,943	\$ 2,459,599	\$ 2,459,599
REINTEGRATION OF THE ADULT OFFENDER							
GENERAL FUND.....	\$ 163,622	\$ 161,249	\$ 174,807	\$ 174,807	\$ 174,807	\$ 173,420	\$ 173,420
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	387	219	225	225	225	225	225
OTHER FUNDS.....	23,205	23,407	23,279	23,279	23,279	23,279	23,279
SUBCATEGORY TOTAL.....	\$ 187,214	\$ 184,875	\$ 198,311	\$ 198,311	\$ 198,311	\$ 196,924	\$ 196,924
ALL PROGRAMS:							
GENERAL FUND.....	\$ 2,563,525	\$ 2,437,713	\$ 2,542,061	\$ 2,542,061	\$ 2,533,438	\$ 2,522,707	\$ 2,522,707
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	6,420	6,177	8,197	6,297	6,297	6,297	6,297
OTHER FUNDS.....	119,032	131,209	127,519	127,519	127,519	127,519	127,519
DEPARTMENT TOTAL.....	\$ 2,688,977	\$ 2,575,099	\$ 2,677,777	\$ 2,675,877	\$ 2,667,254	\$ 2,656,523	\$ 2,656,523

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.

Institutional Operations

In addition to protecting the public, 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 0.67 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.

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. Mental health services are also provided, including special needs units in most institutions and licensed mental health units in six institutions.

Inmate Programs and Reentry

The department provides programming which will enable inmates to leave prison better prepared to adjust to life in the community. Research has shown that inmate participation in appropriately structured interventions can reduce recidivism. In order to increase public safety, 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 secure 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, 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 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 protection. All facilities provide alcohol and drug treatment programs and therapeutic communities provide more intensive alcohol and drug programming, which is more effective in changing behavior. In addition, counseling services 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. 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

Program: Institutionalization of Offenders (continued)

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.

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, work habits and skills that can be used to find employment after release. In addition, community work programs, in which low-risk

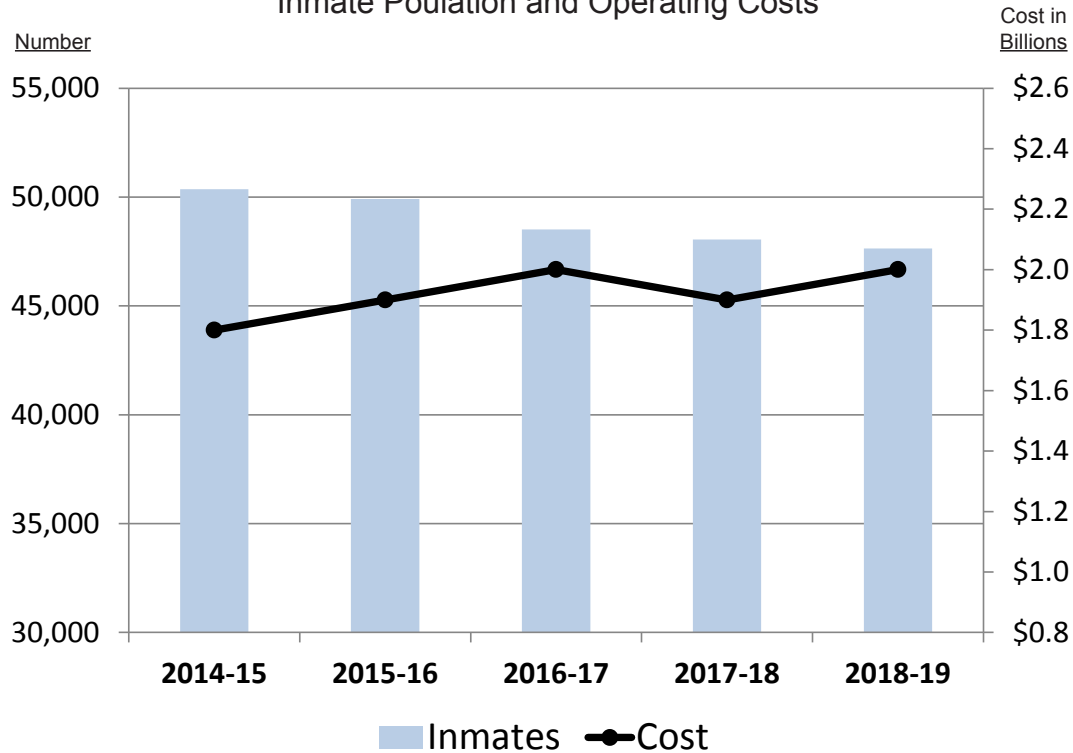
inmates perform community service projects outside the institutions, are available at most institutions.

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 housing 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 drug treatment services, employment assistance, specialized counseling for hard to place offenders and other services.

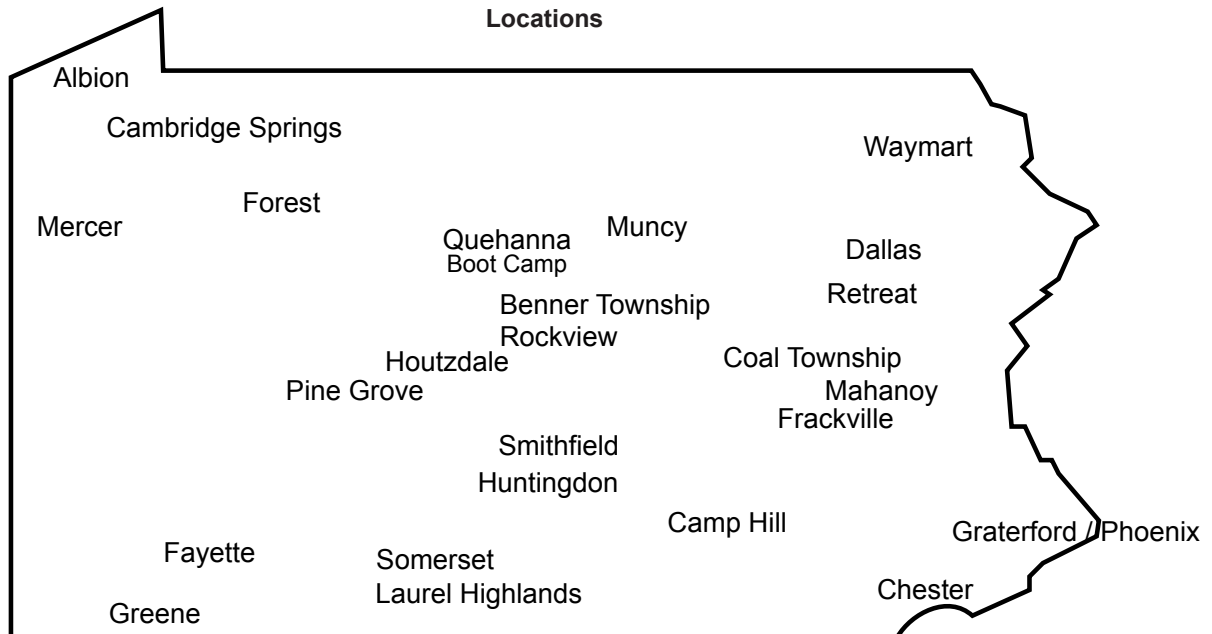
Program: Institutionalization of Offenders (continued)

State Correctional Institutions Inmate Population and Operating Costs



The cost of operating the state correctional institution system has increased from nearly \$1.83 billion in 2014-15 to \$2.01 billion in 2018-19. During this timeframe, the inmate population has declined from 50,366 to a projected 47,634 due to recent legislative changes and recidivism reduction initiatives.

State Correctional Institutions Locations



Program: Institutionalization of Offenders (continued)

Population by Institution Institutions	Population June 2016	Population June 2017	Estimated Population June 2018
Albion.....	2,244	2,247	2,226
Benner Township.....	2,055	2,068	2,048
Cambridge Springs.....	1,210	1,183	1,172
Camp Hill.....	3,270	3,398	3,366
Chester.....	1,276	1,273	1,261
Coal Township.....	2,270	2,312	2,290
Dallas.....	2,132	2,133	2,113
Fayette.....	2,067	2,137	2,117
Forest.....	2,306	2,376	2,353
Frackville.....	1,156	1,190	1,179
Graterford/Phoenix.....	3,288	3,619	3,585
Greene.....	1,732	1,666	1,650
Houtzdale.....	2,508	2,503	2,479
Huntingdon.....	2,110	2,161	2,141
Laurel Highlands.....	1,607	1,600	1,585
Mahanoy.....	2,429	2,381	2,358
Mercer.....	1,431	1,425	1,411
Muncy.....	1,431	1,393	1,380
Pine Grove.....	938	1,083	1,073
Pittsburgh.....	1,883	0	0
Quehanna Boot Camp.....	438	443	439
Retreat.....	1,116	1,132	1,121
Rockview.....	2,369	2,395	2,372
Smithfield.....	1,326	1,343	1,330
Somerset.....	2,393	2,343	2,321
Waymart.....	1,408	1,413	1,400
Community Centers.....	920	911	902
Other Jurisdictions.....	600	382	378
Total.....	49,913	48,510*	48,050

Other jurisdictions capacity includes contract county jail beds and federal beds.

* Currently 1,161 inmates below official population projection of 49,761.
June 2018 official population projection is also expected to decline.

Program: Institutionalization of Offenders (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget		2016-17 Actual	2017-18 Available	2018-19 Budget
Albion				Graterford/Phoenix			
State Funds.....	\$ 81,981	\$ 80,108	\$ 81,110	State Funds.....	\$ 158,219	\$ 153,337	\$ 166,152
Federal Funds.....	0	0	0	Federal Funds.....	0	0	0
Augmentations.....	29	35	32	Augmentations.....	10,035	12,078	12,067
TOTAL.....	<u>\$ 82,010</u>	<u>\$ 80,143</u>	<u>\$ 81,142</u>	TOTAL.....	<u>\$ 168,254</u>	<u>\$ 165,415</u>	<u>\$ 178,219</u>
Benner Township				Greene			
State Funds.....	\$ 74,494	\$ 74,895	\$ 73,462	State Funds.....	\$ 95,792	\$ 100,474	\$ 106,455
Federal Funds.....	0	0	0	Federal Funds.....	0	0	0
Augmentations.....	22	42	40	Augmentations.....	17	25	18
TOTAL.....	<u>\$ 74,516</u>	<u>\$ 74,937</u>	<u>\$ 73,502</u>	TOTAL.....	<u>\$ 95,809</u>	<u>\$ 100,499</u>	<u>\$ 106,473</u>
Cambridge Springs				Houtzdale			
State Funds.....	\$ 47,250	\$ 49,292	\$ 49,532	State Funds.....	\$ 81,518	\$ 83,747	\$ 86,795
Federal Funds.....	93	98	100	Federal Funds.....	104	109	111
Augmentations.....	40	41	41	Augmentations.....	26	39	31
TOTAL.....	<u>\$ 47,383</u>	<u>\$ 49,431</u>	<u>\$ 49,673</u>	TOTAL.....	<u>\$ 81,648</u>	<u>\$ 83,895</u>	<u>\$ 86,937</u>
Camp Hill				Huntingdon			
State Funds.....	\$ 139,424	\$ 128,947	\$ 144,277	State Funds.....	\$ 89,197	\$ 89,861	\$ 91,403
Federal Funds.....	18	18	15	Federal Funds.....	0	0	0
Augmentations.....	2,031	10,055	10,043	Augmentations.....	31	35	32
TOTAL.....	<u>\$ 141,473</u>	<u>\$ 139,020</u>	<u>\$ 154,335</u>	TOTAL.....	<u>\$ 89,228</u>	<u>\$ 89,896</u>	<u>\$ 91,435</u>
Chester				Laurel Highlands			
State Funds.....	\$ 58,535	\$ 58,571	\$ 69,510	State Funds.....	\$ 85,029	\$ 92,298	\$ 99,491
Federal Funds.....	0	0	0	Federal Funds.....	0	0	0
Augmentations.....	12	33	32	Augmentations.....	35	35	37
TOTAL.....	<u>\$ 58,547</u>	<u>\$ 58,604</u>	<u>\$ 69,542</u>	TOTAL.....	<u>\$ 85,064</u>	<u>\$ 92,333</u>	<u>\$ 99,528</u>
Coal Township				Mahanoy			
State Funds.....	\$ 78,481	\$ 76,149	\$ 76,493	State Funds.....	\$ 83,668	\$ 81,731	\$ 82,712
Federal Funds.....	135	142	143	Federal Funds.....	0	0	0
Augmentations.....	38	45	42	Augmentations.....	35	41	51
TOTAL.....	<u>\$ 78,654</u>	<u>\$ 76,336</u>	<u>\$ 76,678</u>	TOTAL.....	<u>\$ 83,703</u>	<u>\$ 81,772</u>	<u>\$ 82,763</u>
Dallas				Mercer			
State Funds.....	\$ 93,811	\$ 91,621	\$ 93,820	State Funds.....	\$ 54,887	\$ 68,446	\$ 68,764
Federal Funds.....	7	7	7	Federal Funds.....	0	0	0
Augmentations.....	33	39	40	Augmentations.....	13	29	22
TOTAL.....	<u>\$ 93,851</u>	<u>\$ 91,667</u>	<u>\$ 93,867</u>	TOTAL.....	<u>\$ 54,900</u>	<u>\$ 68,475</u>	<u>\$ 68,786</u>
Fayette				Muncy			
State Funds.....	\$ 91,743	\$ 98,517	\$ 99,058	State Funds.....	\$ 83,164	\$ 82,403	\$ 83,914
Federal Funds.....	0	0	0	Federal Funds.....	9	9	9
Augmentations.....	23	30	24	Augmentations.....	45	35	45
TOTAL.....	<u>\$ 91,766</u>	<u>\$ 98,547</u>	<u>\$ 99,082</u>	TOTAL.....	<u>\$ 83,218</u>	<u>\$ 82,447</u>	<u>\$ 83,968</u>
Forest				Pine Grove			
State Funds.....	\$ 90,142	\$ 89,691	\$ 89,297	State Funds.....	\$ 63,418	\$ 67,724	\$ 69,196
Federal Funds.....	14	14	14	Federal Funds.....	18	18	18
Augmentations.....	29	24	28	Augmentations.....	10	14	9
TOTAL.....	<u>\$ 90,185</u>	<u>\$ 89,729</u>	<u>\$ 89,339</u>	TOTAL.....	<u>\$ 63,446</u>	<u>\$ 67,756</u>	<u>\$ 69,223</u>
Frackville				Pittsburgh			
State Funds.....	\$ 56,355	\$ 55,087	\$ 54,516	State Funds.....	\$ 96,647	\$ 0	\$ 0
Federal Funds.....	0	0	0	Federal Funds.....	0	0	0
Augmentations.....	13	18	14	Augmentations.....	16	0	0
TOTAL.....	<u>\$ 56,368</u>	<u>\$ 55,105</u>	<u>\$ 54,530</u>	TOTAL.....	<u>\$ 96,663</u>	<u>\$ 0</u>	<u>\$ 0</u>

Program: Institutionalization of Offenders (continued)
Expenditures by Institution: (Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget		2016-17 Actual	2017-18 Available	2018-19 Budget
Quehanna Boot Camp				Waymart			
State Funds.....	\$ 27,407	\$ 28,075	\$ 28,221	State Funds.....	\$ 93,199	\$ 92,924	\$ 96,676
Federal Funds.....	47	47	44	Federal Funds.....	91	97	99
Augmentations.....	11	13	13	Augmentations.....	26	25	30
TOTAL.....	<u>\$ 27,465</u>	<u>\$ 28,135</u>	<u>\$ 28,278</u>	TOTAL.....	<u>\$ 93,316</u>	<u>\$ 93,046</u>	<u>\$ 96,805</u>
Retreat				Community Centers			
State Funds.....	\$ 54,887	\$ 54,465	\$ 56,489	State Funds.....	\$ 122,451	\$ 100,593	\$ 103,353
Federal Funds.....	7	7	7	Federal Funds.....	0	0	280
Augmentations.....	14	17	15	Augmentations.....	392	739	400
TOTAL.....	<u>\$ 54,908</u>	<u>\$ 54,489</u>	<u>\$ 56,511</u>	TOTAL.....	<u>\$ 122,843</u>	<u>\$ 101,332</u>	<u>\$ 104,033</u>
Rockview				Training Academy			
State Funds.....	\$ 96,536	\$ 96,846	\$ 100,661	State Funds.....	\$ 2,182	\$ 4,336	\$ 4,902
Federal Funds.....	119	130	134	Federal Funds.....	0	0	0
Augmentations.....	51	58	41	Augmentations.....	0	0	0
TOTAL.....	<u>\$ 96,706</u>	<u>\$ 97,034</u>	<u>\$ 100,836</u>	TOTAL.....	<u>\$ 2,182</u>	<u>\$ 4,336</u>	<u>\$ 4,902</u>
Smithfield				Central Office			
State Funds.....	\$ 70,938	\$ 68,031	\$ 71,631	State Funds.....	\$ 63,908 ^a	\$ 66,103 ^a	\$ 78,319 ^a
Federal Funds.....	0	0	0	Federal Funds.....	4,721	4,880	6,885
Augmentations.....	11	18	10	Augmentations.....	168	264	164
TOTAL.....	<u>\$ 70,949</u>	<u>\$ 68,049</u>	<u>\$ 71,641</u>	TOTAL.....	<u>\$ 68,797</u>	<u>\$ 71,247</u>	<u>\$ 85,368</u>
Somerset				Other Jurisdictions			
State Funds.....	\$ 77,226	\$ 80,205	\$ 80,746	State Funds.....	\$ 29,118	\$ 13,677	\$ 13,451
Federal Funds.....	13	13	13	Federal Funds.....	637	369	93
Augmentations.....	24	40	23	Augmentations.....	0	0	0
TOTAL.....	<u>\$ 77,263</u>	<u>\$ 80,258</u>	<u>\$ 80,782</u>	TOTAL.....	<u>\$ 29,755</u>	<u>\$ 14,046</u>	<u>\$ 13,544</u>

^a Expenditures include annual maintenance costs for closed institutions.

Program Recommendations:

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

	General Government Operations	
\$ -1,462	—to continue current program.	
	Medical Care	
\$ 19,228	—to continue current program.	
	Inmate Education and Training	
\$ 2,168	—to continue current program.	

	State Correctional Institutions	
\$ 73,743	—to continue current program.	
-2,887	—Initiative—cost savings from GO-TIME projects.	
\$ 70,856	<i>Appropriation Increase</i>	

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Medical Care	\$ 256,855	\$ 250,889	\$ 270,117	\$ 270,117	\$ 270,117	\$ 270,117	\$ 270,117
Inmate Education and Training.....	44,880	42,006	44,174	44,174	44,174	44,174	44,174
State Correctional Institutions.....	2,039,872	1,935,259	2,006,115	2,003,338	1,988,869	1,970,181	1,970,181
General Government Operations	48,682	48,310	46,848	46,848	46,848	46,848	46,848
Transfer to Justice Reinvestment Fund (EA).....	9,614	0	0	2,777	8,623	17,967	17,967
GENERAL FUND TOTAL	<u>\$ 2,399,903</u>	<u>\$ 2,276,464</u>	<u>\$ 2,367,254</u>	<u>\$ 2,367,254</u>	<u>\$ 2,358,631</u>	<u>\$ 2,349,287</u>	<u>\$ 2,349,287</u>

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 individuals returning to their communities. Successful reentry can reduce the likelihood of recidivism.

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 transfers 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.

Parole Decisions

Individuals 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.

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 individual'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.

Supervision and Case Management

The reentry of an individual 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 risk of reoffending. Parole staff also helps 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 with 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 recidivism.

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.

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 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 crimes for which they have been convicted. The Adam Walsh Act also added

Program: Reintegration of the Adult Offender (continued)

additional 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 sexual 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)

State Field Supervision		Office of Victim Advocate	
\$ 10,658	—to continue current program.	\$ 107	—to continue current program.
1,387	—Initiative-statewide radio upgrade.		
<u>\$ 12,045</u>	<i>Appropriation Increase</i>		
Pennsylvania Parole Board		Sexual Offenders Assessment Board	
\$ 1,256	—to continue current program.	\$ 196	—to continue current program.
-46	—cost savings from GO-TIME projects.		
<u>\$ 1,210</u>	<i>Appropriation Increase</i>		

The improvement of Adult Probation Services appropriation is recommended at the current year level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
State Field Supervision.....	\$ 127,333	\$ 125,084	\$ 137,129	\$ 137,129	\$ 137,129	\$ 135,742	\$ 135,742
Pennsylvania Parole Board	11,376	11,175	12,385	12,385	12,385	12,385	12,385
Office of Victim Advocate.....	2,414	2,371	2,478	2,478	2,478	2,478	2,478
Sexual Offenders Assessment Board	6,277	6,397	6,593	6,593	6,593	6,593	6,593
Improvement of Adult Probation Services .	16,222	16,222	16,222	16,222	16,222	16,222	16,222
TOTAL GENERAL FUND	<u>\$ 163,622</u>	<u>\$ 161,249</u>	<u>\$ 174,807</u>	<u>\$ 174,807</u>	<u>\$ 174,807</u>	<u>\$ 173,420</u>	<u>\$ 173,420</u>

Program Measures

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Program: Institutionalization of Offenders							
Objective: Reduce prison violence rates.							
In-prison violence rate (on staff and on other inmates combined) per 1,000 inmates	N/A	50	50	52	53	46	45
Objective: Decrease inmate population.							
Population	N/A	51,080	50,366	49,913	48,510	48,050	47,716
Objective: Reduce recidivism.							
One-year recidivism rate	N/A	40.50%	35%	41%	43%	33%	31%
Three-year recidivism rate	N/A	61.40%	60%	63%	61%	56%	55%
Program: Reintegration of the Adult Offender							
Objective: Increase the number of offenders identified as appropriate for parole based on reduced risk of committing another crime.							
State Supervision Process							
State parolees and probationers supervised at fiscal year end	37,971	39,726	41,226	41,500	42,057	42,474	42,775
Objective: Decrease the percentage of supervised individuals who return to prison upon release from prison.							
One-year parole recommitment rate	19%	18%	20%	18%	18%	18%	18%
Three-year parole recommitment rate	N/A	44%	45%	42%	42%	42%	42%



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

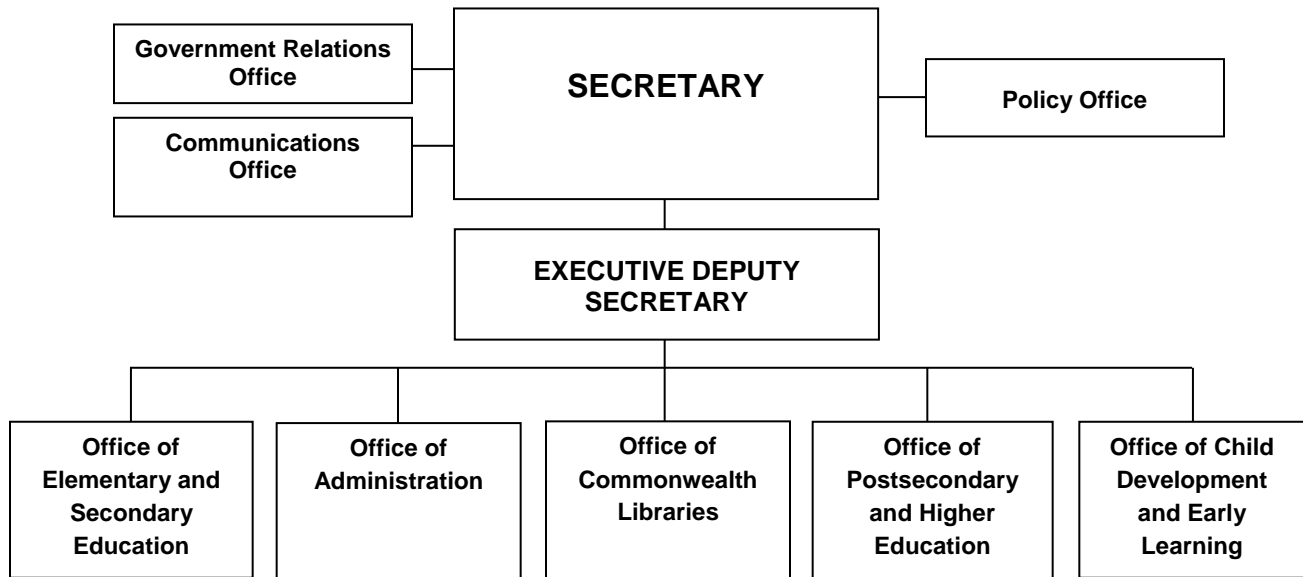
Education Support Services: *To provide an effective administrative system through which the substantive programs of the agency can be achieved.*

PreK–12 Education: *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, data resource management, and for the coordination of human resources and information technology with the Office of Administration.
- **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

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
551	535	529	529	531	500	500

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

GENERAL FUND:

General Government:

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
General Government Operations.....	\$ 23,959	\$ 25,971^a	\$ 26,143
(F)Adult Basic Education - Administration.....	1,100	1,114	1,114
(F)Education of Exceptional Children.....	10,000	12,000	12,000
(F)Special Education - State Personnel Development.....	2,394	2,394	2,394
(F)ESEA - Title I - Administration.....	12,333	12,333	12,333
(F)State Approving Agency (VA).....	1,800	1,800	1,800
(F)Food and Nutrition Service.....	20,505	21,000	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	7,400	7,400
(F)Homeless Assistance.....	4,275	4,870	4,870
(F)Preschool Grant.....	890	890	890
(F)School Health Education Programs.....	575	600	600
(F)Advanced Placement Testing.....	820	820	820
(F)Medical Assistance - Nurses' Aide Training.....	340	370	370
(F)State and Community Highway Safety.....	1,000	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	0
(F)Refugee School Impact Development (EA).....	750	750	750
(F)Migrant Education Coordination Program.....	130	130	130
(F)School Improvement Grants.....	60,000	40,000	30,000
(F)Live Healthy PA (EA).....	105	105	105
(F)Preventative Health and Health Services (EA).....	250	250	250
(F)Preschool Development Grants.....	30,000	30,000	30,000
(F)WIA - PA STEM Competition (EA).....	39	0	0
(F)Enhanced Assessment Instruments.....	6,000	0	0
(F)Student Support and Academic Enrichment-Administration.....	0	900	900
(F)Troops to Teachers.....	400	400	0
(A)Management Services.....	357	1	1
(A)Approved Private Schools.....	522	538	555
(A)National Center for Educational Statistics.....	6	6	6
(A)EPSDT Administration.....	807	350	350
(A)Services to Nonpublic Schools - Administration.....	879	879	879
(A)Teacher Certification Fees.....	763	1,652	1,585
(A)Nonpublic Textbook Administration.....	981	981	981
(A)Alternative Education.....	10	108	108
(A)SARA Reciprocity.....	0	300	135
(A)PlanCon.....	0	1,850	1,604
(A)State Board Student Leadership.....	0	11	0
(A)Higher Education Fees.....	0	159	135
(A)Teacher Certification - Printable Certificates.....	26	5	20
Subtotal.....	\$ 246,330	\$ 230,851	\$ 169,986
Recovery Schools.....	0	250	250
Office of Safe Schools Advocate.....	398	372	372
Information and Technology Improvement.....	4,000	3,740	3,740
(F)Statewide Longitudinal Data Systems.....	4,000	2,260	2,934
PA Assessment.....	58,300	50,425	50,425
(F)Title VI - Part A State Assessments.....	16,000	15,000	15,000
(A)DRC License Fees.....	400	0	0
Subtotal.....	\$ 83,098	\$ 72,047	\$ 72,721
State Library.....	2,017	1,866	1,949
(F)LSTA - Library Development.....	8,500	8,500	8,500
(A)Penalties and Reimbursements.....	3	3	3
(A)Photocopy Service.....	1	1	1
(A)Keystone Fund.....	94	101	101
Subtotal.....	\$ 10,615	\$ 10,471	\$ 10,554

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
Subtotal - State Funds.....	\$ 88,674	\$ 82,624	\$ 82,879
Subtotal - Federal Funds.....	246,520	223,800	163,918
Subtotal - Augmentations.....	4,849	6,945	6,464
Total - General Government.....	\$ 340,043	\$ 313,369	\$ 253,261
Institutional:			
Youth Development Centers - Education.....	\$ 7,931	\$ 8,286	\$ 8,286
Subtotal.....	\$ 7,931	\$ 8,286	\$ 8,286
Grants and Subsidies:			
Support of Public Schools:			
Basic Education Funding.....	\$ 5,895,079	\$ 5,995,079	\$ 6,095,079
Ready to Learn Block Grant.....	250,000	250,000	250,000
Pre-K Counts.....	147,284	172,284	202,284
Head Start Supplemental Assistance.....	49,178	54,178	64,178
Mobile Science and Math Education Programs.....	2,214	3,964	0
Teacher Professional Development.....	6,459	5,959	5,959
Adult and Family Literacy.....	12,475	12,075	11,675
(F)Adult Basic Education - Local.....	21,000	21,000	21,000
Career and Technical Education.....	62,000	62,000	112,000
(F)Vocational Education Act - Local.....	49,000	49,000	49,000
Career and Technical Education Equipment Grants.....	3,000	2,550	2,550
Authority Rentals and Sinking Fund Requirements.....	0	29,703	140,906
Pupil Transportation.....	549,097	549,097	549,097
Nonpublic and Charter School Pupil Transportation.....	80,009	80,009	80,009
Special Education.....	1,096,815	1,121,815	1,141,815
(F)Individuals with Disabilities Education - Local.....	470,000	470,000	470,000
Early Intervention.....	252,159	263,878	275,500
(F)Individuals with Disabilities Education.....	16,000	16,000	16,000
Tuition for Orphans and Children Placed in Private Homes.....	48,000	48,000	49,440
Payments in Lieu of Taxes.....	164	166	167
Education of Migrant Laborers' Children.....	853	853	853
PA Chartered Schools for the Deaf and Blind.....	47,561 ^b	50,187 ^b	52,336
Special Education - Approved Private Schools.....	105,558	108,010	111,089
School Food Services.....	30,000	30,000	30,000
(F)Food and Nutrition - Local.....	717,946	740,188	750,000
School Employees' Social Security.....	492,082	499,500	524,305
School Employees' Retirement.....	2,064,000	2,264,000	2,527,000
Subtotal.....	\$ 12,467,933	\$ 12,899,495	\$ 13,532,242
(F)ESEA - Title I - Local.....	625,000	625,000	625,000
(F)Improving Teacher Quality - Title II - Local.....	130,000	130,000	110,000
(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.....	3,400	0	0
(F)Student Support and Academic Enrichment - Local.....	0	16,000	16,000
(F)TANF - Teenage Parenting Education (EA).....	16,433	13,784	13,784
(F)Teenage Parenting - Food Stamps (EA).....	863	0	0
(F)Early Learning Challenge Grant (EA).....	3,264	5,264	1,000
Subtotal.....	\$ 890,660	\$ 901,748	\$ 877,484
Other Grants and Subsidies:			
Educational Access Programs.....	6,030	23,150	23,150
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
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	19,175	0

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
Safe School Initiative	8,527	8,527	8,527
Subtotal.....	\$ 203,343	\$ 225,650	\$ 206,475
Higher Education - Other Grants and Subsidies:			
Community Colleges	232,111	232,111	232,111
Transfer to Community College Capital Fund	48,869	48,869	50,694
Regional Community Colleges Services	3,000	6,750	6,750
Sexual Assault Prevention	1,000 c	1,000	1,000
Community Education Councils	2,425	2,346	2,346
Thaddeus Stevens College of Technology	13,273	14,273	14,273
Subtotal.....	\$ 300,678	\$ 305,349	\$ 307,174
State System of Higher Education:			
State Universities	444,224	453,108	468,108
Subtotal.....	\$ 444,224	\$ 453,108	\$ 468,108
The Pennsylvania State University:			
General Support	230,436	230,436	230,436
Pennsylvania College of Technology	20,074	22,074	22,074
Subtotal.....	\$ 250,510	\$ 252,510	\$ 252,510
University of Pittsburgh:			
General Support	144,210	144,210	144,210
Rural Education Outreach	2,563	2,763	2,763
Subtotal.....	\$ 146,773	\$ 146,973	\$ 146,973
Temple University:			
General Support	150,586	150,586	150,586
Subtotal.....	\$ 150,586	\$ 150,586	\$ 150,586
Lincoln University:			
General Support	14,436	14,436	14,436
Subtotal.....	\$ 14,436	\$ 14,436	\$ 14,436
Subtotal - State Funds.....	\$ 12,704,537	\$ 13,151,919	\$ 13,772,504
Subtotal - Federal Funds.....	2,164,606	2,197,936	2,183,484
Total - Grants and Subsidies.....	\$ 14,869,143	\$ 15,349,855	\$ 15,955,988
STATE FUNDS.....	\$ 12,801,142	\$ 13,242,829	\$ 13,863,669
FEDERAL FUNDS.....	2,411,126	2,421,736	2,347,402
AUGMENTATIONS.....	4,849	6,945	6,464
GENERAL FUND TOTAL	\$ 15,217,117	\$ 15,671,510	\$ 16,217,535
<u>MOTOR LICENSE FUND:</u>			
<i>Grants and Subsidies:</i>			
Safe Driving Course	\$ 1,100	\$ 1,100	\$ 1,100
<u>OTHER FUNDS:</u>			
GENERAL FUND:			
Private Licensed Schools.....	\$ 829	\$ 917	\$ 929
Empowerment School Districts.....	2,011	5,000	5,000
Medical Assistance Reimbursements.....	79,180	200,000	200,000
GENERAL FUND TOTAL.....	\$ 82,020	\$ 205,917	\$ 205,929
COMMUNITY COLLEGE CAPITAL FUND:			
Community College Capital.....	\$ 0 ^d	\$ 0 ^d	\$ 0 ^d

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GOV. CASEY ORGAN & TISSUE DONATION AWARENESS FUND:			
Governor Casey Organ and Tissue Donation Awareness Fund (EA).....	\$ 200	\$ 200	\$ 190
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
Local Libraries Rehabilitation and Development (EA)	\$ 3,573	\$ 3,433	\$ 4,152
SSHE - Deferred Maintenance (EA)	16,081	15,446	18,682
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....	\$ 19,654	\$ 18,879	\$ 22,834
PROPERTY TAX RELIEF FUND:			
Property Tax Relief Payments (EA).....	\$ 617,900	\$ 619,300	\$ 619,300
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 12,801,142	\$ 13,242,829	\$ 13,863,669
SPECIAL FUNDS.....	1,100	1,100	1,100
FEDERAL FUNDS.....	2,411,126	2,421,736	2,347,402
AUGMENTATIONS.....	4,849	6,945	6,464
OTHER FUNDS.....	719,774	844,296	848,253
TOTAL ALL FUNDS.....	\$ 15,937,991	\$ 16,516,906	\$ 17,066,888

^a Reflects recommended appropriation reduction of \$172,000.

^b Appropriated as PA Charter Schools for the Deaf and Blind.

^c Appropriated as Higher Education Assistance.

^d Not added to the total to avoid double counting: 2016-17 Actual is \$48,869,000, 2017-18 Available is \$48,869,000, and 2018-19 Budget is \$50,694,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
EDUCATION SUPPORT SERVICES							
GENERAL FUND.....	\$ 27,959	\$ 29,711	\$ 29,883	\$ 29,883	\$ 29,883	\$ 29,883	\$ 29,883
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	162,020	160,300	110,418	110,418	110,418	110,418	110,418
OTHER FUNDS.....	5,180	7,757	7,288	5,684	5,684	5,684	5,684
SUBCATEGORY TOTAL.....	\$ 195,159	\$ 197,768	\$ 147,589	\$ 145,985	\$ 145,985	\$ 145,985	\$ 145,985
PREK-12 EDUCATION							
GENERAL FUND.....	\$ 11,403,851	\$ 11,828,182	\$ 12,431,942	\$ 12,887,456	\$ 13,215,047	\$ 13,527,347	\$ 13,856,647
SPECIAL FUNDS.....	1,100	1,100	1,100	1,100	1,100	1,100	1,100
FEDERAL FUNDS.....	2,240,606	2,252,936	2,228,484	2,227,484	2,227,484	2,227,484	2,227,484
OTHER FUNDS.....	699,691	824,500	824,490	824,490	824,490	824,490	824,490
SUBCATEGORY TOTAL.....	\$ 14,345,248	\$ 14,906,718	\$ 15,486,016	\$ 15,940,530	\$ 16,268,121	\$ 16,580,421	\$ 16,909,721
LIBRARY SERVICES							
GENERAL FUND.....	\$ 62,125	\$ 61,974	\$ 62,057	\$ 62,057	\$ 62,057	\$ 62,057	\$ 62,057
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.....	3,671	3,538	4,257	4,525	4,677	4,701	4,725
SUBCATEGORY TOTAL.....	\$ 74,296	\$ 74,012	\$ 74,814	\$ 75,082	\$ 75,234	\$ 75,258	\$ 75,282
HIGHER EDUCATION							
GENERAL FUND.....	\$ 1,307,207	\$ 1,322,962	\$ 1,339,787	\$ 1,349,787	\$ 1,359,787	\$ 1,369,787	\$ 1,379,787
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	16,081	15,446	18,682	19,888	20,572	20,680	20,788
SUBCATEGORY TOTAL.....	\$ 1,323,288	\$ 1,338,408	\$ 1,358,469	\$ 1,369,675	\$ 1,380,359	\$ 1,390,467	\$ 1,400,575
ALL PROGRAMS:							
GENERAL FUND.....	\$ 12,801,142	\$ 13,242,829	\$ 13,863,669	\$ 14,329,183	\$ 14,666,774	\$ 14,989,074	\$ 15,328,374
SPECIAL FUNDS.....	1,100	1,100	1,100	1,100	1,100	1,100	1,100
FEDERAL FUNDS.....	2,411,126	2,421,736	2,347,402	2,346,402	2,346,402	2,346,402	2,346,402
OTHER FUNDS.....	724,623	851,241	854,717	854,587	855,423	855,555	855,687
DEPARTMENT TOTAL.....	\$ 15,937,991	\$ 16,516,906	\$ 17,066,888	\$ 17,531,272	\$ 17,869,699	\$ 18,192,131	\$ 18,531,563

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 the department 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 and trade schools and the Professional Standards and Practices Education Commission.

Program Recommendations:

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

General Government Operations
 \$ 172 —to continue current program.

The Information and Technology Improvement appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
General Government Operations	\$ 23,959	\$ 25,971	\$ 26,143	\$ 26,143	\$ 26,143	\$ 26,143	\$ 26,143
Information and Technology Improvement	4,000	3,740	3,740	3,740	3,740	3,740	3,740
TOTAL GENERAL FUND	\$ 27,959	\$ 29,711	\$ 29,883	\$ 29,883	\$ 29,883	\$ 29,883	\$ 29,883

Program: PreK–12 Education

Goal: To prepare all students to graduate high school college-ready and career-ready and to be engaged citizens of the commonwealth.

PreK-12 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.

Basic Education Funding

Pennsylvania's public education system serves more than 1.7 million PreK-12 students. These students are served by the commonwealth's 500 school districts, comprised of over 2,900 schools. Each school district is a local governing unit, elected or appointed pursuant to state statute and local ordinance, and separate from the commonwealth. Both the commonwealth and local school districts contribute to the financing of public elementary and secondary education, with state funding provided to the school districts – including federal education funding – supplementing the funds raised locally.

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, professional development for educators and personalized learning. The Department of Education supports continuous improvement and high-quality, well-rounded education opportunities for all students through targeted and statewide initiatives, and provides technical assistance to schools and districts through its statewide system of support. The commonwealth's 29 intermediate units also provide professional development and technical assistance to school districts. Since 2015-16, new funding has been distributed through the new fair funding formula.

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, Pre-K Counts 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.

College and Career-Ready

Pennsylvania Core Standards. It is critically important that all Pennsylvania students graduate from high school ready for postsecondary success. The commonwealth strives to help school districts create academic programs that are rigorous, results-focused, data informed and personalized through systems, technology, and other supports.

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 (PSSAs) 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 66,688 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 have the opportunity to pursue career pathways in which students can earn high-value industry certifications and

Program: PreK–12 Education (continued)

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.

Special Education

Special education serves 288,728 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 54,650 students aged three to five in Early Intervention programs and 3,243 students in Approved Private Schools/Chartered Schools for the Deaf and Blind.

Program Recommendations:

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

	GENERAL FUND				
	Basic Education Funding				
\$ 100,000	—Initiative—to continue sustained investment in school district basic education programs.	\$ 11,622		Early Intervention	—to continue current program.
	Pre-K Counts			Tuition for Orphans and Children Placed in Private Homes	—to continue current program based on historical program utilization.
\$ 30,000	—Initiative—to invest in high-quality early childhood education for 3- and 4-year-olds.	\$ 1,440			
				Payments in Lieu of Taxes	—to continue current program.
\$ 10,000	Head Start Supplemental Assistance	\$ 1			
	—Initiative—to invest in high-quality early childhood education for 3- and 4-year-olds.			PA Chartered Schools for the Deaf and Blind	—to continue current program.
	Mobile Science and Math Education Programs	\$ 2,149		Special Education - Approved Private Schools	—to continue current program.
\$ -3,964	—program elimination.				
				School Employees' Social Security	—to continue current program.
\$ -400	Adult and Family Literacy	\$ 3,079			
	—funding reduction.			School Employees' Retirement	—to continue current program.
\$ 50,000	Career and Technical Education	\$ 24,805		Job Training and Education Programs	—program elimination.
	—Initiative—to develop CTE career pathways, promote business-education partnerships, and encourage STEM computer science and related education.	\$ 263,000			
\$ 111,203	Authority Rentals and Sinking Fund Requirements	\$ -19,175			
	—to provide reimbursement for school construction and charter leases.				
\$ 20,000	Special Education				
	—Initiative—to provide increased resources for school district special education instruction.				

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

MOTOR LICENSE FUND

Safe Driving Course

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)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Recovery Schools.....	\$ 0	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
Office of Safe Schools Advocate	398	372	372	372	372	372	372
PA Assessment.....	58,300	50,425	50,425	50,425	50,425	50,425	50,425
Youth Development Centers - Education ..	7,931	8,286	8,286	8,286	8,286	8,286	8,286
Basic Education Funding.....	5,895,079	5,995,079	6,095,079	6,206,437	6,316,865	6,427,268	6,537,647
Ready to Learn Block Grant	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Pre-K Counts.....	147,284	172,284	202,284	232,284	262,284	292,284	322,284
Head Start Supplemental Assistance	49,178	54,178	64,178	74,178	84,178	94,178	104,178
Mobile Science and Math Education							
Programs	2,214	3,964	0	0	0	0	0
Teacher Professional Development.....	6,459	5,959	5,959	5,959	5,959	5,959	5,959
Adult and Family Literacy	12,475	12,075	11,675	11,675	11,675	11,675	11,675
Career and Technical Education.....	62,000	62,000	112,000	122,000	132,000	142,000	152,000
Career and Technical Education							
Equipment Grants.....	3,000	2,550	2,550	2,550	2,550	2,550	2,550
Authority Rentals and Sinking Fund							
Requirements.....	0	29,703	140,906	225,898	223,189	223,189	223,189
Pupil Transportation.....	549,097	549,097	549,097	549,097	549,097	549,097	549,097
Nonpublic and Charter School Pupil							
Transportation	80,009	80,009	80,009	80,009	80,009	80,009	80,009
Special Education.....	1,096,815	1,121,815	1,141,815	1,166,815	1,191,815	1,216,815	1,241,815
Early Intervention.....	252,159	263,878	275,500	275,500	275,500	275,500	275,500
Tuition for Orphans and Children Placed							
in Private Homes.....	48,000	48,000	49,440	49,440	49,440	49,440	49,440
Payments in Lieu of Taxes.....	164	166	167	167	167	167	167
Education of Migrant Laborers' Children ...	853	853	853	853	853	853	853
PA Chartered Schools for the Deaf							
and Blind.....	47,561	50,187	52,336	53,502	54,966	56,438	57,918
Special Education - Approved Private							
Schools	105,558	108,010	111,089	113,565	116,673	119,798	122,939
School Food Services.....	30,000	30,000	30,000	30,000	30,000	30,000	30,000
School Employees' Social Security	492,082	499,500	524,305	542,827	551,127	559,427	567,727
School Employees' Retirement	2,064,000	2,264,000	2,527,000	2,689,000	2,821,000	2,935,000	3,066,000
Educational Access Programs.....	6,030	23,150	23,150	23,150	23,150	23,150	23,150
Services to Nonpublic Schools.....	87,939	87,939	87,939	87,939	87,939	87,939	87,939
Textbooks, Materials and Equipment for							
Nonpublic Schools	26,751	26,751	26,751	26,751	26,751	26,751	26,751
Job Training and Education Programs	13,988	19,175	0	0	0	0	0
Safe School Initiative.....	8,527	8,527	8,527	8,527	8,527	8,527	8,527
TOTAL GENERAL FUND	\$ 11,403,851	\$ 11,828,182	\$12,431,942	\$12,887,456	\$ 13,215,047	\$ 13,527,347	\$ 13,856,647
MOTOR LICENSE FUND:							
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 2018-19 budget offers a variety of valued public library services to all Pennsylvanians.

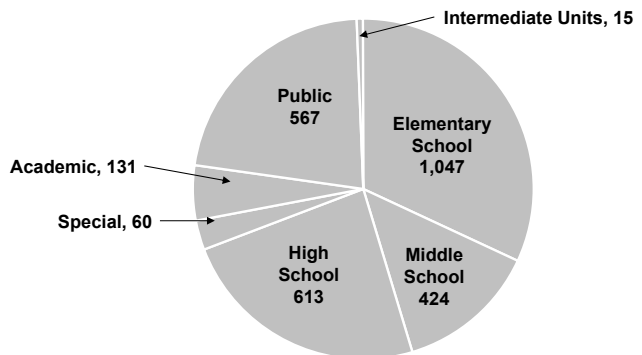
Public Library Subsidy. The commonwealth helps defray the cost of basic operations of Pennsylvania's more than 600 local public libraries that had nearly 44 million visitors who borrowed more than 65 million books and other materials, of which more than 24 million were borrowed by children. Through participation 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. In 2016-17, more than 6.4 million children's resources were accessed through POWER Library.

The statewide electronic library catalog, also known as the Access Pennsylvania Database program, gives Pennsylvanians online access to library holdings of more than 1,400 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 24/7 through Pennsylvania's virtual reference service called Chat with a Librarian. Pennsylvanians made more than 56,700 online inquiries to professional reference libraries in 2016-17.

Number of POWER Library Participants



Pennsylvania is fortunate to have two libraries providing 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.

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 225,561 materials are accessed annually from the State Library.

Program: Library Services (continued)

Program Recommendations:

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

\$ 83 **State Library**
—to continue current program.

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
State Library	\$ 2,017	\$ 1,866	\$ 1,949	\$ 1,949	\$ 1,949	\$ 1,949	\$ 1,949
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
TOTAL GENERAL FUND	\$ 62,125	\$ 61,974	\$ 62,057	\$ 62,057	\$ 62,057	\$ 62,057	\$ 62,057

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.

Postsecondary education represents an important pathway for ensuring Pennsylvania’s success in a knowledge-based, global economy. Pennsylvania’s postsecondary education system includes 243 degree-granting institutions representing publicly supported postsecondary institutions - including the State System of Higher Education universities, state-related universities, community colleges, and the state-affiliated Thaddeus Stevens College of Technology – as well as private

colleges and universities, specialized associate degree-granting institutions, and out-of-state institutions that are approved to offer course work for credit in the commonwealth. Funding for these institutions is through appropriations and state-funded student grant programs administered by the Pennsylvania Higher Education Assistance Agency (PHEAA). In 2016-17, there were an estimated 940,000 learners enrolled in postsecondary education in Pennsylvania.

Table 1
Full-Time Enrollments
at State-Supported Institutions of Higher Education
(Actual and Projected)

Institutional Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
State System of Higher Education.....	97,477	95,182	95,162	95,100	95,666	96,070	96,141
Community Colleges	81,941	82,706	82,496	82,800	83,182	83,488	83,948
State-Related Universities	170,461	172,327	173,456	175,830	178,691	181,188	183,068
Thaddeus Stevens College of Technology	1,040	1,131	1,198	1,198	1,222	1,222	1,222
TOTAL	350,919	351,346	352,312	354,928	358,761	361,968	364,379

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. 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 state-related universities provides basic support for educational programs. The Pennsylvania State University, the University of Pittsburgh and Temple University are major research universities that provide programs up to the doctoral level in varied academic disciplines and

professional schools. 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 2016-17 the commonwealth’s public colleges and universities awarded 87,525 postsecondary credentials ranging from the two-year associate degree to doctoral and professional degrees as shown in Table 2.

Decreasing Time and Cost to College Completion

In 2016, Pennsylvania established a statewide postsecondary attainment goal aligned to workforce needs: 60 percent of Pennsylvanians with a postsecondary degree or credential by 2025. To help reach that goal, the department has worked with local, state, and national partners to help improve postsecondary pathways for students and promote on-time degree completion. To better serve the need of all students, the department administers a statewide college credit transfer system that enables students to transfer courses and associate

Program: Higher Education (continued)

Table 2
Higher Education Degrees Awarded
by State-Supported Institutions of Higher Education
(Actual and Projected)

Institutional Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
State-Supported:							
State System of Higher Education.....	26,378	26,135	26,119	26,160	26,279	26,409	26,482
Community Colleges	16,376	16,539	16,533	16,591	16,685	16,780	16,889
State-Related Universities.....	44,361	44,609	45,551	47,020	47,899	48,590	49,451
Thaddeus Stevens College of Technology	410	487	503	510	510	510	510
TOTAL	87,525	87,770	88,706	90,281	91,373	92,289	93,332

degrees among 36 participating colleges and universities in Pennsylvania, including all of the commonwealth's community colleges, State System of Higher Education institutions and state-related institutions.

Aligning Postsecondary Educational Opportunities with Workforce Needs

To help ensure that Pennsylvanians have access to postsecondary credentials that can accelerate opportunity for individuals and families, Pennsylvania's postsecondary programs are aligned to the commonwealth's current and projected economic needs. In particular, Pennsylvania has focused on increasing pathways to postsecondary education and training connected to statewide and regional workforce needs, especially science, technology, engineering, and mathematics (STEM) and computer science. In 2015-16, there were 46,503 students enrolled in STEM majors at Pennsylvania public colleges and universities.

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 2018-19 budget, direct support of students is provided through support of the Bond-Hill Scholarship program and the Keystone Honors Academy at Cheyney University.

Research

Research and development investments are essential for a healthy economy and the creation of new jobs in any region, including Pennsylvania. The continued state general support for research at The 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.

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	2016-17 Actual	2017-18 Available	2018-19 Projected	2019-20 Projected	2020-21 Projected	2021-22 Projected	2022-23 Projected	Percent Change
Agricultural and Natural Resources	# %	4,270 1.22%	4,264 1.21%	4,308 1.22%	4,343 1.22%	4,383 1.22%	4,423 1.22%	4,462 1.22%	4.50%
Arts and Letters	# %	59,775 17.03%	58,805 16.74%	57,745 16.39%	57,222 16.12%	56,847 15.85%	56,448 15.59%	56,121 15.40%	-6.12%
Business, Management and Data Processing	# %	54,703 15.59%	55,178 15.70%	55,850 15.85%	56,535 15.93%	57,585 16.05%	58,296 16.11%	58,990 16.19%	7.84%
Communications and Related Technologies	# %	13,145 3.75%	12,898 3.67%	12,982 3.68%	12,974 3.66%	13,026 3.63%	13,075 3.61%	13,098 3.59%	-0.36%
Computer and Information Sciences	# %	15,167 4.32%	15,784 4.49%	16,487 4.68%	17,324 4.88%	18,232 5.08%	19,212 5.31%	20,232 5.55%	33.39%
Education	# %	19,230 5.48%	19,017 5.41%	18,713 5.31%	18,520 5.22%	18,351 5.12%	18,175 5.02%	17,989 4.94%	-6.45%
Engineering, Architecture and Environmental Design	# %	25,209 7.18%	26,093 7.43%	26,565 7.54%	27,651 7.79%	29,042 8.10%	30,048 8.30%	30,383 8.34%	20.52%
Engineering Technologies and Related Technologies	# %	5,394 1.54%	5,364 1.53%	5,411 1.54%	5,416 1.53%	5,423 1.51%	5,435 1.50%	5,450 1.50%	1.04%
Health Professions, Health Sciences and Biological Sciences	# %	60,655 17.28%	61,615 17.54%	61,913 17.57%	62,652 17.65%	63,323 17.65%	64,105 17.71%	64,725 17.76%	6.71%
Home Economics, Human Services and Public Affairs	# %	30,898 8.80%	30,166 8.59%	30,214 8.58%	30,159 8.50%	30,167 8.41%	30,177 8.34%	30,174 8.28%	-2.34%
Industrial, Repair, Construction and Transport Technologies	# %	4,407 1.26%	4,470 1.27%	4,472 1.27%	4,489 1.26%	4,530 1.26%	4,550 1.26%	4,575 1.26%	3.81%
Law	# %	3,183 0.91%	3,233 0.92%	3,159 0.90%	3,134 0.88%	3,094 0.86%	3,046 0.84%	2,998 0.82%	-5.81%
Physical Sciences, Mathematics and Related Technologies	# %	17,172 4.89%	17,000 4.84%	16,999 4.82%	17,058 4.81%	17,122 4.77%	17,172 4.74%	17,216 4.72%	0.26%
Social Sciences, Psychology, Area Studies and Foreign Languages	# %	33,045 9.42%	32,750 9.32%	32,753 9.30%	32,634 9.19%	32,740 9.13%	32,831 9.07%	32,909 9.03%	-0.41%
Multi-Interdisciplinary Studies/ Military Studies	# %	4,213 1.20%	4,237 1.21%	4,249 1.21%	4,316 1.22%	4,385 1.22%	4,454 1.23%	4,525 1.24%	7.41%
Basic Skills and Developmental/ Remedial Education	# %	451 0.13%	470 0.13%	490 0.14%	499 0.14%	509 0.14%	519 0.14%	530 0.15%	17.52%
High School/ Secondary Diplomas and Certificates	# %	2 0.00%	2 0.00%	2 0.00%	2 0.00%	2 0.00%	2 0.00%	2 0.00%	0.00%
TOTAL		350,919	351,346	352,312	354,928	358,761	361,968	364,379	3.84%

Program: Higher Education (continued)

Program Recommendations:

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

	Transfer to Community College Capital Fund			State System of Higher Education
\$ 1,825	—to continue current program.		\$ 15,000	—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)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Community Colleges	\$ 232,111	\$ 232,111	\$ 232,111	\$ 232,111	\$ 232,111	\$ 232,111	\$ 232,111
Transfer to Community College							
Capital Fund.....	48,869	48,869	50,694	50,694	50,694	50,694	50,694
Regional Community Colleges Services ...	3,000	6,750	6,750	6,750	6,750	6,750	6,750
Sexual Assault Prevention.....	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Community Education Councils.....	2,425	2,346	2,346	2,346	2,346	2,346	2,346
Thaddeus Stevens College of Technology	13,273	14,273	14,273	14,273	14,273	14,273	14,273
State System of Higher Education.....	444,224	453,108	468,108	478,108	488,108	498,108	508,108
The Pennsylvania State University.....	250,510	252,510	252,510	252,510	252,510	252,510	252,510
University of Pittsburgh.....	146,773	146,973	146,973	146,973	146,973	146,973	146,973
Temple University	150,586	150,586	150,586	150,586	150,586	150,586	150,586
Lincoln University	14,436	14,436	14,436	14,436	14,436	14,436	14,436
TOTAL GENERAL FUND	\$ 1,307,207	\$ 1,322,962	\$ 1,339,787	\$ 1,349,787	\$ 1,359,787	\$ 1,369,787	\$ 1,379,787

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

Program: PreK-12 Education

Objective: Improve access to high-quality early learning programs for all Pennsylvania children and families.

Early Childhood Education

School districts offering pre-kindergarten	102	111	114	125	122	122	122
Students enrolled in pre-kindergarten (excluding Head Start)	25,724	24,550	28,407	30,962	28,746	31,850	39,350
Students in state-funded Head Start Supplemental	5,219	5,643	4,781	5,728	5,703	5,640	6,570
Students in PA Pre-K Counts program	11,344	12,149	13,456	18,133	18,249	21,350	24,810

Early Intervention

Number of children participating in Early Intervention	49,970	49,665	50,817	52,811	54,650	55,700	56,800
Children who met their individual goals and no longer need Early Intervention prior to school age	1,737	1,792	1,720	1,535	1,700	1,700	1,700

Objective: Increase the number of K-12 students who have demonstrated proficiency in key academic subjects and are on track for postsecondary success.

Percentage of students proficient or advanced in mathematics	N/A	N/A	43.20%	42%	45%	45.40%	47.60%
Percentage of students proficient or advanced in English language arts	N/A	N/A	61.60%	62.10%	62.60%	63.10%	64.60%
Percentage of students proficient or advanced in science	61.60%	64.80%	64.90%	70.20%	63.60%	65%	66.40%
Percentage of English learners making progress or achieving English language proficiency	66.90%	59.70%	59.60%	52.90%	53.90%	54.90%	55.90%
Number of students enrolled in rigorous coursework (Advanced Placement, International Baccalaureate, dual enrollment)	N/A	N/A	91,352	97,119	101,990	102,500	103,000
Four-year adjusted cohort high school graduation rate	85.50%	85.50%	84.80%	86.10%	86.60%	87.10%	87.60%
Five-year adjusted cohort high school graduation rate	84.30%	88.50%	87.10%	89.40%	89.80%	90.20%	90.50%

Objective: Increase collaboration between early childhood, K-12, and postsecondary education as well as business and industry partners to align instruction with Pennsylvania's current and emerging workforce needs and emphasize the value of career and technical skills.

Career & Technical Education

Percentage of career and technical education (CTE) program completers	75%	72.30%	74%	72.70%	78%	80%	82%
Percentage of CTE students proficient or advanced in mathematics	39.20%	40.80%	43.20%	47.60%	50%	52%	54%

Program Measures

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Skilled workforce - percentage of CTE students awarded PA Skills Certificates	63%	64%	64%	59%	61%	62%	63%
Industry certifications	20,461	23,621	27,371	31,899	34,451	36,321	38,121

Program: Library Services

Objective: Meet the critical needs of Pennsylvania residents of all ages, from birth through adulthood, by reinforcing the role of libraries in the learning ecosystem and developing cross-sector and community relationships.

Pre-K through grade 12 attendance at public library-based programs (physical or virtual, in thousands)	3,068	3,288	3,218	3,201	3,459	3,528	3,598
Use of children's electronic resources offered through POWER Library (in thousands)	1,106	3,269	4,525	6,384	6,401	6,465	6,529
Adult attendance at public library-based programs (physical or virtual, in thousands)	885	923	863	850	1,010	1,031	1,051

Objective: Expand programs to increase access to technologies and resources, especially to vulnerable populations, including individuals experiencing unemployment, minorities, English learners, individuals with disabilities, and low-income communities.

Number of Internet sessions in public libraries (in thousands)	19,817	14,180	14,867	13,822	13,004	13,134	13,265
Circulation of electronic materials in public libraries (in thousands)	N/A	3,356	4,643	5,700	5,326	6,684	7,019
Number of items borrowed via interlibrary loan in public libraries (in thousands)	4,429	4,348	4,500	4,607	4,715	4,763	4,811

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	280,000	199,021	195,050	196,383	225,561	227,817	230,095
Number of people attending public programs sponsored by the State Library	N/A	N/A	5,049	7,479	9,530	9,625	9,722

Program: Postsecondary Education

Objective: Increase postsecondary access, affordability, and completion through improved alignment between K-12 and higher education in the commonwealth.

Total enrollment in postsecondary institutions in Pennsylvania	945,547	927,364	910,696	924,346	938,222	952,295	966,580
Percentage of students enrolled in postsecondary education within 16 months of graduating from a Pennsylvania public high school	64.20%	65.40%	64.60%	64.10%	64.40%	64.60%	64.80%
Percentage of Pennsylvania high school graduates who continue from their first year of college to their second year	N/A	N/A	N/A	N/A	87%	87.20%	87.40%

Program Measures

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Percentage of Pennsylvania high school graduates who earn a degree within six years of graduation	N/A	N/A	42%	41%	41%	41.20%	41.40%
Percentage of total undergraduate enrollment at public colleges and universities who are minority students	22.25%	23.34%	24.11%	24.92%	25.88%	26.88%	27.91%

Objective: Increase access to postsecondary educational opportunities aligned with Pennsylvania's workforce needs so that learners of all ages earn valuable postsecondary credentials in a timely manner.

Percentage of adult basic education students who were eligible and received their Commonwealth Secondary School Diploma	83%	78%	85%	88%	81%	81%	81%
Percentage of adult basic education students who were eligible and entered postsecondary education or training	19%	17%	18%	16%	17%	17%	18%
Number of full-time students enrolled in STEM majors at the commonwealth's public colleges and universities	41,151	42,544	44,479	46,503	48,618	50,829	53,141
Percentage of full-time, first-time students at state system and state-related universities earning a degree within 150 percent of normal time	62.20%	63.20%	63.20%	63.40%	63.60%	63.80%	64%
Percentage of full-time, first-time students at community colleges earning a degree within 150 percent of normal time	13.40%	14.70%	15.80%	18.91%	19%	19.16%	19.28%
Number of postsecondary credentials awarded by the commonwealth's public colleges and universities	85,274	86,826	86,017	86,703	87,525	87,770	88,706
Percentage of Pennsylvania residents with a postsecondary degree or credential	40.50%	43.80%	44.80%	45.60%	46.90%	48.30%	49.80%



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.

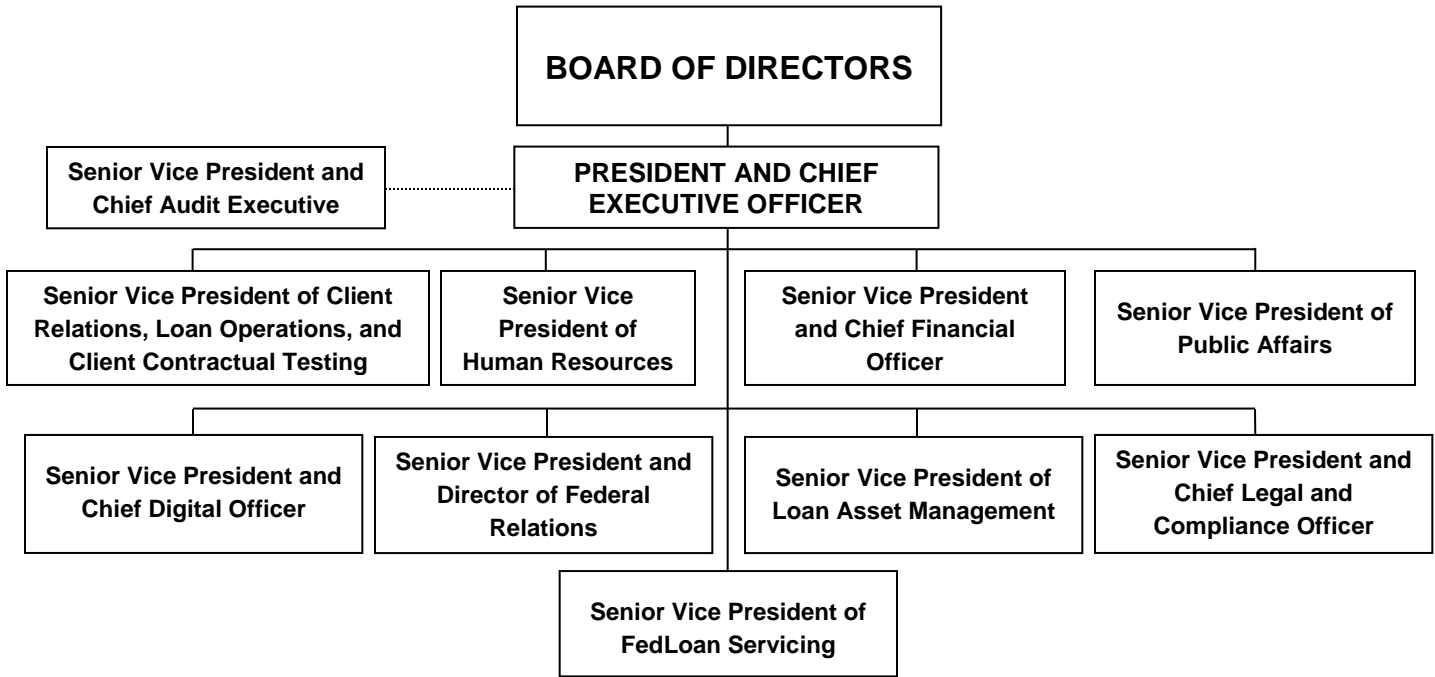
The agency provides financial aid to higher education students in the form of grants, loans and employment opportunities through the coordination of state and federal aid programs. In addition, the agency provides institutional assistance grants to private institutions enrolling students who participate 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** is responsible for 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 human resources 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 Digital Officer** manages the development, maintenance, and support of the agency's 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 Asset 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** is responsible for reviewing and approving all agency agreements and managing all aspects of the agency's legal and compliance initiatives.
- **Senior Vice President of FedLoan Servicing** is responsible for 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)

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
3,050	3,507	3,736	3,691	3,692	3,662	3,662

Higher Education Assistance Agency

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
Grants to Students.....	\$ 272,891	\$ 273,391	\$ 272,891
(A)Grants to Students Supplement.....	87,000	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.....	25,749	25,749	25,749
Bond-Hill Scholarships.....	697	697	697
Cheyney Keystone Academy.....	1,813	1,813	1,813
(A)Cheyney Keystone Academy Supplement.....	0	500	500
Subtotal - State Funds.....	\$ 321,289	\$ 321,789	\$ 321,289
Subtotal - Augmentations.....	97,000	97,500	97,500
Total - Grants and Subsidies.....	\$ 418,289	\$ 419,289	\$ 418,789
STATE FUNDS.....	\$ 321,289	\$ 321,789	\$ 321,289
AUGMENTATIONS.....	97,000	97,500	97,500
GENERAL FUND TOTAL.....	\$ 418,289	\$ 419,289	\$ 418,789
OTHER FUNDS:			
HIGHER EDUCATION ASSISTANCE FUND:			
Targeted Industry Cluster Scholarship Program.....	\$ 6,000	\$ 6,000	\$ 6,000
Primary Health Care.....	183 ^a	4,550	4,550
Educational Training Vouchers Program.....	1,538	1,598	1,598
HIGHER EDUCATION ASSISTANCE FUND TOTAL.....	\$ 7,721	\$ 12,148	\$ 12,148
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 321,289	\$ 321,789	\$ 321,289
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	0	0	0
AUGMENTATIONS.....	97,000	97,500	97,500
OTHER FUNDS.....	7,721	12,148	12,148
TOTAL ALL FUNDS.....	\$ 426,010	\$ 431,437	\$ 430,937

^a Funding for the Primary Health Care Practitioner loan repayment program was appropriated in Health and Human Services.

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
FINANCIAL ASSISTANCE TO STUDENTS							
GENERAL FUND.....	\$ 293,294	\$ 293,794	\$ 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.....	104,721	109,648	109,648	109,648	109,648	109,648	109,648
SUBCATEGORY TOTAL.....	\$ 398,015	\$ 403,442	\$ 402,942	\$ 402,942	\$ 402,942	\$ 402,942	\$ 402,942
FINANCIAL AID TO INSTITUTIONS							
GENERAL FUND.....	\$ 27,995	\$ 27,995	\$ 27,995	\$ 27,995	\$ 27,995	\$ 27,995	\$ 27,995
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 27,995	\$ 27,995	\$ 27,995	\$ 27,995	\$ 27,995	\$ 27,995	\$ 27,995
ALL PROGRAMS:							
GENERAL FUND.....	\$ 321,289	\$ 321,789	\$ 321,289	\$ 321,289	\$ 321,289	\$ 321,289	\$ 321,289
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	104,721	109,648	109,648	109,648	109,648	109,648	109,648
DEPARTMENT TOTAL.....	\$ 426,010	\$ 431,437	\$ 430,937	\$ 430,937	\$ 430,937	\$ 430,937	\$ 430,937

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 2016-17, over 143,000 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 6,700 awards were disbursed to online students for 2016-17. The pilot program is currently scheduled to end in 2017-18, however this budget assumes the program will be enacted permanently. 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 2016-17, over 3,200 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 2016-17, over 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 2016-17, the fifth year of the program, over 1,700 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 and professional programs at Temple University, the Pennsylvania State University, the University of Pittsburgh, or one of the Pennsylvania State System of Higher Education (PASSHE) institutions.

The Cheyney Keystone 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)

Grants to Students
\$ -500 —funding reduction.

All other 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)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Grants to Students.....	\$ 272,891	\$ 273,391	\$ 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	697	697	697	697	697	697	697
Cheyney Keystone Academy.....	1,813	1,813	1,813	1,813	1,813	1,813	1,813
TOTAL GENERAL FUND.....	\$ 293,294	\$ 293,794	\$ 293,294	\$ 293,294	\$ 293,294	\$ 293,294	\$ 293,294

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-eight 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 for the Disadvantaged program, 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)

All appropriations are recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Higher Education for the Disadvantaged...	\$ 2,246	\$ 2,246	\$ 2,246	\$ 2,246	\$ 2,246	\$ 2,246	\$ 2,246
Institutional Assistance Grants	25,749	25,749	25,749	25,749	25,749	25,749	25,749
TOTAL GENERAL FUND.....	\$ 27,995	\$ 27,995	\$ 27,995	\$ 27,995	\$ 27,995	\$ 27,995	\$ 27,995

Higher Education Assistance Agency

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

Program: Financial Assistance to Students

Objective: Increase enrollment and graduation rates at Pennsylvania's colleges and universities.

Grants to Students

Applications for grants	610,092	629,328	606,694	577,445	546,182	551,643	557,160
Applications complete and needs tested for eligibility	366,370	399,842	386,567	375,111	359,911	363,510	367,145
Eligible applicants meeting qualifications	236,654	225,878	216,233	195,648	182,022	185,412	187,266
Eligible applicants enrolled and accepting grants	192,385	178,681	173,856	153,648	143,157	145,854	147,230
Eligible applicants not enrolled at a college/university	44,269	47,197	42,377	42,000	38,865	39,558	40,036
Grant amount as percentage of applicant's total educational cost	12%	11%	11%	10%	9.50%	9%	8.50%
Students receiving Blind or Deaf Scholarships	72	102	96	93	94	94	94
Students Receiving Pennsylvania Internship Program Awards	0	50	80	68	64	70	70

Work Study

Students assisted by federal, state and private funds	35,000	35,000	28,000	28,000	28,000	28,000	28,000
Student work study earnings (in millions)	\$62	\$54	\$58	\$63	\$62	\$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	2,938	2,625	2,786	2,681	2,982	3,000	3,000
Average Award for PA Targeted Industry Program (PA-TIP)	\$3,417	\$3,466	\$2,913	\$3,487	\$3,442	\$3,400	\$3,400
Number of PA Targeted Industry Program (PA-TIP) participants	1,289	1,391	1,613	1,625	1,800	1,700	1,700

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 Institutional Assistance Grants Program).

Eligible grant recipients enrolled at eligible independent institutions	45,073	43,973	43,484	41,185	39,669	40,462	40,867
Per capita grants	\$544	\$558	\$563	\$616	\$644	\$636	\$630
Institutions aided	38	88	89	88	89	88	89

Objective: Support programs at institutions that help economically and educationally disadvantaged students succeed in higher education.

Institutional programs aided through Act 101 program	0	35	33	32	32	32	32
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EMERGENCY MANAGEMENT AGENCY

The Pennsylvania Emergency Management Agency helps communities and citizens mitigate against, prepare for, respond to, and recover from emergencies including natural disasters, acts of terrorism, or other human-made disasters. PEMA supports county emergency management agencies by coordinating and engaging the whole community including federal and state partners, volunteer organizations involved in disasters, private sector business community and citizens.

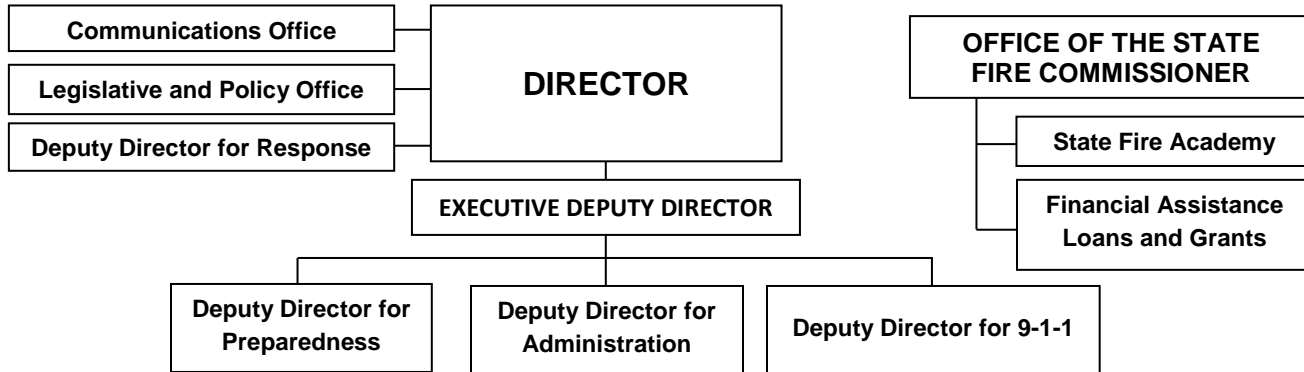
The agency develops and maintains a comprehensive plan to enhance the commonwealth's capabilities to prepare for, respond to, and recover from all hazards that affect the citizens of Pennsylvania. Primarily the plan calls for the protection of life and property both prior to and in the event of natural 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 human-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** oversees both the Internal Operations and External Operations offices of the agency. The Internal Operations Office includes the Commonwealth Watch and Warning Center (CWWC), which is the 24/7 state warning and public alerting point, as well as the Commonwealth Response Coordination Center (CRCC), which, when activated, serves as the primary location for state agencies and non-governmental organizations to coordinate assistance to local political subdivisions during a disaster by implementing applicable portions of the Commonwealth Emergency Operations Plan (CEOP). The External Operations Office oversees disaster preparedness and response activities needed to support state agencies and local political subdivisions during disasters or emergencies. This includes working with various agencies and organizations to identify commodities, equipment, resources, and specialized response assets, such as telecommunications resources and highly trained specialized response teams, that may be needed for disasters or other emergencies.
- Deputy Director for Preparedness** oversees and manages the Bureau of Planning, Training, and Exercise and 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 staff utilization planning, classification and pay, and 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 an 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

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
193	195	198	198	196	189	189

Emergency Management Agency

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 10,936	\$ 10,788^a	\$ 13,182
(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	100,000	100,000
(F)School Emergency Management Planning (EA).....	636	280	0
(F)Public Health Emergency Preparedness Training (EA).....	25	50	0
(A)Miscellaneous.....	1	0	0
Subtotal.....	\$ 163,498	\$ 133,018	\$ 135,082
State Fire Commissioner.....	2,291	2,456	2,549
(F)Fire Prevention.....	42	42	42
(F)Firefighters Assistance Program (EA).....	117	150	500
(A)Fire Academy Fees.....	2	14	0
(A)Volunteer Company Loan Program.....	250	250	250
(A)Volunteer Company Grant Program.....	800	800	800
Subtotal.....	\$ 3,502	\$ 3,712	\$ 4,141
Subtotal - State Funds.....	\$ 13,227	\$ 13,244	\$ 15,731
Subtotal - Federal Funds.....	152,720	122,422	122,442
Subtotal - Augmentations.....	1,053	1,064	1,050
Total - General Government.....	\$ 167,000	\$ 136,730	\$ 139,223
<i>Grants and Subsidies:</i>			
Disaster Relief.....	\$ 6,293	\$ 2,200	\$ 0
(F)Disaster Relief (EA).....	68,276	26,000	8,000
(F)Hazard Mitigation (EA).....	7,724	13,000	10,000
(F)SCDBG - Disaster Recovery (EA).....	8,615	9,016	2,000
Emergency Management Assistance Compact.....	0	15,000	0
Firefighters Memorial Flags.....	10	10	10
Red Cross Extended Care Program.....	150	150	150
Search and Rescue.....	250	250	0
Subtotal.....	\$ 91,318	\$ 65,626	\$ 20,160
Subtotal - State Funds.....	\$ 6,703	\$ 17,610	\$ 160
Subtotal - Federal Funds.....	84,615	48,016	20,000
Total - Grants and Subsidies.....	\$ 91,318	\$ 65,626	\$ 20,160
STATE FUNDS.....	\$ 19,930	\$ 30,854	\$ 15,891
FEDERAL FUNDS.....	237,335	170,438	142,442
AUGMENTATIONS.....	1,053	1,064	1,050
GENERAL FUND TOTAL.....	\$ 258,318	\$ 202,356	\$ 159,383
OTHER FUNDS:			
GENERAL FUND:			
VoIP Emergency Services Fund.....	\$ 191	\$ 0	\$ 0
Radiological Emergency Response Planning.....	1,520	1,475	1,475
Radiation Emergency Response Fund.....	676	750	810
Radiation Transportation Emergency Response Fund.....	21	100	100
Online Training Educator and Reimbursement.....	0	0	125
GENERAL FUND TOTAL.....	\$ 2,408	\$ 2,325	\$ 2,510

Emergency Management Agency

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2016-17	2017-18	2018-19
	ACTUAL	AVAILABLE	BUDGET
HAZARDOUS MATERIAL RESPONSE FUND:			
General Operations.....	\$ 190	\$ 190	\$ 190
Hazardous Materials Response Team.....	190	190	190
Grants to Counties.....	1,330	1,347	1,330
Public and Facility Owner Education.....	190	190	190
HAZARDOUS MATERIAL RESPONSE FUND TOTAL.....	<u>\$ 1,900</u>	<u>\$ 1,917</u>	<u>\$ 1,900</u>
PROPERTY TAX RELIEF FUND:			
Transfer to Volunteer Company Grants Program (EA).....	\$ 5,000	\$ 5,000	\$ 5,000
STATE GAMING FUND:			
Transfer to Volunteer Company Grants Program (EA).....	\$ 25,000	\$ 25,000	\$ 25,000
UNCONVENTIONAL GAS WELL FUND:			
Emergency Response Planning.....	\$ 750	\$ 750	\$ 750
First Responders Equipment and Training.....	750	750	750
UNCONVENTIONAL GAS WELL FUND TOTAL.....	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>
VOLUNTEER COMPANIES LOAN FUND:			
Volunteer Company Loans.....	\$ 10,509	\$ 20,000	\$ 20,000
911 FUND:			
General Operations (EA).....	\$ 6,400	\$ 6,400	\$ 6,300
Emergency Services Grants (EA).....	313,000	355,600	308,700
911 FUND TOTAL.....	<u>\$ 319,400</u>	<u>\$ 362,000</u>	<u>\$ 315,000</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 19,930	\$ 30,854	\$ 15,891
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	237,335	170,438	142,442
AUGMENTATIONS.....	1,053	1,064	1,050
OTHER FUNDS.....	365,717	417,742	370,910
TOTAL ALL FUNDS.....	<u>\$ 624,035</u>	<u>\$ 620,098</u>	<u>\$ 530,293</u>

^a Reflects recommended appropriation reduction of \$67,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
EMERGENCY MANAGEMENT							
GENERAL FUND.....	\$ 17,479	\$ 28,238	\$ 13,182	\$ 13,182	\$ 13,182	\$ 11,173	\$ 11,173
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	237,176	170,246	141,900	141,900	141,900	141,900	141,900
OTHER FUNDS.....	324,459	366,992	320,035	320,035	320,035	320,035	320,035
SUBCATEGORY TOTAL.....	\$ 579,114	\$ 565,476	\$ 475,117	\$ 475,117	\$ 475,117	\$ 473,108	\$ 473,108
FIRE PREVENTION AND SAFETY							
GENERAL FUND.....	\$ 2,451	\$ 2,616	\$ 2,709	\$ 2,709	\$ 2,709	\$ 2,709	\$ 2,709
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	159	192	542	542	542	542	542
OTHER FUNDS.....	42,311	51,814	51,925	52,175	52,175	52,175	52,175
SUBCATEGORY TOTAL.....	\$ 44,921	\$ 54,622	\$ 55,176	\$ 55,426	\$ 55,426	\$ 55,426	\$ 55,426
ALL PROGRAMS:							
GENERAL FUND.....	\$ 19,930	\$ 30,854	\$ 15,891	\$ 15,891	\$ 15,891	\$ 13,882	\$ 13,882
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	237,335	170,438	142,442	142,442	142,442	142,442	142,442
OTHER FUNDS.....	366,770	418,806	371,960	372,210	372,210	372,210	372,210
DEPARTMENT TOTAL.....	\$ 624,035	\$ 620,098	\$ 530,293	\$ 530,543	\$ 530,543	\$ 528,534	\$ 528,534

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 human-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 residents 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 9-1-1 and foster a unified approach to Next Generation 9-1-1 (NG9-1-1) 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 human-made disasters; and deploy rapidly when required.

PEMA's responsibilities include programs concerning prison and community safety, initiatives related to 9-1-1 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 9-1-1 Act, the decision-making aspects of 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 9-1-1. 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)

	General Government Operations		Emergency Management Assistance Compact
\$ 417	—to continue current program.		—nonrecurring program costs.
–32	—Initiative-cost savings from GO-TIME projects.	\$ –15,000	
<u>2,009</u>	—Initiative-statewide radio upgrade.		
\$ 2,394	<i>Appropriation Increase</i>	\$ –250	Search and Rescue
			—program elimination.
	Disaster Relief		
\$ –2,200	—nonrecurring program costs.		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
General Government Operations	\$ 10,936	\$ 10,788	\$ 13,182	\$ 13,182	\$ 13,182	\$ 11,173	\$ 11,173
Disaster Relief	6,293	2,200	0	0	0	0	0
Emergency Management Assistance							
Compact.....	0	15,000	0	0	0	0	0
Search and Rescue	250	250	0	0	0	0	0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL GENERAL FUND	\$ 17,479	\$ 28,238	\$ 13,182	\$ 13,182	\$ 13,182	\$ 11,173	\$ 11,173

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 Emergency Medical Services Grant program, the Pennsylvania Fire Information Reporting System and the administration of the Firefighters' Memorial Flags 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 Emergency Medical Services 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)

		State Fire Commissioner
\$	93	—to continue current program.

The Firefighters Memorial Flags 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)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
State Fire Commissioner	\$ 2,291	\$ 2,456	\$ 2,549	\$ 2,549	\$ 2,549	\$ 2,549	\$ 2,549
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	\$ 2,451	\$ 2,616	\$ 2,709	\$ 2,709	\$ 2,709	\$ 2,709	\$ 2,709

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

Program: Emergency Management

Objective: Provide support to local leaders in the five mission areas of prevention, protection, mitigation, response, and recovery.

State and local emergency management personnel trained	3,033	3,955	4,163	3,447	3,850	3,800	3,800
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Objective: Improve the preparedness and response capabilities of individuals and communities to all hazards.

Percentage of residents prepared for a disaster	N/A	N/A	N/A	N/A	57%	65%	75%
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Percentage of counties receiving outreach materials or CERT training from PEMA	51%	55%	55%	65%	70%	75%	80%
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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	7,900	7,977	8,120	8,305	8,350	8,400	8,400
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Individuals nationally certified at Firefighter I or higher at the State Fire Academy Certification Program	3,415	3,593	3,700	3,648	3,310	3,600	3,600
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Percent of fire departments reporting incidents to the PA Fire Information Reporting System	54%	53%	58%	69%	75%	82%	91%
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Volunteer company loans approved (in thousands)	\$11,000	\$6,695	\$9,484	\$16,003	\$10,387	\$20,000	\$20,000
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Fire departments participating in Fire Department Recognition Program	401	475	535	506	554	550	600
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DEPARTMENT OF ENVIRONMENTAL PROTECTION

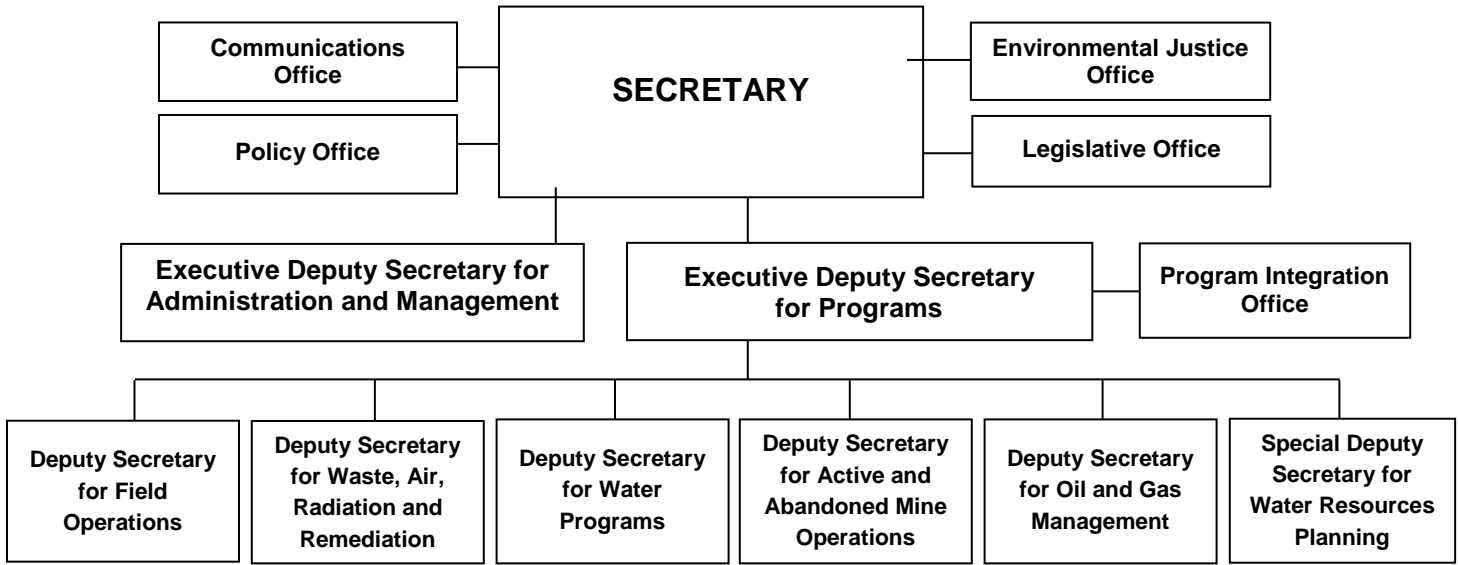
The mission of the Department of Environmental Protection is to protect Pennsylvania's air, land and water from pollution and to provide for the health and safety of its citizens through a cleaner environment. The department will work as partners with individuals, organizations, governments and businesses 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 and is responsible for the coordination of human resources and information technology with the Office of Administration. 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*

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
2,784	2,722	2,696	2,702	2,554	2,461	2,494

*Includes Environmental Hearing Board.

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 13,931	\$ 13,309^a	\$ 14,378
(A) Reimbursement - EDP Services.....	9,149	12,653	10,105
(A) Department Services.....	0	10	0
Subtotal.....	\$ 23,080	\$ 25,972	\$ 24,483
Environmental Hearing Board.....	2,490	2,354	2,481
(A) Reimbursement for Services.....	0	1	0
Subtotal.....	\$ 2,490	\$ 2,355	\$ 2,481
Environmental Program Management.....	30,025	29,413^b	30,932
(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 - Management.....	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.....	600	600	600
(F) Abandoned Mine Reclamation (EA).....	77,000	77,000	77,000
(F) Nuclear and Chemical Security (EA).....	24	0	0
(F) Homeland Security Initiative (EA).....	700	700	1,000
(A) Payments - Department Services.....	96	1,332	1,176
(A) Vehicle Sales.....	7	5	5
(A) PA DOT ISTEA Program.....	36	5	25
(A) Reimbursement from Water Pollution Control Revolving Fund.....	226	200	200
(A) Safe Drinking Water Revolving Fund Administration.....	369	300	300
(R) Sewage Facilities Program Administration (EA).....	623	752	686
(R) Used Tire Pile Remediation (EA).....	0	1,003	1,003
Subtotal.....	\$ 184,127	\$ 185,731	\$ 187,348
Chesapeake Bay Agricultural Source Abatement.....	2,645	2,535	2,670
(F) Chesapeake Bay Pollution Abatement.....	10,200	10,200	12,700
Subtotal.....	\$ 12,845	\$ 12,735	\$ 15,370
Environmental Protection Operations.....	89,066	89,215^c	93,901
(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)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
(F)Local Assistance and Source Water Protection (EA).....	6,000	6,000	6,000
(F)Great Lakes Restoration (EA).....	75	55	0
(A)Clean Air Fund.....	3,860	3,860	3,860
(A)Vehicle Sale.....	164	100	100
(A)Reimbursement from Water Pollution Control Revolving Fund.....	156	150	150
(A)Safe Drinking Water Account.....	0	200	180
(A)Solid Waste Abatement.....	500	500	500
(A)Reimbursement - Department Services.....	4,715	5,337	5,297
(A)PADOT ISTEPA Program.....	1,033	1,000	1,000
(A)Safe Drinking Water Revolving Fund.....	487	0	450
(A)Reimbursement - Laboratory Services.....	10,106	10,451	9,782
(A)Lab Accreditation.....	1,575	2,000	2,605
Subtotal.....	\$ 165,641	\$ 166,772	\$ 171,729
Black Fly Control and Research.....	3,334	3,357	3,357
(A)County Contributions.....	839	725	875
Subtotal.....	\$ 4,173	\$ 4,082	\$ 4,232
West Nile Virus and Zika Virus Control.....	5,379	5,239	5,378
(F)West Nile Virus and Zika Virus Control.....	1,000	1,000	0
(F)Zika Vector Control Response (EA).....	304	1	0
(A)Reimbursement for Lab Testing.....	1	0	0
Subtotal.....	\$ 6,684	\$ 6,240	\$ 5,378
Subtotal - State Funds.....	\$ 146,870	\$ 145,422	\$ 153,097
Subtotal - Federal Funds.....	218,228	217,881	219,625
Subtotal - Augmentations.....	33,319	38,829	36,610
Subtotal - Restricted Revenues.....	623	1,755	1,689
Total - General Government.....	\$ 399,040	\$ 403,887	\$ 411,021
Grants and Subsidies:			
Delaware River Master.....	\$ 76	\$ 38	\$ 76
Susquehanna River Basin Commission.....	473	237	473
Interstate Commission on the Potomac River.....	46	23	46
Delaware River Basin Commission.....	434	217	434
Ohio River Valley Water Sanitation Commission.....	136	68	136
Chesapeake Bay Commission.....	275	275	275
Transfer to Conservation District Fund.....	2,506	2,506	2,506
Interstate Mining Commission.....	30	15	15
Total - Grants and Subsidies.....	\$ 3,976	\$ 3,379	\$ 3,961
STATE FUNDS.....	\$ 150,846	\$ 148,801	\$ 157,058
FEDERAL FUNDS.....	218,228	217,881	219,625
AUGMENTATIONS.....	33,319	38,829	36,610
RESTRICTED REVENUES.....	623	1,755	1,689
GENERAL FUND TOTAL.....	\$ 403,016	\$ 407,266	\$ 414,982
OTHER FUNDS:			
GENERAL FUND:			
Safe Drinking Water Account.....	\$ 1,186	\$ 1,491	\$ 4,731
Radiation Protection Fund.....	11,978	14,746	14,647
Clean Water Fund.....	18,836	26,988	23,748
Solid Waste Abatement Fund.....	3,973	5,808	4,359
Well Plugging Account.....	22,069	25,812	23,016
Abandoned Well Plugging.....	167	92	213
Orphan Well Plugging.....	505	400	0
Alternative Fuels.....	8,717	8,178	6,645
Industrial Land Recycling.....	296	300	300

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2016-17	2017-18	2018-19
	ACTUAL	AVAILABLE	BUDGET
Waste Transportation Safety Account.....	2,389	3,561	2,785
Electronics Material Recycling Account.....	257	453	365
GENERAL FUND TOTAL.....	\$ 70,373	\$ 87,829	\$ 80,809
ACID MINE DRAINAGE ABATEMENT AND TREATMENT FUND:			
(F)Acid Mine Drainage Abatement and Treatment (EA).....	\$ 13,823	\$ 16,086	\$ 18,191
CLEAN AIR FUND:			
Major Emission Facilities (EA).....	\$ 21,050	\$ 18,591	\$ 17,878
Mobile and Area Facilities (EA).....	11,454	10,886	9,369
(A)Reimbursement for Services.....	3	0	0
CLEAN AIR FUND TOTAL.....	\$ 32,507	\$ 29,477	\$ 27,247
COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND:			
General Operations (EA).....	\$ 3,854	\$ 3,665	\$ 3,866
Payment of Claims (EA).....	2,040	2,040	2,040
COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND TOTAL.....	\$ 5,894	\$ 5,705	\$ 5,906
COAL LANDS IMPROVEMENT FUND:			
Coal Lands Restoration (EA).....	\$ 200	\$ 100	\$ 175
CONSERVATION DISTRICT FUND:			
Conservation District Grants (EA).....	\$ 4,440	\$ 4,488	\$ 4,514
ENERGY DEVELOPMENT FUND:			
Energy Development - Administration (EA).....	\$ 129	\$ 165	\$ 172
Energy Development Loans/Grants (EA).....	300	51	0
ENERGY DEVELOPMENT FUND TOTAL.....	\$ 429	\$ 216	\$ 172
ENVIRONMENTAL EDUCATION FUND:			
General Operations (EA).....	\$ 725	\$ 1,198	\$ 753
ENVIRONMENTAL STEWARDSHIP FUND:			
Watershed Protection and Restoration (EA).....	\$ 25,937	\$ 24,591	\$ 28,602
HAZARDOUS SITES CLEANUP FUND:			
General Operations (EA).....	\$ 23,583	\$ 22,446	\$ 22,078
Hazardous Sites Cleanup (EA).....	26,000	24,000	24,000
Host Municipality Grants (EA).....	25	25	25
Small Business Pollution Prevention (EA).....	1,000	1,000	1,000
Transfer to Industrial Sites Cleanup Fund (EA).....	2,000	2,000	2,000
Trnsfr to Industrial Sites Environmental Assessment Fd (EA).....	2,000	2,000	2,000
Transfer to Household Hazardous Waste Account (EA).....	1,000	1,000	1,000
HAZARDOUS SITES CLEANUP FUND TOTAL.....	\$ 55,608	\$ 52,471	\$ 52,103
MINE SAFETY FUND:			
General Operations (EA).....	\$ 10	\$ 35	\$ 1
NON-COAL SURFACE MINING CONSERVATION & RECLAMATION FUND:			
General Operations (EA).....	\$ 4,485	\$ 4,122	\$ 3,885
NUTRIENT MANAGEMENT FUND:			
Education, Research and Technical Assistance (EA).....	\$ 2,073	\$ 2,073	\$ 2,073
RECYCLING FUND:			
Recycling Coordinator Reimbursement (EA).....	\$ 1,600	\$ 1,600	\$ 1,600
Reimbursement for Municipal Inspection (EA).....	400	400	400
Reimburse-Host Municipality Permit Applications Review (EA).....	10	50	50
Administration of Recycling Program (EA).....	1,177	1,236	1,264
County Planning Grants (EA).....	2,000	2,000	2,000
Municipal Recycling Grants (EA).....	19,600	23,000	23,000
Municipal Recycling Performance Program (EA).....	19,000	19,500	19,500
Public Education/Technical Assistance (EA).....	3,839	4,350	4,800
RECYCLING FUND TOTAL.....	\$ 47,626	\$ 52,136	\$ 52,614
REMINING FINANCIAL ASSURANCE FUND:			
Remining Financial Assurance (EA).....	\$ 100	\$ 196	\$ 200

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2016-17	2017-18	2018-19
	ACTUAL	AVAILABLE	BUDGET
STORAGE TANK FUND:			
General Operations (EA)	\$ 5,748	\$ 4,886	\$ 2,754
(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.....	2,954	7,000	7,000
STORAGE TANK FUND TOTAL.....	\$ 13,442	\$ 16,626	\$ 14,494
SURFACE MINING CONSERVATION & RECLAMATION FUND:			
General Operations (EA)	\$ 6,445	\$ 5,882	\$ 6,830
UNCONVENTIONAL GAS WELL FUND:			
Transfer to Well Plugging Account.....	\$ 6,000	\$ 6,000	\$ 6,000
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:			
Environmental Cleanup Program (EA).....	\$ 5,296	\$ 5,296	\$ 5,296
Pollution Prevention Program (EA).....	350	100	100
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....	\$ 5,646	\$ 5,396	\$ 5,396
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 150,846	\$ 148,801	\$ 157,058
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	218,228	217,881	219,625
AUGMENTATIONS.....	33,319	38,829	36,610
RESTRICTED.....	623	1,755	1,689
OTHER FUNDS.....	295,763	314,627	309,965
TOTAL ALL FUNDS.....	\$ 698,779	\$ 721,893	\$ 724,947

^a Reflects recommended appropriation reduction of \$85,000.

^b Reflects recommended appropriation reduction of \$275,000.

^c Reflects recommended appropriation reduction of \$913,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
ENVIRONMENTAL SUPPORT SERVICES							
GENERAL FUND.....	\$ 16,421	\$ 15,663	\$ 16,859	\$ 16,901	\$ 16,901	\$ 16,901	\$ 16,901
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	9,149	12,664	10,105	10,105	10,105	10,105	10,105
SUBCATEGORY TOTAL.....	\$ 25,570	\$ 28,327	\$ 26,964	\$ 27,006	\$ 27,006	\$ 27,006	\$ 27,006
ENVIRONMENTAL PROTECTION AND MANAGEMENT							
GENERAL FUND.....	\$ 134,425	\$ 133,138	\$ 140,199	\$ 141,283	\$ 141,283	\$ 140,798	\$ 140,798
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	218,228	217,881	219,625	219,625	217,125	217,125	217,125
OTHER FUNDS.....	320,556	342,547	338,159	341,851	346,619	347,832	349,739
SUBCATEGORY TOTAL.....	\$ 673,209	\$ 693,566	\$ 697,983	\$ 702,759	\$ 705,027	\$ 705,755	\$ 707,662
ALL PROGRAMS:							
GENERAL FUND.....	\$ 150,846	\$ 148,801	\$ 157,058	\$ 158,184	\$ 158,184	\$ 157,699	\$ 157,699
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	218,228	217,881	219,625	219,625	217,125	217,125	217,125
OTHER FUNDS.....	329,705	355,211	348,264	351,956	356,724	357,937	359,844
DEPARTMENT TOTAL.....	\$ 698,779	\$ 721,893	\$ 724,947	\$ 729,765	\$ 732,033	\$ 732,761	\$ 734,668

Program: Environmental Support Services

Goal: To provide administrative and technical support for the commonwealth's environmental protection programs.

This program provides for the administrative and technical systems that direct and support the Department of Environmental Protection's (DEP) 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.

Beginning in 2015, DEP embarked on an agency-wide modernization effort to better align the agency's business objectives with its technological capabilities. Key focuses of technology modernization have been the creation of mobile technologies for field inspections and an electronic permitting application for the regulated community. In addition, the agency will create much greater efficiencies through the implementation of an electronic

content management system for the storage and retrieval of agency data. By focusing on new technologies, DEP is moving away from outdated paper-based processes toward efficient modern business solutions.

DEP's modernization efforts involving new technology and business process improvements are tracked and reported to the Governor's Office of Transformation, Innovation, Management and Efficiency (GO-TIME).

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

Program Recommendations:

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

	General Government Operations		Environmental Hearing Board
\$ 1,044	—to continue current program.	\$ 127	—to continue current program.
-100	—Initiative-cost savings from GO-TIME projects.		
125	—Initiative-to provide high-quality, responsive oversight and improve customer service.		
\$ 1,069	<i>Appropriation Increase</i>		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
General Government Operations	\$ 13,931	\$ 13,309	\$ 14,378	\$ 14,420	\$ 14,420	\$ 14,420	\$ 14,420
Environmental Hearing Board	2,490	2,354	2,481	2,481	2,481	2,481	2,481
TOTAL GENERAL FUND	\$ 16,421	\$ 15,663	\$ 16,859	\$ 16,901	\$ 16,901	\$ 16,901	\$ 16,901

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.

Environmental Protection and Management

This program focuses on achieving the agency's mission to protect Pennsylvania's air, land and water from pollution and to provide for the health and safety of its citizens. These activities encompass major program elements including clean water, clean air, land protection, healthy communities and sustainable energy.

Permitting and inspection functions are fundamental to most of the department's programs and regulatory oversight. The permit approval process occurs prior to an industrial activity (or during modification), and inspections occur as specified in regulations throughout the life of the permitted activity. Both permits and inspections cover almost every industry and are often a requirement to maintain primacy of certain federal programs, such as Safe Drinking Water, Air Quality, and Mining.

Enforcing Clean Water Standards

DEP regulates nearly 9,000 public water systems serving 10.7 million Pennsylvanians. DEP also provides consultative services for the 700,000 private residential water supplies in Pennsylvania. DEP carries out its duties and responsibilities through various programs and activities related to permitting, monitoring, compliance, enforcement and technical assistance. DEP 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.

DEP is responsible for monitoring and assessing Pennsylvania's 86,000 miles of streams and rivers as well as more than 109,000 acres of publicly owned lakes. DEP protects natural aquatic systems for public use 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 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. DEP also inspects non-permitted entities and responds to spills and complaints where waters may be affected.

The department also develops, implements and evaluates statewide policy and program activities to promote interagency and interstate cooperation on a wide range of shared water resource issues.

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 Department of Agriculture and the Department of Conservation and Natural Resources, the departments identified six recommendations and twelve action items to accelerate the commonwealth's progress in achieving the nutrient and sediment reduction goals necessary to restore the Chesapeake Bay. Implementation of these action items is now underway. DEP 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 the nutrient and sediment reduction goals. DEP will have the lead in developing a revised Watershed Implementation Plan in response to the results of this midpoint assessment.

DEP provides support to County Conservation Districts, which support the conservation and restoration of the commonwealth's water resources. The department also maintains and updates the State Water Plan, including assessing existing and projected water resource demands within the commonwealth and coordinating plans and policies with local, state and federal agencies. DEP is responsible for monitoring, reporting and management activities during various stages of drought.

Enforcing Clean Air Standards

Emissions of air contaminants are closely monitored and controlled by DEP 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.

Managing Land Protection Activities

DEP encourages waste reduction, promotes recycling and reuse of waste products, and protects the public by providing for safe transportation, processing and disposal of municipal waste, residual waste and hazardous waste. DEP also protects land resources by regulating above-ground and underground tanks that store petroleum and other hazardous substances.

DEP oversees the Land Recycling Program, to encourage cleanup of contaminated, vacant or otherwise underutilized properties and return them to productive use.

Program: Environmental Protection and Management (continued)

Restoring and enhancing the quality of watersheds 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 storm water systems and agricultural operations are reducing nitrogen, phosphorous and sediment discharges into local waterways.

Ensuring Safe and Healthy Communities

To protect residents from exposure to potentially dangerous levels of radiation, DEP performs a range of licensing and inspection activities, such as registering radiation-producing equipment, licensing users of radioactive materials and inspecting facilities to ensure compliance. DEP also inspects mammography x-ray facilities under a contract with the U.S. Food and Drug Administration to enhance the quality of mammograms and increase the likelihood of early detection of breast cancer. DEP certifies all radon testers, mitigators and laboratories operating in the commonwealth.

To reduce the threat of West Nile Virus, DEP provides surveillance and control in cooperation with the departments of Health and Human Services and Agriculture. DEP also monitors mosquito populations, enacts control measures for the mosquitoes that may carry the virus, and examines unknown vectors and reservoirs involved in the transmission of the virus.

DEP's emergency response personnel are available whenever there is an immediate threat to public health, safety, or the environment. Each year, DEP staff respond to thousands of environmental incidents. While DEP's major focus is the 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 stabilization works. Large-scale flood protection projects are generally designed to protect communities from damages from a 100-year, 24-hour flood event.

DEP regulates mining with a goal to minimize impacts to the environment while providing a climate that encourages economic growth, as well as a safe and healthy work environment for miners.

DEP oversees the permitting, inspection and compliance of conventional and unconventional oil and gas wells and the construction of pipelines in Pennsylvania. It also responds to complaints from the public regarding water supplies that might be affected by oil and gas operations. In addition, the department oversees the plugging of wells that no longer serve their intended purpose.

Promoting Sustainable Energy

DEP's energy office undertakes activities to plan, track, implement and promote energy efficiency, such as advocating for the use of energy-efficient building codes and energy management systems, renewable energy and alternative fuels. The office is also involved with energy assurance and security, fuel resource and energy financial market issues. The office has several programs to promote clean, renewable energy, which is vital to economic growth, environmental protection and electrical grid resiliency in Pennsylvania.

Energy office staff assist, educate and encourage Pennsylvanians to advance conservation and efficient use of diverse energy resources to provide a healthier environment and greater energy security for our future generations. The office also collects and provides useful energy data to interested parties. Staff are currently working on a 2018 Comprehensive Energy Assessment, including energy production, consumption, and resource potential, that will coincide with DEP's 2018 Climate Action Plan Update. The goal of the assessment is to assist DEP and stakeholders in understanding the current, future, and potential energy landscapes in Pennsylvania and to identify priority, forward-looking opportunities for greenhouse gas reductions associated with clean energy policy implementation and changing energy trends.

Program Recommendations:

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

	GENERAL FUND				Environmental Protection Operations
	Environmental Program Management		\$	3,105	—to continue current program.
\$	240	—to continue current program.		485	—Initiative—statewide radio upgrade.
	1,279	—Initiative—to provide high-quality, responsive oversight and improve customer service.		1,096	—Initiative—to provide high-quality, responsive oversight and improve customer service.
	<hr/>			<hr/>	
\$	1,519	<i>Appropriation Increase</i>	\$	4,686	<i>Appropriation Increase</i>
	 Chesapeake Bay Agricultural Source Abatement				 West Nile Virus and Zika Virus Control
\$	135	—to continue current program.	\$	139	—to continue current program.

Environmental Protection

Program: Environmental Protection and Management (continued)

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

\$ 38	Delaware River Master —to continue current program.	\$ 217	Delaware River Basin Commission —to continue current program.
\$ 236	Susquehanna River Basin Commission —to continue current program.	\$ 68	Ohio River Valley Water Sanitation Commission —to continue current program.
\$ 23	Interstate Commission on the Potomac River —to continue current program.		

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Environmental Program Management.....	\$ 30,025	\$ 29,413	\$ 30,932	\$ 31,358	\$ 31,358	\$ 31,358	\$ 31,358
Chesapeake Bay Agricultural Source							
Abatement.....	2,645	2,535	2,670	2,670	2,670	2,670	2,670
Environmental Protection Operations.....	89,066	89,215	93,901	94,559	94,559	94,074	94,074
Black Fly Control and Research.....	3,334	3,357	3,357	3,357	3,357	3,357	3,357
West Nile Virus and Zika Virus Control.....	5,379	5,239	5,378	5,378	5,378	5,378	5,378
Delaware River Master.....	76	38	76	76	76	76	76
Susquehanna River Basin Commission	473	237	473	473	473	473	473
Interstate Commission on the							
Potomac River	46	23	46	46	46	46	46
Delaware River Basin Commission	434	217	434	434	434	434	434
Ohio River Valley Water Sanitation							
Commission	136	68	136	136	136	136	136
Chesapeake Bay Commission	275	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	15	15	15	15	15	15
TOTAL GENERAL FUND	\$ 134,425	\$ 133,138	\$ 140,199	\$ 141,283	\$ 141,283	\$ 140,798	\$ 140,798

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

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)	N/A	6.12	9.12	7.15	10.30	7.25	7.30
Tons of municipal solid waste disposed per capita	0.67	0.67	0.67	0.68	0.68	0.67	0.67

Protection of Air Quality

Percentage of population in counties monitoring below the 2015 Ambient Ozone Standard	N/A	N/A	N/A	60%	64%	69%	69%
Percentage of population in counties monitoring below the 2006 Ambient PM-2.5 (Fine Particles) 24-hr. Standard	N/A	N/A	85%	100%	90%	100%	100%
Percentage of population in counties monitoring below the 2012 Ambient PM-2.5 (Fine Particles) Annual Standard	58%	81%	85%	90%	86%	80%	88%

Protection of Water Quality

Miles of impaired streams restored to attaining their designated use	232	101	N/A	319	N/A	50	N/A
Acres of impaired lakes restored to attaining their designated use	12,251	194	N/A	8,536	N/A	1,000	N/A
Acres of existing stream buffers protected	126	47	128	92	207	1,000	1,000
Acres of stream buffers installed	891	753	1,862	499	1,311	1,500	1,500

Restoration of Land

Site cleanups completed under the Environmental Cleanup and Brownfields Voluntary Cleanup program	315	360	389	355	346	350	350
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Objective: Restore Pennsylvania lands impacted by legacy environmental issues.

Protection of Water Quality

Total number of treatment systems treating acid mine drainage	326	336	338	340	342	348	360
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Restoration of Land

Response actions to hazardous substances completed	133	178	173	132	133	100	100
Percentage of storage tank releases cleaned up	85%	86.78%	88.50%	89.36%	89.75%	90%	90%
Number of acres reclaimed through the Government Financed Construction Contract program	93	213	90	105	72	90	90
Cumulative acres of abandoned mineland (AML) reclaimed since inception of AML program in 1977	28,852	29,571	30,180	31,193	31,944	32,544	33,144

Program Measures

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
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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%	91%	91%	92%	95%
Percentage of public water systems with no reported cases of waterborne disease outbreaks	100%	100%	100%	100%	99.94%	100%	100%
Number of sanitary survey inspections conducted at public water systems	2,310	2,181	2,415	1,847	1,720	2,000	2,000
Number of water samples tested for private well owners	2,269	2,137	2,458	2,091	3,000	3,000	3,000

Nuisance and Vector Control

Acres treated for black fly control	514,867	368,576	531,846	334,136	408,410	350,000	350,000
Acres treated for West Nile virus control	73,663	50,895	66,238	56,992	55,102	50,000	50,000

Mine Safety

Mine subsidence insurance policies - new	N/A	4,719	2,832	3,221	5,681	3,000	3,000
Mine subsidence insurance policies issued	56,628	58,550	58,011	58,137	60,604	61,500	62,500
Lost-time accidents per 200,000 employee hours of exposure	2	2.45	2.24	2.47	2.63	2.50	2.50

Radiation Protection

Buildings with radon mitigated by certified installers (both residential and commercial)	10,837	10,631	11,518	12,119	11,938	12,400	12,800
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Objective: Reduce risks to communities posed by dams and stream flooding.

Dam Safety

Dam Emergency Action Plan compliance rate	92%	92%	92%	93%	94%	95%	96%
Percentage of deficient high-hazard dams	67%	68%	66.70%	65.90%	63.20%	63%	62%
Population at risk downstream of deficient high-hazard dams	1,429,000	1,463,000	1,465,963	1,469,000	1,357,100	1,300,000	1,200,000
Percentage of high-hazard dams classified as safe	86%	87%	87.50%	88%	90%	92%	94%

Objective: Improve environmental health and safety through permitting, inspections and enforcement.

Department-wide Totals

Number of permit applications received	N/A	33,771	31,299	30,975	29,982	30,482	31,082
Number of permits issued department-wide	33,315	31,823	29,389	27,361	27,990	28,490	28,990
Percentage of permits processed on time (Permit Decision Guarantee)	97%	90.20%	88%	85.37%	81.29%	87%	90%
Number of inspections	N/A	93,846	94,618	103,196	96,796	97,046	97,296

Program Measures

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Number of violations	N/A	23,659	24,129	27,794	24,711	16,320	16,320
Percentage of violations resolved	96%	99%	96%	96.10%	90.81%	95%	95%
Percentage of sites in full compliance with environmental regulations	80%	79.56%	81%	82%	81.39%	85%	90%
Storage Tanks							
Number of underground storage tank (UST) inspections	N/A	N/A	4,356	4,499	3,839	4,000	4,000
UST significant operational compliance rate	N/A	N/A	74.80%	75.90%	68.70%	70.50%	71%
Number of aboveground storage tank (AST) inspections	N/A	N/A	1,395	1,252	1,351	1,300	1,300
AST significant operational compliance rate	N/A	N/A	63.80%	59.70%	55.60%	58%	58.50%
Protection of Water Quality							
Number of wastewater facility inspections	5,754	7,185	6,042	5,705	6,758	6,000	6,000
Percentage of wastewater inspections with no recorded violations	78%	74%	73%	75%	61%	70%	70%
Percentage of wastewater violations remedied	74%	74%	63%	75%	72%	70%	70%
Oil and Gas Management							
Number of oil and gas drilling permits processed	4,332	4,786	3,604	1,916	1,666	1,700	1,750
Mine Safety							
Number of mining permits issued	N/A	1,178	659	617	649	650	650
Number of surface mine inspections	N/A	23,292	23,079	22,349	21,888	22,000	22,000
Number of deep mine safety inspections	N/A	1,147	1,149	1,468	1,292	1,300	1,300
Number of violations at deep mine sites, prep plants and refuse sites	N/A	1,742	1,614	1,385	1,689	1,600	1,600
Number of notices of violation (NOVs) issued at surface mine sites	N/A	731	687	686	601	620	620
Number of violations cited in NOVs issued at surface mine sites	N/A	951	821	867	768	780	780
Safe Waste Management							
Number of waste inspections	N/A	6,351	6,042	6,221	6,250	6,000	6,000
Number of waste violations	N/A	4,005	3,859	3,983	3,268	4,000	4,000
Percentage of waste violations resolved	N/A	90%	86%	83%	111%	90%	90%
Protection of Air Quality							
Number of air quality authorizations issued (operating permits and air plan approvals)	N/A	714	695	718	734	754	774
Percentage of inspected facilities in full compliance with air quality regulations	N/A	81.73%	81%	90%	89%	91%	92%



ETHICS COMMISSION

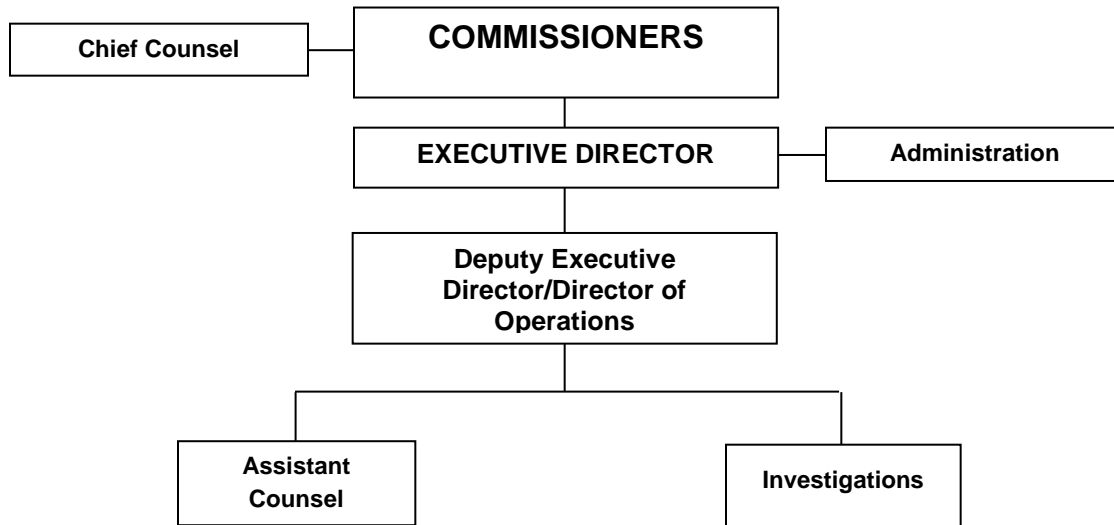
The mission of the State Ethics Commission is to promote public confidence in state and local government through its enforcement of the Ethics Act and related legislation.

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 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 would be subject to various prohibitions of the Medical Marijuana Act.

Reported Complement

(Independent Agency – Complement Not Under the Governor’s Jurisdiction/Control)

2012-2013 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
27	27	27	27	27	27	27

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

2016-17 2017-18 2018-19
ACTUAL AVAILABLE BUDGET

GENERAL FUND:

General Government:

State Ethics Commission.....	\$	2,433	\$	2,645	\$	2,667
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Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
ETHICS COMMISSION							
GENERAL FUND.....	\$ 2,433	\$ 2,645	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 2,433	\$ 2,645	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667
ALL PROGRAMS:							
GENERAL FUND.....	\$ 2,433	\$ 2,645	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 2,433	\$ 2,645	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667

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. The commission is charged with the responsibility of enforcing the Public Official and Employee Ethics Act, which applies to public officials, public employees as well as 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 adjudications 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 and 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, and issuing determinations as to whether a particular individual would be subject to various prohibitions under the act.

On April 17, 2016, Act 16 of 2016, the Medical Marijuana Act, was signed into law. The commission was charged with additional responsibilities which include biennially publishing a list of officials and positions subject to provisions of the Medical Marijuana Act and issuing determinations as to whether a particular individual would be subject to various restrictions under the act.

Program Recommendations:

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

\$ 22 **State Ethics Commission**
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
State Ethics Commission.....	\$ 2,433	\$ 2,645	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667

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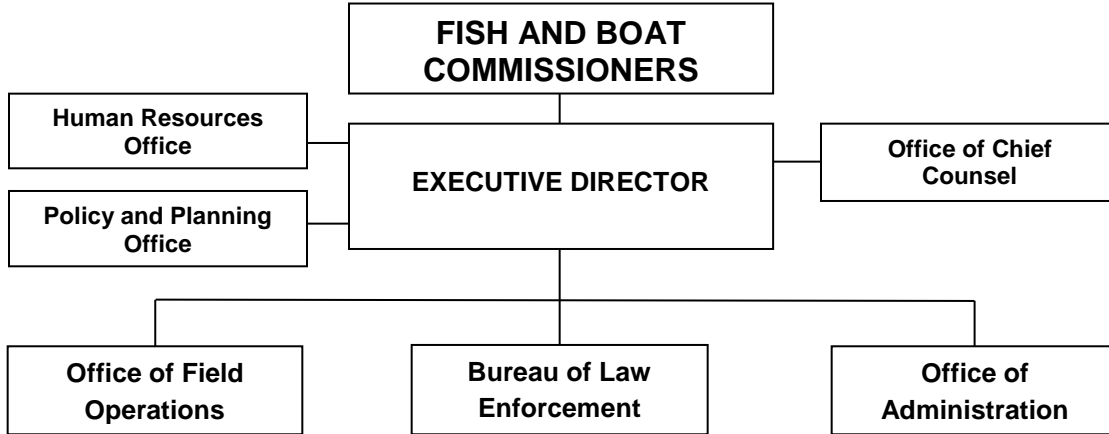
FISH AND BOAT COMMISSION

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

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
432	432	432	432	381	381	381

Fish and Boat Commission

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2016-17	2017-18	2018-19
	ACTUAL	AVAILABLE	BUDGET
OTHER FUNDS:			
BOAT FUND:			
General Operations (EA).....	\$ 12,540	\$ 12,540	\$ 12,540
(F)Miscellaneous Boat Grants (EA).....	7,681	6,127	3,384
(R)Improvement of Hazardous Dams.....	2,899	8,730	8,730
BOAT FUND TOTAL.....	\$ 23,120	\$ 27,397	\$ 24,654
FISH FUND:			
General Operations (EA).....	\$ 34,024	\$ 35,244	\$ 35,244
(F)Miscellaneous Fish Grants (EA).....	9,017	9,372	7,466
(A)Reimbursement for H2O PA Act.....	0	11,000	11,000
FISH FUND TOTAL.....	\$ 43,041	\$ 55,616	\$ 53,710
STATE GAMING FUND:			
Payments in Lieu of Taxes (EA).....	\$ 40	\$ 40	\$ 40
UNCONVENTIONAL GAS WELL FUND:			
Gas Well Fee Administration.....	\$ 1,000	\$ 1,000	\$ 1,000
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	0	0	0
AUGMENTATIONS.....	0	0	0
OTHER FUNDS.....	67,201	84,053	79,404
TOTAL ALL FUNDS.....	\$ 67,201	\$ 84,053	\$ 79,404

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
RECREATIONAL FISHING AND BOATING							
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.....	67,201	84,053	79,404	79,404	79,404	79,404	79,404
SUBCATEGORY TOTAL.....	\$ 67,201	\$ 84,053	\$ 79,404	\$ 79,404	\$ 79,404	\$ 79,404	\$ 79,404
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	67,201	84,053	79,404	79,404	79,404	79,404	79,404
DEPARTMENT TOTAL.....	\$ 67,201	\$ 84,053	\$ 79,404	\$ 79,404	\$ 79,404	\$ 79,404	\$ 79,404

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 and 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)

All executive authorizations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
BOAT FUND:							
General Operations (EA).....	\$ 12,540	\$ 12,540	\$ 12,540	\$ 12,540	\$ 12,540	\$ 12,540	\$ 12,540
FISH FUND:							
General Operations (EA).....	\$ 34,024	\$ 35,244	\$ 35,244	\$ 35,244	\$ 35,244	\$ 35,244	\$ 35,244

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

Program: Recreational Fishing and Boating

Objective: Protect, conserve and enhance aquatic resources and habitats.

Number of previously unassessed streams surveyed for naturally reproducing trout	N/A	1,060	1,060	892	977	900	900
Number of small dam removals	N/A	16	22	9	15	12	12
Number of lake habitat improvement plans implemented	N/A	36	34	27	31	30	30
Linear feet of public access secured through fishing, boating and conservation easements	N/A	13,165	6,295	5,960	5,960	5,960	5,960

Objective: Engage in targeted education and outreach activities that address the five key elements of fishing and boating participation.

Number of schools receiving trout eggs through the Trout in the Classroom program	225	247	260	283	345	362	380
Number of individuals reached through fishing education programs (including Family Fishing Programs, SMART Angler clinics, etc.)	N/A	4,449	5,085	11,000	11,500	12,075	12,679
Number of Mentored Youth Permits and Voluntary Youth Fishing Licenses issued	N/A	4,240	28,118	28,118	25,621	25,621	25,621
Number of students reached through the Trout in the Classroom coldwater conservation program	N/A	28,208	29,863	35,639	35,000	36,750	38,588
Number of fishing licenses sold	852,944	859,863	841,419	885,061	879,245	879,245	879,245

Objective: Conduct outreach and informational efforts designed to reduce boating-related casualties.

Actively registered boats	332,000	329,841	322,454	318,724	318,936	318,936	318,936
Number of boating under the influence (BUI) citations issued by Waterways Conservation Officers	N/A	88	91	58	85	75	75
Number of boating safety education certificates issued	N/A	14,027	13,355	15,192	15,146	15,346	15,546

Objective: Optimize agency efficiency through continuation of investments in information technology, employee training and development, and infrastructure planning and implementation.

Number of website visits	N/A	3,465,829	3,699,485	3,774,747	2,333,685	2,333,685	2,333,685
Number of FishBoatPA mobile app users	N/A	N/A	23,922	53,171	82,999	95,000	105,000



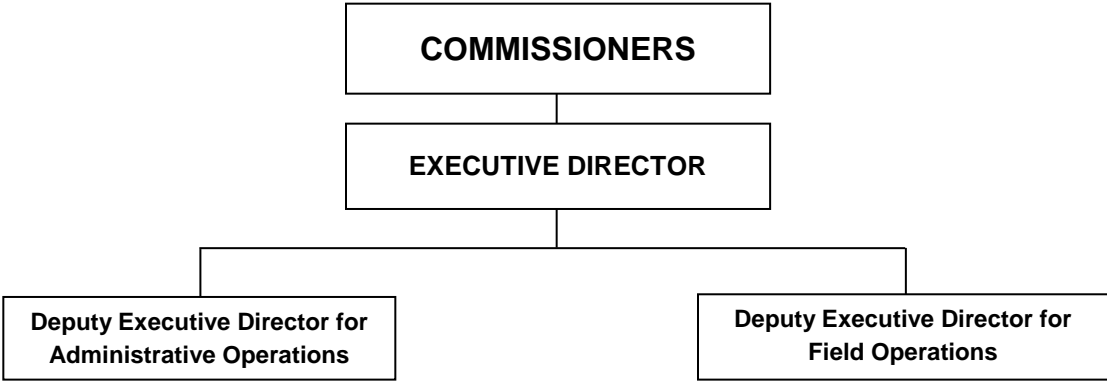
GAME COMMISSION

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

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
708	708	714	714	686	686	686

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
OTHER FUNDS:			
GAME FUND:			
General Operations (EA).....	\$ 70,728	\$ 75,583	\$ 88,018
Land Acquisition and Development (EA).....	0	0	100
(F)Pittman-Robertson Act (EA).....	25,000	25,000	25,000
(F)Miscellaneous Wildlife Grants (EA).....	3,185	2,965	4,481
(R)Natural Propagation of Wildlife (EA).....	7,500	7,500	7,500
GAME FUND TOTAL.....	\$ 106,413	\$ 111,048	\$ 125,099
STATE GAMING FUND:			
Payments in Lieu of Taxes (EA).....	\$ 3,686	\$ 3,686	\$ 3,686
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	0	0	0
AUGMENTATIONS.....	0	0	0
OTHER FUNDS.....	110,099	114,734	128,785
TOTAL ALL FUNDS.....	\$ 110,099	\$ 114,734	\$ 128,785

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
WILDLIFE MANAGEMENT							
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.....	110,099	114,734	128,785	128,785	128,785	128,785	128,785
SUBCATEGORY TOTAL.....	\$ 110,099	\$ 114,734	\$ 128,785	\$ 128,785	\$ 128,785	\$ 128,785	\$ 128,785
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	110,099	114,734	128,785	128,785	128,785	128,785	128,785
DEPARTMENT TOTAL.....	\$ 110,099	\$ 114,734	\$ 128,785	\$ 128,785	\$ 128,785	\$ 128,785	\$ 128,785

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. State Game Wardens 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, northern flying squirrel and peregrine falcons.

Program Recommendations:

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

		GAME FUND
		General Operations (EA)
\$	12,435	—to continue current program.
		Land Acquisition and Development (EA)
\$	100	—for land acquisition.

In addition, \$7,500,000 for Natural Propagation of Wildlife is provided for habitat improvement.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GAME FUND:							
General Operations (EA).....	\$ 70,728	\$ 75,583	\$ 88,018	\$ 88,018	\$ 88,018	\$ 88,018	\$ 88,018
Land Acquisition and Development (EA)...	0	0	100	100	100	100	100
TOTAL GAME FUND.....	\$ 70,728	\$ 75,583	\$ 88,118	\$ 88,118	\$ 88,118	\$ 88,118	\$ 88,118

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

Program: Wildlife Management

Objective: Ensure the propagation and preservation of wildlife through land and game management.

Number of hunting licenses sold	925,000	952,989	943,836	935,767	914,244	886,817	860,212
Arrests for violation of game laws	6,758	7,045	7,763	7,577	6,775	6,775	6,775



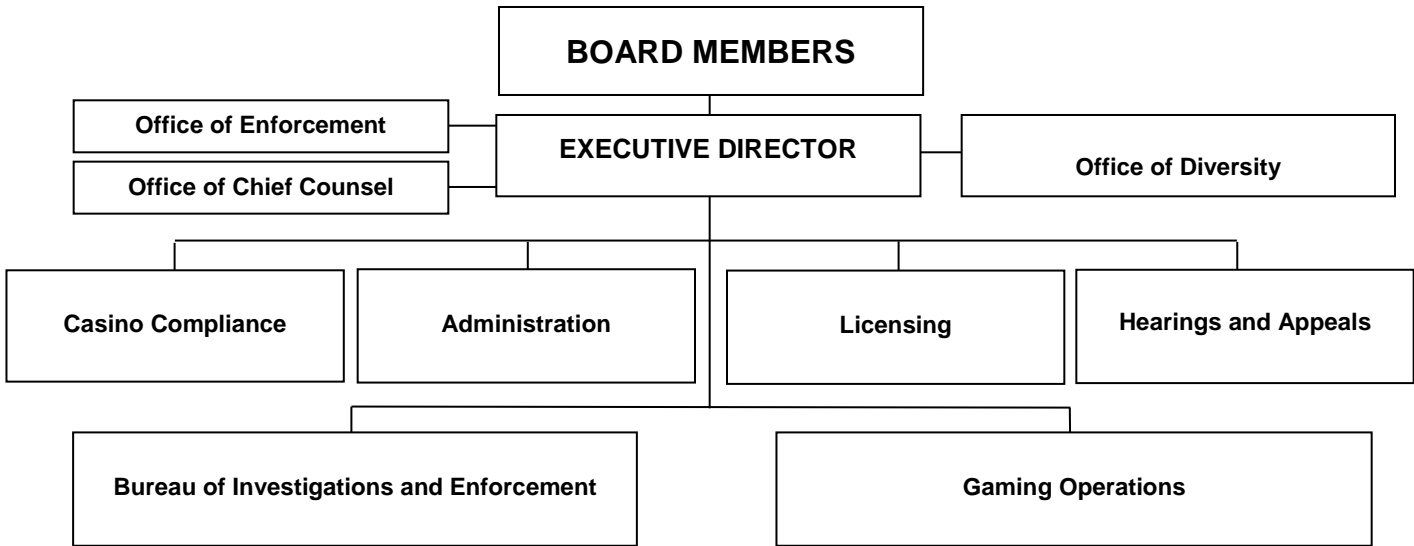
GAMING CONTROL BOARD

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 in addition to 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)

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19* Budget
311	313	309	293	290	298	368

*Reflects the expansion of gaming due to Act 42 of 2017.

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
OTHER FUNDS:			
STATE GAMING FUND:			
(R)Administration.....	\$ 34,414	\$ 35,910	\$ 41,653
(R)General Operations.....	5,755	5,755	4,500
(R)Tavern Games - Investigations.....	8	10	10
Local Law Enforcement Grants (EA).....	2,000	0	0
Transfer to Casino Marketing and Capital Development (EA).....	0	2,000	2,000
STATE GAMING FUND TOTAL.....	\$ 42,177	\$ 43,675	\$ 48,163
VIDEO GAMING FUND:			
(R)Video Gaming Administration.....	\$ 0	\$ 0	\$ 2,000
FANTASY CONTEST FUND:			
(R)Fantasy Contest Administration.....	\$ 0	\$ 0	\$ 400
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	0	0	0
AUGMENTATIONS.....	0	0	0
OTHER FUNDS.....	42,177	43,675	50,563
TOTAL ALL FUNDS.....	\$ 42,177	\$ 43,675	\$ 50,563

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GAMING REGULATION							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	42,177	43,675	50,563	51,813	51,813	51,813	51,813
SUBCATEGORY TOTAL.....	\$ 42,177	\$ 43,675	\$ 50,563	\$ 51,813	\$ 51,813	\$ 51,813	\$ 51,813
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	42,177	43,675	50,563	51,813	51,813	51,813	51,813
DEPARTMENT TOTAL.....	\$ 42,177	\$ 43,675	\$ 50,563	\$ 51,813	\$ 51,813	\$ 51,813	\$ 51,813

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 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 9,000 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.

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.

In addition, the Gaming Control Board is tasked with regulatory authority of up to ten satellite casinos, fantasy contests, video gaming terminals at truck stops and interactive gaming pursuant to the enactment of Act 42 of 2017.

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)

This budget recommends a total of \$46,153,000 from restricted accounts in the State Gaming Fund for the operation of the Gaming Control Board in the 2018-19 fiscal year.

Act 42 of 2017 redirects \$2,000,000 from Local Law Enforcement Grants to the Casino Marketing and Capital Development account.

In addition, this budget recommends \$2,000,000 from the Video Gaming Fund and \$400,000 from the Fantasy Contest Fund for administration.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
STATE GAMING FUND:							
(R)Administration.....	\$ 34,414	\$ 35,910	\$ 41,653	\$ 42,903	\$ 42,903	\$ 42,903	\$ 42,903
(R)General Operations.....	5,755	5,755	4,500	4,500	4,500	4,500	4,500
(R)Tavern Games - Investigations.....	8	10	10	10	10	10	10
Local Law Enforcement Grants (EA).....	2,000	0	0	0	0	0	0
Transfer to Casino Marketing and Capital Development (EA).....	0	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL STATE GAMING FUND.....	\$ 42,177	\$ 43,675	\$ 48,163	\$ 49,413	\$ 49,413	\$ 49,413	\$ 49,413

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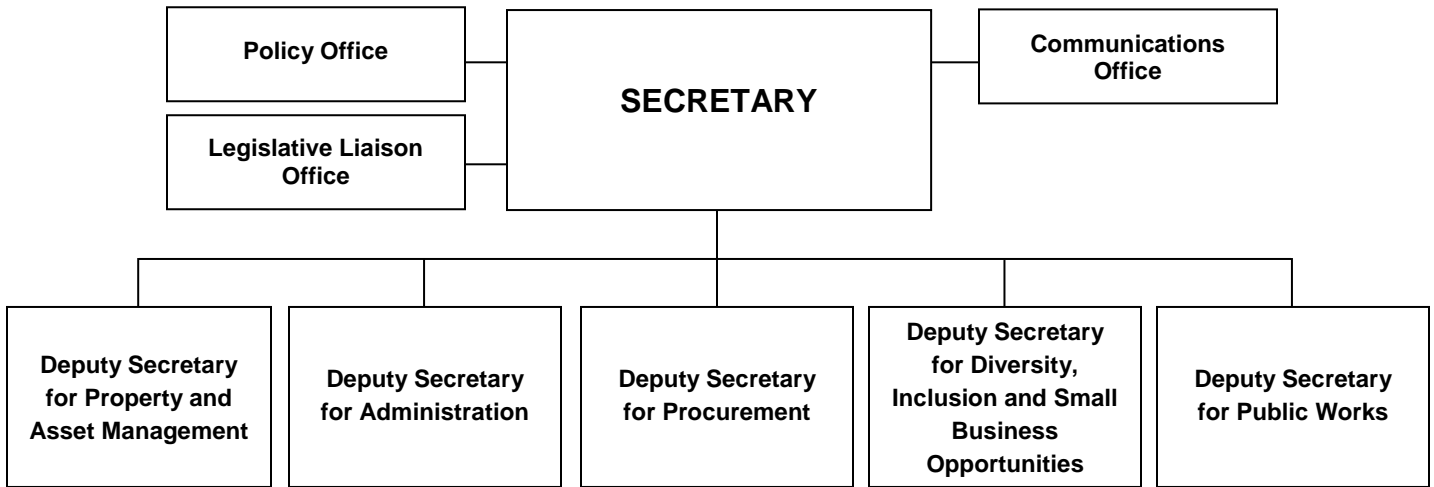
DEPARTMENT OF GENERAL SERVICES

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 Commonwealth Media Services, Publications, Risk and Insurance Management, Financial and Management Services and for the coordination of human resources and information technology with the Office of Administration.
- **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 and managing the Bureau for Diversity, Inclusion and Small Business Opportunities.
- **Deputy Secretary for Public Works** is responsible for the bureaus of Capital Project Pre-Construction and Capital Project Construction.

Authorized Complement

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
999	1,003	954	956	956	884	884

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 53,503	\$ 51,087^a	\$ 52,718
(A)Federal Surplus Property.....	1,708	1,750	1,527
(A)State Surplus Property.....	893	465	637
(A)State Construction Notices.....	0	75	75
(A)State Buildings Use.....	242	115	218
(A)Employee Liability Self Insurance Program.....	421	434	385
(A)Newsroom Services.....	5	5	5
(A)Administrative Services.....	98	87	88
(A)Media Center Reimbursements.....	845	300	300
(A)Recycling Program.....	649	410	450
(A)Metrology Fees.....	264	246	272
(A)CoStar Program.....	2,080	1,896	2,083
(A)Centralized Procurement.....	11,689	10,356	10,438
(A)Energy Office Management Fees.....	144	0	0
(A)DGS Annex.....	416	408	412
(A)E-Verify.....	30	5	15
(A)Real Estate Services.....	712	819	781
(A)Public Works Modernization.....	12,858	15,532	15,850
Subtotal.....	<u>\$ 86,557</u>	<u>\$ 83,990</u>	<u>\$ 86,254</u>
Capitol Police Operations.....	12,381	11,959^b	13,947
(A)Capitol Police Services.....	536	509	729
Subtotal.....	<u>\$ 12,917</u>	<u>\$ 12,468</u>	<u>\$ 14,676</u>
Rental and Municipal Charges.....	24,539	25,024	25,024
(A)Agency Rental Charges.....	4,269	4,093	4,121
(A)Real Estate Lease Reimbursements.....	26,225	23,666	23,888
Subtotal.....	<u>\$ 55,033</u>	<u>\$ 52,783</u>	<u>\$ 53,033</u>
Utility Costs.....	22,640	22,447	22,676
(A)DGS Annex.....	220	209	219
Subtotal.....	<u>\$ 22,860</u>	<u>\$ 22,656</u>	<u>\$ 22,895</u>
Excess Insurance Coverage.....	1,327	1,327	1,259
Subtotal - State Funds.....	\$ 114,390	\$ 111,844	\$ 115,624
Subtotal - Augmentations.....	64,304	61,380	62,493
Total - General Government.....	<u>\$ 178,694</u>	<u>\$ 173,224</u>	<u>\$ 178,117</u>
Grants and Subsidies:			
Capitol Fire Protection.....	\$ 5,000	\$ 5,000	\$ 5,000
STATE FUNDS.....	\$ 119,390	\$ 116,844	\$ 120,624
AUGMENTATIONS.....	64,304	61,380	62,493
GENERAL FUND TOTAL.....	<u>\$ 183,694</u>	<u>\$ 178,224</u>	<u>\$ 183,117</u>
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Harristown Rental Charges (EA).....	\$ 111	\$ 112	\$ 136
Harristown Utility and Municipal Charges (EA).....	195	188	251
Total - General Government.....	<u>\$ 306</u>	<u>\$ 300</u>	<u>\$ 387</u>
Grants and Subsidies:			
Tort Claims Payments.....	\$ 10,000	\$ 9,000	\$ 9,000
MOTOR LICENSE FUND TOTAL.....	<u>\$ 10,306</u>	<u>\$ 9,300</u>	<u>\$ 9,387</u>

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
OTHER FUNDS:			
GENERAL FUND:			
Temporary Fleet Vehicles.....	\$ 2	\$ 1,500	\$ 1,500
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 119,390	\$ 116,844	\$ 120,624
SPECIAL FUNDS.....	10,306	9,300	9,387
FEDERAL FUNDS.....	0	0	0
AUGMENTATIONS.....	64,304	61,380	62,493
OTHER FUNDS.....	2	1,500	1,500
TOTAL ALL FUNDS.....	\$ 194,002	\$ 189,024	\$ 194,004

^a Reflects recommended appropriation reduction of \$502,000.

^b Reflects recommended appropriation reduction of \$134,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
FACILITY, PROPERTY AND COMMODITY MANAGEMENT							
GENERAL FUND.....	\$ 119,390	\$ 116,844	\$ 120,624	\$ 130,400	\$ 130,400	\$ 130,400	\$ 130,400
SPECIAL FUNDS.....	10,306	9,300	9,387	9,387	9,387	9,387	9,387
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	64,306	62,880	63,993	63,993	63,993	63,993	63,993
SUBCATEGORY TOTAL.....	<u>\$ 194,002</u>	<u>\$ 189,024</u>	<u>\$ 194,004</u>	<u>\$ 203,780</u>	<u>\$ 203,780</u>	<u>\$ 203,780</u>	<u>\$ 203,780</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 119,390	\$ 116,844	\$ 120,624	\$ 130,400	\$ 130,400	\$ 130,400	\$ 130,400
SPECIAL FUNDS.....	10,306	9,300	9,387	9,387	9,387	9,387	9,387
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	64,306	62,880	63,993	63,993	63,993	63,993	63,993
DEPARTMENT TOTAL.....	<u>\$ 194,002</u>	<u>\$ 189,024</u>	<u>\$ 194,004</u>	<u>\$ 203,780</u>	<u>\$ 203,780</u>	<u>\$ 203,780</u>	<u>\$ 203,780</u>

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 printing operations. The department oversees the commonwealth's media services and small business and small diverse business programs.

Procurement

The Bureau of Procurement contracts for services, information technology, equipment and supplies for the commonwealth and establishes procurement policy for all state agencies. The bureau oversees the purchase of more than \$3.5 billion in goods and services each year, ranging from office supplies and vehicles to complex services. The bureau's purchasing methods are continuously reviewed to ensure the best use of taxpayer dollars. The department seeks to harness the aggregate purchasing power of commonwealth agencies as leverage to negotiate the best value on contracts. Negotiations are often conducted through online auctions to increase transparency and competitiveness.

In addition, the department administers the commonwealth's cooperative purchasing program known as COSTARS, serving as a conduit through which more than 8,600 registered and eligible local public procurement units (members) are able to use state contracts under the Commonwealth Procurement Code. In 2016-17, members purchased more than \$1 billion in goods and services from over 2,400 suppliers.

Public Works

Public Works manages the planning, design, bidding and construction of the commonwealth's \$1.2 billion portfolio of non-highway capital projects in a professional, transparent and efficient manner.

The department has implemented a complete modernization of Public Works, initiating the path toward becoming a world-class construction management organization providing safe, functional and appealing facilities. Public Works employees seek to maximize efficiency and monitor project performance in real-time to ensure projects stay on time and under budget.

Vehicles

The Bureau of Vehicle Management (BVM) is dedicated to providing quality, efficient transportation services to state agency customers. The bureau manages a fleet of nearly 10,000 passenger vehicles.

BVM approves all maintenance and repairs working with over 1,100 repair vendors and has reduced the overall fleet annual maintenance cost by over \$3 million since 2012. By implementing a new vehicle replacement model, the bureau has improved the commonwealth's return on investment by improving the average price of vehicles sold at auction from a low of \$1,859 in 2011, to over \$6,500 in 2016. Currently, BVM is implementing telematics in 5,500 passenger vehicles to better manage the fleet and reduce operating costs.

Capitol Police

The Pennsylvania Capitol Police is an accredited law enforcement agency with full arrest powers that investigates all reported crimes within its jurisdiction of state-owned properties and buildings in Harrisburg, Philadelphia and Scranton. The force maintains a 24 /7 presence in Harrisburg, and provides assistance to surrounding local law enforcement agencies.

The Capitol Police provide a variety of trainings 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 state and federal surplus property programs. The State Surplus Division sells property no longer used by commonwealth agencies, boards, and commissions to the general public through online auctions. This division also conducts private sales of Department of Transportation heavy equipment to municipalities. Revenue generated from the sale of state surplus property was more than \$6.1 million in 2016-17.

Federal surplus property is donated to state agencies, local municipalities, nonprofit organizations and law enforcement entities for a nominal service charge. During 2016-17, federal property originally valued at \$9 million was distributed to eligible organizations.

Publications

The Bureau of Publications provides a wide range of cost effective and timely print, design and mail services to agency customers across state government. Leveraging technology and private sector best practices, the bureau offers variable data print-to-mail and mail presort services. The bureau hosts the online storefront, PAPublisher, through which agency customers can order stationery, brochures, letterhead, and a variety of other personalized products efficiently and on demand, eliminating an agency's need to print and store large quantities of product.

Program: Facility, Property and Commodity Management (continued)

Other projects and services include annual reports, brochures, newsletters, logos, stationery, book covers, mass mailings, signage, engraving, and banner services. The bureau also produces The Pennsylvania Manual and the Governor's Executive Budget.

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 PLCB 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. Real Estate Services 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. Real Estate Acquisitions also administers all lease-outs, licenses and easements involving commonwealth property.

Risk and Insurance

Protecting and maintaining the financial integrity of the commonwealth's assets is the mission of the department's Bureau of Risk and Insurance Management (BRIM). Through application of risk treatment strategies, BRIM manages the commonwealth's liability relative to state-operated vehicles, medical professionals, personal property, commonwealth real estate, and other areas of significant risk. In addition, the bureau administers the state's line of duty death benefits programs and consults with agencies regarding coverage, safety and loss control and evaluation of planned activities or courses of action for potential loss exposure. When claims occur, the bureau investigates, negotiates and settles, denies or subrogates claims.

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

Harristown-leased buildings, the master lease of Forum Place and 53 buildings in the former Harrisburg State Hospital complex. Outside of the Harrisburg area, the bureaus operate the Scranton and Reading state office buildings and master leased buildings in Philadelphia and Pittsburgh. In total, these facilities contain nearly 7.5 million square feet of office space, with 280.3 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 small diverse businesses. The bureau assists small and small diverse businesses in navigating the state contracting process, completing certification requirements, and ensuring contract compliance. The bureau also serves as an active partner to other agency programs that provide support services and training to small and small 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.

Business Transformation (Lean)

Business Transformation collaborates with the department's deputates, bureaus, and offices to drive adoption and proficient use of lean thinking, principles, behaviors, and tools. Business Transformation seeks to help the department add more customer value to key product and service offerings by removing waste and identifying and resolving root causes of ongoing problems. In conjunction with GO-TIME, Business Transformation offers lean training, problem solving, and value stream analysis projects, and provides coaching to leaders and employees who are learning to apply lean tools to their day-to-day processes.

Program: Facility, Property and Commodity Management (continued)

Program Recommendation:

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

	GENERAL FUND		
	General Government Operations	\$	-68
\$ 881	—to continue current program.		
750	—Initiative—statewide radio upgrade.		
\$ 1,631	<i>Appropriation Increase</i>		
	Capitol Police Operations	\$	24
\$ 738	—to continue current program.		
1,250	—Initiative—statewide radio upgrade.		
\$ 1,988	<i>Appropriation Increase</i>	\$	63
	Utility Costs		
\$ 229	—based on current estimates.		
			Excess Insurance Coverage
			—decrease in administrative costs.
			MOTOR LICENSE FUND
			Harristown Rental Charges (EA)
			—increase in pro rata share of charges.
			Harristown Utility and Municipal Charges (EA)
			—increase in pro rata share of charges.

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
General Government Operations	\$ 53,503	\$ 51,087	\$ 52,718	\$ 51,968	\$ 51,968	\$ 51,968	\$ 51,968
Capitol Police Operations	12,381	11,959	13,947	12,697	12,697	12,697	12,697
Rental and Municipal Charges	24,539	25,024	25,024	36,800	36,800	36,800	36,800
Utility Costs.....	22,640	22,447	22,676	22,676	22,676	22,676	22,676
Excess Insurance Coverage.....	1,327	1,327	1,259	1,259	1,259	1,259	1,259
Capitol Fire Protection	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL GENERAL FUND	\$ 119,390	\$ 116,844	\$ 120,624	\$ 130,400	\$ 130,400	\$ 130,400	\$ 130,400
MOTOR LICENSE FUND:							
Harristown Rental Charges (EA)	\$ 111	\$ 112	\$ 136	\$ 136	\$ 136	\$ 136	\$ 136
Harristown Utility and Municipal Charges (EA)	195	188	251	251	251	251	251
Tort Claims Payments.....	10,000	9,000	9,000	9,000	9,000	9,000	9,000
TOTAL MOTOR LICENSE FUND.....	\$ 10,306	\$ 9,300	\$ 9,387	\$ 9,387	\$ 9,387	\$ 9,387	\$ 9,387

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

Program: Facility, Property and Commodity Management

Objective: Generate procurement savings for the commonwealth.

Procurement

DGS procurement related savings - includes GO-TIME and other saving methods (in thousands)	\$40,000	\$74,800	\$64,499	\$106,000	\$83,208	\$43,000	\$33,000
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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	4%	15%	8%	8%	8%	12%	20%
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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)	N/A	N/A	108%	108%	106%	105%	102%
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Objective: Decrease the amount of unused and underutilized leased office space.

Real Estate

Leased space cost per square foot	N/A	N/A	\$17	\$17	\$17	\$21	\$21
Total square footage reduced each year	98,100	150,837	579,445	126,716	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 a maintenance work order (in hours)	N/A	N/A	14	14	14	12.62	11.75
Average time to complete a facilities work order (in hours)	N/A	N/A	N/A	4	3.79	3.50	3

Objective: Reduce energy consumption and associated energy costs in state owned facilities.

Energy

DGS energy use (in BTU per square foot) *	67,975	70,274	68,695	64,582	64,000	63,000	62,000
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* The Commercial Building Energy Consumption Survey (CBECS) average for buildings over 100,000 square feet is 92,900 BTU per square foot.

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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 ensures 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.*

Long-Term 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.*

Income Maintenance: *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.*

Mental Health and Substance Abuse Services: *To maximize the individual's capacity for independent living through the provision of an array of service and support programs.*

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.*



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Programs and Goals

Continued

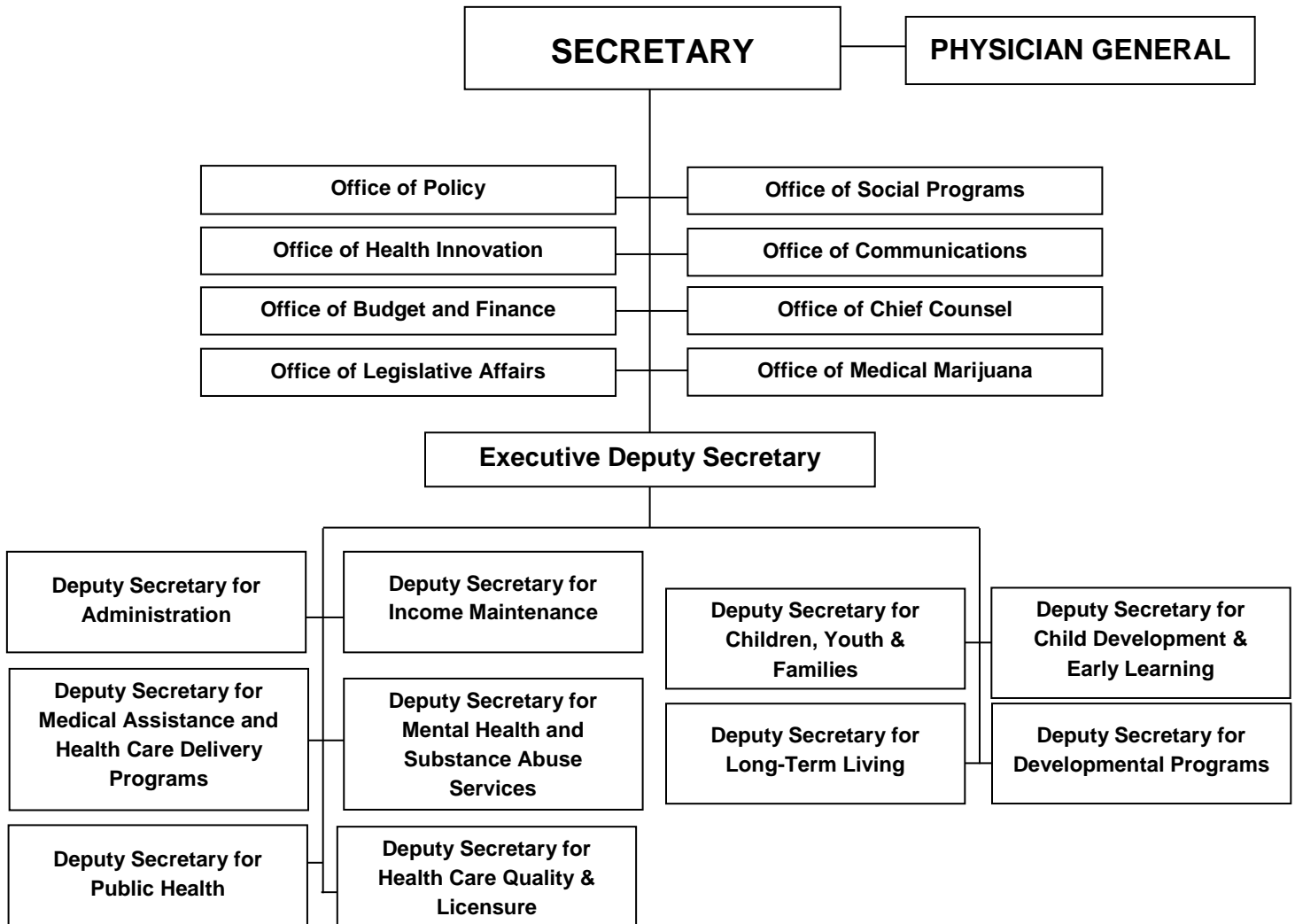
Child Development: *To promote opportunities for all Pennsylvania children and families by building systems and providing supports that help ensure access to high-quality child and family services.*

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 2018-19 Budget proposes the consolidation of the Department of Human Services and the Department of Health 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 duplicative functions.



- **Deputy Secretary for Administration** oversees the bureaus of Health Statistics and Registries; Financial Operations; Administrative Services; Procurement, Hearings and Appeals; and Equal Opportunity.
- **Deputy Secretary for Income Maintenance** is responsible for the oversight of the Temporary Assistance for Needy Families program; Medical Assistance; Supplemental Nutrition Assistance 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.

Organization Overview Continued

- **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.
- **Deputy Secretary for Medical Assistance and Health Care Delivery 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 Children’s Health Insurance Program.
- **Deputy Secretary for Mental Health and Substance Abuse 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 Long-Term 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 Health Preparedness, Emergency Medical Services; Community Health Systems; Health Promotion and Risk Reduction; Family Health; Women, Infants and Children Program; Laboratories, Epidemiology and Communicable Diseases.
- **Deputy Secretary for Health Care Quality and Licensure** oversees the bureaus of Facility Licensure and Certification; Community Program Licensure and Certification; Managed Care; and Program Integrity.

Authorized Complement

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual*	2016-17 Actual	2017-18 Available	2018-19 Budget
18,293	18,057	18,352	18,502	18,155	17,550	17,261

* 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)

GENERAL FUND:

General Government:

	2016-17 ACTUAL ^a	2017-18 AVAILABLE ^a	2018-19 BUDGET
General Government Operations.....	\$ 115,344 ^b	\$ 116,527 ^c	\$ 122,321
(F)Medical Assistance - Administration.....	31,739	29,782	27,819
(F)SNAP - Administration.....	10,607	7,945	8,706
(F)SSBG - Administration.....	325	325	325
(F)TANFBG - Administration.....	8,810	11,898	11,898
(F)Adult Blood Lead Epidemiology.....	135	74	64
(F)AIDS Health Education - Administration and Operation.....	6,511	6,511	7,511
(F)CCDFBG - Administration.....	22,895	23,205	23,206
(F)Cancer Prevention and Control.....	8,322	10,086	8,055
(F)Child Welfare - Title IV-E - Administration.....	6,908	8,890	7,728
(F)Child Welfare Services - Administration.....	1,042	1,042	951
(F)Community Based Family Resource and Support-Administration.....	689	689	689
(F)Developmental Disabilities - Basic Support.....	4,258	4,287	4,353
(F)Disabled Education - Administration.....	817	757	753
(F)Early Head Start Expansion Program.....	14,950	14,950	14,950
(F)Early Learning Challenge Grant - Administration.....	548	510	510
(F)EMS for Children.....	155	155	155
(F)Environmental Public Health Tracking.....	1,342	1,342	0
(F)Health Assessment.....	613	613	613
(F)HIV / AIDS Surveillance.....	1,741	1,774	1,774
(F)HIV Care - Administration and Operation.....	5,423	5,423	4,136
(F)Lead - Administration and Operation.....	818	500	500
(F)MCH - Administration.....	186	196	196
(F)MCHSBG - Administration and Operation.....	14,641	14,641	14,641
(F)MHSBG - Administration.....	539	539	539
(F)PHHSBG - Administration and Operation.....	4,561	4,509	4,509
(F)Primary Care Cooperative Agreements.....	314	324	324
(F)Refugees and Persons Seeking Asylum-Administration.....	2,699	2,810	2,810
(F)Special Preparedness Initiatives.....	500	500	500
(F)TB - Administration and Operation.....	1,070	1,070	1,070
(F)WIC Administration and Operation.....	31,425	42,938	42,959
(F)Homeland Security (EA).....	125	125	75
(F)Learning Management System (EA).....	60	48	60
(F)Public Health Emergency Preparedness and Response (EA).....	52,243	52,243	52,243
(F)SABG - DDAP Support Services (EA).....	399	257	91
(A)Training Reimbursement.....	457	457	457
(A)Child Abuse Reviews.....	4,691	4,746	7,846
(A)Adam Walsh Clearance.....	1,282	832	1,832
(A)Miscellaneous Reimbursements.....	1,229	289	0
(A)Data Center Services.....	18	79	79
(A)Departmental Services.....	23	84	84
(A)Council of State and Territorial Epidemiologists (CSTE).....	0	15	15
(A)NACDD Epidemiologist.....	5	0	0
(A)Primary Health Care Practitioner.....	0	4,550	4,550
Subtotal.....	\$ 360,459	\$ 378,537	\$ 381,897

Information Systems.....	82,865	80,655	76,651
(F)Medical Assistance - Information Systems.....	190,033	199,736	136,225
(F)SNAP - Information Systems.....	23,311	23,311	23,749
(F)TANFBG - Information Systems.....	14,417	12,185	11,347
(F)Child Welfare - Title IV-E - Information Systems.....	11,516	11,516	16,686
(F)Child Support Enforcement - Information Systems.....	15,845	10,270	12,120
(F)CHIP - Information Systems.....	0	14,502	18,203
(A)COMPASS Support - CHIP.....	548	613	613
(A)Medical Data Exchange.....	29	37	37
Subtotal.....	\$ 338,564	\$ 352,825	\$ 295,631

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL ^a	2017-18 AVAILABLE ^a	2018-19 BUDGET
County Administration - Statewide	51,425	46,865 ^d	42,730
(F)Medical Assistance - Statewide.....	59,603	61,559	64,727
(F)SNAP - Statewide.....	40,318	38,238	39,414
(F)TANFBG - Statewide.....	1,072	1,072	1,072
(F)ARRA - Health Information Technology.....	22,768	11,476	11,600
(A)SNAP - Retained Collections.....	2,530	1,780	1,780
(A)County Administration - Statewide.....	263	0	0
(A)eHealth Fees.....	0	350	350
(A)Miscellaneous.....	0	154	0
Subtotal.....	<u>\$ 177,979</u>	<u>\$ 161,494</u>	<u>\$ 161,673</u>
County Assistance Offices	333,372	283,661 ^e	265,450
(F)Medical Assistance - County Assistance Offices.....	173,622	207,250	210,074
(F)SNAP - County Assistance Offices.....	124,532	138,000	140,493
(F)TANFBG - County Assistance Offices.....	48,654	48,654	51,369
(F)SSBG - County Assistance Offices.....	6,262	3,000	3,000
(F)LIHEABG - Administration.....	27,000	27,000	27,000
(F)CCDFBG - County Assistance Offices.....	0	15,000	0
Subtotal.....	<u>\$ 713,442</u>	<u>\$ 722,565</u>	<u>\$ 697,386</u>
Children's Health Insurance Administration	1,231	592	588
(F)Children's Health Insurance Administration.....	20,575	5,459	5,486
Subtotal.....	<u>\$ 21,806</u>	<u>\$ 6,051</u>	<u>\$ 6,074</u>
Achieving Better Care - MAP Program	3,153	3,023	3,077
(F)Prescription Drug Monitoring.....	2,809	4,428	6,168
(F)Opioid - State Targeted Response (EA).....	0	5,084	6,432
Subtotal.....	<u>\$ 5,962</u>	<u>\$ 12,535</u>	<u>\$ 15,677</u>
Quality Assurance	21,121	22,440 ^f	23,009
(F)Medicare - Health Service Agency Certification.....	12,800	13,800	14,100
(F)Medicaid Certification.....	10,013	10,525	11,300
(A)Publication Fees.....	0	3	3
(A)Indoor Tanning Regulation Fund.....	74	70	55
Subtotal.....	<u>\$ 44,008</u>	<u>\$ 46,838</u>	<u>\$ 48,467</u>
Vital Statistics	7,313	6,362 ^g	9,165
(F)Cooperative Health Statistics.....	2,113	2,126	2,240
(F)Health Statistics.....	90	90	101
(F)Behavioral Risk Factor Surveillance System.....	460	460	552
(A)Reimbursement for Microfilming.....	26	17	26
(A)VitalChek Surcharge.....	577	1,384	1,986
(R)County Coroner/Medical Examiner Distribution (EA).....	1,215	1,337	1,337
(R)Vital Statistics Improvement Administration (EA).....	1,500	2,212	2,361
(A)VitalChek Revenue.....	866	876	876
Subtotal.....	<u>\$ 14,160</u>	<u>\$ 14,864</u>	<u>\$ 18,644</u>
State Laboratory	3,611	3,497	3,652
(F)Clinical Laboratory Improvement.....	680	680	680
(F)Epidemiology & Laboratory Surveillance & Response.....	11,209	13,000	8,775
(F)Food Emergency Response.....	305	305	305
(A)Blood Lead Testing.....	36	29	36
(A)Blood Lead Specimen Testing.....	21	1	20
(A)Erythrocyte Protoporphyrin Testing.....	17	11	16
(A)Alcohol Proficiency Testing.....	86	71	86
(A)Drug Abuse Proficiency.....	383	253	382
(A)Licensure for Clinical Laboratories.....	1,696	1,594	1,696
(A)Training Course Fees.....	2	2	2
Subtotal.....	<u>\$ 18,046</u>	<u>\$ 19,443</u>	<u>\$ 15,650</u>

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL ^a	2017-18 AVAILABLE ^a	2018-19 BUDGET
State Health Care Centers	23,435	15,019 ^h	18,000
(F)Disease Control Immunization Program.....	11,899	11,899	11,899
(F)PHHSBG - Block Program Services.....	7,000	7,000	7,000
(F)Preventive Health Special Projects.....	3,591	3,038	4,335
(F)Collaborative Chronic Disease Programs.....	5,165	4,561	4,962
(F)Sexual Violence Prevention and Education.....	1,511	1,545	1,397
(F)Live Healthy.....	5,803	4,665	3,874
(A)Interagency Reimbursement.....	0	3,000	0
Subtotal.....	<u>\$ 58,404</u>	<u>\$ 50,727</u>	<u>\$ 51,467</u>
Health Innovation	907	911	911
(F)Rural Health.....	35,000	25,000	16,660
(F)ARRA - Health Information Exchange Capacity (EA).....	1,128	767	739
Subtotal.....	<u>\$ 37,035</u>	<u>\$ 26,678</u>	<u>\$ 18,310</u>
Sexually Transmitted Disease Screening and Treatment	1,673	1,701	1,757
(F)Survey and Follow-Up - Sexually Transmitted Diseases.....	2,895	2,895	2,895
Subtotal.....	<u>\$ 4,568</u>	<u>\$ 4,596</u>	<u>\$ 4,652</u>
Child Support Enforcement	12,694	16,546	16,298
(F)Child Support Enforcement - Title IV - D.....	167,873	162,628	162,853
(A)Title IV - D Incentive Collections.....	5,825	12,708	10,816
(A)State Retained Support Collections.....	1,039	1,269	1,269
Subtotal.....	<u>\$ 187,431</u>	<u>\$ 193,151</u>	<u>\$ 191,236</u>
New Directions	24,943	21,799 ⁱ	15,682
(F)TANFBG - New Directions.....	109,522	111,275	109,249
(F)Medical Assistance - New Directions.....	5,590	9,264	16,002
(F)SNAP - New Directions.....	16,639	15,772	15,332
(F)TANFBG - Summer Intern (EA).....	60	0	0
Subtotal.....	<u>\$ 156,754</u>	<u>\$ 158,110</u>	<u>\$ 156,265</u>
Medical Marijuana Program Loan	3,000	0	0
Subtotal.....	<u>\$ 3,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
Subtotal - State Funds.....	\$ 686,087	\$ 619,598	\$ 599,291
Subtotal - Federal Funds.....	1,431,093	1,489,993	1,425,128
Subtotal - Augmentations.....	21,723	35,274	34,912
Subtotal - Restricted Revenues.....	2,715	3,549	3,698
Total - General Government.....	<u>\$ 2,141,618</u>	<u>\$ 2,148,414</u>	<u>\$ 2,063,029</u>
Institutional:			
Youth Development Institutions and Forestry Camps	\$ 65,732	\$ 58,302 ^j	\$ 65,060
(F)SSBG - Basic Institutional Programs.....	10,000	10,000	10,000
(F)Food Nutrition Services.....	800	650	650
(F)Juvenile Justice Rape Elimination (EA).....	8	0	0
(A)Institutional Reimbursements.....	6	10	10
Subtotal.....	<u>\$ 76,546</u>	<u>\$ 68,962</u>	<u>\$ 75,720</u>
Mental Health Services	789,027	761,807 ^k	776,273
(F)Medical Assistance - Mental Health.....	162,146	182,146	173,542
(F)Medicare Services - State Mental Hospitals.....	15,782	17,782	20,983
(F)Homeless Mentally Ill.....	2,496	2,496	2,496
(F)MHSBG - Community Mental Health Services.....	20,000	20,461	16,100
(F)SSBG - Community Mental Health Services.....	10,366	10,366	10,366
(F)Suicide Prevention.....	0	996	1,496
(F)Mental Health Data Infrastructure.....	145	145	145
(F)Child Mental Health Initiative.....	1,500	0	0
(F)System of Care Expansion.....	2,500	3,000	3,500
(F)Mental Health - Safe Schools.....	6,000	3,000	0
(F)Project LAUNCH.....	800	800	815

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL ^a	2017-18 AVAILABLE ^a	2018-19 BUDGET
(F) Youth Suicide Prevention.....	736	736	756
(F) Transition Age Youth.....	1,500	1,500	1,500
(F) Offender Re-Entry Program.....	400	0	0
(F) PA Certified Community Behavioral Health Clinics.....	963	0	0
(F) Bringing Recovery Supports to Scale.....	75	0	0
(F) Promoting Integration of Health Care.....	0	2,000	2,000
(F) Bioterrorism Hospital Preparedness (EA).....	205	100	200
(A) Institutional Collections.....	8,797	7,711	7,711
(A) Miscellaneous Institutional Reimbursements.....	791	1,107	1,107
(A) Intergovernmental Transfer.....	0	28,621	28,621
Subtotal.....	<u>\$ 1,024,229</u>	<u>\$ 1,044,774</u>	<u>\$ 1,047,611</u>
Intellectual Disabilities - State Centers.....	137,770	128,800 ^l	117,324
(F) Medical Assistance - State Centers.....	173,511	173,072	161,259
(F) Medicare Services - State Centers.....	508	600	553
(A) Institutional Collections - State Centers.....	9,341	8,937	7,885
(A) ID Assessment - State Centers.....	19,566	18,741	18,016
Subtotal.....	<u>\$ 340,696</u>	<u>\$ 330,150</u>	<u>\$ 305,037</u>
Subtotal - State Funds.....	\$ 992,529	\$ 948,909	\$ 958,657
Subtotal - Federal Funds.....	410,441	429,850	406,361
Subtotal - Augmentations.....	38,501	65,127	63,350
Total - Institutional.....	<u>\$ 1,441,471</u>	<u>\$ 1,443,886</u>	<u>\$ 1,428,368</u>
Grants and Subsidies:			
Cash Grants.....	\$ 25,457	\$ 25,457	\$ 25,457
(F) TANFBG - Cash Grants.....	288,975	288,975	207,633
(F) Other Federal Support - Cash Grants.....	17,388	17,388	16,200
(F) LIHEABG - Low-Income Families and Individuals.....	320,000	320,000	320,000
(F) Refugees and Persons Seeking Asylum - Social Services.....	12,758	14,758	14,758
Subtotal.....	<u>\$ 664,578</u>	<u>\$ 666,578</u>	<u>\$ 584,048</u>
Supplemental Grants - Aged, Blind and Disabled.....	131,178	127,947	127,778
Medical Assistance - Capitation.....	3,657,539	3,111,064 ^m	3,167,483
(F) Medical Assistance - Capitation.....	10,610,637	10,122,225	10,486,702
(A) Medical Assistance - Assessments.....	895,642	1,164,520	1,618,432
(A) Medicaid Managed Care Gross Receipt Tax.....	0	0	351,717
(A) Statewide Hospital Assessment.....	321,315	274,241	290,785
(A) Ambulatory Surgical Center Assessment.....	0	0	25,000
Subtotal.....	<u>\$ 15,485,133</u>	<u>\$ 14,672,050</u>	<u>\$ 15,940,119</u>
Medical Assistance - Fee-for-Service.....	450,970	450,843 ⁿ	270,344
(F) Medical Assistance - Fee-for-Service.....	1,793,560	1,874,028	1,639,189
(F) ARRA - MA - Health Information Technology.....	80,000	60,000	45,000
(A) Hospital Assessment.....	135,518	139,046	139,046
(A) Statewide Hospital Assessment.....	445,665	457,639	542,950
Subtotal.....	<u>\$ 2,905,713</u>	<u>\$ 2,981,556</u>	<u>\$ 2,636,529</u>
Payment to Federal Government - Medicare Drug Program.....	731,917	658,721 ^o	760,766
Medical Assistance - Workers with Disabilities.....	37,523	20,661	21,363
(F) Medical Assistance - Workers with Disabilities.....	40,207	24,601	23,316
Subtotal.....	<u>\$ 77,730</u>	<u>\$ 45,262</u>	<u>\$ 44,679</u>
Medical Assistance - Physician Practice Plans.....	10,071	10,071	6,571
(F) Medical Assistance - Physician Practice Plans.....	12,993	10,830	7,159
Subtotal.....	<u>\$ 23,064</u>	<u>\$ 20,901</u>	<u>\$ 13,730</u>
Medical Assistance - Hospital-Based Burn Centers.....	3,782	3,782	3,782
(F) Medical Assistance - Hospital-Based Burn Centers.....	4,071	4,068	4,139
Subtotal.....	<u>\$ 7,853</u>	<u>\$ 7,850</u>	<u>\$ 7,921</u>

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL ^a	2017-18 AVAILABLE ^a	2018-19 BUDGET
Medical Assistance - Critical Access Hospitals	6,997	6,997	6,997
(F)Medical Assistance - Critical Access Hospitals.....	10,975	10,968	11,158
(A)Statewide Hospital Assessment.....	3,200	3,200	3,200
Subtotal.....	<u>\$ 21,172</u>	<u>\$ 21,165</u>	<u>\$ 21,355</u>
Medical Assistance - Obstetric and Neonatal Services	3,681	3,681	3,681
(F)Medical Assistance - Obstetric and Neonatal Services.....	7,191	7,186	7,311
(A)Statewide Hospital Assessment.....	3,000	3,000	3,000
Subtotal.....	<u>\$ 13,872</u>	<u>\$ 13,867</u>	<u>\$ 13,992</u>
Medical Assistance - Trauma Centers	8,656	8,656	8,656
(F)Medical Assistance - Trauma Centers.....	9,296	9,310	9,472
Subtotal.....	<u>\$ 17,952</u>	<u>\$ 17,966</u>	<u>\$ 18,128</u>
Medical Assistance - Academic Medical Centers	21,181	24,681	17,431
(F)Medical Assistance - Academic Medical Centers.....	22,745	26,546 ^q	23,178
Subtotal.....	<u>\$ 43,926</u>	<u>\$ 51,227</u>	<u>\$ 40,609</u>
Medical Assistance - Transportation	63,983	61,511	65,575
(F)Medical Assistance - Transportation.....	79,538	80,895	82,931
Subtotal.....	<u>\$ 143,521</u>	<u>\$ 142,406</u>	<u>\$ 148,506</u>
Expanded Medical Services for Women	6,263	6,263	6,263
(F)TANFBG - Alternatives to Abortion.....	1,000	1,000	1,000
Subtotal.....	<u>\$ 7,263</u>	<u>\$ 7,263</u>	<u>\$ 7,263</u>
Children's Health Insurance Program	9,453	10,674	14,157
(F)Children's Health Insurance Program.....	366,862	405,455	439,002
(A)Medical Assistance - Assessments.....	3,083	3,686	4,282
Subtotal.....	<u>\$ 379,398</u>	<u>\$ 419,815</u>	<u>\$ 457,441</u>
Medical Assistance - Long-Term Care	1,082,534	1,139,406 ^r	864,049
(F)Medical Assistance - Long-Term Care.....	2,135,018	2,289,103	1,479,793
(A)Intergovernmental Transfer.....	109,794	94,970	63,811
(A)Nursing Home Assessment.....	506,472	531,562	319,160
(A)Medical Assistance - Assessments.....	0	4,040	0
(A)Statewide Hospital Assessment.....	0	2,532	0
Subtotal.....	<u>\$ 3,833,818</u>	<u>\$ 4,061,613</u>	<u>\$ 2,726,813</u>
Medical Assistance - Community HealthChoices	0	0	694,438
(F)Medical Assistance - Community HealthChoices.....	0	0	1,672,095
(A)Intergovernmental Transfer.....	0	0	31,158
(A)Nursing Home Assessments.....	0	0	204,302
(A)Statewide Hospital Assessment.....	0	0	22,823
(A)Medical Assistance - Assessments.....	0	0	292,505
Subtotal.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,917,321</u>
Home and Community-Based Services	401,936	511,307 ^s	420,067
(F)Medical Assistance - Home & Community-Based Services.....	554,990	697,811 ^t	539,151
Subtotal.....	<u>\$ 956,926</u>	<u>\$ 1,209,118</u>	<u>\$ 959,218</u>
Long-Term Care Managed Care	127,066	141,851 ^u	157,289
(F)Medical Assistance - Long-Term Care Managed Care.....	146,594	164,347	171,363
Subtotal.....	<u>\$ 273,660</u>	<u>\$ 306,198</u>	<u>\$ 328,652</u>
Services to Persons with Disabilities	434,607	476,850 ^v	338,948
(F)Medical Assistance - Services to Persons with Disabilities.....	471,502	519,217 ^w	375,526
Subtotal.....	<u>\$ 906,109</u>	<u>\$ 996,067</u>	<u>\$ 714,474</u>

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL ^a	2017-18 AVAILABLE ^a	2018-19 BUDGET
Attendant Care	226,899	252,534 ^x	190,547
(F)Medical Assistance - Attendant Care.....	211,958	244,222 ^y	178,508
(A)Attendant Care Parking Fines.....	51	51	51
(A)Attendant Care Patient Fee.....	484	484	484
Subtotal.....	<u>\$ 439,392</u>	<u>\$ 497,291</u>	<u>\$ 369,590</u>
Intellectual Disabilities - Community Waiver Program	1,349,113	1,527,602	1,577,019
(F)Medical Assistance - Community ID Waiver Program.....	1,335,919	1,565,324	1,625,906
Subtotal.....	<u>\$ 2,685,032</u>	<u>\$ 3,092,926</u>	<u>\$ 3,202,925</u>
Intellectual Disabilities - Intermediate Care Facilities	127,621	128,426	132,584
(F)Medical Assistance - ID/ICF.....	177,952	162,495	166,198
(A)ID Assessment - ID/ICF.....	15,884	19,700	18,800
Subtotal.....	<u>\$ 321,457</u>	<u>\$ 310,621</u>	<u>\$ 317,582</u>
Intellectual Disabilities - Community Base Program	149,950	150,734	152,261
(F)Medical Assistance - Community ID Services.....	53,835	55,385	56,607
(F)SSBG - Community ID Services.....	7,451	7,451	7,451
Subtotal.....	<u>\$ 211,236</u>	<u>\$ 213,570</u>	<u>\$ 216,319</u>
Intellectual Disabilities - Lansdowne Residential Services	340	340	340
Autism Intervention and Services	22,496	27,669 ^z	28,140
(F)Medical Assistance - Autism Intervention Services.....	22,273	26,585	26,815
Subtotal.....	<u>\$ 44,769</u>	<u>\$ 54,254</u>	<u>\$ 54,955</u>
Behavioral Health Services	53,117	57,149	57,149
(F)Access to Medication-Assisted Treatment.....	1,000	2,000	1,500
Subtotal.....	<u>\$ 54,117</u>	<u>\$ 59,149</u>	<u>\$ 58,649</u>
Special Pharmaceutical Services	1,186	1,008 ^{aa}	1,008
County Child Welfare	1,146,591	1,180,876	1,225,354
(F)Child Welfare Services.....	13,674	13,674	13,674
(F)Child Welfare - Title IV-E.....	321,738	323,812	340,635
(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	16,200 ^{ab}	16,468
(F)Community-Based Family Resource and Support.....	137	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.....	8	50	50
(A)Birth Certificate - Mandated Reporter Training.....	764	953	953
Subtotal.....	<u>\$ 1,575,155</u>	<u>\$ 1,612,257</u>	<u>\$ 1,673,826</u>
Community-Based Family Centers	3,258	8,023	13,323
(F)Family Preservation - Family Centers.....	7,009	2,691	2,691
(F)Family Resource and Support - Family Centers.....	480	480	480
(F)Title IV-B - Family Centers.....	5,871	5,871	5,871
(F)MCH - Early Childhood Home Visiting.....	16,300	16,300	16,300
Subtotal.....	<u>\$ 32,918</u>	<u>\$ 33,365</u>	<u>\$ 38,665</u>
Child Care Services	135,691	155,691	182,822
(F)CCDFBG - Child Care Services.....	265,268	284,966	310,298
(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	225	225
(F)Early Learning Challenge Grant - Child Care Services.....	18,219	18,219	10,000
Subtotal.....	<u>\$ 451,673</u>	<u>\$ 491,338</u>	<u>\$ 535,582</u>

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL ^a	2017-18 AVAILABLE ^a	2018-19 BUDGET
Child Care Assistance	152,609	139,885	139,885
(F)TANFBG - Child Care Assistance.....	81,139	84,590	115,092
(F)CCDFBG - Child Care Assistance.....	86,866	93,722	82,415
(F)SNAP - Child Care Assistance.....	2,605	1,184	1,590
(A)Early Childhood Education Revenue.....	1,685	1,705	1,705
Subtotal.....	<u>\$ 324,904</u>	<u>\$ 321,086</u>	<u>\$ 340,687</u>
Nurse Family Partnership	11,978	11,978	13,178
(F)Medical Assistance - Nurse Family Partnership.....	2,544	2,544	2,544
Subtotal.....	<u>\$ 14,522</u>	<u>\$ 14,522</u>	<u>\$ 15,722</u>
Early Intervention	129,211	144,096 ^{ac}	142,844
(F)Medical Assistance - Early Intervention.....	53,641	63,006	62,188
(F)Education for Children with Disabilities-Early Intervention.....	22,385	16,446	14,794
Subtotal.....	<u>\$ 205,237</u>	<u>\$ 223,548</u>	<u>\$ 219,826</u>
Domestic Violence	17,357	17,357	17,357
(F)Family Violence Prevention Services.....	3,389	3,739	3,739
(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>\$ 27,384</u>	<u>\$ 27,734</u>	<u>\$ 27,734</u>
Rape Crisis	9,928	9,928	9,928
(F)SSBG - Rape Crisis.....	1,721	1,721	1,721
Subtotal.....	<u>\$ 11,649</u>	<u>\$ 11,649</u>	<u>\$ 11,649</u>
Breast Cancer Screening	1,723	1,723	1,723
(F)SSBG - Family Planning.....	2,000	2,000	2,000
Subtotal.....	<u>\$ 3,723</u>	<u>\$ 3,723</u>	<u>\$ 3,723</u>
Human Services Development Fund	13,460	13,460	13,460
Subtotal.....	<u>\$ 13,460</u>	<u>\$ 13,460</u>	<u>\$ 13,460</u>
Legal Services	2,661	2,661	2,661
(F)SSBG - Legal Services.....	5,049	5,049	5,049
Subtotal.....	<u>\$ 7,710</u>	<u>\$ 7,710</u>	<u>\$ 7,710</u>
Homeless Assistance	18,496	18,496	18,496
(F)SSBG - Homeless Services.....	4,183	4,183	4,183
(F)SABG - Homeless Services (EA).....	1,983	1,983	1,983
Subtotal.....	<u>\$ 24,662</u>	<u>\$ 24,662</u>	<u>\$ 24,662</u>
Diabetes Programs	100	100	0
AIDS Programs and Special Pharmaceutical Services	17,436	17,436	12,436
(F)AIDS Health Education Program.....	3,113	3,113	3,613
(F)AIDS Ryan White and HIV Care.....	57,577	57,577	61,864
(F)Housing for Persons with AIDS.....	3,737	3,737	3,737
(A)AIDS SPBP Rebates.....	30,358	0	0
(R)Ryan White HIV/AIDS Program.....	0	30,767	24,984
Subtotal.....	<u>\$ 112,221</u>	<u>\$ 112,630</u>	<u>\$ 106,634</u>
Maternal and Child Health Services	981	1,289	1,365
(F)MCH Lead Poisoning Prevention and Abatement.....	819	1,811	2,200
(F)MCHSBG - Program Services.....	17,898	17,898	17,898
(F)Women, Infants and Children (WIC).....	276,112	276,112	278,219
(F)Abstinence Education.....	3,360	3,360	3,360
(F)Traumatic Brain Injury.....	350	320	320
(F)Family Health Special Projects.....	725	2,000	2,057
(F)Screening Newborns.....	1,061	1,387	1,472

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL ^a	2017-18 AVAILABLE ^a	2018-19 BUDGET
(F)Newborn Hearing Screening and Intervention.....	330	480	480
(F)Teenage Pregnancy Prevention.....	4,519	3,940	3,940
Subtotal.....	<u>\$ 306,155</u>	<u>\$ 308,597</u>	<u>\$ 311,311</u>
Regional Cancer Institutes.....	600	600	0
Primary Health Care Practitioner.....	4,671	0 ^{ae}	0
Newborn Screening.....	5,327	6,834	6,464
Community-Based Health Care Subsidy.....	5,000	2,125	2,125
Cancer Screening Services.....	2,563	2,563	2,563
School District Health Services.....	36,620	36,620	36,620
Local Health Departments.....	25,421	25,421	25,421
Local Health - Environmental.....	6,989	2,389	2,389
Tuberculosis Screening and Treatment.....	876	876	913
(F)Tuberculosis Control Program.....	326	326	326
Subtotal.....	<u>\$ 1,202</u>	<u>\$ 1,202</u>	<u>\$ 1,239</u>
Renal Dialysis.....	7,900	6,900	6,900
Services for Children with Special Needs.....	1,728	1,728	1,728
Adult Cystic Fibrosis & Other Chronic Respiratory Illnesses.....	750	750	0
Cooley's Anemia.....	100	100	0
Hemophilia.....	959	959	0
Lupus.....	100	100	0
Sickle Cell.....	1,260	1,260	0
Regional Poison Control Centers.....	700	700	0
Trauma Prevention.....	460	460	0
Epilepsy Support Services.....	550	550	0
Bio-Technology Research.....	6,625	5,425	0
Tourette's Syndrome.....	150	150	0
Amyotrophic Lateral Sclerosis Support Services.....	500	500	0
Health Program Assistance and Services.....	0	5,000	2,599 ^{af}
Services for the Visually Impaired.....	0	2,584	2,584
Subtotal.....	<u>\$ 0</u>	<u>\$ 2,584</u>	<u>\$ 2,584</u>
Subtotal - State Funds.....	\$ 10,916,845	\$ 10,773,478	\$ 11,005,281
Subtotal - Federal Funds.....	20,213,359	20,461,573	21,147,221
Subtotal - Augmentations.....	2,473,756	2,702,212	3,935,047
Subtotal - Restricted Revenues.....	0	30,767	24,984
Total - Grants and Subsidies.....	<u>\$ 33,603,960</u>	<u>\$ 33,968,030</u>	<u>\$ 36,112,533</u>
STATE FUNDS.....	\$ 12,595,461	\$ 12,341,985	\$ 12,563,229
FEDERAL FUNDS.....	22,054,893	22,381,416	22,978,710
AUGMENTATIONS.....	2,533,980	2,802,613	4,033,309
RESTRICTED REVENUES.....	2,715	34,316	28,682
GENERAL FUND TOTAL.....	<u>\$ 37,187,049</u>	<u>\$ 37,560,330</u>	<u>\$ 39,603,930</u>
LOTTERY FUND:			
<i>Grants and Subsidies:</i>			
Medical Assistance - Transportation Services.....	\$ 3,300	\$ 3,500	\$ 3,500
Medical Assistance - Long-Term Care.....	184,081	129,281 ^{ag}	81,381
Medical Assistance - Community HealthChoices.....	0	0	153,084
Home and Community-Based Services.....	120,668	120,668	70,390
Total - Grants and Subsidies.....	<u>\$ 308,049</u>	<u>\$ 253,449</u>	<u>\$ 308,355</u>
LOTTERY FUND TOTAL.....	<u>\$ 308,049</u>	<u>\$ 253,449</u>	<u>\$ 308,355</u>

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL ^a	2017-18 AVAILABLE ^a	2018-19 BUDGET
OTHER FUNDS:			
GENERAL FUND:			
Children's Health Insurance Program.....	\$ 29,474	\$ 32,690	\$ 32,764
TOBACCO SETTLEMENT FUND:			
Medical Care for Workers with Disabilities (EA).....	\$ 95,847	\$ 108,785	\$ 107,585
(F)Medical Assistance - Workers with Disabilities (EA).....	99,839	116,957	117,218
Subtotal.....	<u>\$ 195,686</u>	<u>\$ 225,742</u>	<u>\$ 224,803</u>
Uncompensated Care (EA).....	26,134	29,662	29,334
(F)Medical Assistance - Uncompensated Care (EA).....	27,160	36,936	32,099
Subtotal.....	<u>\$ 53,294</u>	<u>\$ 66,598</u>	<u>\$ 61,433</u>
Home and Community-Based Services (EA).....	41,534	47,140	0
(F)Medical Assistance - Community Services (EA).....	43,165	50,702	0
Subtotal.....	<u>\$ 84,699</u>	<u>\$ 97,842</u>	<u>\$ 0</u>
Medical Assistance - Long-Term Care.....	132,940	133,922 ^{ah}	20,908
Medical Assistance - Community HealthChoices.....	0	0	132,878
Tobacco Use Prevention and Cessation (EA).....	14,377	16,318	16,138
Health Research - Health Priorities (EA).....	40,256	45,690	45,185
Health Research - National Cancer Institute (EA).....	3,195	3,626	3,586
TOBACCO SETTLEMENT FUND TOTAL.....	<u>\$ 524,447</u>	<u>\$ 589,738</u>	<u>\$ 504,931</u>
CHILDREN'S TRUST FUND:			
Children's Trust Fund (EA).....	\$ 1,400	\$ 1,400	\$ 1,400
EMERGENCY MEDICAL SERVICES OPERATING FUND:			
Emergency Medical Services.....	\$ 9,500	\$ 9,400	\$ 9,575
Catastrophic Medical and Rehabilitation.....	4,650	4,500	4,500
EMERGENCY MEDICAL SERVICES OPERATING FUND TOTAL.....	<u>\$ 14,150</u>	<u>\$ 13,900</u>	<u>\$ 14,075</u>
GOV. CASEY ORGAN & TISSUE DONATION AWARENESS FUND:			
Implementation Costs (EA).....	\$ 112	\$ 118	\$ 118
Hospital and Other Medical Costs (EA).....	77	20	20
Project Make-A-Choice (EA).....	175	110	100
Grants to Certified Procurement Organizations (EA).....	600	400	346
GOV. CASEY ORGAN & TISSUE DONATION AWARENESS FUND TOTAL.....	<u>\$ 964</u>	<u>\$ 648</u>	<u>\$ 584</u>
MEDICAL MARIJUANA PROGRAM FUND:			
General Operations (EA).....	\$ 3,000	\$ 6,988	\$ 10,559
Loan Repayment to General Fund (EA).....	0	0	3,000
MEDICAL MARIJUANA PROGRAM FUND TOTAL.....	<u>\$ 3,000</u>	<u>\$ 6,988</u>	<u>\$ 13,559</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 12,595,461	\$ 12,341,985	\$ 12,563,229
SPECIAL FUNDS.....	308,049	253,449	308,355
FEDERAL FUNDS.....	22,054,893	22,381,416	22,978,710
AUGMENTATIONS.....	2,533,980	2,802,613	4,033,309
RESTRICTED.....	2,715	34,316	28,682
OTHER FUNDS.....	573,435	645,364	567,313
TOTAL ALL FUNDS.....	<u><u>\$ 38,068,533</u></u>	<u><u>\$ 38,459,143</u></u>	<u><u>\$ 40,479,598</u></u>

Summary by Fund and Appropriation

-
- ^a Appropriated in Department of Human Services and Department of Health.
 - ^b Appropriated as \$22,914,000 in Department of Health and \$92,430,000 in Department of Human Services.
 - ^c Appropriated as \$22,271,000 in Department of Health and includes recommended appropriation reduction of \$221,000. Appropriated as \$95,345,000 in Department of Human Services and includes recommended appropriation reduction of \$868,000.
 - ^d Reflects recommended appropriation reduction of \$449,000.
 - ^e Reflects recommended appropriation reduction of \$3,910,000.
 - ^f Reflects recommended appropriation reduction of \$207,000.
 - ^g Includes recommended supplemental appropriation of \$1,000,000.
 - ^h Includes recommended supplemental appropriation of \$4,638,000.
 - ⁱ Reflects recommended appropriation reduction of \$252,000.
 - ^j Includes recommended appropriation reduction of \$852,000.
 - ^k Reflects recommended appropriation reduction of \$7,622,000.
 - ^l Reflects recommended appropriation reduction of \$1,849,000.
 - ^m Reflects recommended appropriation reduction of \$193,208,000.
 - ⁿ Reflects recommended appropriation reduction of \$28,024,000.
 - ^o Includes recommended supplemental appropriation of \$1,608,000.
 - ^p Includes recommended supplemental appropriation of \$2,000.
 - ^q Includes recommended supplemental appropriation of \$1,065,000.
 - ^r Includes recommended supplemental appropriation of \$50,038,000.
 - ^s Includes recommended supplemental appropriation of \$150,826,000.
 - ^t Includes recommended supplemental appropriation of \$158,660,000.
 - ^u Reflects recommended appropriation reduction of \$7,181,000.
 - ^v Includes recommended supplemental appropriation of \$27,015,000.
 - ^w Includes recommended supplemental appropriation of \$29,903,000.
 - ^x Includes recommended supplemental appropriation of \$24,968,000.
 - ^y Includes recommended supplemental appropriation of \$26,965,000.
 - ^z Includes recommended supplemental appropriation of \$761,000.
 - ^{aa} Reflects recommended appropriation reduction of \$204,000.
 - ^{ab} Includes recommended supplemental appropriation of \$512,000.
 - ^{ac} Includes recommended supplemental appropriation of \$7,551,000.
 - ^{ad} Includes recommended supplemental appropriation of \$350,000.
 - ^{ae} Funding responsibility for this program was transferred to the Pennsylvania Higher Education Assistance Agency.
 - ^{af} This budget proposes funding Adult Cystic Fibrosis & Other Chronic Respiratory Illnesses, Cooley's Anemia, Hemophilia, and Sickle Cell as Health Program Assistance and Services.
 - ^{ag} Reflects recommended appropriation reduction of \$54,800,000.
 - ^{ah} Includes recommended supplemental appropriation of \$18,175,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
HEALTH AND HUMAN SERVICES SUPPORT							
GENERAL FUND.....	\$ 205,522	\$ 203,544	\$ 208,137	\$ 208,137	\$ 208,137	\$ 205,787	\$ 205,787
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	495,195	525,154	465,936	465,936	465,936	465,936	465,936
OTHER FUNDS.....	12,466	17,528	22,099	22,099	22,099	22,099	22,099
SUBCATEGORY TOTAL.....	\$ 713,183	\$ 746,226	\$ 696,172	\$ 696,172	\$ 696,172	\$ 693,822	\$ 693,822
MEDICAL ASSISTANCE AND HEALTH CARE DELIVERY							
GENERAL FUND.....	\$ 5,013,247	\$ 4,378,197	\$ 4,353,657	\$ 4,650,483	\$ 4,860,694	\$ 5,079,152	\$ 5,346,061
SPECIAL FUNDS.....	3,300	3,500	3,500	3,500	3,500	3,500	3,500
FEDERAL FUNDS.....	13,059,650	12,642,571	12,785,043	12,619,886	13,104,749	13,655,149	14,219,994
OTHER FUNDS.....	2,085,877	2,370,362	3,297,412	3,095,884	3,095,884	3,095,884	3,095,884
SUBCATEGORY TOTAL.....	\$ 20,162,074	\$ 19,394,630	\$ 20,439,612	\$ 20,369,753	\$ 21,064,827	\$ 21,833,685	\$ 22,665,439
LONG-TERM LIVING							
GENERAL FUND.....	\$ 2,273,042	\$ 2,521,948	\$ 2,665,338	\$ 3,275,973	\$ 3,607,227	\$ 3,884,394	\$ 4,062,791
SPECIAL FUNDS.....	304,749	249,949	304,855	355,354	376,803	386,345	390,151
FEDERAL FUNDS.....	3,520,062	3,914,700	4,416,436	4,884,900	5,286,817	5,600,593	5,864,660
OTHER FUNDS.....	834,440	865,403	1,088,080	840,778	855,231	855,231	855,231
SUBCATEGORY TOTAL.....	\$ 6,932,293	\$ 7,552,000	\$ 8,474,709	\$ 9,357,005	\$ 10,126,078	\$ 10,726,563	\$ 11,172,833
INCOME MAINTENANCE							
GENERAL FUND.....	\$ 579,069	\$ 522,275	\$ 493,395	\$ 492,204	\$ 492,204	\$ 492,204	\$ 492,204
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,442,636	1,491,309	1,410,776	1,411,118	1,411,118	1,411,118	1,411,118
OTHER FUNDS.....	9,657	16,261	14,215	14,215	14,215	14,215	14,215
SUBCATEGORY TOTAL.....	\$ 2,031,362	\$ 2,029,845	\$ 1,918,386	\$ 1,917,537	\$ 1,917,537	\$ 1,917,537	\$ 1,917,537
MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES							
GENERAL FUND.....	\$ 843,330	\$ 819,964	\$ 834,430	\$ 834,430	\$ 834,430	\$ 834,430	\$ 834,430
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	226,614	247,528	235,399	235,399	235,399	235,399	235,399
OTHER FUNDS.....	9,588	37,439	37,439	37,439	37,439	37,439	37,439
SUBCATEGORY TOTAL.....	\$ 1,079,532	\$ 1,104,931	\$ 1,107,268	\$ 1,107,268	\$ 1,107,268	\$ 1,107,268	\$ 1,107,268
INTELLECTUAL DISABILITIES							
GENERAL FUND.....	\$ 1,787,290	\$ 1,963,571	\$ 2,007,668	\$ 2,053,638	\$ 2,117,243	\$ 2,184,432	\$ 2,254,308
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,771,449	1,990,912	2,044,789	2,080,500	2,147,208	2,216,585	2,288,737
OTHER FUNDS.....	44,791	47,378	44,701	44,701	44,701	44,701	44,701
SUBCATEGORY TOTAL.....	\$ 3,603,530	\$ 4,001,861	\$ 4,097,158	\$ 4,178,839	\$ 4,309,152	\$ 4,445,718	\$ 4,587,746
HUMAN SERVICES							
GENERAL FUND.....	\$ 1,275,948	\$ 1,305,387	\$ 1,356,623	\$ 1,356,623	\$ 1,356,623	\$ 1,356,623	\$ 1,356,623
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	462,730	465,508	482,599	482,599	482,599	482,599	482,599
OTHER FUNDS.....	1,611	1,846	1,846	1,846	1,846	1,846	1,846
SUBCATEGORY TOTAL.....	\$ 1,740,289	\$ 1,772,741	\$ 1,841,068	\$ 1,841,068	\$ 1,841,068	\$ 1,841,068	\$ 1,841,068

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
CHILD DEVELOPMENT							
GENERAL FUND.....	\$ 432,747	\$ 459,673	\$ 492,052	\$ 492,052	\$ 492,052	\$ 492,052	\$ 492,052
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	594,822	622,481	656,725	656,725	656,725	656,725	656,725
OTHER FUNDS.....	3,085	3,105	3,105	3,105	3,105	3,105	3,105
SUBCATEGORY TOTAL.....	\$ 1,030,654	\$ 1,085,259	\$ 1,151,882	\$ 1,151,882	\$ 1,151,882	\$ 1,151,882	\$ 1,151,882
PUBLIC HEALTH							
GENERAL FUND.....	\$ 163,238	\$ 144,075	\$ 128,009	\$ 128,009	\$ 128,009	\$ 128,009	\$ 128,009
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	422,794	431,161	438,208	438,208	438,208	438,208	438,208
OTHER FUNDS.....	108,541	122,898	120,349	121,803	122,118	124,264	126,789
SUBCATEGORY TOTAL.....	\$ 694,573	\$ 698,134	\$ 686,566	\$ 688,020	\$ 688,335	\$ 690,481	\$ 693,006
HEALTH CARE QUALITY AND LICENSURE							
GENERAL FUND.....	\$ 22,028	\$ 23,351	\$ 23,920	\$ 23,920	\$ 23,920	\$ 23,920	\$ 23,920
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	58,941	50,092	42,799	42,799	42,799	42,799	42,799
OTHER FUNDS.....	74	73	58	58	58	58	58
SUBCATEGORY TOTAL.....	\$ 81,043	\$ 73,516	\$ 66,777	\$ 66,777	\$ 66,777	\$ 66,777	\$ 66,777
ALL PROGRAMS:							
GENERAL FUND.....	\$ 12,595,461	\$ 12,341,985	\$ 12,563,229	\$ 13,515,469	\$ 14,120,539	\$ 14,681,003	\$ 15,196,185
SPECIAL FUNDS.....	308,049	253,449	308,355	358,854	380,303	389,845	393,651
FEDERAL FUNDS.....	22,054,893	22,381,416	22,978,710	23,318,070	24,271,558	25,205,111	26,106,175
OTHER FUNDS.....	3,110,130	3,482,293	4,629,304	4,181,928	4,196,696	4,198,842	4,201,367
DEPARTMENT TOTAL.....	\$ 38,068,533	\$ 38,459,143	\$ 40,479,598	\$ 41,374,321	\$ 42,969,096	\$ 44,474,801	\$ 45,897,378

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 and the Bureau of Epidemiology are focal points in Pennsylvania

for coordinating the collection, analysis and dissemination of health data, health statistics and information. Its function is to collect statistical information on the health status of the population such as infant mortality, birth through teens and leading causes of death. This program responds to requests for services each year and prepares annual reports that are available on the department's website along with the Enterprise Data Dissemination Informatics Exchange (EDDIE), 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 500,000 requests annually for certified copies of birth and death records for proof of age, citizenship, litigation and genealogy. This system assists in the detection of fraudulent record usage, child support and the reporting of missing children. Birth and death records are stored on microfilm for preservation and are available for retrieval if required.

The department is receiving increased requests for birth certificates due to federal homeland security requirements for enhanced verification for boarding a domestic commercial flight or entering a federal building. This budget proposes additional funds to address the increase in requests as well as to reduce the processing time it takes to receive a birth certificate.

Program Recommendations:

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

	General Government Operations
\$ -1,000	—funding reduction.
4,294	—to continue current program.
2,500	—Initiative—to provide education, prevention activities and surveillance of Lyme disease activity in Pennsylvania.
<hr/>	
\$ 5,794	<i>Appropriation Increase</i>
	Information Systems
\$ -4,741	—reduction in administrative costs.
737	—to reflect change in federal earnings and other revenue.
<hr/>	
\$ -4,004	<i>Appropriation Decrease</i>

	Vital Statistics
\$ 453	—to continue current program.
2,350	—Initiative—to process additional birth certificates as a result of federal homeland security requirements.
<hr/>	
\$ 2,803	<i>Appropriation Increase</i>

Health and Human Services

Program: Health and Human Services Support (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
General Government Operations	\$ 115,344	\$ 116,527	\$ 122,321	\$ 122,321	\$ 122,321	\$ 122,321	\$ 122,321
Information Systems.....	82,865	80,655	76,651	76,651	76,651	76,651	76,651
Vital Statistics	7,313	6,362	9,165	9,165	9,165	6,815	6,815
TOTAL GENERAL FUND	\$ 205,522	\$ 203,544	\$ 208,137	\$ 208,137	\$ 208,137	\$ 205,787	\$ 205,787

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.

Beginning in 2018-19, the newly formed Department of Health and Human Services consolidates the Office of Children's Health Insurance Program 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, and the CHIP program 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. Beginning April 2015, Pennsylvania expanded Medicaid to include individuals up to 138 percent of the federal poverty level. Medicaid expansion resulted in the inclusion of over 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 individuals with disabilities 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.

Medical Assistance – 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 improving health outcomes and 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 for a majority of MA recipients are administered by the Office of Medical Assistance Programs (OMAP). The program is managed to emphasize quality, access and value for the funds that are expended. The program is provided through grant agreements with eight 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.

On January 1, 2018, Community HealthChoices (CHC), a mandatory managed care program for dually eligible individuals and individuals with physical disabilities, was implemented in the southwest region of the state. CHC, which is administered by the Office of Long-Term Living (OLTL), will cover the physical health benefits, the long-term care services available through the OLTL Medicaid

waiver programs and nursing facility services for the enrolled population. CHC is planned to be implemented statewide by 2020.

MA recipients not participating in the HealthChoices PH program or CHC remain in fee-for-service, including but not limited to: nursing home residents in non-CHC zones (after 30 days), Health Insurance Premium Payment eligible members, residents of state institutions, and recipients age 21 and older that are dually eligible for Medicare and Medicaid. New MA recipients are usually enrolled in fee-for-service for a brief time before choosing an MCO and enrolling in the PH HealthChoices program or CHC.

The HealthChoices Behavioral Health (BH) program is administered by the Office of Mental Health and Substance Abuse 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, rehabilitation services, mobile mental health treatment, and peer support services.

Pennsylvania is focused on strategies to address the opioid crisis in the commonwealth, including 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. An additional 25 centers were funded through HealthChoices Medicaid Managed Care. The centers are a central, efficient hub around which treatment revolves. The centers 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.

Medical Assistance – Fee-for-Service

Inpatient and outpatient health care services for the remaining MA recipients are provided through the aforementioned fee-for-service delivery system. 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

Program: Medical Assistance and Health Care Delivery (continued)

care solely for cosmetic procedures, nor diagnostic or therapeutic procedures solely for experimental, research, or educational purposes. 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 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.

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.

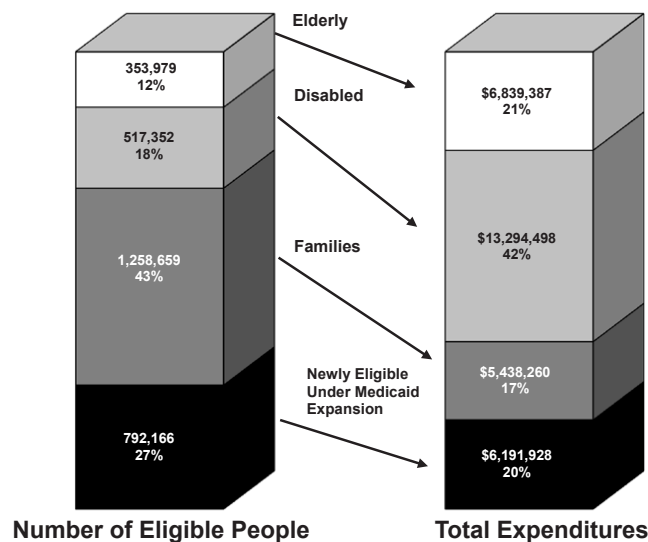
Medical Assistance Transportation Program

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 54 counties, direct vendor contracts for Adams, Berks, Columbia, Cumberland, Franklin, Lancaster, 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

Medicaid Expenditures and Enrollees by Category of Assistance

Fiscal Year 2018-19

(Dollar Amounts in Thousands)



Although the disabled and elderly are only 30% of the total Medical Assistance population, they account for 63% of the Medical Assistance expenditures.

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, Community HealthChoices, 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: Medical Assistance and Health Care Delivery (continued)

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.

Expanded Medical Services for Women

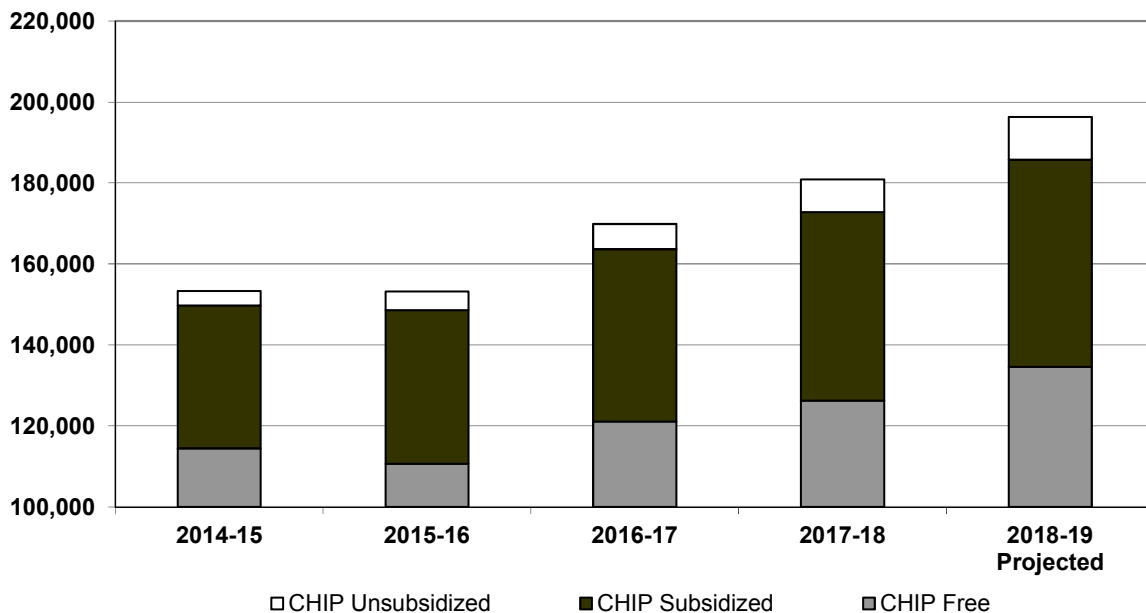
The Expanded Medical Services for Women program provides counseling and other services to women seeking alternatives to abortion. Nonprofits are awarded grants to provide services to women for up to 12 months after childbirth including food, shelter, clothing, health care, counseling, adoption services, parenting classes, assistance for post-delivery stress and other support programs.

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 continuing resolution of January 2018 extends federal funding for CHIP through September 30, 2023. Pennsylvania's Act 58 of 2017 reauthorized and extended the life of the CHIP program through December 31, 2019; 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 196,300 uninsured children will be served by the program in 2018-19.

Health and Human Services

Program: Medical Assistance and Health Care Delivery (continued)

Program Recommendations:

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

GENERAL FUND			Payment to Federal Government - Medicare Drug Program	
\$	3	Children's Health Insurance Administration	\$	27,045
	-7	—to continue current program.		
		—revision of federal financial participation from 89.27% to 89.58%.		75,000
\$	-4	<i>Appropriation Decrease</i>	\$	102,045
				<i>Appropriation Increase</i>
		Medical Assistance - Capitation		Medical Assistance - Workers with Disabilities
\$	338,251	—change in enrollment and rate increases.	\$	398
	47,404	—impact of administrative/cash flow adjustments and other requirements.		-896
	75,617	—for the health insurance provider fee.		1,200
	118,254	—non-recurring prior year rate reconciliation.		
	49,224	—revision of federal financial participation under Affordable Care Act from 95% to 94% effective January 1, 2018 and from 94% to 93% effective January 1, 2019.	\$	702
				<i>Appropriation Increase</i>
	-44,013	—revision of federal financial participation from 51.82% to 52.25%.	\$	-3,500
	-56,310	—impact of increase in pharmacy rebates.		
	141,951	—non-recurring prior year carryover funds.		
	95,430	—replacement of non-recurring federal rate adjustments.	\$	-7,250
	-351,717	—one-time offset from available Gross Receipts Tax revenue.		
	-25,000	—impact of a new Ambulatory assessment.	\$	4,033
	-261,967	—impact of change in assessment revenue.		143
	-69,669	—to implement Community HealthChoices in the southeast beginning January 1, 2019, including annualization of the southwest implementation which began January 2018.		-112
	-1,036	—Initiative—cost savings from GO-TIME projects.	\$	4,064
\$	56,419	<i>Appropriation Increase</i>		<i>Appropriation Increase</i>
		Medical Assistance - Fee-for-Service	\$	4,165
\$	-8,200	—funding reduction.		1,190
	9,650	—change in caseload and utilization.		-1,148
	10,835	—increase in costs and clients eligible for Medicare Part A and B premiums.		-597
	-4,370	—savings from administrative/cash flow adjustments and other requirements.		-127
	-12,341	—non-recurring prior year costs.	\$	3,483
	-103,373	—impact of change in assessment revenue.		<i>Appropriation Increase</i>
	-7,641	—revision of federal financial participation from 51.82% to 52.25% and under Affordable Care Act from 95% to 94% effective January 1, 2018 and from 94% to 93% effective January 1, 2019.		
	-62,724	—to implement Community HealthChoices in the southeast beginning January 1, 2019, including annualization of the southwest implementation which began January 2018.		
	-2,335	—Initiative—cost savings from GO-TIME projects.		
\$	-180,499	<i>Appropriation Decrease</i>		

In addition, this budget recommends \$32,764,000 in restricted cigarette tax revenue for the Children's Health Insurance Program.

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

Health and Human Services

Program: Medical Assistance and Health Care Delivery (continued)

Appropriations within this Program:		(Dollar Amounts in Thousands)					
	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Children's Health Insurance Administration \$	1,231	\$ 592	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588
Medical Assistance - Capitation.....	3,657,539	3,111,064	3,167,483	3,512,207	3,741,896	3,947,572	4,202,654
Medical Assistance - Fee-for-Service.....	450,970	450,843	270,344	212,482	186,241	191,677	195,511
Payment to Federal Government - Medicare Drug Program	731,917	658,721	760,766	760,766	760,766	760,766	760,766
Medical Assistance - Workers with Disabilities.....	37,523	20,661	21,363	21,363	21,363	21,363	21,363
Medical Assistance - Physician Practice Plans	10,071	10,071	6,571	6,571	6,571	6,571	6,571
Medical Assistance - Hospital-Based Burn Centers.....	3,782	3,782	3,782	3,782	3,782	3,782	3,782
Medical Assistance - Critical Access Hospitals	6,997	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
Medical Assistance - Trauma Centers.....	8,656	8,656	8,656	8,656	8,656	8,656	8,656
Medical Assistance - Academic Medical Centers	21,181	24,681	17,431	17,431	17,431	17,431	17,431
Medical Assistance - Transportation.....	63,983	61,511	65,575	66,887	68,225	69,590	70,982
Expanded Medical Services for Women....	6,263	6,263	6,263	6,263	6,263	6,263	6,263
Children's Health Insurance Program.....	9,453	10,674	14,157	22,809	28,234	34,215	40,816
TOTAL GENERAL FUND	\$ 5,013,247	\$ 4,378,197	\$ 4,353,657	\$ 4,650,483	\$ 4,860,694	\$ 5,079,152	\$ 5,346,061
LOTTERY FUND:							
Medical Assistance – Transportation Services	\$ 3,300	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500

Program: Long-Term 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. The department is responsible for ensuring that services are being provided in a consistent and cost-effective manner.

Community HealthChoices (CHC)

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. Under this system both home and community-based and nursing facility Medicaid-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 January 2019 and finishing in January 2020 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 Medical Assistance (MA) long-term services and supports. Behavioral health services, while not included in the model, will be strongly coordinated with the CHC program.

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. In addition, the Office of Long-Term Living continues to oversee the Act 150 Attendant Care program and the Living Independence for

the Elderly (LIFE) program, both of which help individuals to live as independently as possible, integrated in their communities.

Pennsylvanians who are in need of the level of care provided in a nursing facility who qualify to receive services in the community may choose to enroll in the LIFE program. The LIFE program fully integrates Medicare funding with MA funding to provide a fully coordinated and comprehensive service package to enrollees who are aged 55 and older, are nursing facility clinically eligible, and reside in an area served by a LIFE provider. The LIFE service package includes acute care, long-term care, behavioral health and pharmaceutical coverage.

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.

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 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.

Health and Human Services

Program: Long-Term Living (continued)

Program Recommendations:

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

GENERAL FUND			
Medical Assistance - Long-Term Care			
\$ -17,600	—funding reduction.	\$ 48,033	Home and Community-Based Services
7,262	—increase in utilization.		—to continue current program, including annualization of prior year expansion.
-1,810	—impact of administrative/cashflow adjustments and other requirements.	26,779	—to provide home and community-based services to 2,290 additional older Pennsylvanians.
8,858	—transfer of Medical Assistance pre-admission assessments from the Department of Aging.	50,278	—reflects the transfer of Lottery Funds to Community HealthChoices.
81,645	—nonrecurring prior year carryover funds.	47,140	—reflects the transfer of Tobacco Settlement Funds to Community HealthChoices.
-13,849	—revision of federal financial participation from 51.82% to 52.25%.	-251	—nonrecurring prior year costs.
26,000	—reflects reduction in Lottery Funds available to offset program costs.	-5,587	—revision of federal financial participation from 51.82% to 52.25%.
76,700	—reflects the transfer of Lottery Funds to Community HealthChoices.	-257,632	—to implement Community HealthChoices in the southeast beginning January 1, 2019, including annualization of the southwest implementation which began in January 2018.
-54,800	—nonrecurring prior year reduction to Lottery Funds.		
25,539	—one-time use of Tobacco Settlement Funds.	\$ -91,240	<i>Appropriation Decrease</i>
87,475	—reflects the transfer of Tobacco Settlement Funds to Community HealthChoices.		
250,133	—reflects the transfer of Intergovernmental Transfer funds and assessment revenue to Community HealthChoices.	\$ 7,770	Long-Term Care Managed Care
-318,826	—reflects the transfer of Community HealthChoices costs funded within Long-Term Care in 2017-18.	3,724	—to continue current program, including annualization of prior year expansion.
-432,084	—to implement Community HealthChoices in the southeast beginning January 1, 2019, including annualization of the southwest implementation which began in January 2018.	5,543	—impact of the Community HealthChoices expansion.
		-512	—to provide home and community-based services to 480 additional older Pennsylvanians.
		-1,087	—nonrecurring prior year costs.
\$ -275,357	<i>Appropriation Decrease</i>	\$ 15,438	—revision of federal financial participation from 51.82% to 52.25%.
			<i>Appropriation Increase</i>
Medical Assistance - Community HealthChoices			
\$ 598,670	—reflects the transfer of program costs from the Long-Term Care appropriation.	\$ 19,916	Services to Persons with Disabilities
318,567	—reflects the transfer of program costs from the Home and Community-Based Services appropriation.	22,541	—to continue current program, including annualization of prior year expansion.
209,510	—reflects the transfer of program costs from the Services to Persons with Disabilities appropriation.	-7,123	—to provide home and community-based services to 1,500 additional individuals with disabilities.
104,874	—reflects the transfer of program costs from the Attendant Care appropriation.	-3,801	—nonrecurring prior year costs.
86,388	—reflects the transfer of program costs from the Capitation appropriation.	-169,435	—revision of federal financial participation from 51.82% to 52.25%.
101,004	—reflects the transfer of program costs from the Fee-for-Service appropriation.		—to implement Community HealthChoices in the southeast beginning January 1, 2019, including annualization of the southwest implementation which began in January 2018.
27,375	—reflects the transfer of the attendant care over 60 program costs from the PENNCARE appropriation in the Department of Aging.	\$ -137,902	<i>Appropriation Decrease</i>
84,800	—to implement Community HealthChoices in the southeast beginning January 1, 2019, including annualization of the southwest implementation, which will improve care coordination and health outcomes while allowing more individuals to live in their community.	\$ 15,890	
		10,780	Attendant Care
		-1,992	—to continue current program, including increased utilization and costs.
-550,788	—impact of available Intergovernmental Transfer funds and assessment revenue.	-1,851	—to provide home and community-based services to 960 additional individuals with disabilities.
-153,084	—impact of available Lottery Funds.	-84,814	—nonrecurring prior year costs.
-132,878	—impact of available Tobacco Settlement Funds.		—revision of federal financial participation from 51.82% to 52.25%.
\$ 694,438	<i>Appropriation Increase</i>	\$ -61,987	—to implement Community HealthChoices in the southeast beginning January 1, 2019, including annualization of the southwest implementation which began in January 2018.
			<i>Appropriation Decrease</i>

Health and Human Services

Program: Long-Term Living (continued)

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

		\$	-50,278	Home and Community-Based Services
	LOTTERY FUND			—transfer to Community HealthChoices.
	Medical Assistance - Long-Term Care			
\$	40,000			—one-time use of prior year General Funds.
	14,800			—one-time use of prior year available Tobacco Settlement Funds.
	-26,000			—decrease in Lottery Funds available to transfer.
	<u>-76,700</u>			—transfer to Community HealthChoices.
\$	-47,900			<i>Appropriation Decrease</i>
	Medical Assistance - Community HealthChoices			
\$	26,106			—transfer from the PENNCARE appropriation in the Department of Aging. To implement Community HealthChoices in the southeast beginning January 1, 2019, including annualization of the southwest implementation which began in January 2018.
	50,278			—transfer from Home and Community-Based Services. To implement Community HealthChoices in the southeast beginning January 1, 2019, including annualization of the southwest implementation which began in January 2018.
	76,700			—transfer from Medical Assistance - Long-Term Care. To implement Community HealthChoices in the southeast beginning January 1, 2019, including annualization of the southwest implementation which began in January 2018.
	<u>153,084</u>			<i>Appropriation Increase</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Medical Assistance - Long-Term Care.....	\$ 1,082,534	\$ 1,139,406	\$ 864,049	\$ 495,678	\$ 228,187	\$ 224,746	\$ 231,098
Medical Assistance - Community HealthChoices.....	0	0	694,438	2,308,008	3,171,922	3,449,677	3,616,661
Home and Community-Based Services.....	401,936	511,307	420,067	120,355	212	0	0
Long-Term Care Managed Care.....	127,066	141,851	157,289	160,435	163,643	166,916	170,255
Services to Persons with Disabilities.....	434,607	476,850	338,948	116,034	17,249	17,110	17,794
Attendant Care.....	226,899	252,534	190,547	75,463	26,014	25,945	26,983
TOTAL GENERAL FUND.....	\$ 2,273,042	\$ 2,521,948	\$ 2,665,338	\$ 3,275,973	\$ 3,607,227	\$ 3,884,394	\$ 4,062,791
LOTTERY FUND:							
Medical Assistance - Long-Term Care.....	\$ 184,081	\$ 129,281	\$ 81,381	\$ 19,977	\$ 0	\$ 0	\$ 0
Medical Assistance - Community HealthChoices.....	0	0	153,084	313,760	376,803	386,345	390,151
Home and Community-Based Services.....	120,668	120,668	70,390	21,617	0	0	0
TOTAL LOTTERY FUND.....	\$ 304,749	\$ 249,949	\$ 304,855	\$ 355,354	\$ 376,803	\$ 386,345	\$ 390,151

Program: Income Maintenance

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.

The broad purpose of public assistance is to provide temporary support to families in transition from dependency to economic self-sufficiency. Support may include limited education, job training and placement assistance, child care, transportation, other support services and cash assistance.

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), and the Supplemental Nutrition Assistance Program (SNAP) 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

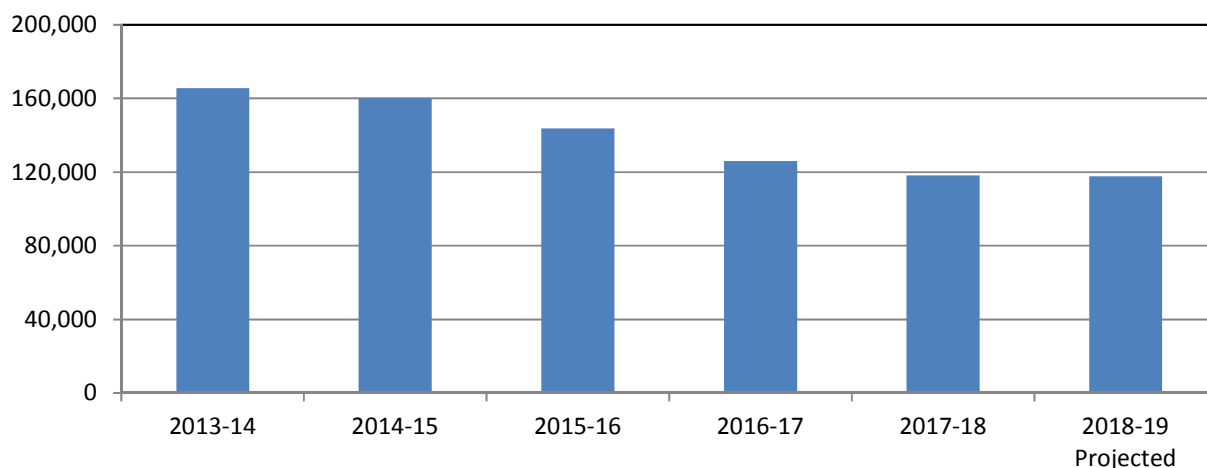
approved work-related activity. Adults with disabilities to the extent that substantial gainful employment is not possible are required to cooperate in applying for federal benefits.

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's Food and Nutrition Service, but is 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.

Cash Grants
(Average Yearly TANF Caseload)



Program: Income Maintenance (continued)

The Supplemental Security Income (SSI) program provides aged, blind and disabled persons with a monthly payment based on nationally uniform eligibility standards. Eligibility for SSI is determined by the Social Security Administration. The department is responsible for 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.

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 lead 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.

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 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 manage barriers that hinder them from achieving self-sufficiency.

Supportive services are also provided to facilitate and assist a 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.

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 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: Income Maintenance (continued)

Program Recommendation:

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

<p>County Administration - Statewide</p> <p>\$ 2,385 —to continue current program. -2,000 —use of prior year federal funds. <u>-4,520</u> —to reflect change in federal earnings. \$ -4,135 <i>Appropriation Decrease</i></p> <p>County Assistance Offices</p> <p>\$ 10,938 —to continue current program. -1,292 —to reflect change in federal earnings. <u>-27,857</u> —use of prior year federal funds. \$ -18,211 <i>Appropriation Decrease</i></p> <p>Child Support Enforcement</p> <p>\$ 87 —to continue current program. <u>-335</u> —nonrecurring project. \$ -248 <i>Appropriation Decrease</i></p>	<p>New Directions</p> <p>\$ 501 —to continue current program. -1,859 —nonrecurring project. -2,259 —to reflect change in federal earnings. <u>-2,500</u> —use of prior year federal funds. \$ -6,117 <i>Appropriation Decrease</i></p> <p>Supplemental Grants - Aged, Blind, Disabled</p> <p>\$ -169 —impact of caseload changes.</p>
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The Cash Grants appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
County Administration - Statewide.....	\$ 51,425	\$ 46,865	\$ 42,730	\$ 42,817	\$ 42,817	\$ 42,817	\$ 42,817
County Assistance Offices.....	333,372	283,661	265,450	265,450	265,450	265,450	265,450
Child Support Enforcement	12,694	16,546	16,298	16,298	16,298	16,298	16,298
New Directions	24,943	21,799	15,682	15,682	15,682	15,682	15,682
Cash Grants	25,457	25,457	25,457	25,457	25,457	25,457	25,457
Supplemental Grants - Aged, Blind and Disabled	131,178	127,947	127,778	126,500	126,500	126,500	126,500
TOTAL GENERAL FUND	\$ 579,069	\$ 522,275	\$ 493,395	\$ 492,204	\$ 492,204	\$ 492,204	\$ 492,204

Program: Mental Health and Substance Abuse Services

Goal: To maximize the individual's capacity for independent living through the provision of an array of service and support programs.

The Office of Mental Health and Substance Abuse Services (OMHSAS) 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. OMHSAS seeks to ensure that there is a combined approach to the delivery and the financing of behavioral health services. OMHSAS 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. OMHSAS oversees fee-for-service behavioral health services and the Medicaid HealthChoices Behavioral Health Managed Care program either through county contracts or by direct contract with a behavioral health managed care organization. OMHSAS 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.

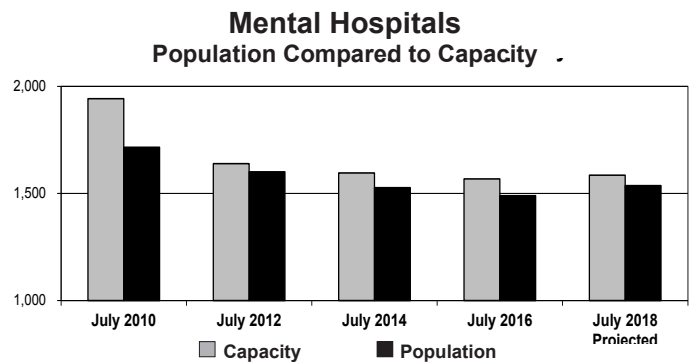
State Mental Hospitals

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).

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.



The population at state mental hospitals has declined by 179 individuals (or 10 percent) since July of 2010, as more people receive mental health services in the community. During that same period, capacity at the state mental hospitals has declined by 358 beds (or 18 percent).

Substance Abuse Services

OMHSAS 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. OMHSAS is also focused on strategies to address the opioid

Program: Mental Health and Substance Abuse Services (continued)

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. An additional 25 centers were funded through HealthChoices Medicaid Managed Care. The centers are central efficient hubs 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. Funding is provided for treatment for MA eligibles as well as for non-MA eligibles.

Expenditures by Hospital, Restoration Center and Community Programs

(Dollar Amounts in Thousands)

		2016-17	2017-18	2018-19			2016-17	2017-18	2018-19
		Actual	Available	Budget			Actual	Available	Budget
Allentown					Warren				
State Funds.....	\$	1,860	\$ 1,850	\$ 1,842	State Funds.....	\$	23,878	\$ 24,968	\$ 24,859
Federal Funds.....		0	0	0	Federal Funds.....		22,700	23,694	23,709
Augmentations.....		0	0	0	Augmentations.....		1,487	1,700	1,700
TOTAL.....	\$	<u>1,860</u>	<u>\$ 1,850</u>	<u>\$ 1,842</u>	TOTAL.....	\$	<u>48,065</u>	<u>\$ 50,362</u>	<u>\$ 50,268</u>
Clarks Summit					Wernersville				
State Funds.....	\$	26,903	\$ 31,295	\$ 28,361	State Funds.....	\$	38,821	\$ 38,830	\$ 42,840
Federal Funds.....		22,700	23,693	23,708	Federal Funds.....		27,400	28,935	29,829
Augmentations.....		1,406	1,090	1,090	Augmentations.....		1,562	1,278	1,278
TOTAL.....	\$	<u>51,009</u>	<u>\$ 56,078</u>	<u>\$ 53,159</u>	TOTAL.....	\$	<u>67,783</u>	<u>\$ 69,043</u>	<u>\$ 73,947</u>
Danville					Administrative Cost				
State Funds.....	\$	21,333	\$ 16,453	\$ 21,515	State Funds.....	\$	5,184	\$ 5,350	\$ 5,440
Federal Funds.....		22,700	28,694	23,709	Federal Funds.....		0	0	0
Augmentations.....		995	863	863	Augmentations.....		0	0	0
TOTAL.....	\$	<u>45,028</u>	<u>\$ 46,010</u>	<u>\$ 46,087</u>	TOTAL.....	\$	<u>5,184</u>	<u>\$ 5,350</u>	<u>\$ 5,440</u>
Norristown					Community Programs				
State Funds.....	\$	51,087	\$ 47,394	\$ 54,298	State Funds.....	\$	550,215	\$ 529,681	\$ 530,392
Federal Funds.....		25,810	31,809	31,854	Federal Funds.....		54,723	53,218	46,992
Augmentations.....		1,012	1,128	1,128	Augmentations.....		2	28,621	28,621
TOTAL.....	\$	<u>77,909</u>	<u>\$ 80,331</u>	<u>\$ 87,280</u>	TOTAL.....	\$	<u>604,940</u>	<u>\$ 611,520</u>	<u>\$ 606,005</u>
South Mountain State Restoration Center					Budgetary Reserve				
State Funds.....	\$	14,400	\$ 15,003	\$ 14,247	State Funds.....	\$	0	\$ 0	\$ 0
Federal Funds.....		12,500	13,493	14,583	Federal Funds.....		5,581	4,492	1,000
Augmentations.....		2,037	1,789	1,789	Augmentations.....		0	0	0
TOTAL.....	\$	<u>28,937</u>	<u>\$ 30,285</u>	<u>\$ 30,619</u>	TOTAL.....	\$	<u>5,581</u>	<u>\$ 4,492</u>	<u>\$ 1,000</u>
Torrance									
State Funds.....	\$	55,346	\$ 50,983	\$ 52,479					
Federal Funds.....		31,500	37,500	38,515					
Augmentations.....		1,087	970	970					
TOTAL.....	\$	<u>87,933</u>	<u>\$ 89,453</u>	<u>\$ 91,964</u>					

Health and Human Services

Program: Mental Health and Substance Abuse Services (continued)

Hospital and Restoration Center Populations for the Prior, Current and Upcoming Year

State Mental Hospitals	Population July 2016	Population July 2017	Projected Population July 2018	Projected Bed Capacity July 2018	Projected Percentage of Capacity July 2018
Clarks Summit.....	202	181	185	200	92.5%
Danville.....	160	160	160	160	100.0%
Norristown.....	252	255	287	287	100.0%
South Mountain.....	150	147	150	159	94.3%
Torrance.....	332	316	345	361	95.6%
Warren.....	141	150	150	152	98.7%
Wernersville.....	253	260	260	266	97.7%
TOTAL.....	1,490	1,469	1,537	1,585	97.0%

Program Recommendations:

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

Mental Health Services	
\$ 11,581	—to continue current program.
4,885	—to annualize previous program revisions providing expanded community services.
<u>-2,000</u>	—impact of increased federal funds.
\$ 14,466	<i>Appropriation Increase</i>

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Mental Health Services.....	\$ 789,027	\$ 761,807	\$ 776,273	\$ 776,273	\$ 776,273	\$ 776,273	\$ 776,273
Behavioral Health Services	53,117	57,149	57,149	57,149	57,149	57,149	57,149
Special Pharmaceutical Services	1,186	1,008	1,008	1,008	1,008	1,008	1,008
TOTAL GENERAL FUND	\$ 843,330	\$ 819,964	\$ 834,430	\$ 834,430	\$ 834,430	\$ 834,430	\$ 834,430

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 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.

Services for Individuals with Intellectual Disabilities and Autism – Community Services

The MH/ID Act provides the statutory basis, along with the Medicaid Consolidated, Person/Family Directed Support, and Community Living waivers and the Targeted Support Management state plan, 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 staffed community homes. The program is outcome-based and is 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.

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.

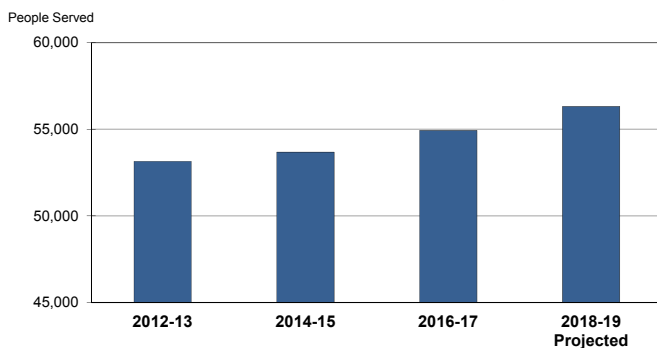
Services for Individuals with Autism Spectrum Disorder

The department provides funding for a four county managed care program to support the needs of Pennsylvanians living with ASD who may also have an intellectual disability. The Adult Community Autism Program (ACAP) was 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.

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 by over 5,100 people served since 2012-13.

Program: Intellectual Disabilities (continued)

State Centers Population for the Prior, Current and Upcoming Years

	Population July 2016	Population July 2017	Projected Population July 2018	Projected Bed Capacity July 2018	Projected Percentage Capacity July 2018
State Centers					
Ebensburg.....	230	220	206	402	51.2%
Hamburg.....	84	77	0	186	0.0%
Polk.....	234	220	206	521	39.5%
Selinsgrove.....	233	224	209	564	37.1%
White Haven.....	124	117	107	275	38.9%
TOTAL.....	<u>905</u>	<u>858</u>	<u>728</u>	<u>1,948</u>	<u>37.4%</u>

Expenditures by State Center

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget		2016-17 Actual	2017-18 Available	2018-19 Budget
Ebensburg				White Haven			
State funds.....	\$ 32,008	\$ 30,342	\$ 29,870	State funds.....	\$ 20,741	\$ 20,046	\$ 19,212
Federal funds.....	36,072	37,811	41,897	Federal funds.....	23,376	24,589	26,082
Augmentations.....	7,189	6,554	7,092	Augmentations.....	3,877	3,955	4,220
TOTAL.....	<u>\$ 75,269</u>	<u>\$ 74,707</u>	<u>\$ 78,859</u>	TOTAL.....	<u>\$ 47,994</u>	<u>\$ 48,590</u>	<u>\$ 49,514</u>
Hamburg				Non-Facility			
State funds.....	\$ 16,550	\$ 12,815	\$ 4,654	State funds.....	\$ 1,156	\$ 1,231	\$ 1,218
Federal funds.....	18,461	15,611	0	Federal funds.....	0	0	0
Augmentations.....	2,671	3,028	0	Augmentations.....	0	0	0
TOTAL.....	<u>\$ 37,682</u>	<u>\$ 31,454</u>	<u>\$ 4,654</u>	TOTAL.....	<u>\$ 1,156</u>	<u>\$ 1,231</u>	<u>\$ 1,218</u>
Polk				Budgetary Reserve			
State funds.....	\$ 32,915	\$ 31,489	\$ 30,711	State funds.....	\$ 0	\$ 0	\$ 0
Federal funds.....	37,870	40,052	43,686	Federal funds.....	18,589	13,603	5,000
Augmentations.....	7,638	7,029	7,275	Augmentations.....	0	0	0
TOTAL.....	<u>\$ 78,423</u>	<u>\$ 78,570</u>	<u>\$ 81,672</u>	TOTAL.....	<u>\$ 18,589</u>	<u>\$ 13,603</u>	<u>\$ 5,000</u>
Selinsgrove							
State funds.....	\$ 34,400	\$ 32,877	\$ 31,659				
Federal funds.....	39,651	42,006	45,147				
Augmentations.....	7,532	7,112	7,314				
TOTAL.....	<u>\$ 81,583</u>	<u>\$ 81,995</u>	<u>\$ 84,120</u>				

Health and Human Services

Program: Intellectual Disabilities (continued)

Program Recommendations:

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

Intellectual Disabilities - State Centers		Intellectual Disabilities - Intermediate Care Facilities	
\$ 4,576	—to continue current program.	\$ 5,495	—to continue current program.
2,875	—impact of decreased federal funds and other revenue.	-284	—to reflect individuals transferring to the community program.
-7,500	—use of prior year federal funds.	-1,053	—revision of federal financial participation from 51.82% to 52.25%.
-983	—revision of federal financial participation from 51.82% to 52.25%.		
-10,435	—Initiative—cost savings from GO-TIME projects.	\$ 4,158	<i>Appropriation Increase</i>
-9	—Initiative—to provide home and community-based services for 25 individuals with intellectual disabilities currently residing in state centers.		
		\$ -160	Intellectual Disabilities - Community Base Program
\$ -11,476	<i>Appropriation Decrease</i>	1,779	—to continue current program.
			—reflects transfer of operating costs from the Autism Intervention and Services appropriation.
		-92	—revision of federal financial participation from 51.82% to 52.25%.
		\$ 1,527	<i>Appropriation Increase</i>
		\$ -1,630	Autism Intervention and Services
Intellectual Disabilities - Community Waiver Program		2,733	—funding reduction.
\$ 11,801	—to continue current program, including annualization of prior year expansion.	608	—to continue current program, including annualization of prior year expansion.
43,853	—increase in utilization and costs.	-31	—nonrecurring prior year carryover funds.
-12,047	—prior year settlements and appeals.	-1,779	—reflects transfer of operating costs to the General Government Operations appropriation.
-9,503	—revision of federal financial participation from 51.82% to 52.25%.	-118	—reflects transfer of operating costs to the Intellectual Disabilities - Community Base Program appropriation.
1,012	—Initiative—to provide home and community-based services for 25 individuals with intellectual disabilities currently residing in state centers.	-118	—revision of federal financial participation from 51.82% to 52.25%.
14,301	—Initiative—to provide home and community-based services for 100 individuals currently on the emergency waiting list and 800 students graduating from special education.	688	—Initiative—to provide home and community-based services for 40 additional adults with autism spectrum disorders.
\$ 49,417	<i>Appropriation Increase</i>	\$ 471	<i>Appropriation Increase</i>

The Intellectual Disabilities - Lansdowne Residential Services appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Intellectual Disabilities - State Centers.....	\$ 137,770	\$ 128,800	\$ 117,324	\$ 123,824	\$ 122,824	\$ 122,824	\$ 122,824
Intellectual Disabilities - Community Waiver Program.....	1,349,113	1,527,602	1,577,019	1,615,114	1,679,719	1,746,908	1,816,784
Intellectual Disabilities - Intermediate Care Facilities.....	127,621	128,426	132,584	132,584	132,584	132,584	132,584
Intellectual Disabilities - Community Base Program.....	149,950	150,734	152,261	152,261	152,261	152,261	152,261
Intellectual Disabilities - Lansdowne Residential Services.....	340	340	340	340	340	340	340
Autism Intervention and Services.....	22,496	27,669	28,140	29,515	29,515	29,515	29,515
TOTAL GENERAL FUND.....	\$ 1,787,290	\$ 1,963,571	\$ 2,007,668	\$ 2,053,638	\$ 2,117,243	\$ 2,184,432	\$ 2,254,308

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.

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 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.

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 2016	Population July 2017	Projected Population July 2018	Projected Capacity July 2018	Projected Percentage of Capacity July 2018
YFC-Hickory Run.....	23	26	25	49	51.0%
YFC-Trough Creek	34	42	41	50	82.0%
Loysville.....	91	92	95	108	88.0%
South Mountain Secure Treatment Unit	32	30	32	36	88.9%
North Central Secure Treatment Unit	108	96	94	108	87.0%
Total Current Program	288	286	287	351	81.8%

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 form 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.

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.

Program: Human Services (continued)

Legal Services

The department provides low-income individuals assistance with family, consumer, housing, employment and other civil legal problems through a contract with a statewide legal aid non-profit. The emphasis of the service delivery is to provide emergency legal services in situations that threaten the basic needs of individuals. These services do not include political activities or services in criminal matters.

Domestic Violence and Rape Crisis

Domestic violence services are provided through a contract with a statewide coalition, which in turn subcontracts for services at the local level. The services to victims of domestic violence include crisis intervention, counseling, victim advocacy, information and referral, and temporary shelter for victims and their dependent children. Prevention and education programs are provided by local groups to lessen the risk of domestic violence in the community.

Rape crisis services also are provided through a contract with a statewide coalition, which in turn subcontracts for services at the local level. Rape crisis programs provide crisis intervention services, counseling, victim advocacy, information and referral, and accompaniment through police, medical and judicial systems. Educational programs are provided to lessen the risk of sexual assault for adults and children in the community.

Homeless Assistance

The Homeless Assistance program operates through counties to provide temporary shelter to homeless individuals and rental assistance to those in immediate danger of becoming homeless. Shelter may be provided in large mass shelters or in hotels and motels through a voucher system.

Housing assistance can include a cash payment on behalf of an individual or family to prevent or end homelessness, or intervention to prevent homelessness where an eviction is imminent. In addition to preventing homelessness, housing assistance is available to move people out of temporary shelters into permanent housing.

Case management services are used to assure ongoing coordination with the client and to assist the client with activities needed for self-sufficient living.

Specialized residences for the mentally ill homeless are provided in a small number of counties with concentrations of these individuals. The program provides housing for an indefinite period of time, coupled with supportive services that will enable the client to move to a long-term semi-independent or independent living situation.

Human Services Block Grant

A 30 county program was implemented to provide county governments with increased flexibility to address local needs. The Human Services Block Grant Program was established for the purpose of allocating funds to select county governments to provide locally identified county-based human services to meet the service needs of county residents. As part of this program, funding for the following six programs was combined at the local level into a flexible Human Services Block Grant: community mental health services, behavioral health services, intellectual disability community base services, county child welfare special grants, homeless assistance programs and Act 152 drug and alcohol services. Act 153 of 2016 allows for voluntary expansion of the Human Services Block Grant. It also removed county child welfare special grants from the block grant and placed them back into the child welfare needs-based budget. There are currently 36 counties participating in the block grant program. Funding continues to be provided from the individual appropriations.

Program Recommendations:

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

		Youth Development Institutions and Forestry Camps
\$	6,758	—to continue current program.
		County Child Welfare
\$	41,340	—for county needs-based budgets as mandated by Act 30 of 1991.
	3,138	—to continue current program.
\$	44,478	<i>Appropriation Increase</i>

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

Health and Human Services

Program: Human Services (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Youth Development Institutions and							
Forestry Camps	\$ 65,732	\$ 58,302	\$ 65,060	\$ 65,060	\$ 65,060	\$ 65,060	\$ 65,060
County Child Welfare.....	1,146,591	1,180,876	1,225,354	1,225,354	1,225,354	1,225,354	1,225,354
Domestic Violence.....	17,357	17,357	17,357	17,357	17,357	17,357	17,357
Rape Crisis.....	9,928	9,928	9,928	9,928	9,928	9,928	9,928
Breast Cancer Screening	1,723	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	2,661	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
Services for the Visually Impaired	0	2,584	2,584	2,584	2,584	2,584	2,584
TOTAL GENERAL FUND	<u>\$ 1,275,948</u>	<u>\$ 1,305,387</u>	<u>\$ 1,356,623</u>	<u>\$ 1,356,623</u>	<u>\$ 1,356,623</u>	<u>\$ 1,356,623</u>	<u>\$ 1,356,623</u>

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 Departments of Health and Human Services and 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 educational 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, increase 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. Beginning in 2018-19, Early Learning Resource Center agencies will determine eligibility for subsidized child care, offer families a choice of child care services, provide information and counseling on how to select high-quality early care and education and school-aged child care programs, as well as support early care and education program quality improvement.

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.

Child Care Funding (Dollar Amounts in Thousands)	
	<u>2018-19</u>
Low-Income Working Families	
State Funds ¹	\$ 182,822
Federal Funds	<u>352,760</u>
Total	<u>\$ 535,582</u>
TANF Recipients / Former TANF Recipients	
State Funds ²	\$ 139,885
Federal Funds	199,097
Other Funds	<u>1,705</u>
Total	<u>\$ 340,687</u>
Grand Total	<u><u>\$ 876,269</u></u>

¹ Child Care Services appropriation.
² Child Care Assistance appropriation.

Program Recommendations: (continued)

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

\$ 4,500	Community-Based Family Centers —Initiative—to provide evidence-based home visiting services to 800 families affected by the opioid epidemic.
800	—Initiative—to provide a rate increase for Community-Based Family Center providers.
\$ 5,300	<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)

Child Care Services		Nurse Family Partnership	
\$ 4,131	—to continue current program.	\$ 1,200	—Initiative—to provide a rate increase for Nurse Family Partnership providers.
10,000	—Initiative—to serve an additional 1,600 children from the low income waiting list.		
10,000	—Initiative—to recalibrate tiered reimbursement rates for STAR 2, STAR 3 and STAR 4 programs to incentivize providers to reach higher STARS levels.	\$ 2,433	Early Intervention
		1,652	—to continue current program.
3,000	—Initiative—to implement an infant/toddler pilot to improve access to and continued enrollment in high-quality early care.	-361	—impact of decreased federal funds.
		-4,976	—revision of federal financial participation percentage from 51.82% to 52.25%.
			—nonrecurring prior year costs.
<u>\$ 27,131</u>	<i>Appropriation Increase</i>	<u>\$ -1,252</u>	<i>Appropriation Decrease</i>

The Child Care Assistance appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Community-Based Family Centers.....	\$ 3,258	\$ 8,023	\$ 13,323	\$ 13,323	\$ 13,323	\$ 13,323	\$ 13,323
Child Care Services.....	135,691	155,691	182,822	182,822	182,822	182,822	182,822
Child Care Assistance	152,609	139,885	139,885	139,885	139,885	139,885	139,885
Nurse Family Partnership.....	11,978	11,978	13,178	13,178	13,178	13,178	13,178
Early Intervention.....	129,211	144,096	142,844	142,844	142,844	142,844	142,844
TOTAL GENERAL FUND	<u>\$ 432,747</u>	<u>\$ 459,673</u>	<u>\$ 492,052</u>	<u>\$ 492,052</u>	<u>\$ 492,052</u>	<u>\$ 492,052</u>	<u>\$ 492,052</u>

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 health centers, 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. 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 and 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.

The Achieving Better Care by Monitoring All Prescriptions program (ABC-MAP) act transformed the prior law enforcement-based prescription drug monitoring program and shifted the focus to curtailing the opioid addiction crisis in the commonwealth. ABC-MAP aids regulatory and law enforcement agencies in detecting and preventing fraud and abuse. It serves as a valuable tool for prescribers, dispensers and their delegates to have a clear picture of a patient's current prescriptions to ensure excess opioids are not prescribed and to recognize warning signs of

the disease of addiction and/or diversion of controlled substances.

Women and Infant Programs

The department combines maternal home visiting programs, Centering Pregnancy programs and innovative inter-conception 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 several 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 health center 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).

The department administers the federally funded Women, Infants and Children (WIC) program. WIC serves pregnant, breast-feeding and postpartum women, infants and children up to five years of age who are at risk due to medical conditions and/or inadequate diet and low income. The program supplies supplemental foods that are rich in nutrients frequently lacking in the diets of the target population.

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 of age. The program supports the surveillance of vaccine-preventable diseases, provides consultation during disease outbreaks, assesses childhood immunization levels, conducts professional and public

Program: Public Health (continued)

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 addresses lead poisoning prevention, education, and surveillance through a variety of federally funded activities. The Lead Hazard Control Program seeks to identify, control and eliminate lead-based paint hazards in homes of eligible families. The department conducts surveillance of childhood blood lead levels to identify trends in blood lead levels or testing and communities or populations that are disparately affected. State health center staff provide education to parents and make referrals for children with elevated blood lead levels. In addition, the department provides education and training to families and communities, contractors, and healthcare providers to promote lead poisoning prevention and testing.

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 health center nurses offer technical assistance and recommendations to school officials during investigation of disease in students and staff.

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 state health centers, county and municipal health departments and federally qualified and rural health clinics. The state health center nurses offer blood pressure screenings at local events and gathering locations. 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 needed to prevent additional cases. This information is compiled and used to aid recommendations and education to decrease or prevent the spread of

disease.

Chronic disease remains one of the leading causes of preventable morbidity and premature death in the commonwealth. The hepatitis C testing pilot program affords those at-risk of hepatitis testing and education on prevention control measures. 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. In collaboration with the Bureau of Epidemiology, state health center nurses investigate concerns of healthcare acquired exposure or infections by offering hepatitis and HIV testing and control measure education to patients and providers.

The goal of the Sexually Transmitted Diseases (STD) program is to prevent STDs and their 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 contact of infectious cases or other high-risk individuals. State health centers offer public educational STD, HIV, and TB programs and provider education relating to prevention of institutional spread and appropriate case management.

The Health Innovation Center 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 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: Public Health (continued)

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.

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 health center nurses participate in health fairs by distributing educational material on chronic diseases and injury and accident prevention.

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 continues its initiative to prevent tick and mosquito transmitted infections, including Lyme disease, Zika virus and West Nile virus. State health center nurses provide educational programs on the prevention of mosquito and tickborne diseases and during the

investigatory process, identify and educate on person to person transmission, if applicable.

As part of the commonwealth's continued efforts to combat the heroin and opioid epidemic, public awareness and education campaigns seek to improve knowledge of the use and availability of Naloxone. Under the authority of the Controlled Substance, Drug, Device and Cosmetic Act, the department issued a standing order to enable any eligible person to obtain a prescription of Naloxone – a medication that can reverse an opioid overdose.

Health Treatment Services

The department is responsible for coordinating a variety of specialized medical services for commonwealth patients.

The Chronic Renal Disease program (CRDP) provides care and treatment for eligible adults with end-stage renal disease. The CRDP assists with costs related to dialysis services, renal transplantation, medications, medical management, inpatient and outpatient services, home dialysis supplies and equipment, and transportation services.

The specialty care programs provide children and adults with a variety of services for 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.

Specialty Care Programs	
Program	Minimum Receiving Treatment*
Phenylketonuria, Maple Syrup Urine Disease, Galactosemia	1,500
Renal disease	5,490
Sickle Cell disease	2,343
Hemophilia	2,179
Cooley's Anemia	55
Spina Bifida	1,260
Services for children with special needs (home ventilators)	265
Services for children with special needs (children's rehabilitation services)	768

* Based on 2016-17 data counts of children and adults receiving treatment through department-supported programs.

Program: Public Health (continued)

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.

The department is in the process of implementing the commonwealth's Medical Marijuana Program. When fully implemented, patients with an eligible serious medical condition will have access to medical marijuana products through a safe and effective delivery method that balances the patient's need for access to the latest treatments along with the patient's care and safety. The department provides resources and information for patients and caregivers, growers and processors, dispensaries, physicians and laboratories.

Program Recommendations:

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

<p>\$ 54 Achieving Better Care - MAP Program —to continue current program.</p> <p>\$ 155 State Laboratory —to continue current program.</p> <p>\$ 2,981 State Health Care Centers —to continue current program.</p> <p>\$ 56 Sexually Transmitted Disease Screening and Treatment —to continue current program.</p> <p>\$ -100 Diabetes Programs —program elimination.</p> <p>\$ -5,000 AIDS Programs and Special Pharmaceutical Services —reflects use of Ryan White HIV/AIDS rebates.</p> <p>\$ 76 Maternal and Child Health Services —reflects change in federal earnings.</p> <p>\$ -600 Regional Cancer Institutes —program elimination.</p> <p>\$ -157 Newborn Screening —reflects reduction in administrative costs.</p> <p>-213 —reflects change in federal earnings.</p> <p>\$ -370 <i>Appropriation Decrease</i></p> <p>\$ 37 Tuberculosis Screening and Treatment —to continue current program.</p>	<p>\$ -100 Lupus —program elimination.</p> <p>\$ -700 Regional Poison Control Centers —program elimination.</p> <p>\$ -460 Trauma Prevention —program elimination.</p> <p>\$ -550 Epilepsy Support Services —program elimination.</p> <p>\$ -5,425 Bio-Technology Research —program elimination.</p> <p>\$ -150 Tourette's Syndrome —program elimination.</p> <p>\$ -500 Amyotrophic Lateral Sclerosis Support Services —program elimination.</p> <p>\$ -5,000 Health Program Assistance and Services —program elimination.</p> <p>2,599 —for expenses related to Adult Cystic Fibrosis & Other Chronic Respiratory Illnesses, Cooley's Anemia, Hemophilia and Sickle Cell.</p> <p>\$ -2,401 <i>Appropriation Decrease</i></p>
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All other appropriations are recommended at the current year funding levels.

Health and Human Services

Program: Public Health (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Achieving Better Care - MAP Program.....	\$ 3,153	\$ 3,023	\$ 3,077	\$ 3,077	\$ 3,077	\$ 3,077	\$ 3,077
State Laboratory	3,611	3,497	3,652	3,652	3,652	3,652	3,652
State Health Care Centers	23,435	15,019	18,000	18,000	18,000	18,000	18,000
Sexually Transmitted Disease Screening and Treatment.....	1,673	1,701	1,757	1,757	1,757	1,757	1,757
Medical Marijuana Program Loan.....	3,000	0	0	0	0	0	0
Diabetes Programs.....	100	100	0	0	0	0	0
AIDS Programs and Special Pharmaceutical Services	17,436	17,436	12,436	12,436	12,436	12,436	12,436
Maternal and Child Health Services	981	1,289	1,365	1,365	1,365	1,365	1,365
Regional Cancer Institutes	600	600	0	0	0	0	0
Primary Health Care Practitioner.....	4,671	0	0	0	0	0	0
Newborn Screening	5,327	6,834	6,464	6,464	6,464	6,464	6,464
Community-Based Health Care Subsidy...	5,000	2,125	2,125	2,125	2,125	2,125	2,125
Cancer Screening Services	2,563	2,563	2,563	2,563	2,563	2,563	2,563
School District Health Services	36,620	36,620	36,620	36,620	36,620	36,620	36,620
Local Health Departments.....	25,421	25,421	25,421	25,421	25,421	25,421	25,421
Local Health - Environmental	6,989	2,389	2,389	2,389	2,389	2,389	2,389
Tuberculosis Screening and Treatment.....	876	876	913	913	913	913	913
Renal Dialysis.....	7,900	6,900	6,900	6,900	6,900	6,900	6,900
Services for Children with Special Needs..	1,728	1,728	1,728	1,728	1,728	1,728	1,728
Adult Cystic Fibrosis & Other Chronic Respiratory Illnesses.....	750	750	0	0	0	0	0
Cooley's Anemia.....	100	100	0	0	0	0	0
Hemophilia.....	959	959	0	0	0	0	0
Lupus.....	100	100	0	0	0	0	0
Sickle Cell.....	1,260	1,260	0	0	0	0	0
Regional Poison Control Centers	700	700	0	0	0	0	0
Trauma Prevention	460	460	0	0	0	0	0
Epilepsy Support Services.....	550	550	0	0	0	0	0
Bio-Technology Research.....	6,625	5,425	0	0	0	0	0
Tourette's Syndrome.....	150	150	0	0	0	0	0
Amyotrophic Lateral Sclerosis Support Services	500	500	0	0	0	0	0
Health Program Assistance and Services .	0	5,000	2,599	2,599	2,599	2,599	2,599
TOTAL GENERAL FUND	\$ 163,238	\$ 144,075	\$ 128,009	\$ 128,009	\$ 128,009	\$ 128,009	\$ 128,009

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 program conducts surveys and inspections of various health care facilities and providers to determine compliance with state and federal standards and regulations, and in some circumstances, as a condition of receiving federal Medicare and Medicaid financial support. The surveys determine compliance with various standards including sanitation, fire safety, health and level of care.

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. A few of the facility types inspected and frequencies are shown in the chart that follows.

In addition to inspections of health care facilities for compliance with state licensure and federal certification requirements, the Quality Assurance program conducts formal plan reviews and approval for new construction and remodeling of health care facility projects to assure that the projects will conform to state and federal requirements. Final inspections of the completed construction projects are conducted prior to approval for use and occupancy.

The 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.

Facility Inspection Frequency

Facility Type	Frequency	# of Licensed Facilities		
		2015-16	2016-17	2017-18
Abortion facilities	Inspected annually	19	18	18
Acute care hospitals	Surveyed and licensed on a three-year cycle	217	215	217
Ambulance agencies	Inspected annually	1,000	1,000	1,000
Ambulatory surgical facilities (class B and C)	Inspected annually	327	328	335
Birth centers	Inspected annually	6	6	6
End-stage renal disease facilities	One-third of facilities are surveyed annually	297	297	298
Home care agencies	Onsite inspection every three years; written surveys other two years	1,537	1,696	1,813
Home health agencies	Surveyed within 12 months of license expiration	530	541	545
Hospice agencies	Onsite inspection every three years; written surveys other two years	189	185	183
Intellectual Disabilities - Intermediate Care Facilities	Surveyed within 12 months of license expiration	182	180	180
Nursing homes	Inspected annually	704	702	704
Pediatric extended care centers	Surveyed annually	15	15	15

* Based on data counts of licensure and surveys completed prior to licensure expiration by facility type.

Health and Human Services

Program: Health Care Quality and Licensure (continued)

Program Recommendations:

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

Quality Assurance
 \$ 569 —to continue current program.

The Health Innovation appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
General Fund:							
Quality Assurance.....	\$ 21,121	\$ 22,440	\$ 23,009	\$ 23,009	\$ 23,009	\$ 23,009	\$ 23,009
Health Innovation.....	907	911	911	911	911	911	911
TOTAL GENERAL FUND	\$ 22,028	\$ 23,351	\$ 23,920	\$ 23,920	\$ 23,920	\$ 23,920	\$ 23,920

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

Program: Health and Human Services Support

Objective: Coordinate the collection and analysis of health statistics and information and disseminate health research grants.

Vital Events (births, deaths and fetal deaths)

Vital events registered (calendar year)	272,054	271,697	269,203	272,623	273,888	273,888	273,888
Percentage of vital events registered according to Vital Statistics Law and Title 28 of the PA Code	95%	95%	95%	82%	85%	90%	90%
Applications for certified copies of birth and death records filled (calendar year)	518,348	454,681	510,000	646,208	487,000	560,000	850,000

Objective: Maintain services and supports that will improve the cost effectiveness of human services programs.

Online applications submitted through COMPASS	829,580	785,378	864,554	755,245	782,671	810,095	829,630
Percentage of all applications submitted online through COMPASS	N/A	31.30%	30.40%	33.20%	35.20%	37.50%	39.40%
Percentage of the COMPASS user community that is using the mobile application	N/A	N/A	N/A	N/A	8%	33%	36%
Average number of days to process an application - MA/NH/Waiver	N/A	N/A	19.70	12.70	12.50	13	13
Average number of days to process an application - TANF	N/A	N/A	12.50	10.90	9.70	10	10
Average number of days to process an application - SNAP	N/A	N/A	10.90	7.70	7.30	8	8

Program: Medical Assistance

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)	2,123,710	2,147,889	2,354,542	2,716,782	2,852,697	2,890,015	2,922,156
Persons participating in Medical Assistance (monthly average) – Adults (ages 21 and older)	N/A	1,063,718	1,208,923	1,521,947	1,640,007	1,660,169	1,675,548
Persons participating in Medical Assistance (monthly average) – Children (under age 21)	N/A	1,084,171	1,145,619	1,194,834	1,212,690	1,229,846	1,246,608
Newly Medicaid-eligible adults receiving enhanced federal match under the ACA	N/A	N/A	486,725	724,524	785,188	789,707	794,252

Medical Assistance

Managed Care - Emergency Room utilization per 1,000 member-months	N/A	76	76	74	74	72	71
Managed Care - Inpatient utilization (total discharges per 1,000 member-months)	N/A	10	10	9	8	7	7

Program Measures

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Managed Care							
Percentage of children from birth to 15 months visiting a physician 6 or more times in the past year	64%	64.40%	65%	65.20%	69.50%	68.70%	69.20%
Percentage of children ages 12 to 24 months visiting a doctor or nurse in the past year	97%	96.70%	96.70%	97%	97%	96.30%	96.80%
Percentage of children 25 months to 6 years visiting a doctor or nurse in the past year	88%	87.70%	88.20%	89%	89%	88.60%	87.10%
Percentage of pregnant women receiving over 80% of the recommended prenatal visits	71%	71.20%	72.80%	64.40%	71.50%	73.90%	74.30%
Percentage of persons ages 2 to 20 receiving at least one dental visit during the measurement year	N/A	55.60%	56.70%	58.20%	60%	60.80%	61.30%
Percentage of persons ages 18 to 75 with diabetes (type 1 and type 2) who had Hemoglobin A1c poor control (>9%) (Note: a lower rate equals better performance)	N/A	39.70%	37.20%	38.10%	37.50%	36.40%	35.90%
Percentage of persons ages 1 to 17 on 2 or more antipsychotic medications for more than 90 days	N/A	N/A	N/A	2.70%	1.60%	1.60%	1%
Transportation Program							
One-way trips (in thousands)	8,590	8,702	8,955	8,978	8,752	8,743	8,825
Cost per trip	\$13.51	\$13.52	\$12.85	\$13.48	\$15.61	\$16.39	\$16.73
Medical Care for Workers with Disabilities							
Recipients enrolled in program (monthly average)	29,897	34,933	37,067	31,032	29,223	29,465	29,465

Objective: Enable eligible Pennsylvanians to secure access to quality, affordable health insurance coverage.

Children's Health Insurance Program

Children's Health Insurance Program (CHIP) enrollment (monthly average)	189,727	185,256	153,312	153,199	169,853	180,866	196,298
Percentage of CHIP-enrolled two-year-olds with one or more capillary or venous blood tests for lead prior to their second birthday	N/A	N/A	52.90%	55%	60.40%	63.40%	65.50%
Percentage of CHIP-enrolled children ages 3 to 6 receiving a well-child visit with a primary care physician	81%	81.17%	82.40%	83.50%	82.90%	83.40%	83.80%
Percentage of CHIP-enrolled children ages 2 to 19 receiving an annual dental visit	N/A	N/A	72.40%	72.60%	72.20%	73.30%	74.40%
CHIP-enrolled children ages <1 to 19 utilizing an emergency department (visits per 1,000 member-months)	N/A	N/A	27.90	27.90	28.60	27.90	27.30
CHIP-enrolled children ages <1 to 19 with an acute inpatient discharge (discharges per 1,000 member-months)	N/A	N/A	0.91	0.89	0.85	0.79	0.73

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

Program: Long-Term 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

Percentage of long-term care recipients receiving institutional care (monthly average)	57%	52%	48%	46%	44%	42%	40%
Recipients under age 60 receiving institutional care (monthly average)	4,879	4,540	4,383	4,518	4,644	4,244	3,272
Recipients age 60 and over receiving institutional care (monthly average)	51,463	45,260	43,754	45,041	45,843	41,892	32,297
Recipients age 60 and over receiving home and community-based waiver services (monthly average)	21,229	23,244	26,357	28,767	30,594	30,999	20,017
Community HealthChoices - Recipients under age 60 receiving institutional care (monthly average)	N/A	N/A	N/A	N/A	N/A	433	1,438
Community HealthChoices - Recipients age 60 and over receiving institutional care (monthly average)	N/A	N/A	N/A	N/A	N/A	4,272	14,190
Percentage of long-term care recipients receiving services in the community (monthly average)	43%	48%	52%	54%	56%	58%	60%

Other Long-Term Living Services

Number of recipients under age 60 receiving attendant care services (waiver and Act 150) (monthly average)	8,008	8,252	8,951	10,051	11,157	11,926	8,032
Persons with developmental disabilities served in home and community-based long-term care waiver services (monthly average)	8,843	10,399	12,072	13,793	15,633	16,729	11,317

Long-Term Care

Community HealthChoices - Recipients under age 60 receiving home and community-based waiver services (monthly average)	N/A	N/A	N/A	N/A	N/A	725	11,423
Community HealthChoices - Recipients age 60 and over receiving home and community-based waiver services (monthly average)	N/A	N/A	N/A	N/A	N/A	3,585	19,233
Average monthly cost of nursing home care	\$4,791	\$5,212	\$5,429	\$5,388	\$5,129	\$5,129	\$5,129
Average monthly cost of home and community-based waiver services (age 60 and over)	\$1,973	\$2,177	\$2,325	\$2,624	\$3,129	\$3,694	\$3,805
Recipients receiving services through the LIFE program (monthly average)	3,664	4,048	4,698	5,321	5,767	6,370	7,130

Program Measures

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Number of persons transitioned to community living through the Nursing Home Transition Program	N/A	1,510	1,433	1,421	1,380	1,460	1,540

Program: Income Maintenance

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)	180,235	165,794	160,490	143,930	126,283	118,321	117,824
Persons receiving State Supplemental Grants (monthly average)	385,330	387,265	380,355	375,912	372,080	362,340	361,840
Persons receiving Supplemental Nutrition Assistance Program (SNAP) benefits	N/A	N/A	1,833,735	1,879,833	1,863,169	1,858,346	1,855,630
Households receiving energy cash payments	391,462	397,952	390,121	345,233	348,680	348,680	348,680
Households receiving energy crisis payments	120,869	133,756	130,349	89,735	87,681	87,680	87,680
TANF recipients enrolled in employment and training programs (monthly average)	19,778	18,537	17,291	14,594	11,778	10,145	10,145
TANF recipients obtaining employment	51,700	50,065	54,259	54,039	52,110	60,000	60,000

Program: Mental Health

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)	216,773	216,820	203,090	195,692	198,820	198,820	198,820
Persons receiving services through Medical Assistance expenditures (fee-for-service and HealthChoices) (unduplicated)	476,206	480,014	531,912	569,814	600,000	601,050	602,100
Persons receiving services in private psychiatric inpatient settings	N/A	N/A	52,359	53,535	62,090	65,000	67,000
Percentage of patients discharged from a psychiatric inpatient setting who have follow-up service 7 days from discharge (ages 21 to 64)	N/A	58%	58%	63%	63%	64%	65%

Substance Use Disorder Services

Number of individuals on Medicaid with a substance use disorder	N/A	N/A	175,996	220,629	235,748	245,000	245,000
Non-hospital detoxification and rehabilitation clients	25,320	28,512	30,421	37,809	45,052	50,340	53,865

Program Measures

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Percentage of patients discharged from a substance use disorder hospital setting who have follow-up services 7 days from discharge (ages 21 to 64)	N/A	76%	69%	62%	65%	66%	67%
Persons receiving methadone maintenance services	N/A	20,551	22,214	25,068	28,053	30,860	33,945
State Mental Hospitals							
Total persons served in state mental hospitals	2,398	2,363	2,209	2,205	2,190	2,145	2,100
Average cost per person in state mental hospital population	\$144,072	\$153,283	\$276,911	\$304,602	\$335,060	\$368,570	\$405,425
Percentage of adults readmitted to state mental hospitals within one year of last discharge	9%	9%	7%	7.60%	3.20%	6%	6%
Percentage of persons in state mental hospitals with stays longer than two years	40%	40%	55%	40%	45%	37%	34%
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	447	568	661	695	819	869	909
Number of persons receiving intellectual disability services	53,613	53,618	54,095	54,696	55,220	57,495	58,395
Unduplicated persons receiving intellectual disability services during fiscal year: Home and Community Services (Waiver and Base services)	50,827	50,915	51,467	52,220	52,887	55,289	56,214
Unduplicated persons receiving Consolidated Waiver services during fiscal year: Home and Community Services	16,757	17,251	17,594	18,085	18,266	18,397	18,522
Unduplicated persons receiving Person/Family Directed Supports Waiver services during fiscal year: Home and Community Services	11,861	12,580	13,041	13,651	13,728	14,548	14,548
Unduplicated persons receiving Community Living Waiver services during fiscal year: Home and Community Services	N/A	N/A	N/A	N/A	N/A	1,000	1,800
Unduplicated persons receiving Base services during fiscal year: Home and Community Services	N/A	24,387	23,899	23,619	23,463	23,914	23,914
Number of individuals who reside in a private home (not in a provider-controlled setting)	N/A	37,752	38,162	38,600	39,192	39,192	39,192
Persons receiving residential services (during fiscal year):							
Private intermediate care facilities for persons with intellectual disabilities (ICFs/ID)	2,326	2,263	2,219	2,155	2,070	2,057	2,053

Program Measures

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
State centers	1,112	1,046	996	951	915	860	728
Number of people moving from private ICFs/ID and state centers into the community	N/A	66	53	86	33	127	29
Average cost of individuals served in the community:							
Consolidated Waiver services	\$104,578	\$107,083	\$112,628	\$123,086	\$124,671	\$142,602	\$145,819
Person/Family Directed Supports Waiver services	\$16,639	\$16,988	\$18,849	\$18,789	\$20,130	\$23,181	\$25,062
Community Living Waiver services	N/A	N/A	N/A	N/A	N/A	\$64,000	\$64,000
Autism services	\$42,051	\$40,329	\$41,098	\$46,816	\$48,676	\$52,060	\$54,495

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	817	777	769	791	803	800	800
Percentage of youth in work experience	N/A	N/A	51%	52%	63%	56%	56%

Family Support Services

Unduplicated annual number of children receiving child welfare services at home	171,416	167,582	181,371	190,413	207,729	200,000	200,000
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Out of home placements in:

Community residential programs	20,010	21,888	23,073	24,242	24,543	24,200	23,500
Group Homes: Community residential programs	3,232	3,034	2,987	2,765	2,470	2,300	2,100
Foster care: Community residential programs	16,248	17,043	17,804	19,590	20,621	20,050	20,000
Other: Community residential programs	530	1,811	2,282	1,887	1,452	1,400	1,400
In-state institutional care programs (annual unduplicated recipients)	2,774	2,668	2,854	2,685	1,948	1,900	1,900
Children in out-of-state programs	235	253	241	196	175	165	160

Additional Family Support Services:

Percentage of children reunited with parents or primary caregiver within 12 months of placement	51%	46.60%	42%	42.70%	43.40%	50%	55%
Percentage of children not returning to care within 12 months of discharge to parents or primary caregivers	71%	70.10%	70.10%	76.90%	82%	85%	87%
Finalized adoptions	1,880	1,746	1,867	1,945	2,148	2,000	2,000
Children reaching permanency outside of adoption	7,887	8,006	8,158	8,289	7,152	8,200	8,200
Investigations of reported child abuse	25,754	26,414	36,468	43,137	46,759	45,000	45,000
Percentage of child abuse investigations substantiated	13%	12.30%	10.12%	10.10%	9.90%	10%	10%

Program Measures

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Number of child abuse clearances processed	N/A	587,341	971,979	1,382,373	842,347	900,000	900,000
Average number of days to process a child abuse clearance	N/A	N/A	7.10	3.10	2.90	4	4
Homeless Assistance							
Persons receiving homeless services	71,602	73,483	75,914	77,419	78,348	78,000	78,000
Human Services							
Domestic violence victims served	43,286	42,822	44,627	44,401	44,583	45,000	45,000
Rape crisis/sexual assault persons served	21,941	23,561	26,830	29,654	29,188	31,500	31,500
Breast cancer screening clients	114,455	93,723	93,723	54,716	63,699	63,700	63,700
Legal service clients	20,325	15,872	18,757	17,126	14,838	16,125	16,125

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

Total children served in subsidized child care during the last month of the fiscal year	N/A	N/A	117,420	113,003	111,968	112,800	114,400
Percentage of children in subsidized child care enrolled in Keystone STARS Level 3 or 4 facilities	N/A	N/A	26%	27.90%	31.50%	32.40%	36.60%
Number of regulated facilities	N/A	N/A	8,011	7,708	7,506	7,300	7,300
Percentage of regulated facilities at Keystone STARS Level 3 or 4	N/A	N/A	15.40%	17.30%	20.10%	24%	27.40%

Early Intervention

Children participating in Early Intervention (EI) services	37,058	36,586	37,121	38,004	39,931	39,930	39,930
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Evidence Based Home Visiting Programs

Number of children served in evidence-based home visiting programs	N/A	9,311	7,892	13,359	13,490	14,290	15,090
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Program: Public Health

Objective: Increase annual utilization of the Prescription Drug Monitoring Program.

Number of users (prescribers, dispensers and delegates) registered for the Prescription Drug Monitoring Program	N/A	N/A	N/A	N/A	90,000	120,000	150,000
Number of system queries of the Prescription Drug Monitoring Program	N/A	N/A	N/A	N/A	1,100,000	2,000,000	2,500,000

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

Objective: Meet and maintain Healthy People 2020 objectives for vaccination rates among school-age children.

Percentage of kindergarten students that have 2 or more doses of measles, mumps and rubella (MMR) vaccine	N/A	N/A	N/A	N/A	93.70%	95%	95%
Percentage of 7th grade students that have 1 dose of meningococcal vaccine (MCV)	N/A	N/A	N/A	88.60%	84.90%	80%	80%

Objective: Increase access for women and infants to nutritious foods.

Women, Infants and Children (WIC) Program

Number of children ages 2 to 5 participating in the WIC program	97,830	105,053	105,736	96,739	92,008	92,063	92,118
Average number of persons participating in the WIC program each month	267,000	249,808	251,307	240,481	226,193	228,455	230,740
Average actual food cost per WIC participant, per month	\$51	\$46	\$48	\$46	\$49.76	\$50.76	\$51.76
Average Nutrition Services and Administration (NSA) operational costs per WIC participant, per month	\$17	\$19	\$25	\$20	\$21.71	\$21.91	\$22.11

Objective: Ensure that all citizens are able to access a range of preventive health and early detection services.

Community Health

Number of clinical visits for immunization services both in the state health center and community setting	N/A	N/A	20,780	15,471	20,105	22,005	20,100
Number of patients served for tuberculosis	N/A	N/A	1,600	1,507	1,775	1,810	1,850
Number of communicable disease investigations	N/A	N/A	28,780	32,278	51,597	52,000	52,500
Number of animal bite investigations	N/A	N/A	17,030	17,399	17,908	18,280	18,740
Number of patient visits in underserved areas	675,623	854,000	1,404,840	1,203,172	995,160	314,260	314,260

Women and Children's Programs

Newborns receiving state-mandated screening for genetic conditions	141,699	139,034	138,000	138,976	136,236	140,000	140,000
Privately owned housing units in targeted geographical areas that are remediated for the presence of lead hazards	54	50	54	0	0	85	105

Other Communicable Disease Programs and Incidences Reported

HIV tests at publicly funded sites	82,557	78,923	70,880	72,420	79,133	80,000	85,000
Percentage of clients testing positive for HIV at department-supported HIV counseling and testing sites returning for results	95%	88%	88%	88%	99%	90%	90%
Incidences of gonorrhea (per 100,000 population)	47.52	60.29	50.63	57	61.79	61.79	61.40

Program Measures

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Incidences of infectious syphilis (per 100,000 population)	1.29	1.47	2.32	2.29	2	1.87	1.79
Incidences of tuberculosis (per 100,000 population)	2	2	2	2	1.80	1.80	1.80
Injury Prevention							
Children and adults receiving injury prevention education and awareness	17,378	11,210	11,545	10,439	10,500	10,500	10,500

Objective: Prevent initiation and reduce use of tobacco products, eliminate nonsmokers' exposure to secondhand smoke and 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	30%	32%	32%	34%	34%	35%	36%
Percentage of high school students and adults (age 18+) who smoke	20%	19%	19%	18%	18%	18%	18%



DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS

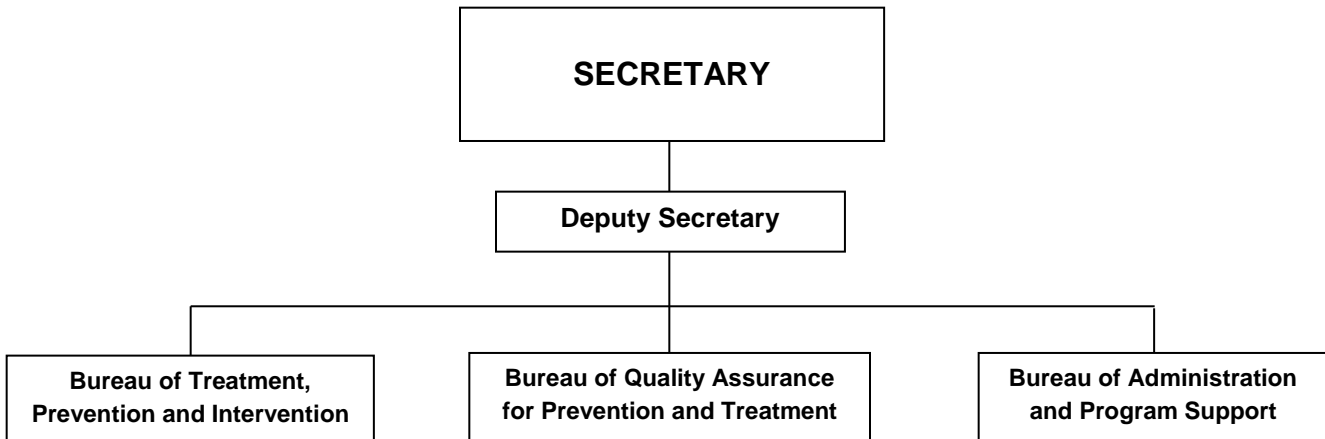
The mission of the Department of Drug and Alcohol Programs is to engage, coordinate and lead the commonwealth's effort to prevent and reduce drug, alcohol and gambling addiction and abuse; and to promote recovery, thereby reducing the human and economic impact of the disease.

The department develops and implements programs to reduce substance abuse and dependency through quality prevention, intervention, rehabilitation and treatment programs. These programs are designed to educate all population segments on the effects and dangers drug and alcohol abuse and dependency pose to public health and to mitigate the economic impact of substance abuse for the citizens of Pennsylvania.

Programs and Goals

Drug and Alcohol Abuse Prevention and Treatment: *To provide education, intervention and treatment programs to reduce drug, alcohol and gambling addiction, abuse and dependence.*

Organization Overview



- **Director of the Bureau of Treatment, Prevention and Intervention** provides county authorities, providers and communities throughout the commonwealth with the tools they need to effectively prevent and treat drug and alcohol problems, as well as problem gambling.
- **Director of the Bureau of Quality Assurance for Prevention and Treatment** ensures that drug and alcohol programs throughout the commonwealth meet or exceed high quality standards and licensure requirements.
- **Director of the Bureau of Administration and Program Support** supports the department programs, including fiscal management, training, data collection and analysis, administrative and clerical services, as well as coordinating human resources and information technology services.

Authorized Complement

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
77	77	81	79	79	77	77

Drug and Alcohol Programs

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 2,122	\$ 1,495	\$ 1,769
(F)SABG - Administration and Operation.....	8,193	8,617	8,327
(F)Substance Abuse Special Projects - Admin & Operation.....	2,228	2,934	3,369
(F)Opioid - State Targeted Response Administration.....	1,085	2,121	2,180
(F)DUI Intervention Project (EA).....	25	0	100
Subtotal.....	<u>\$ 13,653</u>	<u>\$ 15,167</u>	<u>\$ 15,745</u>
Subtotal - State Funds.....	\$ 2,122	\$ 1,495	\$ 1,769
Subtotal - Federal Funds.....	11,531	13,672	13,976
Total - General Government.....	<u>\$ 13,653</u>	<u>\$ 15,167</u>	<u>\$ 15,745</u>
<i>Grants and Subsidies:</i>			
Assistance to Drug and Alcohol Programs.....	\$ 45,482	\$ 44,732	\$ 44,732
(F)SABG - Drug and Alcohol Services.....	59,471	59,452	57,775
(F)Substance Abuse Special Projects Grants.....	11,667	14,281	13,844
(F)Opioid - State Targeted Response.....	25,423	45,593	24,326
(A)Community Restitution Payments.....	1	3	3
(A)State Stores Fund Transfer.....	2,500	2,500	2,500
Subtotal.....	<u>\$ 144,544</u>	<u>\$ 166,561</u>	<u>\$ 143,180</u>
Subtotal - State Funds.....	\$ 45,482	\$ 44,732	\$ 44,732
Subtotal - Federal Funds.....	96,561	119,326	95,945
Subtotal - Augmentations.....	2,501	2,503	2,503
Total - Grants and Subsidies.....	<u>\$ 144,544</u>	<u>\$ 166,561</u>	<u>\$ 143,180</u>
STATE FUNDS.....	\$ 47,604	\$ 46,227	\$ 46,501
FEDERAL FUNDS.....	108,092	132,998	109,921
AUGMENTATIONS.....	2,501	2,503	2,503
GENERAL FUND TOTAL.....	<u>\$ 158,197</u>	<u>\$ 181,728</u>	<u>\$ 158,925</u>
OTHER FUNDS:			
GENERAL FUND:			
Drug and Alcohol Recovery House Fund.....	\$ 0	\$ 0	\$ 900
COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND:			
Drug and Alcohol Treatment Services (EA).....	\$ 3,000	\$ 3,000	\$ 3,000
Compulsive and Problem Gambling Treatment (EA).....	5,536	5,582	6,150
COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND TOTAL.....	<u>\$ 8,536</u>	<u>\$ 8,582</u>	<u>\$ 9,150</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 47,604	\$ 46,227	\$ 46,501
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	108,092	132,998	109,921
AUGMENTATIONS.....	2,501	2,503	2,503
OTHER FUNDS.....	8,536	8,582	10,050
TOTAL ALL FUNDS.....	<u>\$ 166,733</u>	<u>\$ 190,310</u>	<u>\$ 168,975</u>

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
DRUG AND ALCOHOL ABUSE PREVENTION AND TREATMENT							
GENERAL FUND.....	\$ 47,604	\$ 46,227	\$ 46,501	\$ 46,501	\$ 46,501	\$ 46,501	\$ 46,501
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	108,092	132,998	109,921	109,921	109,921	109,921	109,921
OTHER FUNDS.....	11,037	11,085	12,553	13,443	13,513	13,990	14,551
SUBCATEGORY TOTAL.....	\$ 166,733	\$ 190,310	\$ 168,975	\$ 169,865	\$ 169,935	\$ 170,412	\$ 170,973
ALL PROGRAMS:							
GENERAL FUND.....	\$ 47,604	\$ 46,227	\$ 46,501	\$ 46,501	\$ 46,501	\$ 46,501	\$ 46,501
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	108,092	132,998	109,921	109,921	109,921	109,921	109,921
OTHER FUNDS.....	11,037	11,085	12,553	13,443	13,513	13,990	14,551
DEPARTMENT TOTAL.....	\$ 166,733	\$ 190,310	\$ 168,975	\$ 169,865	\$ 169,935	\$ 170,412	\$ 170,973

Program: Drug and Alcohol Abuse Prevention and Treatment

Goal: To provide education, intervention and treatment programs to reduce drug, alcohol and gambling addiction, abuse and dependence.

The Department of Drug and Alcohol Programs is tasked with the development and implementation of a comprehensive plan to reduce substance abuse 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 abuse on the citizens of Pennsylvania.

In addition to state funding, the department receives federal funding for substance abuse 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 abuse. This is done through educational sessions, workshops, media presentations and an information clearinghouse operated by the department. Primary emphasis has been given to youth, and a special curriculum is now used in all school districts to address drug and alcohol problems.

Intervention services provide support to individuals affected by drug or alcohol problems. Services include information hotlines, drop-in centers, alcohol safety programs and employee and student assistance programs.

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.

Surveys and inspections of drug and alcohol treatment 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.

Drug and alcohol education and training programs are provided for substance abuse 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.

Act 59 of 2017 authorizes the department to license or certify publicly funded drug and alcohol recovery houses in the commonwealth. Recovery houses offer individuals recovering from drug and alcohol addiction a safe and supportive substance-free environment. The act requires recovery houses to meet safety standards for residents including the maintenance of the property, protects residents from improper relinquishment of public benefits and establishes a complaint process.

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 to individuals with gambling addiction from the income it receives from the Compulsive and Problem Gambling Treatment Fund.

Program Recommendations:

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

General Government Operations
\$ 274 —to continue current program.

The Assistance to Drug and Alcohol Programs appropriation is recommended at the current year funding level.

Drug and Alcohol Programs

Program: Drug and Alcohol Abuse Prevention and Treatment (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
General Government Operations	\$ 2,122	\$ 1,495	\$ 1,769	\$ 1,769	\$ 1,769	\$ 1,769	\$ 1,769
Assistance to Drug and Alcohol Programs	45,482	44,732	44,732	44,732	44,732	44,732	44,732
TOTAL GENERAL FUND	\$ 47,604	\$ 46,227	\$ 46,501	\$ 46,501	\$ 46,501	\$ 46,501	\$ 46,501

Program Measures

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Program: Drug and Alcohol Abuse Prevention and Treatment							
Objective: Provide drug and alcohol treatment services.							
Admissions to treatment*	51,477	53,047	44,479	52,540	47,395	46,445	45,515
Average length of outpatient treatment (in days)*	55	54	53	65	65	65	65
Average length of inpatient treatment (in days)*	23	23	22	15	15	15	15
Licensure and/or Federal Certification Surveys Completed							
Residential drug and alcohol programs licensed/approved	179	179	191	438	438	438	438
Nonresidential drug and alcohol programs licensed/approved	495	495	700	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.

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DEPARTMENT OF AGING

The mission of the Department of Aging is to enhance the quality of life of older Pennsylvanians by empowering the community, the family and the individual.

The department consolidates services for older Pennsylvanians and provides a single point of contact through which older Pennsylvanians can address their concerns to state government.

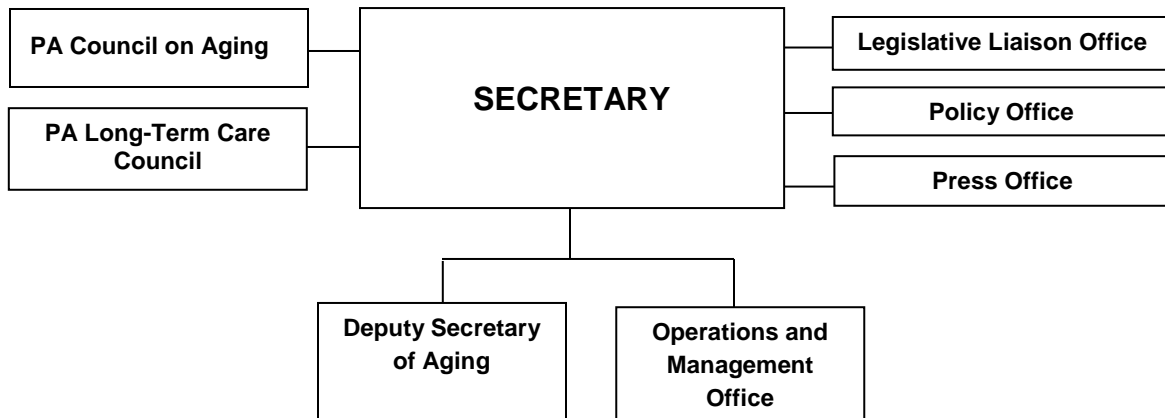
Statewide services are provided through the local Area Agencies on Aging. Services include long-term care assessment, home and community-based services, nutrition, employment, transportation, domiciliary care and protection. Additionally, the department manages the pharmaceutical assistance program for older Pennsylvanians.

Programs and Goals

Community Services for Older Pennsylvanians: *To enable older Pennsylvanians to maintain active and independent lives in their own homes or alternative community living arrangements.*

Pharmaceutical Assistance: *To assist eligible older Pennsylvanians who experience difficulty meeting the cost of prescription drugs necessary to maintain healthy lives.*

Organization Overview



- **Deputy Secretary of Aging** oversees the Aging and Disability Resources, Ombudsman and Protective Services Offices and the Bureaus of Aging Services, Quality Assurance, Finance and Pharmaceutical Assistance.
- **Operations and Management Office** is responsible for the Education and Outreach Office, the Pennsylvania Long-Term Care Council and for the coordination of human resources and information technology with the Office of Administration.

Authorized Complement

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
97	102	102	102	100	85	84

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
General Government:			
(F)Programs for the Aging - Title III - Administration.....	\$ 1,781	\$ 1,781	\$ 1,781
(F)Programs for the Aging - Title V - Administration.....	127	127	127
(F)Medical Assistance - Administration.....	2,354	2,354	2,272
(F)Programs for the Aging - Title VII - Administration.....	118	352	352
Subtotal.....	<u>\$ 4,380</u>	<u>\$ 4,614</u>	<u>\$ 4,532</u>
Total - General Government.....	<u>\$ 4,380</u>	<u>\$ 4,614</u>	<u>\$ 4,532</u>
Grants and Subsidies:			
(F)Programs for the Aging - Title III.....	\$ 52,000	\$ 52,000	\$ 52,000
(F)Programs for the Aging - Nutrition.....	10,000	10,000	10,000
(F)Programs for the Aging - Title V - Employment.....	8,000	8,000	8,000
(F)Programs for the Aging - Title VII - Elder Rights Protection.....	4,700	4,700	4,700
(F)Medical Assistance - Attendant Care.....	51,830	63,818	55,770
(F)Medical Assistance Support.....	9,000	9,000	9,000
(F)Medical Assistance Nursing Home Transition Administration.....	700	700	700
(F)Pre-Admission Assessment.....	20,566	20,566	0
(F)Programs for the Aging - Title III - Caregiver Support.....	10,000	10,000	10,000
Subtotal.....	<u>\$ 166,796</u>	<u>\$ 178,784</u>	<u>\$ 150,170</u>
Total - Grants and Subsidies.....	<u>\$ 166,796</u>	<u>\$ 178,784</u>	<u>\$ 150,170</u>
GENERAL FUND TOTAL.....	<u>\$ 171,176</u>	<u>\$ 183,398</u>	<u>\$ 154,702</u>
LOTTERY FUND:			
General Government:			
General Government Operations.....	\$ 9,272	\$ 8,949	\$ 8,315
(A)Day Care Licensure.....	12	11	11
(A)Digital Fingerprint Fees.....	50	27	27
Subtotal.....	<u>\$ 9,334</u>	<u>\$ 8,987</u>	<u>\$ 8,353</u>
Subtotal - State Funds.....	\$ 9,272	\$ 8,949	\$ 8,315
Subtotal - Augmentations.....	62	38	38
Total - General Government.....	<u>\$ 9,334</u>	<u>\$ 8,987</u>	<u>\$ 8,353</u>
Grants and Subsidies:			
PENNCARE.....	\$ 331,246	\$ 336,062	\$ 333,778
(A)Attendant Care Patient Fees.....	359	315	315
Subtotal.....	<u>\$ 331,605</u>	<u>\$ 336,377</u>	<u>\$ 334,093</u>
Pre-Admission Assessment.....	19,916	19,916	8,750
Caregiver Support.....	12,103	12,103	12,103
Alzheimer's Outreach.....	250	250	250
Pharmaceutical Assistance Fund.....	169,000	155,000 ^a	140,000
Grants to Senior Centers.....	2,000	2,000	2,000
Subtotal - State Funds.....	\$ 534,515	\$ 525,331	\$ 496,881
Subtotal - Augmentations.....	359	315	315
Total - Grants and Subsidies.....	<u>\$ 534,874</u>	<u>\$ 525,646</u>	<u>\$ 497,196</u>
STATE FUNDS.....	\$ 543,787	\$ 534,280	\$ 505,196
AUGMENTATIONS.....	421	353	353
LOTTERY FUND TOTAL.....	<u>\$ 544,208</u>	<u>\$ 534,633</u>	<u>\$ 505,549</u>

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
OTHER FUNDS:			
PHARMACEUTICAL ASSISTANCE FUND:			
PACE Contracted Services (EA).....	\$ 6,624 ^b	\$ 0 ^b	\$ 1,771 ^b
(A)Dept of Corrections Claims.....	759	780	780
Administration of PACE (EA).....	1,422	1,488	1,356
PHARMACEUTICAL ASSISTANCE FUND TOTAL.....	\$ 8,805	\$ 2,268	\$ 3,907
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	543,787	534,280	505,196
FEDERAL FUNDS.....	171,176	183,398	154,702
AUGMENTATIONS.....	421	353	353
OTHER FUNDS.....	8,805	2,268	3,907
TOTAL ALL FUNDS.....	\$ 724,189	\$ 720,299	\$ 664,158

^a Includes recommended supplemental appropriation of \$30,000,000.

^b Transfer to Pharmaceutical Assistance Fund not added to the total to avoid double counting: 2016-17 Actual is \$169,000,000, 2017-18 Available is \$155,000,000, and 2018-19 Budget is \$140,000,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
COMMUNITY SERVICES FOR OLDER PENNSYLVANIANS							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	374,787	379,280	365,196	332,271	317,595	319,078	320,788
FEDERAL FUNDS.....	171,176	183,398	154,702	116,826	99,137	98,958	98,932
OTHER FUNDS.....	421	353	353	353	353	353	353
SUBCATEGORY TOTAL.....	\$ 546,384	\$ 563,031	\$ 520,251	\$ 449,450	\$ 417,085	\$ 418,389	\$ 420,073
PHARMACEUTICAL ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	169,000	155,000	140,000	140,000	135,000	130,000	130,000
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	8,805	2,268	3,907	2,136	2,136	3,531	2,136
SUBCATEGORY TOTAL.....	\$ 177,805	\$ 157,268	\$ 143,907	\$ 142,136	\$ 137,136	\$ 133,531	\$ 132,136
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	543,787	534,280	505,196	472,271	452,595	449,078	450,788
FEDERAL FUNDS.....	171,176	183,398	154,702	116,826	99,137	98,958	98,932
OTHER FUNDS.....	9,226	2,621	4,260	2,489	2,489	3,884	2,489
DEPARTMENT TOTAL.....	\$ 724,189	\$ 720,299	\$ 664,158	\$ 591,586	\$ 554,221	\$ 551,920	\$ 552,209

Program: Community Services for Older Pennsylvanians

GOAL: To enable older Pennsylvanians to maintain active and independent lives in their own homes or alternative community living arrangements.

The commonwealth's commitment to supporting older Pennsylvanians is demonstrated by a continuum of services ranging from independent living with the support of home and community-based services to institutional care. The commonwealth currently has over 3.2 million Pennsylvanians age 60 and older, and over 344,000 who are age 85 and older.

The Department of Aging has established a network of in-home and community-based services addressing the varied needs of older Pennsylvanians. These programs enrich the lives of older Pennsylvanians and enable at-risk older Pennsylvanians to delay or avoid institutionalization. The 52 Area Agencies on Aging (AAAs), serving all 67 counties, provide aging services at the local level.

Because many older Pennsylvanians require only minimal outside support to function independently, a basic service of AAAs is to inform them of available supports. AAAs sponsor more than 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.

At-risk older Pennsylvanians require more extensive and personalized services to remain in their homes and communities and avoid relocating to an institutional setting such as a nursing facility. The level of care assessment program assists older Pennsylvanians and their families in securing and managing intensive in-home services tailored to their needs. The department provides counseling to individuals to apprise them of choices in the continuum of care from community services to nursing facilities. Counseling is also provided to assist individuals currently residing in nursing facilities to transition to community services when their needs can be safely met in the community. A variety of personal support services are available for the growing population of older Pennsylvanians. The continuum of services is available based on the functional and financial qualifications of the participant, ranging from home-delivered meals to intensive

in-home services for older Pennsylvanians needing the level of care available in institutional settings. Services are designed to provide the least restrictive alternative to meet the individual's need. Persons with higher incomes share in the cost of services.

Additionally, under the Older Adult Protection Services Act, protective services are provided to older Pennsylvanians who are at imminent risk of abuse, neglect, exploitation or abandonment. The department, through the AAAs, investigates reports of need and develops individualized plans to eliminate or mitigate the risks.

Attendant care services are maintained for adults with disabilities transitioning at age 60 from the Department of Health and Human Services' Attendant Care program. The enhanced level of personal care services is provided until health changes indicate that a change in service level is appropriate.

The Department of Aging assists families who support older, at-risk 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 PA 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.

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 Medicaid-funded long-term services will be delivered by private managed care organizations. CHC will roll out in three phases over three years, beginning in the southwest in January 2018, followed by the southeast in January 2019 and finishing in January 2020 with the remainder of the commonwealth. CHC will provide necessary services to enrolled individuals and will coordinate Medicare and Medicaid funding for dually eligible (Medicare and Medicaid) individuals and those who qualify for Medicaid long-term services and supports.

Program: Community Services for Older Pennsylvanians (continued)

Program Recommendations:

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

	LOTTERY FUND:		Pre-Admission Assessment
	General Government Operations	\$ -11,166	—funding reduction due to the transfer of Medical Assistance assessments to the Long-Term Care appropriation in the Department of Health and Human Services.
\$ -634	—reduction in administrative costs.		
	PENNCARE		
\$ 16,779	—to continue current program, including annualization of prior year expansion.		All other appropriations are recommended at the current year funding level.
-545	—revision of federal financial participation from 51.82% to 52.25%.		
5,420	—to provide attendant care services for an additional 480 recipients.		
2,168	—for increased protective service investigations.		
-26,106	—implement Community HealthChoices in the southeast beginning January 1, 2019, including annualization of the southwest implementation which began January 2018.		
\$ -2,284	<i>Appropriation Decrease</i>		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
LOTTERY FUND:							
General Government Operations	\$ 9,272	\$ 8,949	\$ 8,315	\$ 8,315	\$ 8,315	\$ 8,315	\$ 8,315
PENNCARE.....	331,246	336,062	333,778	300,853	286,177	287,660	289,370
Pre-Admission Assessment.....	19,916	19,916	8,750	8,750	8,750	8,750	8,750
Caregiver Support	12,103	12,103	12,103	12,103	12,103	12,103	12,103
Alzheimer's Outreach	250	250	250	250	250	250	250
Grants to Senior Centers.....	2,000	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL LOTTERY FUND	\$ 374,787	\$ 379,280	\$ 365,196	\$ 332,271	\$ 317,595	\$ 319,078	\$ 320,788

Program: Pharmaceutical Assistance

Goal: To assist eligible older Pennsylvanians who experience difficulty meeting the cost of prescription drugs necessary to maintain healthy lives.

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, 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 all medications requiring a prescription in the commonwealth, as well as insulin, insulin syringes and needles, unless a manufacturer does not participate in the manufacturer's rebate program. It does not cover medications that can be purchased without a prescription, cosmetic drugs or "less than effective drugs" without certification by a physician. 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 40 of 2017, the program payment is the lower of the National Average Drug Acquisition Cost (NADAC) per unit with the addition of a professional dispensing fee and the subtraction of the cardholder's copayment, or the pharmacy's usual and customary charge for the drug with the subtraction of the copayment. If the NADAC is not available, the payment will be the lower of the wholesale acquisition cost plus 3.2% with the addition of the professional dispensing fee minus the cardholder copayment, or the pharmacy's usual and customary charge less the copayment. 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-name and generic drugs pursuant to the determination established by section 1927(c) (1) of the Social Security Act. In addition, participating manufacturers agree to pay an excessive pharmaceutical price inflation discount equivalent to the difference between the quarterly average manufacturer's price charged for a drug, excluding generics, and the average quarterly price charged for that drug one year earlier inflated by the Consumer Price Index-Urban.

The department continues a more concerted effort to encourage its providers, prescribing physicians and Medicare Part D "partner plans" to use more cost-efficient medications in treating the program enrollment. This program change aligns with federal Medicaid guidelines. In selected therapeutic classes, beginning with insulin treatments and gastrointestinal medications, the program will ensure that enrollees have access to less expensive, therapeutic equivalent medications.

In November 2017, the PACE Academic Detailing program, with 21st Century Cures Act support, began expanding the geographical territory boundaries of existing outreach educators to visit prescribers and provide interactive, evidence-based training on managing pain without the overuse of opioids.

Program: Pharmaceutical Assistance (continued)

Program Recommendations:

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

LOTTERY FUND
Pharmaceutical Assistance Fund
 \$ -15,000 —decrease in Lottery Fund transfer needed to support the PACE program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
LOTTERY FUND:							
Pharmaceutical Assistance Fund	\$ 169,000	\$ 155,000	\$ 140,000	\$ 140,000	\$ 135,000	\$ 130,000	\$ 130,000

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

Program: Community Services for Older Pennsylvanians

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	N/A	357,790	354,130	359,589	358,553	360,780	363,010
Number of persons served in the community who have at least 3 Activities of Daily Living (ADLs)	N/A	196,100	200,280	215,716	239,632	246,460	257,230

Objective: Ensure that older Pennsylvanians who are in need of protective or ombudsman services are receiving those services.

Persons Receiving Assistance

Protective services cases	13,110	22,613	24,495	27,740	31,902	33,820	36,720
Ombudsman program activities	N/A	18,911	19,101	19,217	19,386	19,580	19,775

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	7,130	6,319	6,504	5,189	5,112	5,150	5,200
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Objective: Increase long-term care options so that older Pennsylvanians and Pennsylvanians with physical disabilities can choose how and where they receive services.

Pre-Admission Assessment

Number of assessments/recertifications	109,900	112,565	114,489	129,217	127,772	131,920	136,070
Referrals to nursing homes	40,550	38,326	37,261	38,328	37,960	37,530	37,260
Referrals to community services	45,840	48,032	51,020	61,327	62,018	64,160	67,480

Persons Receiving Assistance

Number of congregate meals served	115,360	119,231	121,877	114,868	110,340	112,940	111,670
Number of attendant care services provided	2,230	1,642	2,048	2,329	2,873	3,193	3,193
Home-delivered meals	32,960	38,973	43,482	43,568	47,462	47,220	49,140
Home support services	5,560	6,940	7,812	6,988	6,993	7,440	7,610
Personal care services	11,400	12,775	16,118	16,746	15,363	15,500	16,050
Insurance counseling	N/A	217,723	216,198	339,487	248,676	252,750	264,975

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

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	110,051	107,913	110,033	101,436	92,731	84,775	80,710
Total prescriptions per year - PACE	3,842,981	3,622,953	3,433,030	2,872,668	2,411,439	2,166,001	1,979,655
Average PACE cost per prescription	\$19.28	\$19.75	\$22.81	\$26.75	\$24.05	\$24.63	\$25.37

PACE Needs Enhancement Tier (PACENET)

Number of older Pennsylvanians enrolled (average) in PACENET	178,594	167,477	158,772	155,186	152,500	149,862	145,590
Total prescriptions per year - PACENET	5,899,049	5,417,555	4,948,923	4,692,825	4,364,157	4,209,624	3,987,383
Average PACENET cost per prescription	\$19.68	\$20.85	\$23.53	\$25.87	\$24.54	\$25.18	\$25.94

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HEALTH CARE COST CONTAINMENT COUNCIL

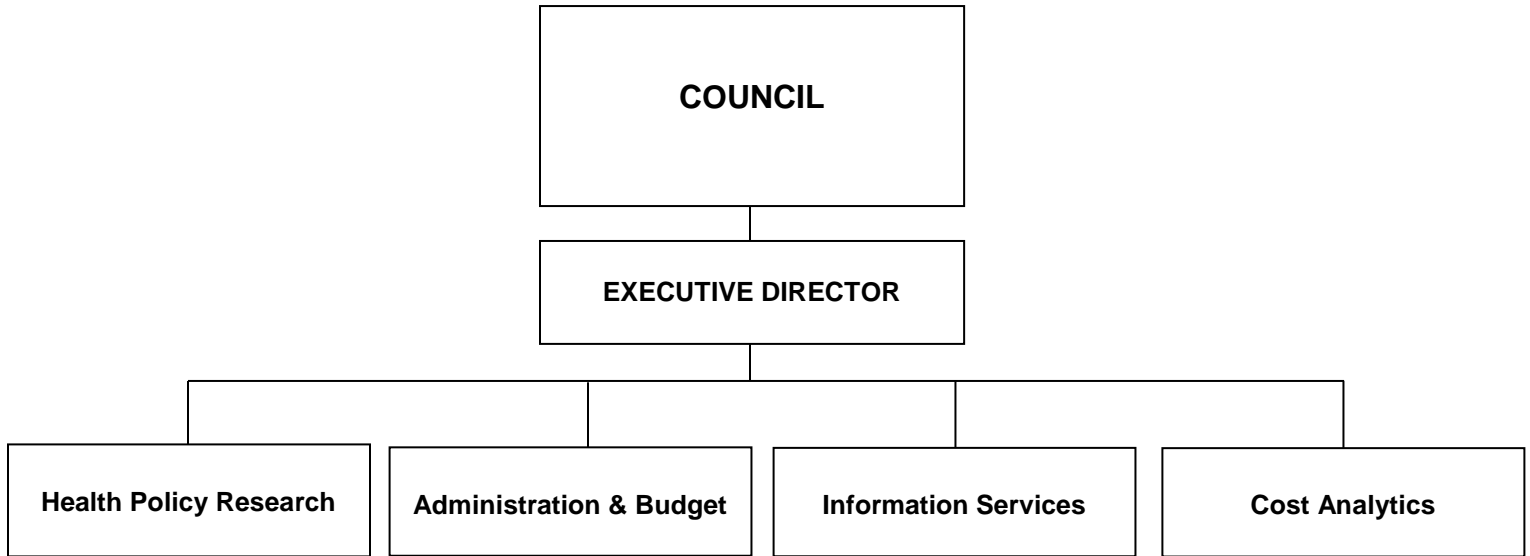
The mission of the Pennsylvania Health Care Cost Containment Council is to empower purchasers of health care benefits with information that can be used to improve quality and restrain costs.

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)

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
33	32	31	31	31	31	31

Health Care Cost Containment Council

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Health Care Cost Containment Council.....	\$ 2,710	\$ 2,752	\$ 3,355

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
HEALTH CARE REPORTING							
GENERAL FUND.....	\$ 2,710	\$ 2,752	\$ 3,355	\$ 3,355	\$ 3,355	\$ 3,355	\$ 3,355
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 2,710	\$ 2,752	\$ 3,355	\$ 3,355	\$ 3,355	\$ 3,355	\$ 3,355
ALL PROGRAMS:							
GENERAL FUND.....	\$ 2,710	\$ 2,752	\$ 3,355	\$ 3,355	\$ 3,355	\$ 3,355	\$ 3,355
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 2,710	\$ 2,752	\$ 3,355	\$ 3,355	\$ 3,355	\$ 3,355	\$ 3,355

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)

\$ 603 **Health Care Cost Containment Council**
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Health Care Cost Containment Council.....	\$ 2,710	\$ 2,752	\$ 3,355	\$ 3,355	\$ 3,355	\$ 3,355	\$ 3,355

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HISTORICAL AND MUSEUM COMMISSION

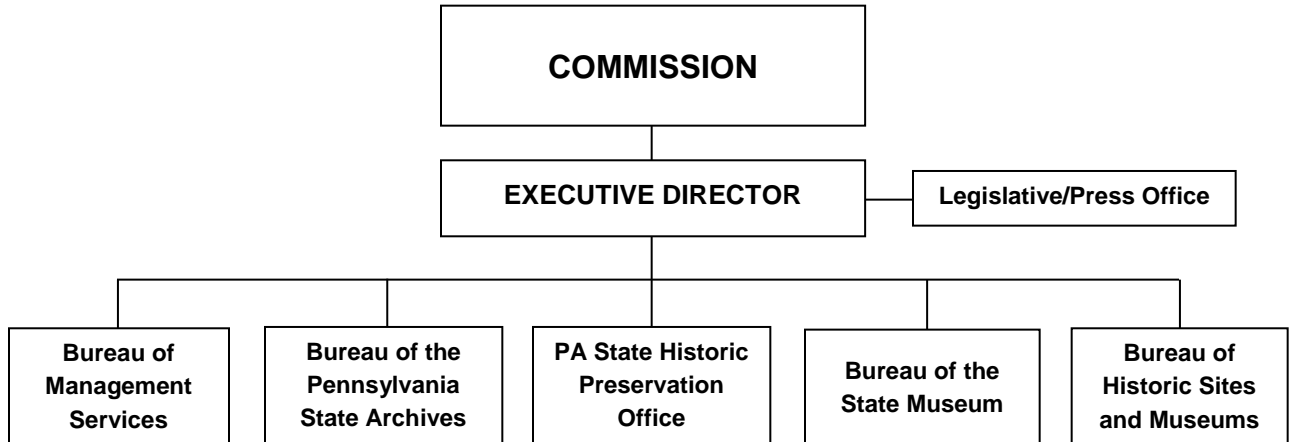
The mission of the Historical and Museum Commission is to preserve the commonwealth's past through leadership, stewardship and service. The commission believes that future generations will be strengthened and inspired by the ideals and traditions of Pennsylvania's heritage.

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

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
210	210	210	206	196	184	184

Historical and Museum Commission

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 19,927	\$ 18,633^a	\$ 19,272
(F)Historic Preservation.....	1,272	1,332	1,250
(F)Surface Mining Review.....	168	175	150
(F)Environmental Review.....	343	353	365
(F)Institute of Museum Library Services.....	150	150	0
(F)Coastal Zone Management.....	50	50	50
(F)Highway Planning and Construction.....	25	6	0
(F)National Endowment for the Humanities.....	150	150	0
(F)National Endowment for the Arts.....	150	150	0
(F)American Battlefield Protection Program.....	4,000	3,650	1,200
(F)Hurricane Sandy Disaster Relief (EA).....	1,324	1,060	500
(F)Historic Property Partnerships.....	30	30	40
(F)Maritime Heritage.....	421	686	586
(A)State Records Center.....	692	731	713
(A)Keystone Recreation, Park & Conservation Fund.....	581	558	675
Subtotal.....	<u>\$ 29,283</u>	<u>\$ 27,714</u>	<u>\$ 24,801</u>
Subtotal - State Funds.....	\$ 19,927	\$ 18,633	\$ 19,272
Subtotal - Federal Funds.....	8,083	7,792	4,141
Subtotal - Augmentations.....	1,273	1,289	1,388
Total - General Government.....	<u>\$ 29,283</u>	<u>\$ 27,714</u>	<u>\$ 24,801</u>
<i>Grants and Subsidies:</i>			
Cultural and Historical Support.....	\$ 2,000	\$ 2,000	\$ 2,000
STATE FUNDS.....	\$ 21,927	\$ 20,633	\$ 21,272
FEDERAL FUNDS.....	8,083	7,792	4,141
AUGMENTATIONS.....	1,273	1,289	1,388
GENERAL FUND TOTAL.....	<u>\$ 31,283</u>	<u>\$ 29,714</u>	<u>\$ 26,801</u>
OTHER FUNDS:			
GENERAL FUND:			
Historical Preservation Act of 1966.....	\$ 123	\$ 121	\$ 125
Rent and Other Income.....	44	35	50
GENERAL FUND TOTAL.....	<u>\$ 167</u>	<u>\$ 156</u>	<u>\$ 175</u>
HISTORICAL PRESERVATION FUND:			
Historical Preservation Fund.....	\$ 2,239	\$ 1,853	\$ 2,305
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
Historic Site Development (EA).....	\$ 11,614	\$ 11,156	\$ 13,493
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 21,927	\$ 20,633	\$ 21,272
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	8,083	7,792	4,141
AUGMENTATIONS.....	1,273	1,289	1,388
OTHER FUNDS.....	14,020	13,165	15,973
TOTAL ALL FUNDS.....	<u>\$ 45,303</u>	<u>\$ 42,879</u>	<u>\$ 42,774</u>

^a Reflects recommended appropriation reduction of \$188,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
STATE HISTORIC PRESERVATION							
GENERAL FUND.....	\$ 19,927	\$ 18,633	\$ 19,272	\$ 19,272	\$ 19,272	\$ 19,272	\$ 19,272
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	8,083	7,792	4,141	3,641	3,641	3,641	3,641
OTHER FUNDS.....	3,679	3,298	3,868	3,911	3,936	3,940	3,944
SUBCATEGORY TOTAL.....	\$ 31,689	\$ 29,723	\$ 27,281	\$ 26,824	\$ 26,849	\$ 26,853	\$ 26,857
MUSEUM ASSISTANCE							
GENERAL FUND.....	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	11,614	11,156	13,493	14,364	14,858	14,936	15,014
SUBCATEGORY TOTAL.....	\$ 13,614	\$ 13,156	\$ 15,493	\$ 16,364	\$ 16,858	\$ 16,936	\$ 17,014
ALL PROGRAMS:							
GENERAL FUND.....	\$ 21,927	\$ 20,633	\$ 21,272	\$ 21,272	\$ 21,272	\$ 21,272	\$ 21,272
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	8,083	7,792	4,141	3,641	3,641	3,641	3,641
OTHER FUNDS.....	15,293	14,454	17,361	18,275	18,794	18,876	18,958
DEPARTMENT TOTAL.....	\$ 45,303	\$ 42,879	\$ 42,774	\$ 43,188	\$ 43,707	\$ 43,789	\$ 43,871

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.

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.

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 technology to facilitate public access, which is estimated to be more than 6.2 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 more than 237,000, boxes and is responsible for processing more than 15,000 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.

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 8.9 million historical artifacts, papers and paintings. The program maintains and conserves 409 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.

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; administers 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)

\$ 639 **General Government Operations**
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
General Government Operations	\$ 19,927	\$ 18,633	\$ 19,272	\$ 19,272	\$ 19,272	\$ 19,272	\$ 19,272

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 listed or eligible 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. There are two categories of funding: construction grants with a maximum request of \$100,000 and planning grants with a maximum request of \$25,000. 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)

The Cultural and Historical Support appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Cultural and Historical Support.....	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000

Historical and Museum Commission

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

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	N/A	201,261	4,241,406	4,930,966	6,225,433	6,500,000	6,700,000
Records maintained by the State Records Center (number of boxes)	239,002	257,444	266,853	265,521	237,492	230,000	220,000

Objective: Increase attendance at Pennsylvania's historical sites and museums.

Historic Site and Museum Operations

Annual ticketed visitors to commission historical sites and museums (in thousands)	260	327	384	377	332	345	357
Annual nonticketed visitors to commission historical sites and museums (in thousands)	800	348	230	320	296	305	315

Objective: Maintain and preserve Pennsylvania's historic sites and artifacts.

Historic Preservation

Historic markers	2,359	2,392	2,413	2,436	2,483	2,525	2,575
Evaluations for the National Register of Historic Properties	457	698	482	721	759	760	780
Program value of private investment projects in Rehabilitation Investment Tax Credit program (in millions)	\$300	\$250	\$303	\$282	\$391	\$400	\$420
Rehabilitation Investment Tax Credit approved projects	33	30	26	33	38	45	50
Historic Preservation Projects and Environmental Reviews performed	6,911	6,697	6,258	6,958	5,404	6,000	6,000

Program: Museum Assistance

Objective: Increase support to enhance the quality of history and museum activities in Pennsylvania.

Museum support and Keystone project grants awarded	85	170	159	167	174	185	200
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INFRASTRUCTURE INVESTMENT AUTHORITY

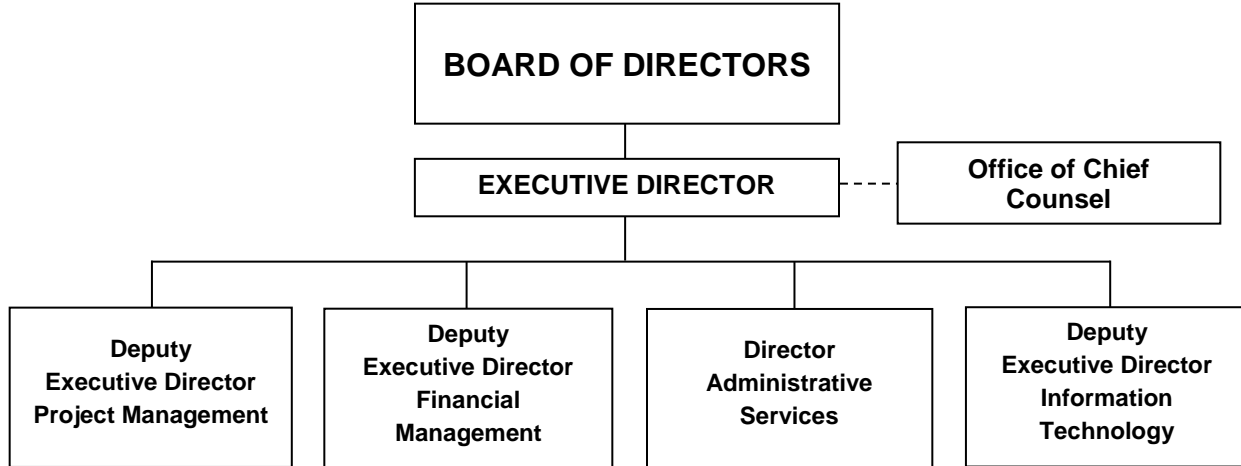
The mission of the Infrastructure Investment Authority is to serve the communities and citizens of Pennsylvania by funding sewer, storm water, drinking water and various other types of projects that solve water problems not associated with traditional infrastructure systems, such as brownfields, acid 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 information technology operations and staff, planning, project management and technology implementation.

Authorized Complement

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
28	28	28	28	28	31	31

Infrastructure Investment Authority

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
(F)Sewage Projects Revolving Loan Fund.....	\$ 115,000	\$ 110,500	\$ 110,500
(F)Drinking Water Projects Revolving Loan Fund.....	63,591	57,000	57,000
Total - Grants and Subsidies.....	<u>\$ 178,591</u>	<u>\$ 167,500</u>	<u>\$ 167,500</u>
GENERAL FUND TOTAL.....	<u>\$ 178,591</u>	<u>\$ 167,500</u>	<u>\$ 167,500</u>
OTHER FUNDS:			
ENVIRONMENTAL STEWARDSHIP FUND:			
Storm Water, Water and Sewer Grants (EA).....	\$ 16,436	\$ 15,583	\$ 18,125
MARCELLUS LEGACY FUND:			
Water and Sewer Projects (EA).....	\$ 7,756	\$ 10,079	\$ 11,552
PENNVEST FUND:			
PENNVEST Operations (EA).....	\$ 3,425	\$ 4,183	\$ 4,248
Revenue Bond Loan Pool (EA).....	10	10	10
Grants - Other Revenue Sources (EA).....	500	100	2,000
(R)Revolving Loans and Administration.....	78,997	105,000 a	105,000 a
(R)Growing Greener Grants.....	10,036	10,000	12,900
(R)Revolving Loans - Conditional Funds.....	1,446	1,000	1,000
(R)Marcellus Grants (Marcellus Legacy Fund).....	0 b	0 b	0 b
PENNVEST FUND TOTAL.....	<u>\$ 94,414</u>	<u>\$ 120,293</u>	<u>\$ 125,158</u>
PENNVEST DRINKING WATER REVOLVING FUND:			
Additional Drinking Water Projects Revolving Loans (EA).....	\$ 115,000	\$ 100,000	\$ 112,500
Trnsfr to PENNVEST Water Pollution Control Revolving Fd(EA).....	20,000	20,000	20,000
(R)Revolving Loans - Conditional Funds.....	0	1,000	1,000
(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
PENNVEST DRINKING WATER REVOLVING FUND TOTAL.....	<u>\$ 135,000</u>	<u>\$ 121,000</u>	<u>\$ 133,500</u>
PENNVEST WATER POLLUTION CONTROL REVOLVING FUND:			
Additional Sewage Projects Revolving Loans (EA).....	\$ 250,000	\$ 270,000	\$ 270,000
Transfer to Drinking Water Revolving Fund (EA).....	20,000	20,000	20,000
(R)Revolving Loans - Conditional Funds.....	589	1,000	1,000
(R)Nutrient Credits.....	154	500	500
(F)Sewage Projects Revolving Loan Fund (EA).....	0 h	0 h	0 h
PENNVEST WATER POLLUTION CONTROL REVOLVING FUND TOTAL.....	<u>\$ 270,743</u>	<u>\$ 291,500</u>	<u>\$ 291,500</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	178,591	167,500	167,500
AUGMENTATIONS.....	0	0	0
OTHER FUNDS.....	524,349	558,455	579,835
TOTAL ALL FUNDS.....	<u>\$ 702,940</u>	<u>\$ 725,955</u>	<u>\$ 747,335</u>

Summary by Fund and Appropriation

-
- ^a Includes \$105,000,000 in 2017-18 Available and \$105,000,000 in 2018-19 Budget for Water Pollution Control Projects.
 - ^b Not added to the total to avoid double counting: 2016-17 Actual is \$7,756,000, 2017-18 Available is \$10,079,000 and 2018-19 Budget is \$11,552,000.
 - ^c Not added to the total to avoid double counting: 2016-17 Actual is \$50,000,000, 2017-18 Available is \$43,000,000 and 2018-19 Budget is \$43,000,000.
 - ^d Not added to the total to avoid double counting: 2016-17 Actual is \$2,091,000, 2017-18 Available is \$2,500,000 and 2018-19 Budget is \$2,500,000.
 - ^e Not added to the total to avoid double counting: 2016-17 Actual is \$1,000,000, 2017-18 Available is \$1,000,000 and 2018-19 Budget is \$1,000,000.
 - ^f Not added to the total to avoid double counting: 2016-17 Actual is \$4,500,000, 2017-18 Available is \$4,500,000 and 2018-19 Budget is \$4,500,000.
 - ^g Not added to the total to avoid double counting: 2016-17 Actual is \$6,000,000, 2017-18 Available is \$6,000,000 and 2018-19 Budget is \$6,000,000.
 - ^h Not added to the total to avoid double counting: 2016-17 Actual is \$115,000,000, 2017-18 Available is \$110,500,000 and 2018-19 Budget is \$110,500,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
PENNVEST							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	178,591	167,500	167,500	167,500	167,500	167,500	167,500
OTHER FUNDS.....	524,349	558,455	579,835	575,895	577,346	577,201	577,475
SUBCATEGORY TOTAL.....	\$ 702,940	\$ 725,955	\$ 747,335	\$ 743,395	\$ 744,846	\$ 744,701	\$ 744,975
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	178,591	167,500	167,500	167,500	167,500	167,500	167,500
OTHER FUNDS.....	524,349	558,455	579,835	575,895	577,346	577,201	577,475
DEPARTMENT TOTAL.....	\$ 702,940	\$ 725,955	\$ 747,335	\$ 743,395	\$ 744,846	\$ 744,701	\$ 744,975

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 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. 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.

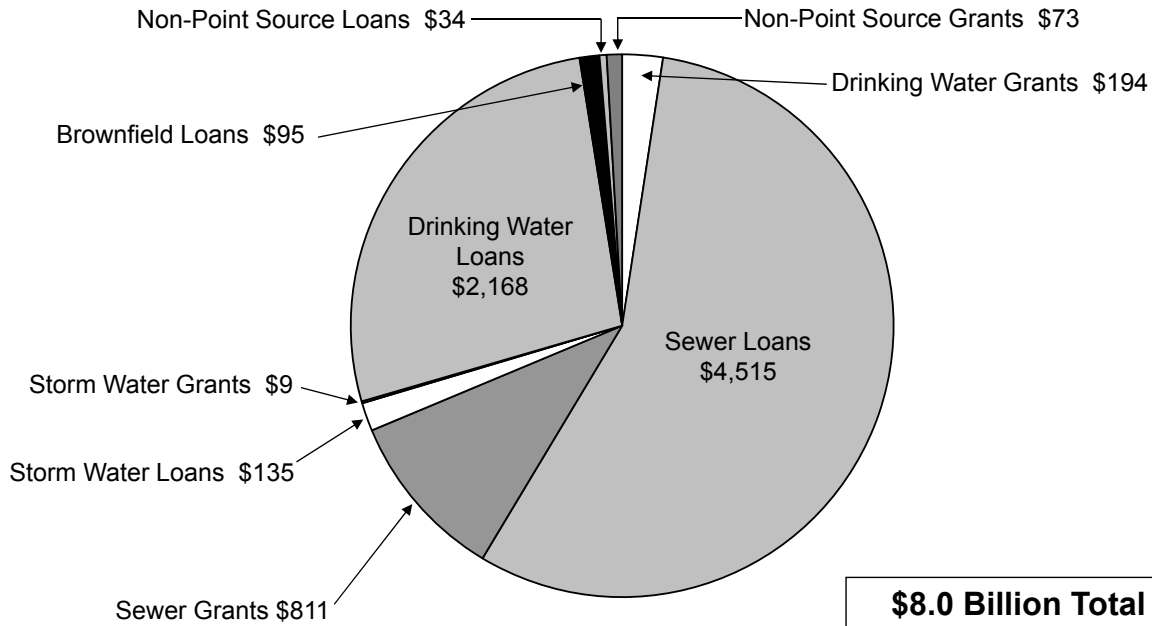
PENNVEST funds are used for loans and grants to municipalities, municipal authorities and private firms to improve water, sewage and storm water systems they own. Loans are available to individual homeowners to upgrade their on-lot septic systems. The funds are also used to provide assistance to farmers, non-profit groups and others 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 on projects.

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. 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 2017 (millions of dollars)



Program Recommendation:

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

PENNVEST FUND
PENNVEST Operations (EA)
 \$ 65 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
PENNVEST FUND:							
PENNVEST Operations (EA)	\$ 3,425	\$ 4,183	\$ 4,248	\$ 4,248	\$ 4,248	\$ 4,248	\$ 4,248

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

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	\$35.69	\$70	\$27	\$49	\$93.21	\$50	\$50
Percentage of total project funding allocated to projects that would otherwise have higher financing rates	27%	30%	31%	31%	41%	35%	35%

Objective: Increase the number of sustainable jobs in Pennsylvania.

Sustainable jobs created by PENNVEST-funded projects	379	3,197	191	415	842	500	500
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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.

Population affected by drinking water projects funded in each year	300,000	138,125	565,392	77,765	202,872	200,000	200,000
Drinking water projects approved that will maintain or bring customers' water into compliance with commonwealth drinking water standards	12	12	16	10	14	15	15



INSURANCE DEPARTMENT

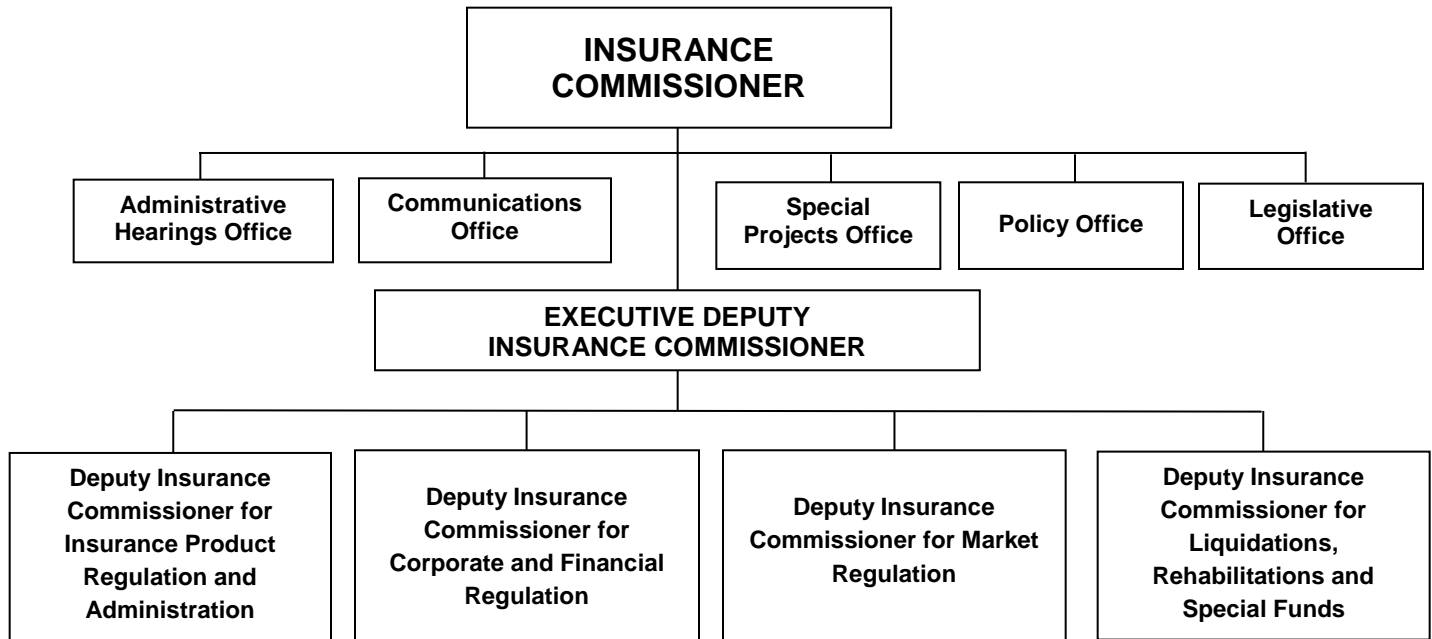
The mission of the Insurance Department is to provide a healthy regulatory environment that promotes a vibrant marketplace to serve all consumers.

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, property and casualty, and life insurance. The office is also responsible for administrative services including budget preparation, fiscal management, revenue, accounts receivable, accounts payable, procurement, contract management and administrative support services.
- **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, testing and licensing over 270,000 licensees, and investigating and examining alleged violations. The office is also responsible for enforcing 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

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual*	2016-17 Actual	2017-18 Available	2018-19 Budget
289	273	272	249	244	241	248

*Authorized Complement reflects the transfer of the Children's Health Insurance Program to Health and Human Services effective July 1, 2015.

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
USTIF Loan Repayment.....	\$ 0	\$ 0	\$ 7,000
(F)Health Insurance Premium Review.....	3,750	3,750	3,750
(F)Insurance Market Reform.....	805	5,000	5,000
Subtotal - State Funds.....	\$ 0	\$ 0	\$ 7,000
Subtotal - Federal Funds.....	4,555	8,750	8,750
Total - Grants and Subsidies.....	<u>\$ 4,555</u>	<u>\$ 8,750</u>	<u>\$ 15,750</u>
STATE FUNDS.....	\$ 0	\$ 0	\$ 7,000
FEDERAL FUNDS.....	4,555	8,750	8,750
GENERAL FUND TOTAL.....	<u>\$ 4,555</u>	<u>\$ 8,750</u>	<u>\$ 15,750</u>
OTHER FUNDS:			
GENERAL FUND:			
Anti-Fraud Prevention (R).....	\$ 3	\$ 0	\$ 0
CATASTROPHIC LOSS BENEFITS CONTINUATION FUND:			
CAT Administration (EA).....	\$ 776	\$ 688	\$ 772
CAT Claims (EA).....	6,050	6,050	6,050
CATASTROPHIC LOSS BENEFITS CONTINUATION FUND TOTAL.....	<u>\$ 6,826</u>	<u>\$ 6,738</u>	<u>\$ 6,822</u>
INSURANCE REGULATION AND OVERSIGHT FUND:			
General Government Operations.....	\$ 24,850	\$ 27,113	\$ 28,886
MEDICAL CARE AVAILABILITY AND REDUCTION OF ERROR FUND:			
General Operations (EA).....	\$ 16,833	\$ 14,865	\$ 15,140
Payment of Claims (EA).....	180,020	182,020	182,020
MEDICAL CARE AVAILABILITY AND REDUCTION OF ERROR FUND TOTAL.....	<u>\$ 196,853</u>	<u>\$ 196,885</u>	<u>\$ 197,160</u>
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:			
Administration (EA).....	\$ 11,851	\$ 17,001	\$ 16,759
Claims (EA).....	45,000	45,000	42,000
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....	<u>\$ 56,851</u>	<u>\$ 62,001</u>	<u>\$ 58,759</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 7,000
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	4,555	8,750	8,750
AUGMENTATIONS.....	0	0	0
OTHER FUNDS.....	285,383	292,737	291,627
TOTAL ALL FUNDS.....	<u>\$ 289,938</u>	<u>\$ 301,487</u>	<u>\$ 307,377</u>

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
INSURANCE INDUSTRY REGULATION							
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.....	4,555	8,750	8,750	8,750	8,750	8,750	8,750
OTHER FUNDS.....	285,383	292,737	291,627	291,627	291,627	291,627	291,627
SUBCATEGORY TOTAL.....	<u>\$ 289,938</u>	<u>\$ 301,487</u>	<u>\$ 307,377</u>	<u>\$ 307,377</u>	<u>\$ 307,377</u>	<u>\$ 307,377</u>	<u>\$ 307,377</u>
ALL PROGRAMS:							
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.....	4,555	8,750	8,750	8,750	8,750	8,750	8,750
OTHER FUNDS.....	285,383	292,737	291,627	291,627	291,627	291,627	291,627
DEPARTMENT TOTAL.....	<u><u>\$ 289,938</u></u>	<u><u>\$ 301,487</u></u>	<u><u>\$ 307,377</u></u>	<u><u>\$ 307,377</u></u>	<u><u>\$ 307,377</u></u>	<u><u>\$ 307,377</u></u>	<u><u>\$ 307,377</u></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 will:

- Promote a competitive and robust marketplace for consumers;
- Educate consumers to make informed decisions and ensure that they are treated fairly;
- Regulate insurance companies' financial solvency in order to ensure fair and expedient payment of consumers' claims;
- Administer legislatively-enacted programs to maximize benefits to consumers;
- Assure that insurance policies meet standards of high quality, are understandable and are appropriately priced;
- Advance consumer protection by administering licensing programs that promote professionalism and competency in the marketplace;
- Protect claimants by maximizing assets of insolvent insurance companies and distributing them fairly and efficiently;
- Innovate to meet the needs of a dynamic and rapidly changing financial services and health care marketplace.

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); 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 oversees 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.

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 270,000 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 50,000 consumer complaints and inquiries annually; and reviews and approves approximately 10,500 rate and policy forms 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's examination of insurance companies involves enterprise risk-focused exams that are comprehensive and provide 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. The department provides the public with insurance information, education and complaint resolution services. To increase engagement with communities, the department has a consumer liaison to lead outreach and education efforts and provides resources 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 has been active in promoting ACA open enrollment.

The department also analyzes annual market conduct statements and data; conducts investigations of possible 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

Program: Insurance Industry Regulation (continued)

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 effectively oversee and enforce the Public Health Services Act provisions with respect to health insurance issuers.

The department directly serves consumers by investigating consumer inquiries and complaints, reviewing the conduct of insurance carriers and enforcing Pennsylvania's insurance laws.

Medical Care Availability and Reduction of Error (Mcare) Fund

The Mcare Fund, established pursuant to Act 13 of 2002, created 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 (CAT Fund)

The CAT Fund 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. The CAT Fund is funded by investment income.

Underground Storage Tank Indemnification Fund (USTIF)

USTIF 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.

Auto Premiums - 2014*	
	Average Yearly
Pennsylvania	\$ 858
Maryland	\$ 1,001
New York	\$ 1,205
New Jersey	\$ 1,264

*Published in 2017

Source: Insurance Information Institute Inc.

Home Premiums - 2014*	
	Average Yearly
Pennsylvania	\$ 893
Maryland	\$ 942
New Jersey	\$ 1,092
New York	\$ 1,256

*Published in 2017

Source: Insurance Information Institute Inc.

Health Premiums - 2017	
	Average Monthly
Maryland	\$ 296
New Jersey	\$ 338
Pennsylvania	\$ 347
New York	\$ 439

Source: Urban Institute, supported by Robert Wood Johnson Foundation

The above lists the most recent published premiums for Pennsylvania and our peer states.

Program Recommendation:

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

\$ 7,000	USTIF Loan Repayment
	—annual repayment of a transfer from the Underground Storage Tank Indemnification Fund.

This budget includes \$28,886,000 for General Government Operations in the Insurance Regulation and Oversight Fund.

Appropriations within this Program:

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
USTIF Loan Repayment.....	\$ 0	\$ 0	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

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	N/A	N/A	N/A	180,882	216,409	238,050	261,855
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Objective: Reduce Pennsylvania's uninsured population.

Percentage of population without health insurance	N/A	9.70%	8.50%	6.40%	5.60%	5.50%	4.25%
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Objective: Maintain a competitive insurance marketplace in Pennsylvania so consumers continue to enjoy low premiums for mandatory insurance products.

Pennsylvania's ranking compared to three peer states based on the yearly average for health insurance premiums*	N/A	1	1	1	2	3	1
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Pennsylvania's ranking compared to three peer states based on the yearly average for homeowners insurance premiums*	N/A	1	1	1	1	1	1
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Pennsylvania's ranking compared to three peer states based on the yearly average for auto insurance premiums*	N/A	1	1	1	1	1	1
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* Peer states include New York, New Jersey and Maryland.

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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

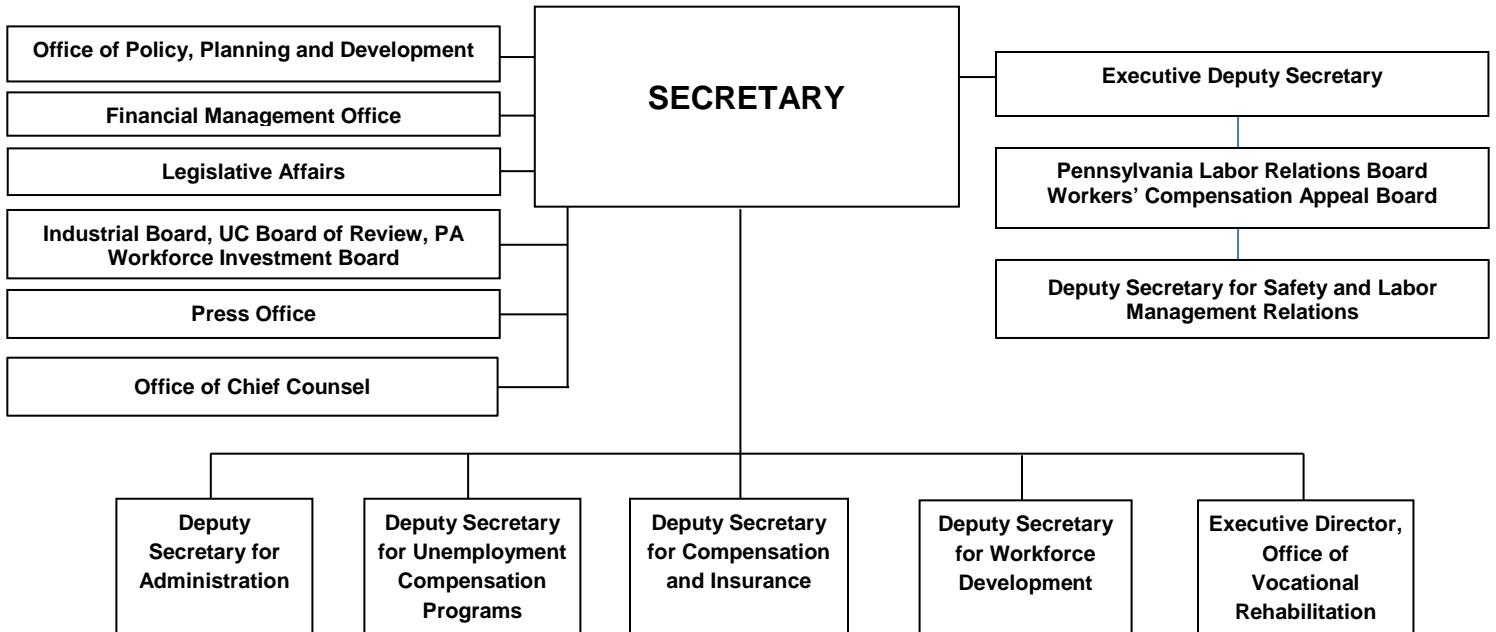
Community and Occupational Safety and Stability: *To further economic development in the commonwealth by promoting the health, welfare and safety of employees and acting to maintain continuous production and employment through mediation.*

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 Office of Equal Opportunity, Bureau of Administrative Services and PENNSERVE, as well as coordination of human resources and information technology with the Office of Administration.
- **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

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
5,916	5,898	5,902	5,902	4,693	4,197	4,197

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 13,384	\$ 12,981^a	\$ 13,401
(F)Workforce Innovation and Opportunity Act - Administration.....	11,000	11,000	11,000
(F)Community Service and Corps.....	11,608	11,608	11,358
(F)Disability Determination.....	133,450	142,593	139,579
(F)New Hires.....	1,581	1,560	1,534
(A)Interpreter Registry.....	44	3	20
(A)Pa One Call Fees.....	170	50	0
(A)Conference Fees.....	12	0	0
Subtotal.....	<u>\$ 171,249</u>	<u>\$ 179,795</u>	<u>\$ 176,892</u>
Occupational and Industrial Safety.....	12,358	4,893	5,054
(A)Inspection Fees.....	0	7,000	7,000
(F)Lead Certification and Accreditation.....	0	631	227
(R)Asbestos and Lead Certification (EA).....	2,025	2,025	2,025
Subtotal - State Funds.....	\$ 25,742	\$ 17,874	\$ 18,455
Subtotal - Federal Funds.....	157,639	167,392	163,698
Subtotal - Augmentations.....	226	7,053	7,020
Subtotal - Restricted Revenues.....	2,025	2,025	2,025
Total - General Government.....	<u>\$ 185,632</u>	<u>\$ 194,344</u>	<u>\$ 191,198</u>
<i>Grants and Subsidies:</i>			
Occupational Disease Payments.....	\$ 498	\$ 413	\$ 362
Transfer to Vocational Rehabilitation Fund.....	47,473	44,889	45,626
Supported Employment.....	397	397	397
Centers for Independent Living.....	1,912	1,912	1,912
Workers' Compensation Payments.....	591	480	433
New Choices / New Options.....	500	500	0
Assistive Technology Devices.....	400	400	400
Assistive Technology Demonstration and Training.....	399	400	400
(F)Reed Act - Unemployment Insurance.....	6,000	5,000	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).....	2,004	2,100	2,044
Subtotal.....	<u>\$ 334,004</u>	<u>\$ 333,100</u>	<u>\$ 333,044</u>
Industry Partnerships.....	1,813	1,813	4,813
Apprenticeship Training.....	0	0	7,000
Subtotal - State Funds.....	\$ 53,983	\$ 51,204	\$ 61,343
Subtotal - Federal Funds.....	334,004	333,100	333,044
Total - Grants and Subsidies.....	<u>\$ 387,987</u>	<u>\$ 384,304</u>	<u>\$ 394,387</u>
STATE FUNDS.....	\$ 79,725	\$ 69,078	\$ 79,798
FEDERAL FUNDS.....	491,643	500,492	496,742
AUGMENTATIONS.....	226	7,053	7,020
RESTRICTED REVENUES.....	2,025	2,025	2,025
GENERAL FUND TOTAL.....	<u>\$ 573,619</u>	<u>\$ 578,648</u>	<u>\$ 585,585</u>
OTHER FUNDS:			
GENERAL FUND:			
Vending Machine Proceeds.....	\$ 96	\$ 466	\$ 100

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
ADMINISTRATION FUND:			
Administration of Unemployment.....	\$ 168,262	\$ 0	\$ 0
(F)Administration of Unemployment Compensation (EA).....	0	134,000	134,000
Administration of Unemployment Compensation (EA).....	0	1,000	1,000
(F)Workforce Development (EA).....	0	91,815	93,219
Workforce Development (EA).....	0	2,000	2,000
Central Service Administration (EA).....	0	2,000	2,000
ADMINISTRATION FUND TOTAL.....	\$ 168,262	\$ 230,815	\$ 232,219
SPECIAL ADMINISTRATION FUND:			
Administration of Unemployment (EA).....	\$ 14,268	\$ 10,000	\$ 10,000
EMPLOYMENT FUND FOR THE BLIND:			
General Operations.....	\$ 1,243	\$ 800	\$ 800
HAZARDOUS MATERIAL RESPONSE FUND:			
Hazardous Material Response Administration.....	\$ 51	\$ 20	\$ 60
REHABILITATION CENTER FUND:			
General Operations.....	\$ 22,369	\$ 23,253	\$ 28,907
UNEMPLOYMENT COMPENSATION CONTRIBUTION:			
(R)Reemployment Services (EA).....	\$ 2,786	\$ 10,000	\$ 10,000
(R)Service and Infrastructure Improvement (EA).....	37,642	51,961	34,650
UNEMPLOYMENT COMPENSATION CONTRIBUTION TOTAL.....	\$ 40,428	\$ 61,961	\$ 44,650
VOCATIONAL REHABILITATION FUND:			
General Operations (EA).....	\$ 0 ^b	\$ 0 ^b	\$ 0 ^b
Vocational Rehabilitation Services (EA).....	177,400	157,400	159,291
VOCATIONAL REHABILITATION FUND TOTAL.....	\$ 177,400	\$ 157,400	\$ 159,291
WORKMEN'S COMPENSATION ADMINISTRATION FUND:			
Administration of Workers' Compensation.....	\$ 81,228	\$ 77,855	\$ 71,215
Loan to Uninsured Employers Guaranty Fund (EA).....	5,000	5,000	0
(A)Conference Fees.....	275	300	300
WORKMEN'S COMPENSATION ADMINISTRATION FUND TOTAL.....	\$ 86,503	\$ 83,155	\$ 71,515
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 79,725	\$ 69,078	\$ 79,798
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	491,643	500,492	496,742
AUGMENTATIONS.....	226	7,053	7,020
RESTRICTED.....	2,025	2,025	2,025
OTHER FUNDS.....	510,620	567,870	547,542
TOTAL ALL FUNDS.....	\$ 1,084,239	\$ 1,146,518	\$ 1,133,127

^a Reflects recommended appropriation reduction of \$72,000.

^b General Operations Vocational Rehabilitation Fund is not added to the total to avoid double counting: 2016-17 Actual is \$47,473,000, 2017-18 Available is \$44,889,000 and 2018-19 Budget is \$45,626,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
COMMUNITY AND OCCUPATIONAL SAFETY AND STABILITY							
GENERAL FUND.....	\$ 25,742	\$ 17,874	\$ 18,455	\$ 18,455	\$ 18,455	\$ 18,455	\$ 18,455
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	631	227	227	227	227	227
OTHER FUNDS.....	2,302	9,098	9,105	9,105	9,105	9,105	9,105
SUBCATEGORY TOTAL.....	\$ 28,044	\$ 27,603	\$ 27,787	\$ 27,787	\$ 27,787	\$ 27,787	\$ 27,787
WORKERS COMPENSATION AND ASSISTANCE							
GENERAL FUND.....	\$ 1,089	\$ 893	\$ 795	\$ 795	\$ 795	\$ 795	\$ 795
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	135,031	144,153	141,113	141,113	141,113	141,113	141,113
OTHER FUNDS.....	269,033	323,970	313,734	312,285	312,285	312,285	312,285
SUBCATEGORY TOTAL.....	\$ 405,153	\$ 469,016	\$ 455,642	\$ 454,193	\$ 454,193	\$ 454,193	\$ 454,193
WORKFORCE INVESTMENT							
GENERAL FUND.....	\$ 2,313	\$ 2,313	\$ 11,813	\$ 11,813	\$ 11,813	\$ 11,813	\$ 11,813
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	356,612	355,708	355,402	355,402	355,402	355,402	355,402
OTHER FUNDS.....	37,642	51,961	34,650	29,000	12,950	0	0
SUBCATEGORY TOTAL.....	\$ 396,567	\$ 409,982	\$ 401,865	\$ 396,215	\$ 380,165	\$ 367,215	\$ 367,215
VOCATIONAL REHABILITATION							
GENERAL FUND.....	\$ 50,581	\$ 47,998	\$ 48,735	\$ 48,735	\$ 48,735	\$ 48,735	\$ 48,735
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	203,894	191,919	199,098	193,544	193,544	193,544	193,544
SUBCATEGORY TOTAL.....	\$ 254,475	\$ 239,917	\$ 247,833	\$ 242,279	\$ 242,279	\$ 242,279	\$ 242,279
ALL PROGRAMS:							
GENERAL FUND.....	\$ 79,725	\$ 69,078	\$ 79,798	\$ 79,798	\$ 79,798	\$ 79,798	\$ 79,798
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	491,643	500,492	496,742	496,742	496,742	496,742	496,742
OTHER FUNDS.....	512,871	576,948	556,587	543,934	527,884	514,934	514,934
DEPARTMENT TOTAL.....	\$ 1,084,239	\$ 1,146,518	\$ 1,133,127	\$ 1,120,474	\$ 1,104,424	\$ 1,091,474	\$ 1,091,474

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.

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	120
Prevailing Wage Law violations cases closed	300
Prevailing Wage Law violations cases	180

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 employers.

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

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 have not opted for local enforcement and all state-owned buildings. The bureau also enforces accessibility laws in

Program: Community and Occupational Safety and Stability (continued)

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	2015-16	2016-17	2017-18*
Building inspections performed	30,757	30,061	32,000
Elevator inspections performed	13,040	14,377	14,000
Boiler inspections performed	18,721	28,523	25,000
Other inspections performed	5,082	6,517	5,000
Building approvals issued	3,443	3,752	3,000
New buildings certified and renovations of existing buildings certified	1,773	1,833	2,000
Municipalities choosing to provide their own enforcement under the Uniform Construction Code Act	2,420	2,422	2,420
*Certifications, accreditations & licensing (Asbestos/Lead/Uniform Construction Code)	7,887	10,014	7,500

* Estimated

Program Recommendations:

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

\$ 420	GENERAL FUND General Government Operations —to continue current program.	\$ 161	Occupational and Industrial Safety —to continue current program.
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
General Government Operations	\$ 13,384	\$ 12,981	\$ 13,401	\$ 13,401	\$ 13,401	\$ 13,401	\$ 13,401
Occupational and Industrial Safety	12,358	4,893	5,054	5,054	5,054	5,054	5,054
TOTAL GENERAL FUND	\$ 25,742	\$ 17,874	\$ 18,455	\$ 18,455	\$ 18,455	\$ 18,455	\$ 18,455

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.

Workers' compensation insurance provides wage loss benefits and payments for medical services to employees for injuries or diseases sustained while on the job. These payments are funded through the State Workers' Insurance Fund (SWIF), self-insured employers and private insurance companies. 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.

Recent legislation increased funding for the administration of unemployment compensation. Act 60 of 2017 provides additional state funds from the Service and Infrastructure Improvement Fund. Revenues in the account are derived from a portion of employee unemployment compensation taxes. The funding is intended to support the operations of the unemployment compensation system and maintain adequate service levels during the implementation and initial deployment of technological upgrades.

Claims and Decision Data	2015-16	2016-17	2017-18*
Reportable injuries arising in the course of employment under the Workers' Compensation Act	157,932	175,756	163,500
Number of final decisions in litigated workers' compensation claims	48,327	44,919	46,000
Claimants qualifying for occupational disease payments from commonwealth funds	194	171	160
New claims for unemployment compensation	574,996	506,405	505,000

*Estimated

Program Recommendations:

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

		GENERAL FUND:
		Occupational Disease Payments
\$	-51	—to continue current program based on payment requirements.
		Workers' Compensation Payments
\$	-47	—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.

		WORKMEN'S COMPENSATION ADMINISTRATION FUND:
		Administration of Workers' Compensation
\$	-3,800	—non-recurring costs for upgrades and enhancements for the Workers Compensation Automation and Integration System (WCAIS).
	-2,840	—to continue current program.
\$	-6,640	<i>Appropriation Decrease</i>
		Loan to Uninsured Employers Guaranty Fund (EA)
\$	-5,000	—non-recurring costs.

Program: Workers' Compensation and Assistance (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Occupational Disease Payments.....	\$ 498	\$ 413	\$ 362	\$ 362	\$ 362	\$ 362	\$ 362
Workers' Compensation Payments	591	480	433	433	433	433	433
TOTAL GENERAL FUND	\$ 1,089	\$ 893	\$ 795	\$ 795	\$ 795	\$ 795	\$ 795
WORKMEN'S COMPENSATION							
ADMINISTRATION FUND:							
Administration of Workers' Compensation.	\$ 81,228	\$ 77,855	\$ 71,215	\$ 71,215	\$ 71,215	\$ 71,215	\$ 71,215
Loan to Uninsured Employers Guaranty Fund (EA).....	5,000	5,000	0	0	0	0	0
TOTAL WORKMEN'S COMPENSATION							
ADMINISTRATION FUND	\$ 86,228	\$ 82,855	\$ 71,215	\$ 71,215	\$ 71,215	\$ 71,215	\$ 71,215

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 the delivery of workforce development services. Programs assist individuals, including unemployed individuals and people receiving Temporary Assistance for Needy Families, 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.

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 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.

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 tools for job seekers and students. The CWIA also disseminates labor market information through diverse

Program: Workforce Investment (continued)

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.

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.

Industry Partnerships

Industry Partnerships are cohorts of businesses, from the same industry and in a shared labor market region, that work with economic development, education, workforce development, organized labor, and community organizations to address the overall competitiveness needs of the targeted industry. Industry Partnerships build on highly successful, nationally recognized initiatives in Pennsylvania by combining the economic development concept of “cluster partnerships” that address the comprehensive needs of industry with the workforce development model of “sector initiatives” that focus on addressing specific training needs of the targeted industry.

Instead of focusing on serving businesses' needs based around currently offered programs, Industry Partnerships put businesses at the center of a coordinated workforce and economic development system that reacts to businesses' defined opportunities and priorities for action.

Industry Partnerships uncover common challenges within industries and, using economies of scale, apply private and public resources across numerous employers to address shared competitiveness needs as identified by businesses. Tax dollars and matching employer investments support the entire partnership, not just one partnering company's needs. Through these partnerships, stakeholders are able to address the overall competitiveness needs identified by businesses. Successful partnerships are business-driven and support activities that increase the competitiveness of business partners while also creating more jobs that pay.

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 and 2017-18 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	2014-15**	2015-16**	2016-17*
Youth Placement Rate	68.4%	68.9%	70%
Workforce Investment Act Adult Employment Retention	85.6%	85.0%	85%
Dislocated Worker Employment Retention	90.1%	91.0%	91%
Youth Attainment (Individuals attaining a high school diploma, GED, postsecondary degree, or certification while enrolled in training)	89.8%	86.4%	86%
Number of Rapid Response Activities	295	217	220
Number of Individuals Trained by Individual Training Accounts	3,501	3,567	3,600
Wagner-Peyser			
Wagner-Peyser Entered Employment Rate	65.6%	68.0%	69%
Wagner-Peyser Employment Retention	86.6%	86.8%	87%

Program: Workforce Investment (continued)

Workforce Investment Act Title I <i>Continued</i>	2014-15**	2015-16**	2016-17*
Incumbent Workers			
Incumbent Worker Employment Retention Rate (Industry Partnership Participants)	90.4%	90.8%	91%
Incumbent Worker Wage Change (Industry Partnership Participants)	10.5%	1.2%	2%
Number of Incumbent Workers Trained (Industry Partnership Participants)	2,515	1,204	1,200
Apprentice completions-graduations	1,882	1,438	1,190**
Registered Apprentices	10,821	12,487	14,110**
Minorities Registered for Apprenticeship	1,623	1,873	2,116**

* Estimated

** Actuals

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 the 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 certifications of current apprenticeship and training programs, collecting data and maintaining records of agreements. The goals of the ATO are to increase the number of Pennsylvania registered apprenticeship opportunities, educate employers and job seekers about the benefits of registered apprenticeships and expand apprenticeships into non-traditional areas.

Program Recommendations:

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

\$ -500	New Choices / New Options —program elimination.	\$ 7,000	Apprenticeship Training —Initiative-to increase the number of pre-apprenticeship and registered apprenticeship opportunities.
\$ 3,000	Industry Partnerships —Initiative-to address competitiveness in targeted industries by increasing regional partnerships.		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
New Choices / New Options.....	\$ 500	\$ 500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Industry Partnerships.....	1,813	1,813	4,813	4,813	4,813	4,813	4,813
Apprenticeship Training.....	0	0	7,000	7,000	7,000	7,000	7,000
TOTAL GENERAL FUND	\$ 2,313	\$ 2,313	\$ 11,813	\$ 11,813	\$ 11,813	\$ 11,813	\$ 11,813

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 Opportunity 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 with disabilities 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 Labor, Department of Health and Human Services and the Department of Education.

Statewide, there are an estimated 900,000 men and women, ages 18-64, who reported a disability or impairment in 2016. OVR served nearly 40,000 Pennsylvanians in the 2016-17 state fiscal year, and 9,311 of those individuals obtained or maintained 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.

Through the Bureau of Blindness and Visual Services (BBVS), in addition to vocational rehabilitation services, OVR 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. Services may coincide with vocational rehabilitation services or be provided separately, depending on the needs of the individual.

The Workforce Innovation and Opportunity Act requires OVR to reserve 15 percent of its federal vocational rehabilitation award for Pre-Employment Transition Services (PETS) to serve students with disabilities who are eligible or potentially eligible for services to transition from secondary to postsecondary education programs and employment. The Pennsylvania Department of Education estimates that there are 105,000 students between 14 and 21 in PA schools that currently have an Individualized Education Program (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 required PETS services are: job exploration counseling, work-based learning experiences, counseling on opportunities for postsecondary education, workplace 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 Vocational Rehabilitation
Fund**

\$ 737 —to continue current program.

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Transfer to Vocational Rehabilitation Fund	\$ 47,473	\$ 44,889	\$ 45,626	\$ 45,626	\$ 45,626	\$ 45,626	\$ 45,626
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	400	400	400	400	400	400
TOTAL GENERAL FUND	\$ 50,581	\$ 47,998	\$ 48,735	\$ 48,735	\$ 48,735	\$ 48,735	\$ 48,735

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

Program: Community and Occupational Safety and Stability

Objective: Maintain and improve cooperative labor-management relations.

Labor Relations

Mediated cases for public sector bargaining units involving work stoppages	0%	2%	2%	2%	1.14%	2%	2%
Mediated cases for private sector bargaining units involving work stoppages	0%	10%	10%	10%	0%	10%	10%

Program: Workers' Compensation and Assistance

Objective: Reduce the cost of paying unemployment compensation claims and collecting UC taxes while improving services for claimants and employers.

Number of new claims for unemployment compensation	732,988	711,082	605,480	574,996	506,405	505,000	505,000
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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	N/A	3,543	2,840	2,096	5,405	3,500	5,500
Dislocated worker entered employment rate	76%	78.20%	80%	80%	82%	82%	82%
Workforce Innovation and Opportunity Act adult entered employment rate	71%	71.90%	74%	77%	77%	77%	77%

Program: Vocational Rehabilitation

Objective: Increase the employment potential and personal independence of persons with disabilities.

Number of eligible participants with active plans	52,354	52,000	52,500	41,579	39,771	40,000	40,000
Number of participants closed as employed	9,512	10,000	8,841	8,404	9,311	8,000	7,500
Number of persons successfully completing independent living/specialized services	1,479	1,500	1,294	1,306	1,332	1,300	1,300
Number of persons moving into employment who received postsecondary education and who were referred to OVR while in secondary education	1,166	1,200	931	870	943	825	800
Number of persons moving into employment without receiving postsecondary education and who were referred to OVR while in secondary education	1,285	1,255	2,131	1,124	1,322	1,050	950

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LIQUOR CONTROL BOARD

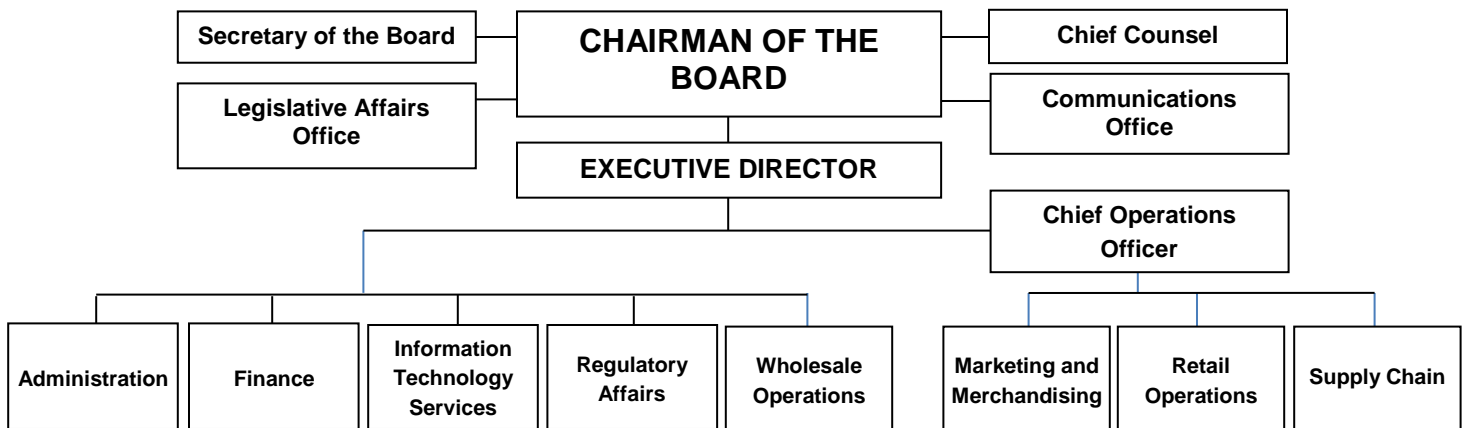
The mission of the Liquor Control Board is to regulate Pennsylvania's alcohol beverage industry in accordance with the laws of the commonwealth; offer a comprehensive education program that promotes the responsible use of alcohol; provide superior service, selection and pricing to our customers and licensees; 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. The director also oversees 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

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-2017 Actual	2017-18 Available	2018-19 Budget
3,276	3,270	3,270	3,270	3,395	3,219	3,219

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
<u>OTHER FUNDS:</u>			
STATE STORES FUND:			
General Operations (EA).....	\$ 538,385	\$ 556,950	\$ 582,200
(A)Sale of Automobiles.....	20	20	20
Purchase of Liquor (EA).....	1,386,000	1,396,500	1,434,200
Comptroller Operations (EA).....	5,419	5,690	5,690
Transfer to the General Fund (EA).....	217,100	185,100	185,100
STATE STORES FUND TOTAL.....	\$ 2,146,924	\$ 2,144,260	\$ 2,207,210

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
LIQUOR CONTROL							
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.....	2,146,924	2,144,260	2,207,210	2,272,110	2,339,290	2,408,700	2,480,500
SUBCATEGORY TOTAL.....	\$ 2,146,924	\$ 2,144,260	\$ 2,207,210	\$ 2,272,110	\$ 2,339,290	\$ 2,408,700	\$ 2,480,500
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	2,146,924	2,144,260	2,207,210	2,272,110	2,339,290	2,408,700	2,480,500
DEPARTMENT TOTAL.....	\$ 2,146,924	\$ 2,144,260	\$ 2,207,210	\$ 2,272,110	\$ 2,339,290	\$ 2,408,700	\$ 2,480,500

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 608 Wine and Spirit stores, including 11 licensee service centers, two outlet stores, 18 one-stop shops located in grocery stores, 94 Premium Collection stores and 327 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 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. In 2016, the PLCB implemented a new online Regulatory System, PLCB+, which allows licensees to conduct licensing and permitting business securely, quickly and simply over the Internet.

The Liquor Control Board has established a 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 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 \$1.2 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 400,000 alcohol education resources are distributed annually.

Program: Liquor Control (continued)

Program Recommendations:

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

	STATE STORES FUND			Purchase of Liquor (EA)
	General Operations (EA)		\$ 37,700	—for inventory costs.
\$ 25,250	—to continue current program.			

Comptroller Operations (EA) is recommended at the current year funding level.

This budget proposes a transfer of \$185.1 million from the State Stores Fund to the General Fund in 2018-19.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
STATE STORES FUND:							
General Operations (EA)	\$ 538,385	\$ 556,950	\$ 582,200	\$ 608,400	\$ 635,780	\$ 664,390	\$ 694,290
Purchase of Liquor (EA)	1,386,000	1,396,500	1,434,200	1,472,900	1,512,700	1,553,500	1,595,400
Comptroller Operations (EA)	5,419	5,690	5,690	5,690	5,690	5,690	5,690
Transfer to the General Fund (EA)	217,100	185,100	185,100	185,100	185,100	185,100	185,100
TOTAL STATE STORES FUND	\$ 2,146,904	\$ 2,144,240	\$ 2,207,190	\$ 2,272,090	\$ 2,339,270	\$ 2,408,680	\$ 2,480,480

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

Program: Liquor Control

Objective: Increase revenue contributions to the General Fund by maximizing returns.

Pennsylvania State Liquor Stores	606	606	601	601	607	608	608
Gross sales (in thousands, excluding liquor sales taxes)	\$1,748,437	\$1,817,774	\$1,890,235	\$1,959,467	\$2,031,304	\$2,097,300	\$2,168,600
Total contributions from State Stores Fund (in thousands, including liquor sales taxes and General Fund transfer)	\$520,483	\$534,062	\$552,162	\$591,936	\$729,503	\$715,342	\$733,371

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	66	61	61	65	63	65	67
Alcohol education grant money awarded (in thousands)	\$1,011	\$1,071	\$1,071	\$1,139	\$1,120	\$1,120	\$1,200
Owners/managers receiving Responsible Alcohol Management Program (RAMP) training	4,163	4,513	4,513	5,161	5,761	6,049	6,352
Servers/sellers receiving RAMP training	29,783	36,861	38,151	44,486	67,135	70,492	74,016
Establishments that are RAMP certified	1,130	1,151	1,186	1,471	1,455	1,528	1,604

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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 approximately 820,000 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.

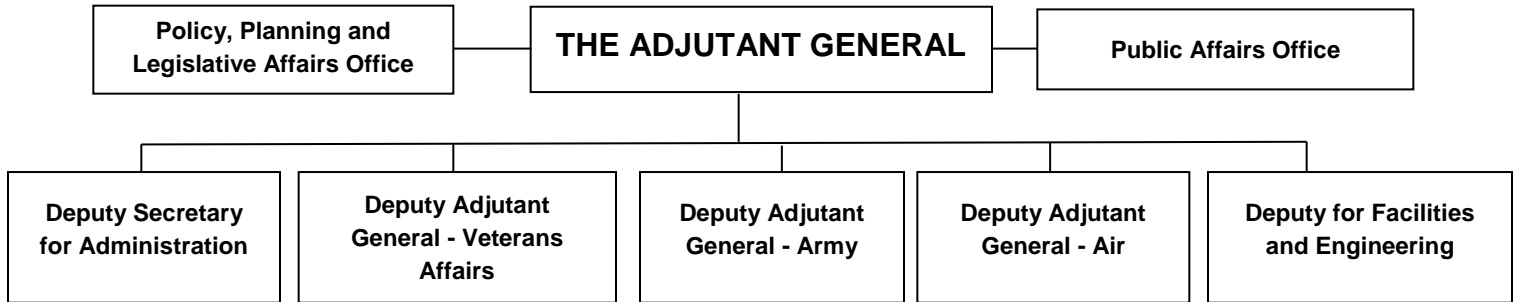
Programs and Goals

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 over 800,000 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 70 National Guard readiness centers, 20 National Guard field maintenance shops and six veterans homes.

Authorized Complement

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
2,218	2,226	2,226	2,598	2,543	2,457	2,462

Military and Veterans Affairs

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 23,772	\$ 23,198^a	\$ 28,129
(F)Facilities Maintenance.....	77,685	77,685	77,685
(F)Federal Construction Grants.....	110,000	50,000	25,000
(F)Domestic Preparedness (EA).....	13	0	0
(A)Rental of Armories and Other Facilities.....	122	122	122
(A)Housing Fees.....	80	80	80
(A)Utility Reimbursements.....	189	199	199
(A)Miscellaneous.....	117	103	105
Burial Detail Honor Guard.....	99	99	99
American Battle Monuments.....	50	50	50
Armory Maintenance and Repair.....	245	160	160
Special State Duty.....	35	35	35
Subtotal.....	<u>\$ 212,407</u>	<u>\$ 151,731</u>	<u>\$ 131,664</u>
Subtotal - State Funds.....	\$ 24,201	\$ 23,542	\$ 28,473
Subtotal - Federal Funds.....	187,698	127,685	102,685
Subtotal - Augmentations.....	508	504	506
Total - General Government.....	<u>\$ 212,407</u>	<u>\$ 151,731</u>	<u>\$ 131,664</u>
<i>Institutional:</i>			
Veterans Homes.....	\$ 102,351	\$ 98,401^b	\$ 104,878
(F)Operations and Maintenance.....	49,528	46,895	47,014
(F)Medical Reimbursements.....	225	164	165
(F)Enhanced Veterans Reimbursement.....	18,830	20,791	24,791
(F)Antimicrobial Stewardship Certificate Program (EA).....	0	4	0
(A)Aid and Attendance Payments.....	7,483	7,332	7,667
(A)Residential Fees.....	17,878	18,650	18,206
(A)Estate Collections.....	3,301	2,892	2,790
(A)Insurance or Third Party Reimbursements.....	37	39	37
(A)Physical & Occupational Therapy Reimbursements.....	507	534	534
(A)Pharmaceutical Reimbursements.....	2,331	2,394	2,154
(A)Miscellaneous.....	20	53	53
Subtotal.....	<u>\$ 202,491</u>	<u>\$ 198,149</u>	<u>\$ 208,289</u>
Subtotal - State Funds.....	\$ 102,351	\$ 98,401	\$ 104,878
Subtotal - Federal Funds.....	68,583	67,854	71,970
Subtotal - Augmentations.....	31,557	31,894	31,441
Total - Institutional.....	<u>\$ 202,491</u>	<u>\$ 198,149</u>	<u>\$ 208,289</u>
<i>Grants and Subsidies:</i>			
Education of Veterans Children.....	\$ 101	\$ 120	\$ 120
Transfer to Educational Assistance Program Fund.....	12,500	12,500	13,000
Blind Veterans Pension.....	222	222	222
Amputee and Paralyzed Veterans Pension.....	3,606	3,714	3,714
National Guard Pension.....	5	5	5
Supplemental Life Insurance Premiums.....	164	164	164
Civil Air Patrol.....	100	100	0
Disabled American Veterans Transportation.....	336	336	336
Veterans Outreach Services.....	2,332	2,332	2,832
Behavioral Health Support for Veterans.....	0	750	0
Subtotal.....	<u>\$ 19,366</u>	<u>\$ 20,243</u>	<u>\$ 20,393</u>
Total - Grants and Subsidies.....	<u>\$ 19,366</u>	<u>\$ 20,243</u>	<u>\$ 20,393</u>

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
STATE FUNDS.....	\$ 145,918	\$ 142,186	\$ 153,744
FEDERAL FUNDS.....	256,281	195,539	174,655
AUGMENTATIONS.....	32,065	32,398	31,947
GENERAL FUND TOTAL.....	\$ 434,264	\$ 370,123	\$ 360,346
 OTHER FUNDS:			
GENERAL FUND:			
Military Family Relief Assistance.....	\$ 41	\$ 200	\$ 100
EDUCATIONAL ASSISTANCE PROGRAM FUND:			
National Guard Education (EA).....	\$ 685 ^c	\$ 18 ^c	\$ 0 ^c
PENNSYLVANIA VETERANS MEMORIAL TRUST FUND:			
Veterans Memorial (EA).....	\$ 500	\$ 350	\$ 108
STATE TREASURY ARMORY FUND:			
Armory Improvements.....	\$ 2,000	\$ 1,585	\$ 1,400
VETERANS TRUST FUND:			
Grants and Assistance (EA).....	\$ 1,755	\$ 1,955	\$ 1,755
 DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 145,918	\$ 142,186	\$ 153,744
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	256,281	195,539	174,655
AUGMENTATIONS.....	32,065	32,398	31,947
OTHER FUNDS.....	4,981	4,108	3,363
TOTAL ALL FUNDS.....	\$ 439,245	\$ 374,231	\$ 363,709

^a Reflects recommended appropriation reduction of \$243,000.

^b Reflects recommended appropriation reduction of \$1,175,000.

^c Transfer to Educational Assistance Program Fund not added to the total to avoid double counting: 2016-17 Actual is \$13,185,000; 2017-18 Available is \$12,518,000; and 2018-19 Budget is \$13,000,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
STATE MILITARY READINESS							
GENERAL FUND.....	\$ 24,201	\$ 23,542	\$ 28,473	\$ 28,473	\$ 28,473	\$ 24,915	\$ 24,915
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	187,698	127,685	102,685	102,685	102,685	102,685	102,685
OTHER FUNDS.....	3,008	2,439	2,014	2,014	2,014	2,014	2,014
SUBCATEGORY TOTAL.....	\$ 214,907	\$ 153,666	\$ 133,172	\$ 133,172	\$ 133,172	\$ 129,614	\$ 129,614
VETERANS HOMES							
GENERAL FUND.....	\$ 102,351	\$ 98,401	\$ 104,878	\$ 104,878	\$ 104,878	\$ 104,878	\$ 104,878
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	68,583	67,854	71,970	71,970	71,970	71,970	71,970
OTHER FUNDS.....	31,557	31,894	31,441	31,441	31,441	31,441	31,441
SUBCATEGORY TOTAL.....	\$ 202,491	\$ 198,149	\$ 208,289	\$ 208,289	\$ 208,289	\$ 208,289	\$ 208,289
COMPENSATION AND ASSISTANCE							
GENERAL FUND.....	\$ 19,366	\$ 20,243	\$ 20,393	\$ 20,393	\$ 20,393	\$ 20,393	\$ 20,393
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	2,481	2,173	1,855	1,856	1,856	1,856	1,856
SUBCATEGORY TOTAL.....	\$ 21,847	\$ 22,416	\$ 22,248	\$ 22,249	\$ 22,249	\$ 22,249	\$ 22,249
ALL PROGRAMS:							
GENERAL FUND.....	\$ 145,918	\$ 142,186	\$ 153,744	\$ 153,744	\$ 153,744	\$ 150,186	\$ 150,186
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	256,281	195,539	174,655	174,655	174,655	174,655	174,655
OTHER FUNDS.....	37,046	36,506	35,310	35,311	35,311	35,311	35,311
DEPARTMENT TOTAL.....	\$ 439,245	\$ 374,231	\$ 363,709	\$ 363,710	\$ 363,710	\$ 360,152	\$ 360,152

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. Costs for military equipment, supplies and training, such as monthly training assemblies and 15 days annual training are funded solely 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 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, readiness centers 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, 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.

Additional program information can be found by visiting dmva.pa.gov/militaryaffairs.

Program Recommendations:

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

		General Government Operations
\$	1,391	—to continue current program.
	-18	—Initiative—cost savings from GO-TIME projects.
	<u>3,558</u>	—Initiative—statewide radio upgrade.
\$	4,931	<i>Appropriation Increase</i>

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
General Government Operations	\$ 23,772	\$ 23,198	\$ 28,129	\$ 28,129	\$ 28,129	\$ 24,571	\$ 24,571
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	160	160	160	160	160	160
Special State Duty.....	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>
TOTAL GENERAL FUND	\$ 24,201	\$ 23,542	\$ 28,473	\$ 28,473	\$ 28,473	\$ 24,915	\$ 24,915

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.

The United States Department of Veterans Affairs (USDVA) provides financial assistance for care received at the State Veterans Homes. Residents also receive

a personal needs allowance from the USDVA and are charged a monthly maintenance fee established 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 veterans may be eligible to receive.

Additional program information can be found by visiting dmva.pa.gov/stateveteranshomes.

Veterans Homes Populations for the Prior, Current and Upcoming Year

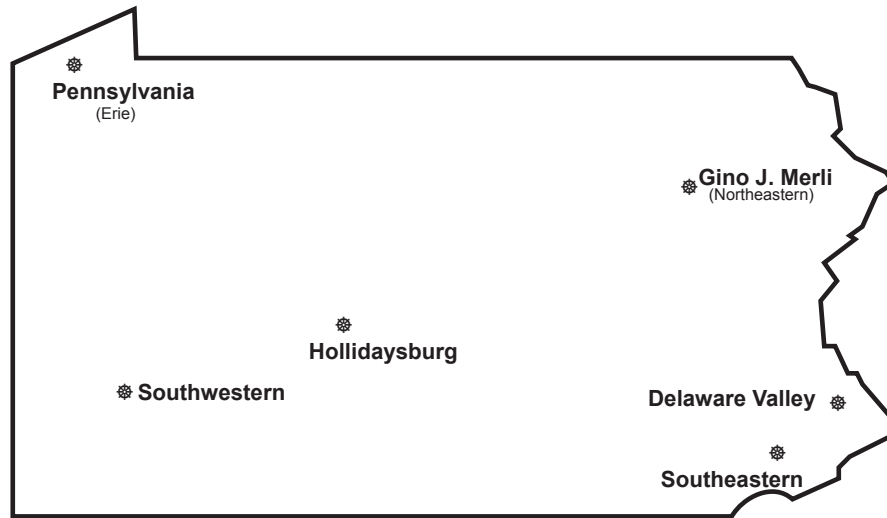
Institution	Population July 2016	Population July 2017	Projected Population July 2018	Projected Bed Capacity July 2018	Projected Percent of Capacity July 2018
Pennsylvania Soldiers and Sailors Home.....	186	184	207	207	100.0%
Hollidaysburg Veterans Home.....	398	351	367	424	86.6%
Southeastern Veterans Center	261	265	292	292	100.0%
Gino J. Merli Veterans Center.....	149	142	196	196	100.0%
Southwestern Veterans Center	230	223	236	236	100.0%
Delaware Valley Veterans Home.....	169	164	130	171	76.0%
Total.....	1,393	1,329	1,428	1,526	93.6%

Expenditures by Institution: (Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget		2016-17 Actual	2017-18 Available	2018-19 Budget
Pennsylvania Soldiers and Sailors Home				Southwestern Veterans Center			
State Funds.....	\$ 10,640	\$ 11,517	\$ 11,243	State Funds.....	\$ 15,529	\$ 14,464	\$ 14,679
Federal Funds.....	7,784	7,633	8,781	Federal Funds.....	11,717	12,244	13,237
Augmentations.....	3,208	3,092	2,740	Augmentations.....	4,677	5,297	5,347
TOTAL.....	\$ 21,632	\$ 22,242	\$ 22,764	TOTAL.....	\$ 31,923	\$ 32,005	\$ 33,263
Hollidaysburg Veterans Home				Delaware Valley Veterans Home			
State Funds.....	\$ 30,179	\$ 28,233	\$ 28,521	State Funds.....	\$ 10,226	\$ 9,874	\$ 14,066
Federal Funds.....	15,598	16,748	18,308	Federal Funds.....	8,244	8,719	7,052
Augmentations.....	8,251	8,048	8,238	Augmentations.....	4,268	4,221	3,031
TOTAL.....	\$ 54,028	\$ 53,029	\$ 55,067	TOTAL.....	\$ 22,738	\$ 22,814	\$ 24,149
Southeastern Veterans Center				Central Veterans Homes Services			
State Funds.....	\$ 12,968	\$ 13,233	\$ 13,669	State Funds.....	\$ 9,782	\$ 9,219	\$ 11,736
Federal Funds.....	13,290	13,157	14,116	Federal Funds.....	3,434	-	-
Augmentations.....	7,047	7,047	7,292	Augmentations.....	-	-	-
TOTAL.....	\$ 33,305	\$ 33,437	\$ 35,077	TOTAL.....	\$ 13,216	\$ 9,219	\$ 11,736
Gino J. Merli Veterans Center							
State Funds.....	\$ 13,027	\$ 11,861	\$ 10,964				
Federal Funds.....	8,516	9,353	10,476				
Augmentations.....	4,106	4,189	4,793				
TOTAL.....	\$ 25,649	\$ 25,403	\$ 26,233				

Program: Veterans Homes (continued)

Veterans Homes



Program Recommendations:

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

	Veterans Homes	
\$ 8,163	—to continue current program.	
–1,686	—Initiative-cost savings from GO-TIME projects.	
<u>\$ 6,477</u>	<i>Appropriation Increase</i>	

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Veterans Homes	<u>\$ 102,351</u>	<u>\$ 98,401</u>	<u>\$ 104,878</u>	<u>\$ 104,878</u>	<u>\$ 104,878</u>	<u>\$ 104,878</u>	<u>\$ 104,878</u>

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.

Education of Children of Deceased and Disabled Veterans

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 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). 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.

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. 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.

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.

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.

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. A monthly pension for dependents up to a maximum of \$300 per month for a period of 10 years is provided. In the case of children of a deceased member, the pension is paid until the child reaches 18 years of age.

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.

Veterans Outreach Services

The Veterans Service Organizations 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.

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 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.

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 the State Veterans Commission determines such person is in need of the exemption.

Military and Veterans Affairs

Program: Compensation and Assistance (continued)

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.

Additional program information can be found by visiting dmva.pa.gov/veteransaffairs.

Program Recommendations:

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

	GENERAL FUND			Veterans Outreach Services
	Transfer to Educational Assistance		\$ 500	—to increase outreach.
\$ 500	Program Fund			
	—to continue current program.			
	Civil Air Patrol		\$ -750	Behavioral Health Support for Veterans
\$ -100	—program elimination.			—program elimination.

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Education of Veterans Children	\$ 101	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120
Transfer to Educational Assistance							
Program Fund	12,500	12,500	13,000	13,000	13,000	13,000	13,000
Blind Veterans Pension	222	222	222	222	222	222	222
Amputee and Paralyzed Veterans Pension	3,606	3,714	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
Behavioral Health Support for Veterans	0	750	0	0	0	0	0
TOTAL GENERAL FUND	\$ 19,366	\$ 20,243	\$ 20,393	\$ 20,393	\$ 20,393	\$ 20,393	\$ 20,393

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

Program: State Military Readiness

Objective: Maintain the strength and readiness of the Pennsylvania Army National Guard.

Pennsylvania Army National Guard End Strength Ceiling	15,460	15,273	15,273	15,381	15,546	15,381	15,381
Pennsylvania Army National Guard Assigned	15,422	15,600	15,800	15,597	15,513	15,597	15,597
Percentage of Pennsylvania Army National Guard Current Strength	100%	102%	103%	101%	100%	101%	101%
Department of Defense personnel receiving training at Fort Indiantown Gap	115,651	127,675	118,900	117,143	112,796	116,279	116,279
Non-Department of Defense personnel receiving training at Fort Indiantown Gap	10,776	9,126	7,822	7,121	7,412	7,451	7,451

Objective: Maintain the strength and readiness of the Pennsylvania Air National Guard.

Pennsylvania Air National Guard End Strength Ceiling	3,851	4,108	4,169	4,102	4,102	4,118	4,118
Pennsylvania Air National Guard Assigned	3,856	3,944	3,962	4,000	3,922	4,056	4,080
Percentage of the Pennsylvania Air National Guard Current Strength	101%	96%	95%	98%	95%	98%	99%

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	47%	50%	53%	45%	50%	52%	53%
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Program: Compensation and Assistance

Objective: Improve access and increase the number of eligible veterans and family members who receive federal, state and local benefits.

Percentage of veterans 65 and older receiving compensation or pension from USDVA	10%	11%	13%	15%	15%	17%	17%
Veterans population accessing state/federal programs	3%	3%	4%	5%	7%	6%	7%
Number of Burial Honors Program services	2,315	2,461	2,653	2,706	2,749	2,806	2,806
Number of veterans who received benefits in accordance with the Veterans Temporary Assistance (VTA) Program	251	229	585	436	522	550	605
Number of new federal claims for Pennsylvania veterans (compensation and pension claims)	4,088	6,730	7,582	8,362	8,065	9,219	9,679
Number of new claims filed by participants in the Veterans Service Officer Outreach Grant Program (Act 66 of 2007)	14,132	14,125	14,891	18,371	32,756	22,229	24,452

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

Objective: Increase placement and referral opportunities of transitioning service members, veterans and Pennsylvania reservists for behavioral health, education/training and career placement services.

National Guard personnel receiving educational financial aid	2,631	2,773	2,474	2,606	2,586	2,550	2,800
National Guard personnel receiving Medical and Health Officer incentives	N/A	N/A	33	45	43	36	28
Number of veterans assisted through Veterans Trust Fund grants	N/A	2,997	4,320	7,965	10,992	10,992	10,992
Number of individuals registered through the Veterans Registry - service in Armed Forces	N/A	N/A	N/A	3,196	7,374	8,111	8,922
Number of individuals registered through the Veterans Registry - no service in Armed Forces	N/A	N/A	N/A	59	358	394	433



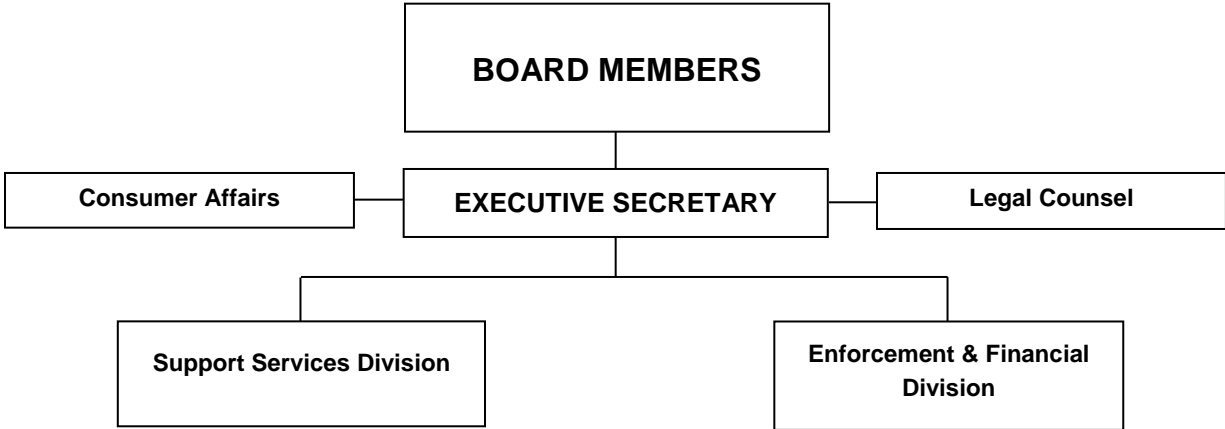
MILK MARKETING BOARD

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

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
32	32	28	28	24	22	22

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
OTHER FUNDS:			
MILK MARKETING FUND:			
General Operations.....	\$ 2,840	\$ 2,840	\$ 2,840

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
MILK INDUSTRY REGULATION							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	2,840	2,840	2,840	2,840	2,840	2,840	2,840
SUBCATEGORY TOTAL.....	\$ 2,840	\$ 2,840	\$ 2,840	\$ 2,840	\$ 2,840	\$ 2,840	\$ 2,840
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	2,840	2,840	2,840	2,840	2,840	2,840	2,840
DEPARTMENT TOTAL.....	\$ 2,840	\$ 2,840	\$ 2,840	\$ 2,840	\$ 2,840	\$ 2,840	\$ 2,840

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)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
MILK MARKETING FUND:							
General Operations	\$ 2,840	\$ 2,840	\$ 2,840	\$ 2,840	\$ 2,840	\$ 2,840	\$ 2,840

Program Measures

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
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Program: Milk Industry Regulation

Objective: Maintain producer payment compliance at or above 99% for all payment amounts due to Pennsylvania dairy farmers.

Percentage of producer payments made adequately and on time	99%	98%	99%	99%	99%	99%	99%
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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
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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
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Objective: Issue licenses and permits.

Licenses and permits issued	2,215	2,267	2,202	2,212	2,206	2,200	2,200
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Objective: Audit milk dealers for compliance with milk sales rules and regulations.

Audits of milk dealers for compliance with milk sales rules and regulations	807	1,089	1,046	1,028	1,026	1,000	1,000
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PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

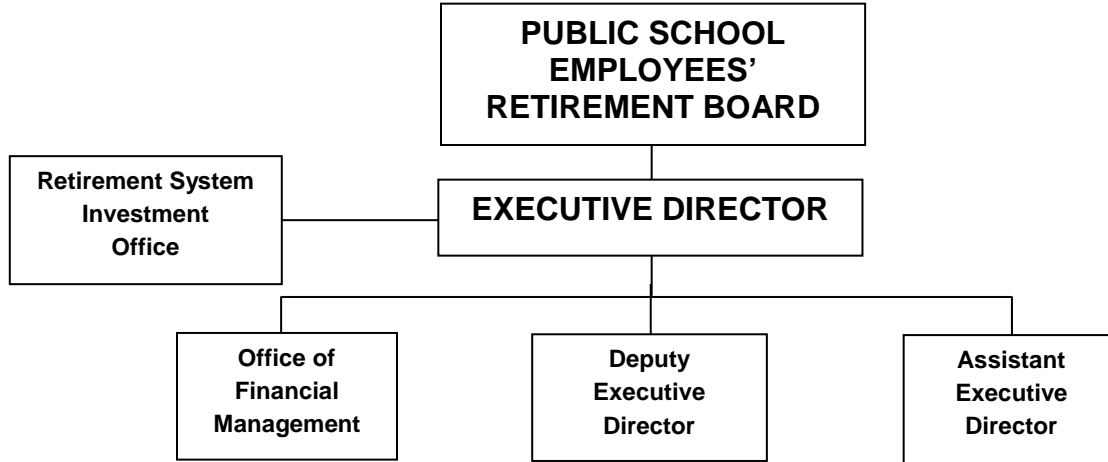
The mission of the Public School Employees' Retirement System is to serve the members and stakeholders of the system by providing timely and accurate payment of benefits, maintaining a financially sound system, prudently investing the assets of the system, clearly communicating members' and employers' rights and responsibilities and effectively managing the resources of the system.

The system is responsible for administering the School Employees' Retirement Fund, the PSERS - Defined Contribution 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

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
314	314	316	316	310	322	329

Public School Employees' Retirement System

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
OTHER FUNDS:			
SCHOOL EMPLOYEES' RETIREMENT FUND:			
Administration.....	\$ 44,739	\$ 52,453	\$ 51,637
Investment Related Expenses.....	16,618	20,970	22,712
Health Insurance Account.....	2,201	2,412	1,910
(A)Health Options - Administration Reimbursement.....	759	781	1,247
SCHOOL EMPLOYEES' RETIREMENT FUND TOTAL.....	\$ 64,317	\$ 76,616	\$ 77,506
PSERS - DEFINED CONTRIBUTION FUND:			
(R)Defined Contribution Plan.....	\$ 0	\$ 6,801	\$ 4,950
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	0	0	0
AUGMENTATIONS.....	0	0	0
OTHER FUNDS.....	64,317	83,417	82,456
TOTAL ALL FUNDS.....	\$ 64,317	\$ 83,417	\$ 82,456

Public School Employees' Retirement System

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
PUBLIC SCHOOL EMPLOYEES' RETIREMENT							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	64,317	83,417	82,456	82,219	82,034	81,893	81,795
SUBCATEGORY TOTAL.....	\$ 64,317	\$ 83,417	\$ 82,456	\$ 82,219	\$ 82,034	\$ 81,893	\$ 81,795
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	64,317	83,417	82,456	82,219	82,034	81,893	81,795
DEPARTMENT TOTAL.....	\$ 64,317	\$ 83,417	\$ 82,456	\$ 82,219	\$ 82,034	\$ 81,893	\$ 81,795

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 775 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. In 2016-17, PSERS' Pension and Health Care Premium Assistance benefit payments totaled \$6.64 billion. 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.

On June 12, 2017, Act 5 of 2017 was signed into law. This pension legislation represents a substantial change to PSERS' operations and made significant changes to PSERS' benefit structure for future members. School employees who become new members of PSERS on July 1, 2019 and thereafter will choose one of three new retirement plan options for their retirement benefits. The new plan design options include two hybrid plans consisting of defined benefit and defined contribution components and a stand-alone defined contribution plan. The current stand-alone defined benefit plan will no longer be available to new members.

Act 5 does not affect already retired members or those whose retirement date was prior to June 12, 2017. All members active on July 1, 2019 will have the option to switch from their current defined benefit plan to one of the three new retirement plan options if they so choose. The defined contribution plans are contained in the new PSERS-Defined Contribution Fund, which is shown in the Other Special Funds Appendix.

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		PSERS - DEFINED CONTRIBUTION FUND
	Administration		Defined Contribution Plan
\$	-816	—to continue current program.	\$ -1,851
			—to continue current program.

In addition, \$22,712,000 in Investment Related Expenses will be used to support the financial activities of this program and the Retirement System Investment Office.

Public School Employees' Retirement System

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
SCHOOL EMPLOYEES' RETIREMENT FUND:							
Administration.....	\$ 44,739	\$ 52,453	\$ 51,637	\$ 51,895	\$ 52,155	\$ 52,415	\$ 52,678
Investment Related Expenses	16,618	20,970	22,712	22,712	22,712	22,712	22,712
Health Insurance Account.....	2,201	2,412	1,910	1,910	1,910	1,910	1,910
(A)Health Options - Administration Reimbursement.....	759	781	1,247	1,247	1,247	1,247	1,247
TOTAL SCHOOL EMPLOYEES' RETIREMENT FUND	\$ 64,317	\$ 76,616	\$ 77,506	\$ 77,764	\$ 78,024	\$ 78,284	\$ 78,547
PSERS - DEFINED CONTRIBUTION FUND:							
(R)Defined Contribution Plan.....	\$ 0	\$ 6,801	\$ 4,950	\$ 4,455	\$ 4,010	\$ 3,609	\$ 3,248

Public School Employees' Retirement System

Program Measures

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
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Program: Public School Employees' Retirement

Objective: Increase members' awareness of PSERS benefits.

Percentage of retiring members attending counseling with PSERS	N/A	N/A	72%	70%	70%	71%	72%
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Objective: Provide timely and accurate retirement benefit payments.

Total number of retired employees (annuitants), beneficiaries, and survivor annuitants	209,204	213,900	219,775	224,828	235,454	244,121	251,784
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Total Pension and Health Care Premium Assistance benefit payments (in billions)	\$6	\$6.21	\$6.38	\$6.53	\$6.64	\$6.76	\$6.93
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PUBLIC UTILITY COMMISSION

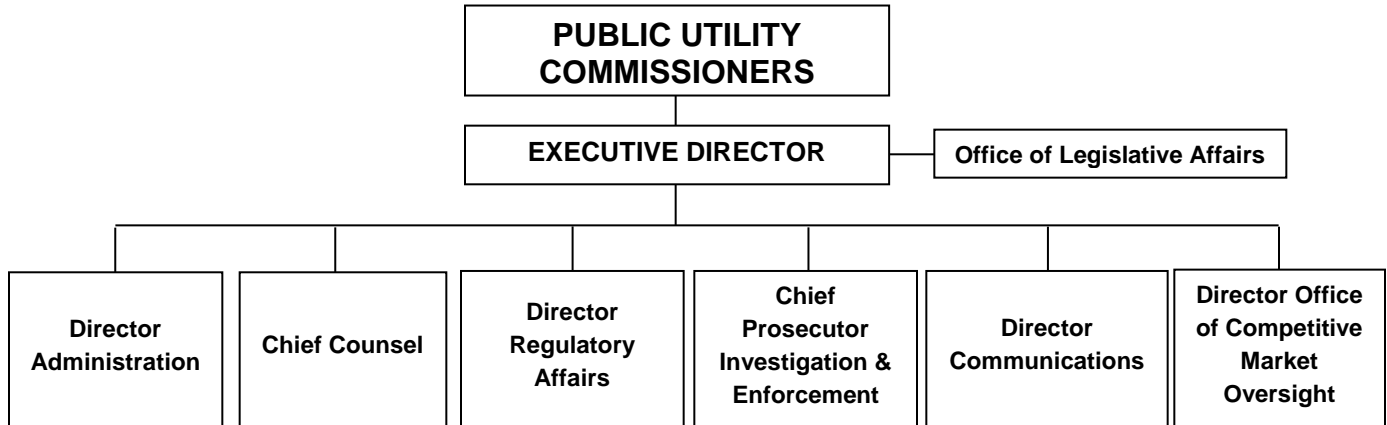
The mission of the Public Utility Commission is to provide for regulation of public utilities and includes establishing reasonable rates, providing for safe service, conducting audits, and ensuring compliance with public utility regulations.

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

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
520	520	503	503	503	509	516

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2016-17	2017-18	2018-19
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>General Government:</i>			
(R)General Government Operations.....	\$ 71,947	\$ 73,499	\$ 74,185
(F)Natural Gas Pipeline Safety.....	1,425	3,840	3,977
(F)Motor Carrier Safety.....	1,255	1,697	2,090
Subtotal - Federal Funds.....	2,680	5,537	6,067
Subtotal - Restricted Revenues.....	71,947	73,499	74,185
Total - General Government.....	<u>\$ 74,627</u>	<u>\$ 79,036</u>	<u>\$ 80,252</u>
FEDERAL FUNDS.....	2,680	5,537	6,067
RESTRICTED REVENUES.....	71,947	73,499	74,185
GENERAL FUND TOTAL.....	<u>\$ 74,627</u>	<u>\$ 79,036</u>	<u>\$ 80,252</u>
OTHER FUNDS:			
MARCELLUS LEGACY FUND:			
Transfer to Highway Bridge Improvement.....	\$ 15,512	\$ 20,159	\$ 23,104
Transfer to Environmental Stewardship Fund.....	26,205	28,063	29,241
Transfer to Hazardous Sites Cleanup Fund.....	8,102	19,032	19,621
County Recreational Planning, Development and Rehabilitation.....	9,307	12,095	13,862
Transfer to Commonwealth Financing Authority-H2O.....	7,756	10,079	11,552
Transfer to Commonwealth Financing Authority.....	12,409	16,127	18,483
MARCELLUS LEGACY FUND TOTAL.....	<u>\$ 79,291</u>	<u>\$ 105,555</u>	<u>\$ 115,863</u>
UNCONVENTIONAL GAS WELL FUND:			
Gas Well Fee Administration.....	\$ 1,000	\$ 1,000	\$ 1,000
Conservation District Grants.....	3,822	3,917	4,015
Transfer to Conservation District Fund.....	3,822	3,917	4,015
Transfer to Housing Affordability & Rehab Enhancement Fund.....	5,716	5,000	5,000
Host Counties.....	31,705	41,743	48,104
Host Municipalities.....	32,011	42,902	49,440
Local Municipalities.....	23,638	31,307	36,078
Transfer to Marcellus Legacy Fund.....	62,046	80,635	92,414
UNCONVENTIONAL GAS WELL FUND TOTAL.....	<u>\$ 163,760</u>	<u>\$ 210,421</u>	<u>\$ 240,066</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	2,680	5,537	6,067
AUGMENTATIONS.....	0	0	0
RESTRICTED.....	71,947	73,499	74,185
OTHER FUNDS.....	243,051	315,976	355,929
TOTAL ALL FUNDS.....	<u>\$ 317,678</u>	<u>\$ 395,012</u>	<u>\$ 436,181</u>

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
REGULATION OF PUBLIC UTILITIES							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,680	5,537	6,067	6,067	6,067	6,067	6,067
OTHER FUNDS.....	314,998	389,475	430,114	466,944	497,012	479,658	479,580
SUBCATEGORY TOTAL.....	\$ 317,678	\$ 395,012	\$ 436,181	\$ 473,011	\$ 503,079	\$ 485,725	\$ 485,647
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,680	5,537	6,067	6,067	6,067	6,067	6,067
OTHER FUNDS.....	314,998	389,475	430,114	466,944	497,012	479,658	479,580
DEPARTMENT TOTAL.....	\$ 317,678	\$ 395,012	\$ 436,181	\$ 473,011	\$ 503,079	\$ 485,725	\$ 485,647

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; protects the public interest; educates consumers to make independent and informed utility choices; furthers economic development; and fosters new technologies and competitive markets in an environmentally sound manner.

The commission oversees nearly 9,000 entities furnishing a variety of essential services including electricity, natural gas, telephone, water, wastewater collection and steam heat. Also included are entities furnishing transportation of passengers and property by motor coach, truck, taxicab and natural gas pipeline operators including those who transport hazardous materials. Municipal utility service is exempt from commission regulation, except for services furnished beyond a municipality's boundaries. Similarly, rural electric cooperatives, municipal authorities, school buses, bottled water, heating oil, cable television, internet service, bundled telecommunications/internet services and wireless telecommunications services are exempt from commission regulations. The commission also is empowered to enforce federal pipeline safety laws as they relate to non-public utility gas and hazardous liquids pipeline equipment and facilities within Pennsylvania.

stewardship, as well as flood control, water and sewer projects.

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.

The commission experiences a steady number of rate requests from electric, natural gas and water companies. Commission approval of mergers and acquisitions is an ongoing process, especially affecting the water and telecommunications industries. The commission also 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. The commission is currently conducting an in-depth review of utility assistance programs for low-income consumers. Other regulatory activities on the horizon include enforcement of the state's One Call Law, intended to safeguard pipelines and other underground utility systems, along with issues related to struggling water companies across the state and the deployment of enhanced broadband in rural regions.

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.

The commission monitored the aggressive broadband deployment initiatives required by amendments to the Public Utility Code which required participating incumbent local exchange carriers to provide access to broadband service to all Pennsylvanians at minimum speed standards for uploads and downloads. The commission also ensures that telecommunications services for eligible low-income

Utility Group	Regulated Utilities		
	2016-17	2017-18*	2018-19*
Electric Distribution	15	15	15
Gas Distribution	25	25	25
Electric Suppliers	446	420	434
Gas Suppliers	241	260	275
Telephone	379	360	340
Water/Wastewater	132	128	125
Transportation	8,244	8,289	8,349
Rate Requests Received	55	50	45
Rate Cases Completed	38	33	30

* Estimated

The commission is funded by assessments on the regulated entities based upon their operating revenues along with federal grant monies. Assessments are paid into the state's General Fund for use solely by the commission. The commission also collects 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

Program: Regulation of Public Utilities (continued)

consumers and households meet or exceed national standards.

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.

Recent legislative changes expanded the commission's oversight in transportation services. Oversight now includes transportation services ranging from traditional taxis and limousines to the recent growth of ride-hailing Transportation Network Companies (TNCs). Initial commission experimental licenses for TNCs have now been replaced by permanent authority, granted under Act 164 of 2016, which established laws covering these services.

Program Recommendations:

This budget recommends the following change from the restricted account:
(Dollar Amounts in Thousands)

\$ 686 **General Government Operations**
—to continue current program.

In addition, this budget includes distributions of \$115,863,000 from the Marcellus Legacy Fund and \$240,066,000 from the Unconventional Gas Well Fund in accordance with Act 13 of 2012.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Restricted Revenues							
General Government Operations	\$ 71,947	\$ 73,499	\$ 74,185	\$ 74,185	\$ 74,185	\$ 74,185	\$ 74,185

Program Measures

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
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Program: Regulation of Public Utilities**Objective: Maintain safe and reliable utility services at affordable rates for consumers.****Utilities Regulated**

Audits conducted - Fixed utilities:

Special	162	159	176	374	384	380	378
Management	13	7	8	10	9	9	9

Audits conducted - Enforcement/investigations:

Gas safety	1,500	1,500	1,388	1,200	1,000	1,150	1,250
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Audits conducted - Transportation:

Rail safety	1,700	1,700	1,683	2,056	1,900	2,000	2,050
Motor safety	13,000	14,000	13,520	8,000	8,000	8,500	8,500

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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.

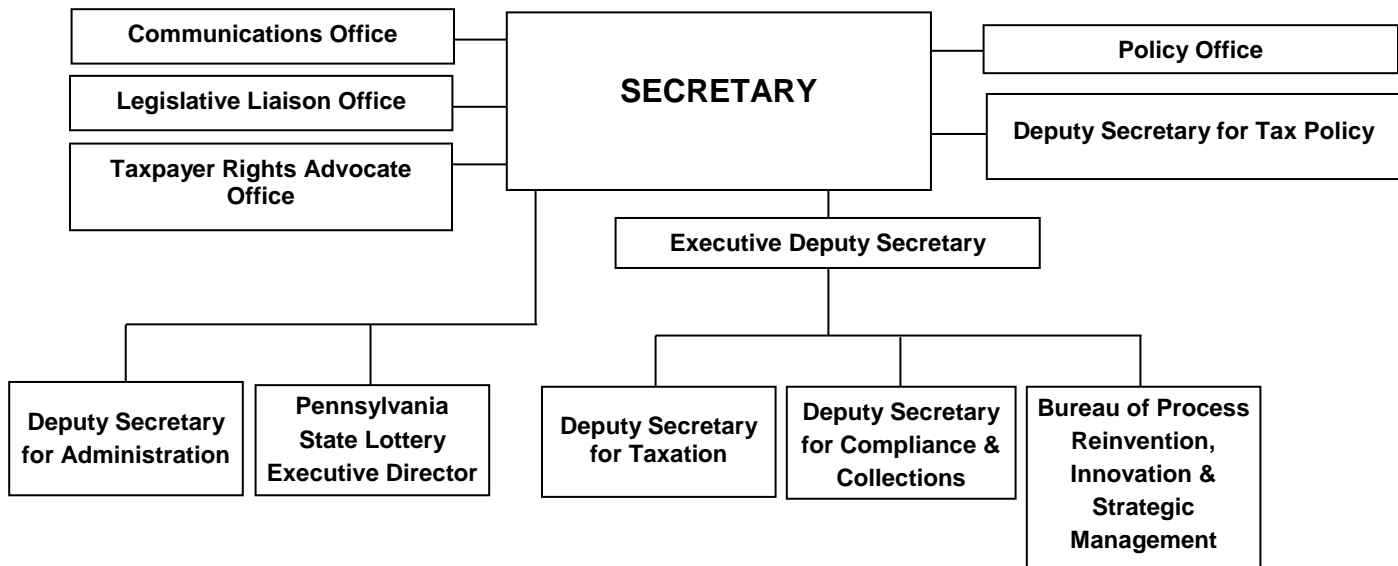
Programs and Goals

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** is responsible for all administrative and managerial staff functions of the department. These include budgeting and fiscal management, and the coordination of human resources and information technology with the Office of Administration.
- **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

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
2,012	2,001	2,046	2,046	1,952	1,746	1,746

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 132,965	\$ 138,996^a	\$ 144,416
(A)Cigarette Fines and Penalties.....	34	37	37
(A)Cigarette Tax Enforcement.....	0	450	450
(A)Services to Special Funds.....	13,426	13,426	12,976
(A)EDP and Staff Support.....	6,851	7,610	6,129
(A)Tax Information.....	432	770	770
(A)Local Sales Tax.....	6,596	6,600	6,600
(A)Small Games of Chance.....	250	275	275
(A)Reimbursed Costs from Other Agencies.....	906	3,500	1,100
(A)BTFT - Fines and Penalties.....	0	70	100
(A)RTT Local Collection.....	188	185	188
(A)Enhanced Revenue Collections.....	25,000	30,000	30,000
(A)Prepaid Wireless E-911.....	6	5	5
(A)HR Consolidation Reimbursement.....	175	225	225
(A)Cost of Collecting Philadelphia Cigarette Tax.....	805	840	810
(A)AOPC Intercept Administrative Costs.....	32	40	32
(A)Cost of 2016-17 Amnesty.....	10,783	0	0
Commissions - Inheritance & Realty Transfer Taxes (EA).....	8,646	9,040	8,223
Technology and Process Modernization.....	6,500	5,000	4,700
Subtotal - State Funds.....	\$ 148,111	\$ 153,036	\$ 157,339
Subtotal - Augmentations.....	65,484	64,033	59,697
Total - General Government.....	<u>\$ 213,595</u>	<u>\$ 217,069</u>	<u>\$ 217,036</u>
<i>Grants and Subsidies:</i>			
Distribution of Public Utility Realty Tax.....	\$ 30,677	\$ 30,576	\$ 28,959
(F)Apprenticeship Accelerator Grant (EA).....	60	0	0
Subtotal - State Funds.....	\$ 30,677	\$ 30,576	\$ 28,959
Subtotal - Federal Funds.....	60	0	0
Total - Grants and Subsidies.....	<u>\$ 30,737</u>	<u>\$ 30,576</u>	<u>\$ 28,959</u>
STATE FUNDS.....	\$ 178,788	\$ 183,612	\$ 186,298
FEDERAL FUNDS.....	60	0	0
AUGMENTATIONS.....	65,484	64,033	59,697
GENERAL FUND TOTAL.....	<u>\$ 244,332</u>	<u>\$ 247,645</u>	<u>\$ 245,995</u>
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Collections - Liquid Fuels Tax.....	\$ 16,624	\$ 19,785	\$ 19,285
(F)Federal Fuel Tax Evasion Project (EA).....	250	0	0
Subtotal - State Funds.....	\$ 16,624	\$ 19,785	\$ 19,285
Subtotal - Federal Funds.....	250	0	0
Total - General Government.....	<u>\$ 16,874</u>	<u>\$ 19,785</u>	<u>\$ 19,285</u>
<i>Refunds:</i>			
Refunding Liquid Fuels Tax (EA).....	\$ 27,200	\$ 29,300	\$ 30,400
STATE FUNDS.....	\$ 43,824	\$ 49,085	\$ 49,685
FEDERAL FUNDS.....	250	0	0
MOTOR LICENSE FUND TOTAL.....	<u>\$ 44,074</u>	<u>\$ 49,085</u>	<u>\$ 49,685</u>
LOTTERY FUND:			
<i>General Government:</i>			
General Operations (EA).....	\$ 51,625	\$ 49,300	\$ 57,339

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
(A)License Fees.....	142	150	150
(A)Sale of Automobiles and Other Vehicles.....	0	15	15
(A)Annuity Assignment Fees.....	12	15	15
Lottery Advertising (EA).....	44,000	48,180	51,000
Property Tax Rent Rebate - General Operations (EA).....	15,224	15,463	15,298
Property Tax Rent Rebate Settlement 2016 (EA).....	12,000	0	0
On-Line Vendor Commissions (EA).....	42,566	41,178	41,087
Instant Vendor Commissions (EA).....	29,134	29,517	29,218
iLottery Vendor Commissions (EA).....	0	1,307	6,536
Payment of Prize Money (EA).....	357,354	381,907	393,020
Subtotal - State Funds.....	\$ 551,903	\$ 566,852	\$ 593,498
Subtotal - Augmentations.....	154	180	180
Total - General Government.....	<u>\$ 552,057</u>	<u>\$ 567,032</u>	<u>\$ 593,678</u>
Grants and Subsidies:			
Property Tax & Rent Assistance for Older Pennsylvanians (EA).....	\$ 269,900	\$ 264,700	\$ 262,800
STATE FUNDS.....	\$ 821,803	\$ 831,552	\$ 856,298
AUGMENTATIONS.....	154	180	180
LOTTERY FUND TOTAL.....	<u>\$ 821,957</u>	<u>\$ 831,732</u>	<u>\$ 856,478</u>
OTHER FUNDS:			
GENERAL FUND:			
Host Municipality Tavern Games Local Share Account.....	\$ 123	\$ 100	\$ 100
FANTASY CONTEST FUND:			
(R)Fantasy Contest Operations.....	\$ 0	\$ 0	\$ 1,459
PROPERTY TAX RELIEF FUND:			
Transfer to the State Lottery Fund.....	\$ 0 ^b	\$ 0 ^b	\$ 0 ^b
PA RACE HORSE DEVELOPMENT TRUST FUND:			
Transfer to State Racing - Drug Testing.....	\$ 8,555	\$ 10,066	\$ 12,453
Transfer to State Racing - Promotion of Racing (EA).....	2,393	2,365	2,393
PA RACE HORSE DEVELOPMENT TRUST FUND TOTAL.....	<u>\$ 10,948</u>	<u>\$ 12,431</u>	<u>\$ 14,846</u>
RACING FUND:			
Collections - State Racing.....	\$ 238	\$ 238	\$ 244
STATE GAMING FUND:			
(R)General Operations.....	\$ 6,966	\$ 6,512	\$ 8,267
Transfer to Compulsive/Problem Gambling Treatment Fund (EA).....	0 ^c	0 ^c	0 ^c
Transfer to the Property Tax Relief Fund (EA).....	0 ^d	0 ^d	0 ^d
STATE GAMING FUND TOTAL.....	<u>\$ 6,966</u>	<u>\$ 6,512</u>	<u>\$ 8,267</u>
VIDEO GAMING FUND:			
(R)Video Gaming Operations.....	\$ 0	\$ 0	\$ 3,014
Transfer to Compulsive/Problem Gambling Treatment Fund (EA).....	0	0	0 ^e
VIDEO GAMING FUND TOTAL.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,014</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 178,788	\$ 183,612	\$ 186,298
SPECIAL FUNDS.....	865,627	880,637	905,983
FEDERAL FUNDS.....	310	0	0
AUGMENTATIONS.....	65,638	64,213	59,877
OTHER FUNDS.....	18,275	19,281	27,930
TOTAL ALL FUNDS.....	<u>\$ 1,128,638</u>	<u>\$ 1,147,743</u>	<u>\$ 1,180,088</u>

Summary by Fund and Appropriation

^a Reflects recommended appropriation reduction of \$1,364,000.

^b Not added to the total to avoid double counting with the program expenditures from the Lottery Fund: 2016-17 Actual is \$148,000,000, 2017-18 Available is \$145,700,000, and 2018-19 Budget is \$139,800,000.

^c 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: 2016-17 Actual is \$7,612,000, 2017-18 Available is \$7,602,000, and 2018-19 Budget is \$8,054,000.

^d 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: 2016-17 Actual is \$617,900,000, 2017-18 Available is \$619,300,000, and 2018-19 Budget is \$619,300,000.

^e Not added to the total to avoid double counting with the program expenditures from the Compulsive and Problem Gambling Treatment Fund shown in the Department of Drug and Alcohol Programs: 2018-19 Budget is \$15,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
REVENUE COLLECTION AND ADMINISTRATION							
GENERAL FUND.....	\$ 148,111	\$ 153,036	\$ 157,339	\$ 157,339	\$ 157,339	\$ 155,339	\$ 155,339
SPECIAL FUNDS.....	583,727	615,937	643,183	646,162	656,957	663,261	673,237
FEDERAL FUNDS.....	310	0	0	0	0	0	0
OTHER FUNDS.....	83,913	83,494	87,807	87,807	87,807	87,807	87,807
SUBCATEGORY TOTAL.....	\$ 816,061	\$ 852,467	\$ 888,329	\$ 891,308	\$ 902,103	\$ 906,407	\$ 916,383
COMMUNITY DEVELOPMENT AND PRESERVATION							
GENERAL FUND.....	\$ 30,677	\$ 30,576	\$ 28,959	\$ 28,959	\$ 28,959	\$ 28,959	\$ 28,959
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 30,677	\$ 30,576	\$ 28,959	\$ 28,959	\$ 28,959	\$ 28,959	\$ 28,959
HOMEOWNERS AND RENTERS ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	281,900	264,700	262,800	260,200	257,700	255,200	252,700
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 281,900	\$ 264,700	\$ 262,800	\$ 260,200	\$ 257,700	\$ 255,200	\$ 252,700
ALL PROGRAMS:							
GENERAL FUND.....	\$ 178,788	\$ 183,612	\$ 186,298	\$ 186,298	\$ 186,298	\$ 184,298	\$ 184,298
SPECIAL FUNDS.....	865,627	880,637	905,983	906,362	914,657	918,461	925,937
FEDERAL FUNDS.....	310	0	0	0	0	0	0
OTHER FUNDS.....	83,913	83,494	87,807	87,807	87,807	87,807	87,807
DEPARTMENT TOTAL.....	\$ 1,128,638	\$ 1,147,743	\$ 1,180,088	\$ 1,180,467	\$ 1,188,762	\$ 1,190,566	\$ 1,198,042

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. Automated processes exist that assist taxpayers in filing accurately and more efficiently. These include the Electronic Tax Information Data Exchange System, 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 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	2015-16	2016-17	2017-18	2018-19	2019-20
Corporation	446,000	249,242	125,000	116,000	116,000
Sales and Use	342,115	352,082	365,073	376,048	387,527
Employer	356,386	366,837	376,889	387,207	397,458
Personal Income Tax	6,318,197	6,433,178	6,450,000	6,450,000	6,450,000
Liquid Fuels	825	825	830	840	850
Motor Carrier - IFTA	12,530	12,600	12,725	12,800	12,850
Motor Carrier - PA Only	11,750	11,850	11,975	12,025	12,200

Program Recommendation:

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

\$ 5,420	GENERAL FUND: General Government Operations —to continue current program.	\$ -165	Property Tax Rent Rebate - General Operations (EA) —to continue current program.
\$ -817	Commissions - Inheritance & Realty Transfer Taxes (EA) —to continue current program.	\$ -91	On-Line Vendor Commissions (EA) —based on the latest projection of program requirements.
\$ -300	Technology and Process Modernization —to continue current program.	\$ -299	Instant Vendor Commissions (EA) —based on the latest projection of program requirements.
\$ -500	MOTOR LICENSE FUND: Collections - Liquid Fuels Tax —to continue current program.	\$ 5,229	iLottery Vendor Commissions (EA) —based on the latest projection of program requirements.
\$ 1,100	Refunding Liquid Fuels Tax (EA) —based on current estimates.	\$ 11,113	Payment of Prize Money (EA) —based on the latest projection of program requirements.
\$ 8,039	LOTTERY FUND: General Operations (EA) —to continue current program.	\$ 6	RACING FUND: Collections - State Racing —to continue current program.
\$ 2,820	Lottery Advertising (EA) —to continue current program.		

Program: Revenue Collection and Administration (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
General Government Operations	\$ 132,965	\$ 138,996	\$ 144,416	\$ 144,416	\$ 144,416	\$ 144,416	\$ 144,416
Commissions - Inheritance & Realty							
Transfer Taxes (EA)	8,646	9,040	8,223	8,223	8,223	8,223	8,223
Technology and Process Modernization....	6,500	5,000	4,700	4,700	4,700	2,700	2,700
TOTAL GENERAL FUND	<u>\$ 148,111</u>	<u>\$ 153,036</u>	<u>\$ 157,339</u>	<u>\$ 157,339</u>	<u>\$ 157,339</u>	<u>\$ 155,339</u>	<u>\$ 155,339</u>
MOTOR LICENSE FUND:							
Collections - Liquid Fuels Tax	\$ 16,624	\$ 19,785	\$ 19,285	\$ 19,697	\$ 20,130	\$ 17,184	\$ 17,661
Refunding Liquid Fuels Tax (EA)	27,200	29,300	30,400	30,500	30,500	30,600	30,600
TOTAL MOTOR LICENSE FUND	<u>\$ 43,824</u>	<u>\$ 49,085</u>	<u>\$ 49,685</u>	<u>\$ 50,197</u>	<u>\$ 50,630</u>	<u>\$ 47,784</u>	<u>\$ 48,261</u>
LOTTERY FUND:							
General Operations (EA)	\$ 51,625	\$ 49,300	\$ 57,339	\$ 50,137	\$ 51,140	\$ 52,163	\$ 53,206
Lottery Advertising (EA)	44,000	48,180	51,000	51,000	51,000	51,000	51,000
Property Tax Rent Rebate - General							
Operations (EA)	15,224	15,463	15,298	16,477	16,847	17,235	17,407
On-Line Vendor Commissions (EA)	42,566	41,178	41,087	41,803	42,367	42,940	43,637
Instant Vendor Commissions (EA)	29,134	29,517	29,218	29,204	29,274	29,347	29,422
iLottery Vendor Commissions (EA)	0	1,307	6,536	8,081	9,744	9,744	9,744
Payment of Prize Money (EA)	357,354	381,907	393,020	399,263	405,955	413,048	420,560
TOTAL LOTTERY FUND	<u>\$ 539,903</u>	<u>\$ 566,852</u>	<u>\$ 593,498</u>	<u>\$ 595,965</u>	<u>\$ 606,327</u>	<u>\$ 615,477</u>	<u>\$ 624,976</u>
RACING FUND:							
Collections - State Racing	<u>\$ 238</u>	<u>\$ 238</u>	<u>\$ 244</u>	<u>\$ 244</u>	<u>\$ 244</u>	<u>\$ 244</u>	<u>\$ 244</u>

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)

\$ -1,617 **Distribution of Public Utility Realty Tax**
—reflects normal fluctuations in tax assessments.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Distribution of Public Utility Realty Tax	\$ 30,677	\$ 30,576	\$ 28,959	\$ 28,959	\$ 28,959	\$ 28,959	\$ 28,959

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 2016-17, the average tax assistance payment was \$438.49, and the average rent rebate was \$547.08.

Program Recommendation:

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

Property Tax & Rent Assistance for Older Pennsylvanians (EA)
 \$ -1,900 —based on current estimates for participation.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
LOTTERY FUND:							
Property Tax Rent Rebate Settlement 2016 (EA).....	\$ 12,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Property Tax & Rent Assistance for Older Pennsylvanians (EA).....	269,900	264,700	262,800	260,200	257,700	255,200	252,700
TOTAL LOTTERY FUND.....	\$ 281,900	\$ 264,700	\$ 262,800	\$ 260,200	\$ 257,700	\$ 255,200	\$ 252,700

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

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.

Average time to close Board of Appeals cases (in days)	70	64	89	89	95	101	107
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Taxpayer Services Provided

Average wait time for Taxpayer Service & Information Center calls (in minutes)	5.33	6.28	11.12	7.55	10.23	9.30	9
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Cases opened by the Taxpayer Rights Advocate (TRA)	934	1,045	1,684	2,138	308	500	500
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Operating Efficiency

Percentage of administrative and IT personnel to total personnel (all funds)	14.13%	13.92%	12.84%	13%	13.61%	3.90%	3.90%
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Average wait time of all taxpayer phone calls (in minutes)	N/A	N/A	5.43	5.33	7.74	6.50	6
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Average cost to process a tax return	N/A	N/A	\$2.92	\$2.89	\$2.86	\$2.83	\$2.80
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Objective: Increase the use of electronic tax filing.

Electronic Filings

Percentage of corporation tax returns filed electronically	45%	70%	67%	67%	56%	80%	85%
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Percentage of sales and use tax returns filed electronically	99%	99%	99%	99%	99%	99%	99%
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Percentage of employer tax returns filed electronically	99%	99%	99%	99%	99%	99%	99%
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Percentage of personal income tax returns filed electronically	79%	79%	79%	85%	85%	85%	85%
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Percentage of motor fuels tax returns filed electronically	25%	40%	40%	43%	98%	100%	100%
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Objective: Increase delinquent tax collections.

Delinquent Collections

Collections from delinquent accounts (in millions)	\$711	\$728	\$645	\$629	\$698	\$660	\$690
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Delinquent taxes collected per dollar spent	\$11	\$11	\$9	\$8.06	\$8	\$7.31	\$7.35
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Enhanced Revenue Collections Account collections (in millions)	\$158	\$254	\$311	\$331	\$342.35	\$366	\$387
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Enhanced Revenue Collection Account collections per dollar spent	\$18	\$17	\$12	\$13	\$13.69	\$12.29	\$13.82
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Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

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)*	4%	4%	4%	3.81%	4.18%	4.10%	4.16%
Lottery operating costs as a percentage of ticket sales (includes cost of lottery administration only)*	1%	1%	1%	0.85%	1.29%	1.19%	1.29%
Lottery active points of sale	N/A	15,815	16,006	16,228	17,587	18,462	19,193

* New Program Measure

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	3,052	3,136	2,626	2,801	2,837	3,052	3,052
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Program: Homeowners and Renters Assistance

Objective: Maximize the number of households provided property tax or rent assistance.

Households provided property tax or rent assistance	598,075	588,021	578,790	517,645	511,635	506,000	506,000
Households applying by June 30	565,087	543,993	546,749	532,264	541,814	545,000	545,000
Rebates mailed by July 31	504,769	452,064	531,519	495,878	487,539	485,000	485,000



DEPARTMENT OF STATE

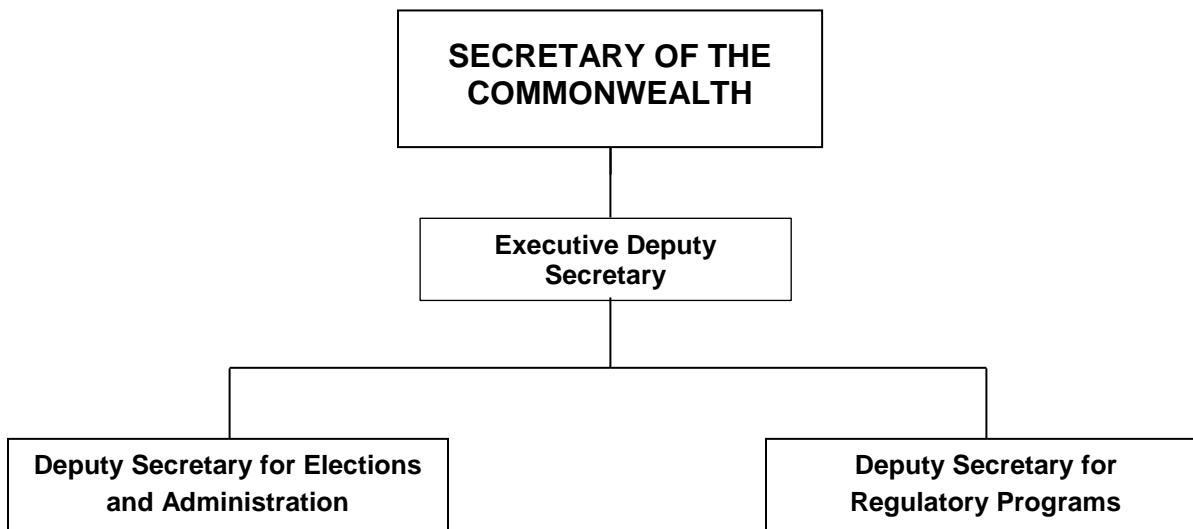
The mission of the Department of State is to promote the integrity of the electoral process; to provide the initial infrastructure for economic development through corporate organizations and transactions; and to protect the health, safety and welfare of the public. The department will encourage the 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 Finance and Operations, human resources and 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

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
499	496	497	501	487	465	465

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 3,947	\$ 3,694	\$ 3,880
(F)Federal Election Reform.....	12,507	10,557	8,467
(A)Departmental Services.....	0 ^a	0 ^a	0 ^a
(R)Professional and Occupational Affairs.....	45,383 ^b	48,039 ^b	47,278 ^b
(R)State Board of Medicine.....	8,405 ^b	8,934 ^b	8,460 ^b
(R)State Board of Osteopathic Medicine.....	1,563 ^b	1,818 ^b	2,283 ^b
(R)State Board of Podiatry.....	250 ^b	277 ^b	284 ^b
(R)State Athletic Commission.....	592 ^b	639 ^b	647 ^b
(R)Bureau of Corporations and Charitable Organizations (EA).....	7,325	7,229	7,889
Subtotal.....	<u>\$ 79,972</u>	<u>\$ 81,187</u>	<u>\$ 79,188</u>
Statewide Uniform Registry of Electors.....	4,045	4,107	4,107
Voter Registration and Education.....	395	486	482
(F)Elections Assistance - Grants to Counties.....	453	0	0
Subtotal.....	<u>\$ 848</u>	<u>\$ 486</u>	<u>\$ 482</u>
Lobbying Disclosure.....	264	288	235
Publishing Constitutional Amendments (EA).....	2,700	1,275	1,275
Electoral College.....	10	0	0
Subtotal - State Funds.....	\$ 11,361	\$ 9,850	\$ 9,979
Subtotal - Federal Funds.....	12,960	10,557	8,467
Subtotal - Restricted Revenues.....	63,518	66,936	66,841
Total - General Government.....	<u>\$ 87,839</u>	<u>\$ 87,343</u>	<u>\$ 85,287</u>
<i>Grants and Subsidies:</i>			
Voting of Citizens in Military Service.....	\$ 20	\$ 20	\$ 20
County Election Expenses (EA).....	400	400	400
Total - Grants and Subsidies.....	<u>\$ 420</u>	<u>\$ 420</u>	<u>\$ 420</u>
STATE FUNDS.....	\$ 11,781	\$ 10,270	\$ 10,399
FEDERAL FUNDS.....	12,960	10,557	8,467
RESTRICTED REVENUES.....	63,518	66,936	66,841
GENERAL FUND TOTAL.....	<u>\$ 88,259</u>	<u>\$ 87,763</u>	<u>\$ 85,707</u>
OTHER FUNDS:			
GENERAL FUND:			
Lobbying Disclosure (R).....	\$ 550	\$ 550	\$ 510
REAL ESTATE RECOVERY FUND:			
Real Estate Recovery Payments (EA).....	\$ 150	\$ 150	\$ 150
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 11,781	\$ 10,270	\$ 10,399
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	12,960	10,557	8,467
AUGMENTATIONS.....	0	0	0
RESTRICTED.....	63,518	66,936	66,841
OTHER FUNDS.....	700	700	660
TOTAL ALL FUNDS.....	<u>\$ 88,959</u>	<u>\$ 88,463</u>	<u>\$ 86,367</u>

^a Not added to the total to avoid double counting: 2016-17 Actual is \$6,249,000, 2017-18 Available is \$6,933,000 and 2018-19 Budget is \$6,014,000.

^b Appropriated from a restricted revenue account.

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
CONSUMER PROTECTION							
GENERAL FUND.....	\$ 11,781	\$ 10,270	\$ 10,399	\$ 9,180	\$ 9,134	\$ 9,180	\$ 9,124
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	12,960	10,557	8,467	8,467	8,467	8,467	8,467
OTHER FUNDS.....	63,967	67,636	67,501	67,501	67,501	67,501	67,501
SUBCATEGORY TOTAL.....	<u>\$ 88,708</u>	<u>\$ 88,463</u>	<u>\$ 86,367</u>	<u>\$ 85,148</u>	<u>\$ 85,102</u>	<u>\$ 85,148</u>	<u>\$ 85,092</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 11,781	\$ 10,270	\$ 10,399	\$ 9,180	\$ 9,134	\$ 9,180	\$ 9,124
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	12,960	10,557	8,467	8,467	8,467	8,467	8,467
OTHER FUNDS.....	63,967	67,636	67,501	67,501	67,501	67,501	67,501
DEPARTMENT TOTAL.....	<u>\$ 88,708</u>	<u>\$ 88,463</u>	<u>\$ 86,367</u>	<u>\$ 85,148</u>	<u>\$ 85,102</u>	<u>\$ 85,148</u>	<u>\$ 85,092</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.

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 9,160 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; preparing commissions for judges, magisterial district judges and notaries public; and the 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.

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.

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 non-profit 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)

GENERAL FUND	
\$ 186	General Government Operations —to continue current program.
\$ -4	Voter Registration and Education —to continue current program.
\$ -53	Lobbying Disclosure —based on most recent projection of biennial fees.

The Statewide Uniform Registry of Electors, Publishing Constitutional Amendments (EA), Electoral College, Voting of Citizens in Military Service and County Election Expenses (EA) appropriations and executive authorizations are recommended at the current year funding levels.

This budget includes \$510,000 in augmentations to support Lobbying Disclosure. This augmentation is provided through a \$300 biennial fee.

This budget also recommends the following changes in appropriations and executive authorizations from restricted accounts:

\$ -761	Professional and Occupational Affairs —to continue current program.
\$ -474	State Board of Medicine —to continue current program.
\$ 465	State Board of Osteopathic Medicine —to continue current program.
\$ 7	State Board of Podiatry —to continue current program.
\$ 8	State Athletic Commission —to continue current program.
\$ 660	Bureau of Corporations and Charitable Organizations (EA) —to continue current program.

Recommendations assume that fees for all boards will be sufficient to fund the recommended expenditure level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
General Government Operations	\$ 3,947	\$ 3,694	\$ 3,880	\$ 3,880	\$ 3,880	\$ 3,880	\$ 3,880
Statewide Uniform Registry of Electors	4,045	4,107	4,107	4,107	4,107	4,107	4,107
Voter Registration and Education	395	486	482	482	482	482	482
Lobbying Disclosure	264	288	235	291	235	291	235
Publishing Constitutional Amendments (EA)	2,700	1,275	1,275	0	0	0	0
Electoral College	10	0	0	0	10	0	0
Voting of Citizens in Military Service	20	20	20	20	20	20	20
County Election Expenses (EA)	400	400	400	400	400	400	400
TOTAL GENERAL FUND	\$ 11,781	\$ 10,270	\$ 10,399	\$ 9,180	\$ 9,134	\$ 9,180	\$ 9,124

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

Program: Consumer Protection

Objective: Add 200,000 new registered Pennsylvanians to the voter rolls by making it easier and more convenient for eligible citizens to register to vote.

Electoral Process

New voters - first-time registrations	337,252	150,803	184,168	390,291	515,359	250,000	300,000
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Objective: Increase number of electoral process transactions, to include voter registrations, notary public commissions, certifications and apostilles, and commissions.

Electoral Process

Notary public commissions issued	7,159	6,968	6,740	7,189	5,836	7,000	6,800
Notary public commissions renewed	15,618	15,272	14,659	13,958	14,122	15,000	14,800
Certifications and apostilles completed	39,017	36,478	34,216	35,361	34,905	35,500	34,500
Commissions processed	596	699	547	525	728	700	550
Voter registration transactions - online	N/A	N/A	N/A	413,775	502,199	150,000	250,000
Voter registration transactions - PennDOT	984,905	936,177	896,923	963,423	935,450	940,000	875,000
Voter registration transactions - paper	717,526	222,565	279,804	379,217	647,082	125,000	200,000

Objective: Increase the number of campaign finance reports filed online.

Electoral Process

Percentage of campaign finance reports filed online	34%	46%	39%	40%	38%	40%	40%
Campaign finance reports filed	10,928	8,734	12,022	11,180	11,210	9,500	11,500

Objective: Enhance the public's customer service experience by maintaining timely processing of corporate and charitable organization registrations, Uniform Commercial Code financing statements, business registrations and professional licensure applications.

Enforcement and Investigation

Processing times - corporations (in days)	N/A	5	4	6	2	2	2
Processing times - UCC (in days)	N/A	2	6	4	2	2	2
Processing times - charities (in days)	N/A	2	3	4	1	1	1
Processing times - BPOA processing applications (in days)	N/A	11	12	13	16	10	9

Objective: Increase efficiency in prosecutions to strengthen public safety and enhance transparency.

Enforcement and Investigation

Average number of days it takes to close an investigation	N/A	86	107	102	120	120	120
Investigations opened	3,967	4,762	4,428	5,785	2,018	5,000	5,000
Investigations closed	4,245	4,304	4,414	5,421	5,507	5,000	5,000

Program Measures

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Charities investigations opened	197	249	195	243	329	300	300
Charities investigations closed	227	208	189	233	382	300	300
Inspections completed	24,522	20,114	21,430	21,655	23,215	22,000	22,000
Professional Licensing							
Average number of days it takes to close a complaint	N/A	314	297	282	400	410	420
Cases opened	12,510	13,892	13,699	16,426	14,137	15,500	16,000
Cases closed	12,536	12,740	13,326	14,579	15,399	15,750	16,000
Disciplinary actions	2,416	2,121	2,727	2,588	2,801	2,900	3,000

Objective: Increase the number of licensed professionals in the rehabilitation program that successfully complete the program.

Professional Licensing

Health Monitoring Program:

Licensees who completed a recovery program	220	216	222	250	199	265	275
Licensees who enrolled into a recovery program	437	389	482	449	501	475	510
Cases opened	1,570	1,808	2,399	2,390	2,460	2,050	2,075
Cases closed	1,442	1,589	2,158	2,163	2,345	2,050	2,050



STATE EMPLOYEES' RETIREMENT SYSTEM

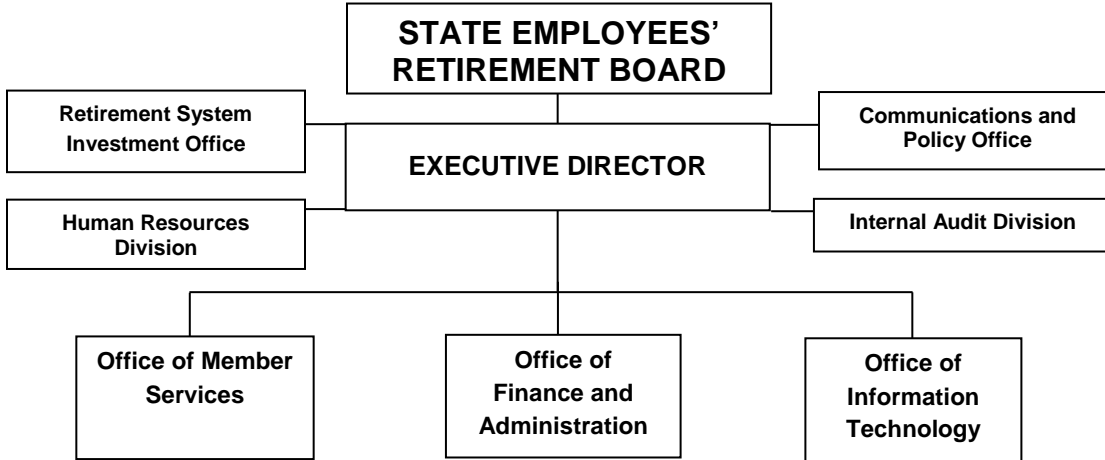
The mission of the State Employees' Retirement System is to provide retirement benefits and services to its members through sound administration and prudent investments.

The system is responsible for administering the State Employees' Retirement Fund, the SERS - Defined Contribution 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

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
197	197	197	197	187	184	192

State Employees' Retirement System

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
OTHER FUNDS:			
STATE EMPLOYEES' RETIREMENT FUND:			
State Employees' Retirement Administration.....	\$ 24,567	\$ 32,619	\$ 30,766
Investment Related Expenses.....	6,944	9,251	10,142
STATE EMPLOYEES' RETIREMENT FUND TOTAL.....	\$ 31,511	\$ 41,870	\$ 40,908
SERS - DEFINED CONTRIBUTION FUND:			
(R)Defined Contribution Plan.....	\$ 0	\$ 5,269	\$ 4,901
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	0	0	0
AUGMENTATIONS.....	0	0	0
OTHER FUNDS.....	31,511	47,139	45,809
TOTAL ALL FUNDS.....	\$ 31,511	\$ 47,139	\$ 45,809

State Employees' Retirement System

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
STATE EMPLOYEES' RETIREMENT							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	31,511	47,139	45,809	45,473	45,186	44,945	44,744
SUBCATEGORY TOTAL.....	\$ 31,511	\$ 47,139	\$ 45,809	\$ 45,473	\$ 45,186	\$ 44,945	\$ 44,744
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	31,511	47,139	45,809	45,473	45,186	44,945	44,744
DEPARTMENT TOTAL.....	\$ 31,511	\$ 47,139	\$ 45,809	\$ 45,473	\$ 45,186	\$ 44,945	\$ 44,744

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 plan. The State Employees' Retirement Fund is funded by employer and employee contributions and investment earnings, all of which are used solely for payment of pension benefits and administration of the defined benefit plan. The State Employees' Retirement Fund is shown in the Other Special Funds Appendix.

SERS undergoes an annual independent actuarial valuation to calculate the value of system assets and liabilities, and based on the expected employer payroll, the employer contribution rate.

The employer contribution rate is a composite of the rates for 19 different classes and categories of employees in the system. Most members, depending on when they entered SERS membership, contribute 6.25 percent of pay toward their pension. 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 if the member retires before reaching the system's normal 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 fund's actual investment return. Act 120 included changes to key funding provisions including re-

amortizing existing liabilities and future experience gains and losses over 30 years with level dollar payments. The act also implemented employer contribution rate collars that limited 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 until no longer needed, which was fiscal year 2013-14 through 2016-17.

Act 5 of 2017 made additional changes to the pension system. Act 5 amends the benefit structure for new employees beginning January 1, 2019. New employees will have the choice of three retirement plans: two hybrid defined benefit /defined contribution plans; and one defined contribution only plan (similar to a 401(k) plan). The pension component of each hybrid plan features different benefit accrual rates and different employee and employer contribution rates. The defined contribution only plan features three-year vesting for employer-contributed money and immediate access to employee contributions when employees leave commonwealth service. Under all three retirement plans established by Act 5, there will still be an actuarially determined rate that each employer will pay toward the system's unfunded liability. Act 5 also will allow Act 120 employees to withdraw their contributions and interest in a lump sum at retirement and expands the shared risk provisions. Current employees will not be affected by Act 5; however, they have the right to join one of the three new plans by March 31, 2019. The defined contribution plans are contained in the new SERS-Defined Contribution Fund, which is shown in the Other Special Funds Appendix.

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		SERS - DEFINED CONTRIBUTION FUND	
State Employees' Retirement Administration		Defined Contribution Plan	
\$ -1,853	—to continue current program.	\$ -368	—to continue current program.

In addition, \$10,142,000 in Investment Related Expenses will be used to support the financial activities of this program and the Retirement System Investment Office.

State Employees' Retirement System

Program: State Employees' Retirement (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
STATE EMPLOYEES' RETIREMENT FUND:							
State Employees' Retirement							
Administration	\$ 24,567	\$ 32,619	\$ 30,766	\$ 30,920	\$ 31,074	\$ 31,230	\$ 31,386
Investment Related Expenses	6,944	9,251	10,142	10,142	10,142	10,142	10,142
TOTAL STATE EMPLOYEES' RETIREMENT FUND	\$ 31,511	\$ 41,870	\$ 40,908	\$ 41,062	\$ 41,216	\$ 41,372	\$ 41,528
SERS - DEFINED CONTRIBUTION FUND:							
(R)Defined Contribution Plan.....	\$ 0	\$ 5,269	\$ 4,901	\$ 4,411	\$ 3,970	\$ 3,573	\$ 3,216

State Employees' Retirement System

Program Measures

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
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Program: State Employees' Retirement

Objective: Provide adequate retirement counseling sessions to our members as requested.

Retirement counseling sessions	8,000	5,400	5,500	5,300	5,200	5,900	5,100
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Objective: Maintain a record of the total number of retired employees.

Total number of retired employees and beneficiaries	117,000	120,052	122,250	124,690	127,340	129,620	131,580
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Objective: Maintain a record of total benefit payments (in billions).

Total benefit payments (in billions)	\$2.69	\$2.80	\$2.90	\$3.10	\$3.25	\$3.40	\$3.54
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STATE POLICE

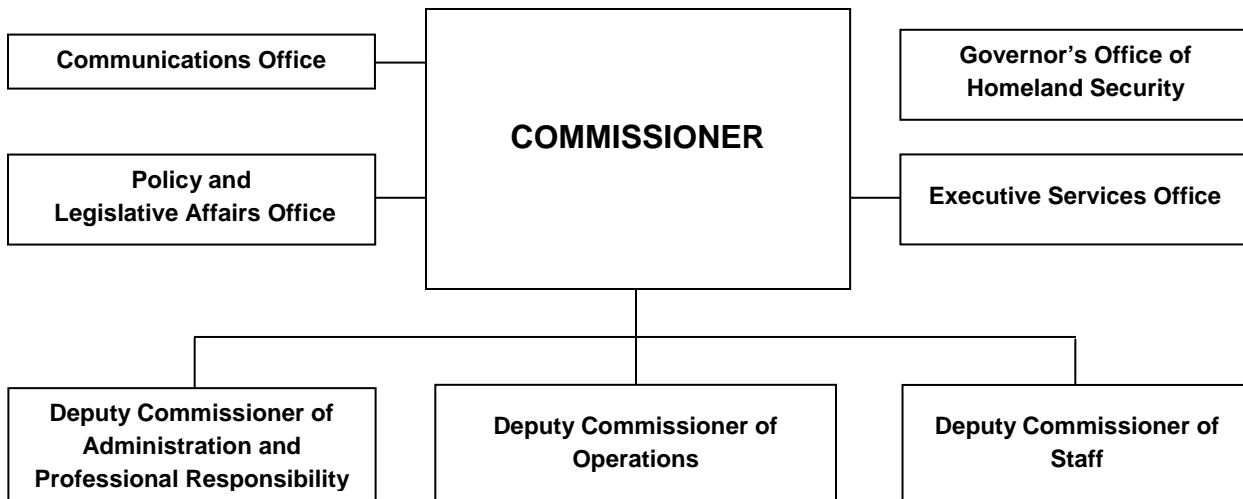
The mission of the Pennsylvania State Police is to seek justice, preserve peace and improve the quality of life for all.

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 Training and Education, Integrity and Professional Standards, Discipline Office, Member Assistance Office, the Equality and Inclusion Office and the Municipal Police Officers' Education and Training Commission.
- **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.

Authorized Complement

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
6,514	6,531	6,561	6,660	6,584	6,446	6,446

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 241,430	\$ 229,153^a	\$ 236,621
(F)Area Computer Crime.....	5,670	5,465	7,145
(F)Homeland Security Grants (EA).....	1,592	2,480	3,025
(F)Law Enforcement Preparedness (EA).....	5,912	5,630	6,154
(F)Law Enforcement Projects (EA).....	1,937	626	3,215
(A)Municipality Police Coverage.....	0	0	63,237
(A)Criminal History Record Checks.....	11,563	20,000	41,000
(A)Turnpike Commission.....	49,725	44,886	46,000
(A)Delaware River Toll Bridge.....	2,580	2,400	2,400
(A)Construction Zone Patrolling.....	3,068	3,700	3,200
(A)Fingerprint Record Checks.....	2,319	2,250	2,350
(A)Reimbursement for Services.....	7,915	2,200	2,200
(A)Superload Reimbursements.....	2,948	1,700	2,000
(A)Sale of Automobiles.....	207	100	100
(A)Registry of Protection.....	118	150	130
(A)Electronic Surveillance.....	49	40	45
(A)Miscellaneous.....	1,341	1,447	1,319
Subtotal.....	<u>\$ 338,374</u>	<u>\$ 322,227</u>	<u>\$ 420,141</u>
(F)Office of Homeland Security (EA).....	1,920	1,977	2,000
Statewide Public Safety Radio System.....	6,004	12,981	13,332
(F)Broadband Network Planning.....	4,050	4,050	4,050
Subtotal.....	<u>\$ 10,054</u>	<u>\$ 17,031</u>	<u>\$ 17,382</u>
Law Enforcement Information Technology.....	6,899	6,899	6,899
Municipal Police Training.....	1,744	1,828	1,838
(A)Pre-Employment Testing.....	81	50	50
(A)Retired Law Enforcement Identification.....	9	5	5
Subtotal.....	<u>\$ 1,834</u>	<u>\$ 1,883</u>	<u>\$ 1,893</u>
Automated Fingerprint Identification System.....	861	885	885
Gun Checks.....	0	0	932
(R)Firearm Records Check.....	67	8,757	7,213
Subtotal.....	<u>\$ 67</u>	<u>\$ 8,757</u>	<u>\$ 8,145</u>
Subtotal - State Funds.....	\$ 256,938	\$ 251,746	\$ 260,507
Subtotal - Federal Funds.....	21,081	20,228	25,589
Subtotal - Augmentations.....	81,923	78,928	164,036
Subtotal - Restricted Revenues.....	67	8,757	7,213
Total - General Government.....	<u>\$ 360,009</u>	<u>\$ 359,659</u>	<u>\$ 457,345</u>
STATE FUNDS.....	\$ 256,938	\$ 251,746	\$ 260,507
FEDERAL FUNDS.....	21,081	20,228	25,589
AUGMENTATIONS.....	81,923	78,928	164,036
RESTRICTED REVENUES.....	67	8,757	7,213
GENERAL FUND TOTAL.....	<u>\$ 360,009</u>	<u>\$ 359,659</u>	<u>\$ 457,345</u>

MOTOR LICENSE FUND:

General Government:

General Government Operations.....	\$ 724,290	\$ 688,911	\$ 678,048
Statewide Public Safety Radio System.....	18,012	38,943	39,995
Law Enforcement Information Technology.....	20,697	20,697	20,697
Municipal Police Training.....	1,744	1,828	1,838
Automated Fingerprint Identification System.....	85	0	0
Patrol Vehicles.....	12,000	12,000	12,000

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
Commercial Vehicle Inspections	11,055	10,971	12,091
(F)Motor Carrier Safety.....	9,295	9,602	9,183
(A)Sale of Vehicles.....	8	35	35
(A)Waste Transportation Safety Enforcement.....	750	750	750
Subtotal.....	<u>\$ 797,936</u>	<u>\$ 783,737</u>	<u>\$ 774,637</u>
Subtotal - State Funds.....	\$ 787,883	\$ 773,350	\$ 764,669
Subtotal - Federal Funds.....	9,295	9,602	9,183
Subtotal - Augmentations.....	758	785	785
Total - General Government.....	<u>\$ 797,936</u>	<u>\$ 783,737</u>	<u>\$ 774,637</u>
Grants and Subsidies:			
Municipal Police Training Grants	\$ 5,000	\$ 5,000	\$ 5,000
STATE FUNDS.....	\$ 792,883	\$ 778,350	\$ 769,669
FEDERAL FUNDS.....	9,295	9,602	9,183
AUGMENTATIONS.....	758	785	785
MOTOR LICENSE FUND TOTAL	<u>\$ 802,936</u>	<u>\$ 788,737</u>	<u>\$ 779,637</u>
OTHER FUNDS:			
GENERAL FUND:			
Federal Property Forfeiture.....	\$ -287 ^b	\$ 2,925	\$ 2,925
State Drug Act Forfeiture.....	879	3,809	3,055
State Criminal Enforcement Forfeiture.....	0	65	65
Crime Lab User Fees.....	969	5,955	4,500
Auto Theft & Insurance Fraud Investigation.....	2,079	2,650	2,650
Firearms License Validation System.....	0	500	500
Vehicle Code Fines.....	0	1,300	1,300
Radio Systems Development Project.....	0	4,210	2,000
Tower Management.....	128	1,727	800
Broadband Middle Mile.....	6	5	5
GENERAL FUND TOTAL.....	<u>\$ 3,774</u>	<u>\$ 23,146</u>	<u>\$ 17,800</u>
MOTOR LICENSE FUND:			
Vehicle Sales and Purchases.....	\$ 1,986	\$ 2,000	\$ 1,500
DNA DETECTION FUND:			
DNA Detection of Offenders (EA).....	\$ 5,191	\$ 5,191	\$ 6,222
STATE GAMING FUND:			
(R)Gaming Enforcement.....	\$ 28,485	\$ 28,575	\$ 29,115
STATE STORES FUND:			
Liquor Control Enforcement.....	\$ 29,746	\$ 31,486	\$ 31,479
(A)Enforcement Reimbursement.....	2	25	25
(A)Sale of Vehicles.....	30	10	10
STATE STORES FUND TOTAL.....	<u>\$ 29,778</u>	<u>\$ 31,521</u>	<u>\$ 31,514</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 256,938	\$ 251,746	\$ 260,507
SPECIAL FUNDS.....	792,883	778,350	769,669
FEDERAL FUNDS.....	30,376	29,830	34,772
AUGMENTATIONS.....	82,681	79,713	164,821
RESTRICTED.....	67	8,757	7,213
OTHER FUNDS.....	69,214	90,433	86,151
TOTAL ALL FUNDS	<u>\$ 1,232,159</u>	<u>\$ 1,238,829</u>	<u>\$ 1,323,133</u>

^a Reflects recommended appropriation reduction of \$484,000.

^b Assumes prior year adjustments due to federal property forfeiture review.

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
PUBLIC PROTECTION AND LAW ENFORCEMENT							
GENERAL FUND.....	\$ 256,938	\$ 251,746	\$ 260,507	\$ 283,571	\$ 315,605	\$ 328,131	\$ 360,201
SPECIAL FUNDS.....	792,883	778,350	769,669	737,600	705,530	673,461	646,522
FEDERAL FUNDS.....	30,376	29,830	34,772	34,772	34,772	34,772	34,772
OTHER FUNDS.....	151,962	178,903	258,185	260,460	260,460	260,460	260,460
SUBCATEGORY TOTAL.....	\$ 1,232,159	\$ 1,238,829	\$ 1,323,133	\$ 1,316,403	\$ 1,316,367	\$ 1,296,824	\$ 1,301,955
ALL PROGRAMS:							
GENERAL FUND.....	\$ 256,938	\$ 251,746	\$ 260,507	\$ 283,571	\$ 315,605	\$ 328,131	\$ 360,201
SPECIAL FUNDS.....	792,883	778,350	769,669	737,600	705,530	673,461	646,522
FEDERAL FUNDS.....	30,376	29,830	34,772	34,772	34,772	34,772	34,772
OTHER FUNDS.....	151,962	178,903	258,185	260,460	260,460	260,460	260,460
DEPARTMENT TOTAL.....	\$ 1,232,159	\$ 1,238,829	\$ 1,323,133	\$ 1,316,403	\$ 1,316,367	\$ 1,296,824	\$ 1,301,955

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.

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 61 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.

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.

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.

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.

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 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

Program: Public Protection and Law Enforcement (continued)

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.

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 human-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. This budget continues the multi-year transition of the Pennsylvania Statewide Radio Network (PA-STARNet) to an Association of Public Safety Communications Officials (APCO) Project 25 (P25) compliant system.

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 26 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.

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.

Administrative and Technology 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.

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)

GENERAL FUND AND MOTOR LICENSE FUND COMBINED:				Municipal Police Training	
General Government Operations		\$	20	—to continue current program.	
\$ 41,534	—to continue current program.				
12,308	—Initiative—for cadet class schedule, including four new classes beginning in 2018-19.	\$	932	Gun Checks	
6,000	—Initiative—for body worn camera pilot program.			—to supplement gun check fees to cover Pennsylvania Instant Check System (PICS) costs.	
-63,237	—Initiative—to charge municipalities for policing services.			Commercial Vehicle Inspections	
<u>\$ -3,395</u>	<i>Appropriation Decrease</i>	\$	1,120	—to continue current program.	
Statewide Public Safety Radio System					
\$ 919	—to continue current program.				
484	—to continue statewide radio system upgrade.				
<u>\$ 1,403</u>	<i>Appropriation Increase</i>				

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 \$7,213,000 from the Firearm Records Check restricted account.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
General Government Operations	\$ 241,430	\$ 229,153	\$ 236,621	\$ 261,936	\$ 293,979	\$ 311,391	\$ 343,461
Statewide Public Safety Radio System	6,004	12,981	13,332	11,081	11,072	6,186	6,186
Law Enforcement Information Technology	6,899	6,899	6,899	6,899	6,899	6,899	6,899
Municipal Police Training.....	1,744	1,828	1,838	1,838	1,838	1,838	1,838
Automated Fingerprint Identification System	861	885	885	885	885	885	885
Gun Checks.....	0	0	932	932	932	932	932
TOTAL GENERAL FUND	<u>\$ 256,938</u>	<u>\$ 251,746</u>	<u>\$ 260,507</u>	<u>\$ 283,571</u>	<u>\$ 315,605</u>	<u>\$ 328,131</u>	<u>\$ 360,201</u>
MOTOR LICENSE FUND:							
General Government Operations	\$ 724,290	\$ 688,911	\$ 678,048	\$ 652,734	\$ 620,691	\$ 603,278	\$ 576,339
Statewide Public Safety Radio System	18,012	38,943	39,995	33,240	33,213	18,557	18,557
Law Enforcement Information Technology	20,697	20,697	20,697	20,697	20,697	20,697	20,697
Municipal Police Training.....	1,744	1,828	1,838	1,838	1,838	1,838	1,838
Automated Fingerprint Identification System	85	0	0	0	0	0	0
Patrol Vehicles.....	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Commercial Vehicle Inspections.....	11,055	10,971	12,091	12,091	12,091	12,091	12,091
Municipal Police Training Grants.....	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL MOTOR LICENSE FUND.....	<u>\$ 792,883</u>	<u>\$ 778,350</u>	<u>\$ 769,669</u>	<u>\$ 737,600</u>	<u>\$ 705,530</u>	<u>\$ 673,461</u>	<u>\$ 646,522</u>

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

Program: Public Protection and Law Enforcement

Objective: Reduce motor vehicle crashes.

Vehicle Traffic Supervision

Number of motor vehicle crashes	76,601	78,476	79,464	76,887	80,241	78,900	77,600
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Objective: Reduce fatal motor vehicle crashes.

Vehicle Traffic Supervision

Number of fatal motor vehicle crashes	576	560	593	543	515	510	500
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Objective: Reduce DUI-related crashes.

Vehicle Traffic Supervision

DUI-related crashes	4,741	4,415	4,469	4,482	4,857	4,780	4,700
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Objective: Reduce violent crime.

Criminal Law Enforcement and Crime Prevention

Crimes per 100,000 population in State Police jurisdiction areas:

Number of violent crimes per 100,000 population	122	112	104	111	127	125	123
Arrests for violent crimes per 100,000 population	63	72	74	83	94	95	97
Percentage of violent crimes cleared (i.e. cases solved and prosecuted or disposed of through other legal means)	71%	72%	69%	70%	74%	75%	76%

Objective: Reduce property crime.

Criminal Law Enforcement and Crime Prevention

Crimes per 100,000 population in State Police jurisdiction areas:

Number of property crimes per 100,000 population	1,109	1,067	965	939	839	830	810
Arrests for property crimes per 100,000 population	276	319	284	298	242	250	250
Percentage of property crimes cleared (i.e. cases solved and prosecuted or disposed of through other legal means)	31%	33%	33%	35%	31%	32%	32%

Objective: Achieve and maintain a clearance rate at or above the state and national averages for Crime Index offenses.

Criminal Law Enforcement and Crime Prevention

State clearance rate for Crime Index offenses	30.70%	31.40%	31.70%	32.10%	30.60%	N/A	N/A
National clearance rate for Crime Index offenses	22.20%	23.10%	23.60%	23%	22.10%	N/A	N/A

Program Measures

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Crimes per 100,000 population in State Police jurisdiction areas:							
Percentage of Crime Index offenses cleared (i.e. cases solved and prosecuted or disposed of through other legal means)	N/A	37%	37%	39%	37%	37%	38%
Crime Index offenses per 100,000 population	N/A	1,179	1,069	1,049	966	950	930
Arrests for Crime Index offenses per 100,000 population	N/A	391	358	380	336	340	350

Objective: Increase drug enforcement efforts.

Enforcement and Investigation

Drug offenses per 100,000 population	209	237	271	320	329	324	318
Drug-related arrests per 100,000 population	176	190	223	273	293	298	302

Objective: Increase compliance with liquor laws at licensed establishments.

Liquor Control Enforcement

Liquor law violations	12,289	14,424	14,442	12,214	10,282	10,100	9,900
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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	987	1,055	1,056	1,074	1,092	1,110	1,130
Intelligence products disseminated by the Pennsylvania Criminal Intelligence Center	29,263	52,108	54,290	54,744	57,962	58,900	59,900

Objective: Ensure the rapid collection and appropriate dissemination of accurate information on emergency situations throughout the commonwealth.

Emergency Preparedness and Response

Department Watch Center immediate reports	3,131	2,047	2,390	2,451	1,838	1,870	1,900
Municipal public safety agencies receiving road closure reports from the Department Watch Center	1,367	1,256	1,256	1,270	1,276	1,300	1,320

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

Objective: Increase the effectiveness of the Pennsylvania Statewide Radio Network (PA-STARNet).

Public Safety Radio System

Percentage of statewide land area covered by Pennsylvania Statewide Radio Network (PA-STARNet)	97%	97%	97%	97%	97%	97%	97%
Percentage of statewide road coverage by PA-STARNet	97%	98%	98%	98%	98%	98%	98%

Objective: Increase the number of cadet applications, applicant retention rates and applicants from traditionally underrepresented groups.

Emergency Preparedness and Response

Total number of individuals graduating from the Academy	N/A	N/A	407	294	253	260	260
Cadet applications	N/A	N/A	12,199	11,507	14,394	14,600	14,900
Cadet applications from traditionally underrepresented groups	N/A	N/A	4,446	4,322	5,176	5,260	5,350
Total number of individuals from traditionally underrepresented groups graduating from the Academy	N/A	N/A	58	47	30	31	31
Average length of time in months from application date until Academy start date	N/A	N/A	20	20	21	21	20

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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.*

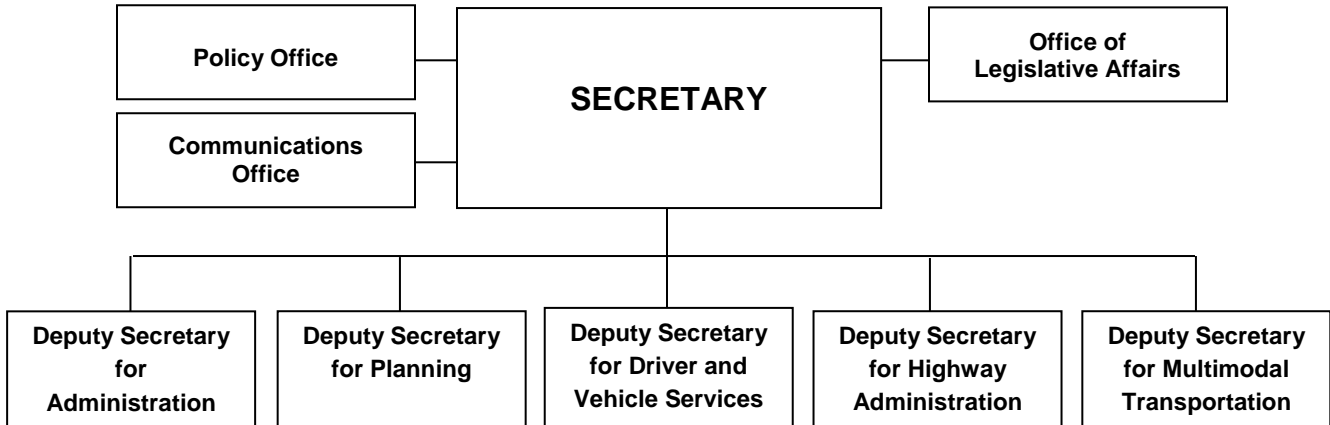
Highways and Bridges: *To provide a safe and efficient state-administered highway network through road and bridge improvements, as well as through ongoing maintenance activities including winter traffic services.*

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 Transportation Innovations Office, Fiscal Management, Office Services, Equal Opportunity, and Tourism Services, and coordinates human resources and information technology with the Office of Administration.
- **Deputy Secretary for Planning** is responsible for statewide transportation planning and programming activities and for developing and managing the commonwealth’s multimodal 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

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
11,876	11,883	11,883	11,898	11,523	11,305	11,305

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Vehicle Sales Tax Collections.....	\$ 977	\$ 1,095	\$ 1,093
Voter Registration.....	529	530	525
Total - General Government.....	\$ 1,506	\$ 1,625	\$ 1,618
<i>Grants and Subsidies:</i>			
(F)Surface Transportation Assistance.....	\$ 500	\$ 600	\$ 600
(F)FTA - Capital Improvement Grants.....	30,000	30,000	15,000
(F)TEA 21 - Access to Jobs.....	4,000	4,000	4,000
(F)Surface Transportation - Operating.....	18,000	15,000	10,000
(F)Surface Transportation Assistance Capital.....	25,000	30,000	18,000
(F)FTA - Safety Oversight.....	2,600	2,600	2,600
(F)FTA - Keystone Corridor Equipment & Purchases.....	40,000	85,000	85,000
(F)FTA - Hybrid Mass Transit Vehicles.....	30,000	30,000	30,000
(F)Line and Track Improvement.....	2,398	0	0
(F)ARRA - High Speed Rail.....	3,000	0	0
Total - Grants and Subsidies.....	\$ 155,498	\$ 197,200	\$ 165,200
STATE FUNDS.....	\$ 1,506	\$ 1,625	\$ 1,618
FEDERAL FUNDS.....	155,498	197,200	165,200
GENERAL FUND TOTAL.....	\$ 157,004	\$ 198,825	\$ 166,818
MOTOR LICENSE FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 58,586	\$ 60,921	\$ 60,921
(A)Reimbursements.....	1,247	1,136	1,069
(A)Duplicating Services.....	261	300	300
(A)Administrative Hearings.....	4	40	40
Welcome Centers.....	3,519	4,115	4,115
Subtotal.....	\$ 63,617	\$ 66,512	\$ 66,445
Highway and Safety Improvements.....	70,000	232,000	264,000
(F)Highway Research, Planning and Construction.....	1,178,825	1,275,000	1,275,000
(A)Proceeds from Bond Sales - Highway Projects.....	206,508	0	0
(A)Highway Construction Contributions and Reimbursements.....	10,138	13,000	13,000
(A)Proceeds from Sale of Right-of-Way.....	671	0	0
(A)Joint Use Leases.....	480	0	0
(A)Reimbursements.....	247	0	0
(A)Licensing Fees - Engineering Software.....	20	0	0
Highway Capital Projects (EA).....	220,000	230,000	230,000
(R)Highway Capital Projects - Excise Tax (EA).....	361,034	404,635	405,057
(R)Bridges - Excise Tax (EA).....	116,493	132,572	131,643
(R)Highway Bridge Projects (EA).....	175,000	140,000	140,000
(F)Federal Aid - Highway Bridge Projects.....	389,617	500,000	500,000
(A)Bridge Construction Contributions.....	1,499	2,800	2,800
(A)Reimbursements From Local Governments.....	345	200	200
Rural Commercial Routes.....	0	0	40,000
Municipal Bridge Improvements and Bundling.....	0	0	10,000
Subtotal.....	\$ 2,730,877	\$ 2,930,207	\$ 3,011,700
Highway Maintenance.....	908,899	860,542	860,542
(F)Highway Research, Planning and Construction.....	34,211	150,000	151,000
(F)Disaster Recovery - FHWA.....	-4,433	12,500	12,500
(F)Disaster Recovery - FEMA.....	6,942	12,500	12,500
(F)Highway Safety - Maintenance (EA).....	4,000	4,000	4,000
(A)Highway Maintenance Contributions.....	6,571	20,000	20,000
(A)Sale of Equipment and Supplies.....	4,229	5,000	5,000
(A)Accident Damage Claims.....	11,579	0	0
(A)Marcellus Shale Road Damage.....	605	0	0

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
(A)Heavy Hauling - Bonded Roads.....	354	0	0
(A)Miscellaneous	836	100	100
(R)Highway Maintenance - Excise Tax (EA).....	168,843	194,178	192,402
(R)Highway Maintenance Enhancement (EA).....	252,676	285,598	283,732
(R)Expanded Highway and Bridge Maintenance (EA).....	295,170	341,072	340,478
(A)Expanded Maintenance Contributions.....	1,110	1,000	1,000
Expanded Maintenance Improvements.....	0	0	50,000
Highway Systems Technology and Innovation.....	0	0	16,000
Reinvestment in Facilities.....	16,000	16,000	21,000
Subtotal.....	\$ 1,707,592	\$ 1,902,490	\$ 1,970,254
Driver and Vehicle Services.....	154,271	167,082	172,216
Homeland Security - Real ID.....	0	0	27,966
(F)Motor Carrier Safety Improvement (EA).....	3,000	1,000	1,000
(A)Photo ID Program	30,865	30,700	30,700
(A)Postage.....	644	564	564
(A)Miscellaneous	369	426	401
Subtotal.....	\$ 189,149	\$ 199,772	\$ 232,847
(R)Aviation Operations.....	3,219	4,051	3,938
(F)Aviation Planning.....	300	125	125
(A)Reimbursement - Flight Operations.....	440	360	460
(A)Airport Inspections and Licensing.....	59	40	40
Subtotal.....	\$ 4,018	\$ 4,576	\$ 4,563
Subtotal - State Funds.....	\$ 1,431,275	\$ 1,570,660	\$ 1,756,760
Subtotal - Federal Funds.....	1,612,462	1,955,125	1,956,125
Subtotal - Augmentations.....	279,081	75,666	75,674
Subtotal - Restricted Revenues.....	1,372,435	1,502,106	1,497,250
Total - General Government.....	\$ 4,695,253	\$ 5,103,557	\$ 5,285,809
Grants and Subsidies:			
Local Road Maintenance and Construction Payments.....	\$ 248,235	\$ 253,072	\$ 260,637
Supplemental Local Road Maintenance & Construction Payments.....	5,000	5,000	5,000
Municipal Roads and Bridges.....	30,000	30,000	30,000
Maintenance and Construction of County Bridges.....	5,000	5,000	5,000
Municipal Traffic Signals.....	40,000	40,000	40,000
Payment to Turnpike Commission (EA).....	28,000	28,000	28,000
(R)Local Road Payments - Excise Tax (EA).....	107,534	122,298	122,248
(R)Payments to Municipalities (EA).....	75,423	84,680	85,205
(R)Local Grants for Bridge Projects (EA).....	25,000	25,000	25,000
(F)Federal Aid - Local Grants for Bridge Projects.....	10,649	12,500	12,500
(A)Bridge Reimbursements From Local Governments.....	190	100	100
(R)Local Bridge Projects (EA).....	19,532	28,187	27,950
(R)County Bridges - Excise Tax (EA).....	21,215	20,859	19,969
(F)Federal Aid - County Bridges.....	203	200	200
(R)County Bridge Projects - Marcellus Shale (EA).....	16,967	15,512	20,159
(R)Toll Roads - Excise Tax (EA).....	129,765	141,962	142,949
(R)Annual Maintenance Payments - Highway Transfer (EA).....	19,088	19,064	19,120
(R)Restoration Projects - Highway Transfer (EA).....	11,000	11,000	11,000
(R)Airport Development.....	5,500	5,500	5,500
(F)Airport Development (EA).....	49,547	40,000	40,000
(R)Real Estate Tax Rebate.....	250	250	250
Subtotal.....	\$ 848,098	\$ 888,184	\$ 900,787

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
Subtotal - State Funds.....	\$ 356,235	\$ 361,072	\$ 368,637
Subtotal - Federal Funds.....	60,399	52,700	52,700
Subtotal - Augmentations.....	190	100	100
Subtotal - Restricted Revenues.....	431,274	474,312	479,350
Total - Grants and Subsidies.....	\$ 848,098	\$ 888,184	\$ 900,787
Refunds:			
Refunding Collected Monies (EA).....	\$ 1,950	\$ 2,500	\$ 2,500
Subtotal.....	\$ 1,950	\$ 2,500	\$ 2,500
STATE FUNDS.....	\$ 1,789,460	\$ 1,934,232	\$ 2,127,897
FEDERAL FUNDS.....	1,672,861	2,007,825	2,008,825
AUGMENTATIONS.....	279,271	75,766	75,774
RESTRICTED REVENUES.....	1,803,709	1,976,418	1,976,600
MOTOR LICENSE FUND TOTAL.....	\$ 5,545,301	\$ 5,994,241	\$ 6,189,096
LOTTERY FUND:			
Grants and Subsidies:			
Older Pennsylvanians Shared Rides (EA).....	\$ 82,975	\$ 82,975	\$ 82,975
Transfer to Public Transportation Trust Fund (EA).....	95,907	95,907	95,907
Total - Grants and Subsidies.....	\$ 178,882	\$ 178,882	\$ 178,882
LOTTERY FUND TOTAL.....	\$ 178,882	\$ 178,882	\$ 178,882
OTHER FUNDS:			
GENERAL FUND:			
Reimbursements to Municipalities - Vehicle Code Fines.....	\$ 7,093	\$ 6,500	\$ 6,500
Federal Grants - Railroad Freight Rehabilitation.....	0	200	200
Child Passenger Restraint Fund.....	226	300	300
GENERAL FUND TOTAL.....	\$ 7,319	\$ 7,000	\$ 7,000
MOTOR LICENSE FUND:			
Federal Reimbursements - Highway Safety Program.....	\$ 9,778	\$ 15,000	\$ 15,000
Reimbursements to Other States - Apportioned Registration.....	11,482	16,000	16,000
Federal Reimbursements - Local Bridge Projects.....	77,736	75,000	75,000
Motorcycle Safety Education.....	4,827	5,000	5,000
Federal Reimbursements - Political Subdivisions.....	140,186	140,000	140,000
Fee for Local Use.....	21,788	25,000	26,000
Red Light Photo Enforcement.....	2,551	7,000	7,000
Delegated Facility Projects.....	1,123	5,000	5,000
CDL - Hazardous Material Fees.....	355	500	500
PA Unified Certification.....	0	10	10
MOTOR LICENSE FUND TOTAL.....	\$ 269,826	\$ 288,510	\$ 289,510
HIGHWAY BEAUTIFICATION FUND:			
Control of Outdoor Advertising (EA).....	\$ 408	\$ 408	\$ 408
LIQUID FUELS TAX FUND:			
Payments to Counties.....	\$ 32,408	\$ 29,948	\$ 29,087
Auditor General's Audit Costs (EA).....	700	700	700
LIQUID FUELS TAX FUND TOTAL.....	\$ 33,108	\$ 30,648	\$ 29,787
MOTOR VEHICLE TRANSACTION RECOVERY FUND:			
Reimbursement to Transportation.....	\$ 45	\$ 45	\$ 20

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2016-17	2017-18	2018-19
	ACTUAL	AVAILABLE	BUDGET
MULTIMODAL TRANSPORTATION FUND:			
Aviation Grants (EA).....	\$ 6,003	\$ 6,238	\$ 6,238
Rail Freight Grants (EA).....	10,005	10,396	10,396
Passenger Rail Grants (EA).....	8,004	8,317	8,317
Ports and Waterways Grants (EA).....	10,005	10,396	10,396
Bicycle and Pedestrian Facilities Grants (EA).....	2,001	2,079	2,079
Statewide Programs Grants (EA).....	40,000	40,000	40,000
Multimodal Administration and Oversight (EA).....	3,688	4,317	4,317
Transfer to Commonwealth Financing Authority (EA).....	56,496	59,079	59,752
PennPORTS-Philadelphia Regional Port Authority Debt Service.....	4,608	4,609	4,606
MULTIMODAL TRANSPORTATION FUND TOTAL.....	\$ 140,810	\$ 145,431	\$ 146,101
PENNSYLVANIA INFRASTRUCTURE BANK FUND:			
Infrastructure Bank Loans (EA).....	\$ 30,000	\$ 30,000	\$ 30,000
PUBLIC TRANSPORTATION ASSISTANCE FUND:			
Mass Transit (EA).....	\$ 215,776	\$ 219,984	\$ 230,190
Transfer to Public Transportation Trust Fund (EA).....	0 ^a	0 ^a	0 ^a
PUBLIC TRANSPORTATION ASSISTANCE FUND TOTAL.....	\$ 215,776	\$ 219,984	\$ 230,190
PUBLIC TRANSPORTATION TRUST FUND:			
Mass Transit Operating (EA).....	\$ 766,093 ^b	\$ 794,093 ^b	\$ 824,093 ^b
Asset Improvement (EA).....	421,000	450,000	520,000
Capital Improvement (EA).....	56,250	67,764	25,771
Programs of Statewide Significance (EA).....	80,000	90,000	155,000
Transit Administration and Oversight (EA).....	4,488	4,488	4,488
PUBLIC TRANSPORTATION TRUST FUND TOTAL.....	\$ 1,327,831	\$ 1,406,345	\$ 1,529,352
UNCONVENTIONAL GAS WELL FUND:			
Rail Freight Assistance.....	\$ 1,000	\$ 1,000	\$ 1,000
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 1,506	\$ 1,625	\$ 1,618
SPECIAL FUNDS.....	1,968,342	2,113,114	2,306,779
FEDERAL FUNDS.....	1,828,359	2,205,025	2,174,025
AUGMENTATIONS.....	279,271	75,766	75,774
RESTRICTED.....	1,803,709	1,976,418	1,976,600
OTHER FUNDS.....	2,026,123	2,129,371	2,263,368
TOTAL ALL FUNDS.....	\$ 7,907,310	\$ 8,501,319	\$ 8,798,164

^a Not added to the total to avoid double counting: 2016-17 Actual is \$21,224,000, 2017-18 Available is \$21,551,000, and 2018-19 Budget is \$22,210,000.

^b Lottery Fund Transfer to the Public Transportation Trust Fund not added to the total to avoid double counting: 2016-17 Actual is \$95,907,000, 2017-18 Available is \$95,907,000, and 2018-19 Budget is \$95,907,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
TRANSPORTATION SUPPORT SERVICES							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	60,536	63,421	63,421	63,421	63,421	63,421	63,421
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	1,738	1,786	1,719	1,719	1,719	1,719	1,719
SUBCATEGORY TOTAL.....	\$ 62,274	\$ 65,207	\$ 65,140	\$ 65,140	\$ 65,140	\$ 65,140	\$ 65,140
HIGHWAYS AND BRIDGES							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	1,246,418	1,370,657	1,523,657	1,484,657	1,500,657	1,544,657	1,618,657
FEDERAL FUNDS.....	1,609,162	1,954,000	1,955,000	1,954,000	1,954,000	1,954,000	1,954,000
OTHER FUNDS.....	1,785,837	1,733,025	1,729,269	1,742,684	1,744,768	1,746,852	1,756,936
SUBCATEGORY TOTAL.....	\$ 4,641,417	\$ 5,057,682	\$ 5,207,926	\$ 5,181,341	\$ 5,199,425	\$ 5,245,509	\$ 5,329,593
LOCAL HIGHWAY AND BRIDGE ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	328,235	333,072	340,637	337,034	337,386	337,758	338,142
FEDERAL FUNDS.....	10,852	12,700	12,700	12,700	12,700	12,700	12,700
OTHER FUNDS.....	578,411	610,848	615,038	610,889	615,097	618,806	618,950
SUBCATEGORY TOTAL.....	\$ 917,498	\$ 956,620	\$ 968,375	\$ 960,623	\$ 965,183	\$ 969,264	\$ 969,792
MULTIMODAL TRANSPORTATION							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	178,882	178,882	178,882	178,882	178,882	178,882	178,882
FEDERAL FUNDS.....	205,345	237,325	205,325	205,325	205,325	205,325	205,325
OTHER FUNDS.....	1,694,885	1,783,161	1,917,031	1,688,364	1,714,971	1,743,914	1,788,760
SUBCATEGORY TOTAL.....	\$ 2,079,112	\$ 2,199,368	\$ 2,301,238	\$ 2,072,571	\$ 2,099,178	\$ 2,128,121	\$ 2,172,967
DRIVER AND VEHICLE SERVICES							
GENERAL FUND.....	\$ 1,506	\$ 1,625	\$ 1,618	\$ 1,618	\$ 1,618	\$ 1,618	\$ 1,618
SPECIAL FUNDS.....	154,271	167,082	200,182	203,214	190,841	187,806	187,697
FEDERAL FUNDS.....	3,000	1,000	1,000	1,000	1,000	1,000	1,000
OTHER FUNDS.....	48,232	52,735	52,685	52,685	52,685	52,685	52,685
SUBCATEGORY TOTAL.....	\$ 207,009	\$ 222,442	\$ 255,485	\$ 258,517	\$ 246,144	\$ 243,109	\$ 243,000
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1,506	\$ 1,625	\$ 1,618	\$ 1,618	\$ 1,618	\$ 1,618	\$ 1,618
SPECIAL FUNDS.....	1,968,342	2,113,114	2,306,779	2,267,208	2,271,187	2,312,524	2,386,799
FEDERAL FUNDS.....	1,828,359	2,205,025	2,174,025	2,173,025	2,173,025	2,173,025	2,173,025
OTHER FUNDS.....	4,109,103	4,181,555	4,315,742	4,096,341	4,129,240	4,163,976	4,219,050
DEPARTMENT TOTAL.....	\$ 7,907,310	\$ 8,501,319	\$ 8,798,164	\$ 8,538,192	\$ 8,575,070	\$ 8,651,143	\$ 8,780,492

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)

General Government Operations and Refunding Collected Monies (EA) are recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
MOTOR LICENSE FUND:							
General Government Operations	\$ 58,586	\$ 60,921	\$ 60,921	\$ 60,921	\$ 60,921	\$ 60,921	\$ 60,921
Refunding Collected Monies (EA)	1,950	2,500	2,500	2,500	2,500	2,500	2,500
TOTAL MOTOR LICENSE FUND.....	\$ 60,536	\$ 63,421	\$ 63,421	\$ 63,421	\$ 63,421	\$ 63,421	\$ 63,421

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.

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.

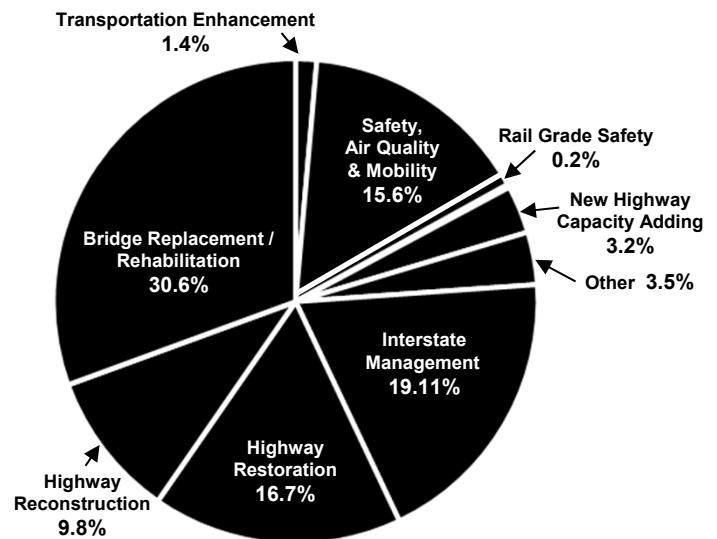
Federal surface transportation legislation authorizes grants to states and also addresses planning, program development and management. The department, the State Transportation Commission and the Metropolitan and Rural Transportation Planning Organizations closely coordinate public input and public comment 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.

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 washing and cleaning drainage outlets to repair and preventive maintenance of deck surface and structural components.

**Current Four-Year Project Distribution
(October 2016 – September 2020)**



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.

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,

Program: Highways and Bridges (continued)

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.

The budget reflects greater visibility of the management

of traffic operations on the state highway network. Providing more efficient and safer use of existing infrastructure through technology is an increasingly important aspect of the department's mission. Recognizing that this is distinctly different work from traditional winter and warm weather maintenance activities, funding for these operations is proposed in a separate line item. This includes costs associated with the department's traffic management centers, operation and maintenance of intelligent transportation equipment, traveler information provided to public, and other key traffic operations efforts. The Highway Systems Technology and Innovation Appropriation also covers costs for 511 services including the 511 PA Website, the Alert Service, and a mobile application to communicate with Pennsylvania travelers.

This budget also includes initiative funding for restoration and repair of state-administered rural commercial routes; replacement or rehabilitation of bridges owned by municipal governments; and expanded maintenance improvements on state-owned low traffic volume roads.

Program Recommendations:

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

<p>Highway and Safety Improvements \$ 32,000 —to continue current program.</p> <p>Rural Commercial Routes \$ 40,000 —Initiative-for restoration and repair of state-administered rural commercial routes.</p> <p>Municipal Bridge Improvements and Bundling \$ 10,000 —Initiative-for replacement or rehabilitation of bridges owned by municipal governments including the bundling of bridge projects.</p>	<p>Expanded Maintenance Improvements \$ 50,000 —Initiative-for a statewide program to improve low traffic volume roads on the state-administered highway system.</p> <p>Highway Systems Technology and Innovation \$ 16,000 —for the management of traffic operations through technology advancement on the state highway network.</p> <p>Reinvestment in Facilities \$ 5,000 —to continue current program.</p>
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All other appropriations and executive authorizations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
MOTOR LICENSE FUND:							
Welcome Centers	\$ 3,519	\$ 4,115	\$ 4,115	\$ 4,115	\$ 4,115	\$ 4,115	\$ 4,115
Highway and Safety Improvements.....	70,000	232,000	264,000	264,000	264,000	292,000	350,000
Highway Capital Projects (EA)	220,000	230,000	230,000	230,000	230,000	230,000	230,000
Rural Commercial Routes	0	0	40,000	40,000	40,000	40,000	40,000
Municipal Bridge Improvements and Bundling	0	0	10,000	10,000	10,000	10,000	10,000
Highway Maintenance	908,899	860,542	860,542	876,542	892,542	908,542	924,542
Expanded Maintenance Improvements	0	0	50,000	0	0	0	0
Highway Systems Technology and Innovation	0	0	16,000	16,000	16,000	16,000	16,000
Reinvestment in Facilities.....	16,000	16,000	21,000	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
TOTAL MOTOR LICENSE FUND.....	\$1,246,418	\$1,370,657	\$1,523,657	\$1,484,657	\$1,500,657	\$1,544,657	\$1,618,657

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 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, nearly 4,800 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
 \$ 7,565 —to continue current program.

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

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
MOTOR LICENSE FUND:							
Local Road Maintenance and Construction Payments.....	\$ 248,235	\$ 253,072	\$ 260,637	\$ 257,034	\$ 257,386	\$ 257,758	\$ 258,142
Supplemental Local Road Maintenance & Construction Payments	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Municipal Roads and Bridges.....	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Maintenance and Construction of County Bridges	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Municipal Traffic Signals.....	40,000	40,000	40,000	40,000	40,000	40,000	40,000
TOTAL MOTOR LICENSE FUND.....	\$ 328,235	\$ 333,072	\$ 340,637	\$ 337,034	\$ 337,386	\$ 337,758	\$ 338,142

Program: Multimodal Transportation

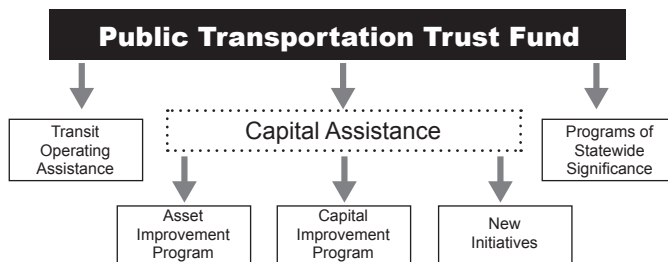
Goal: To support public transportation, intercity bus, intercity rail, rail freight, ports, aviation and bicycle and pedestrian facilities options that improve the mobility and the quality of life for urban and rural Pennsylvanians, and enhance economic activity throughout the commonwealth.

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.

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.



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.

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 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).

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, policy development, and project oversight. 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.

Rail Freight

The department administers programs to assist railroad owners with infrastructure improvements, acquisition, accelerated maintenance and new construction. Through

Program: Multimodal Transportation (continued)

the Rail Freight Assistance Program and the Rail 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.

Aviation

Aviation plays a major role in the movement of passengers and cargo throughout the commonwealth with 128 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 Reimbursement 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

All executive authorizations are recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
LOTTERY FUND:							
Older Pennsylvanians Shared Rides (EA)	\$ 82,975	\$ 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
TOTAL LOTTERY FUND	\$ 178,882	\$ 178,882	\$ 178,882	\$ 178,882	\$ 178,882	\$ 178,882	\$ 178,882
PUBLIC TRANSPORTATION TRUST FUND:							
Mass Transit Operating (EA)	\$ 766,093	\$ 784,093	\$ 920,000	\$ 935,000	\$ 950,000	\$ 965,000	\$ 1,000,000
Asset Improvement (EA)	421,000	450,000	520,000	350,000	355,000	365,000	365,000
Capital Improvement (EA)	56,250	67,764	25,771	0	0	0	0
Programs of Statewide Significance (EA)	80,000	90,000	155,000	95,000	95,000	85,000	85,000
Transit Administration and Oversight (EA)	4,488	4,488	4,488	4,488	4,488	4,488	4,488
TOTAL PUBLIC TRANSPORTATION TRUST FUND	\$ 1,327,831	\$ 1,396,345	\$ 1,625,259	\$ 1,384,488	\$ 1,404,488	\$ 1,419,488	\$ 1,454,488
MULTIMODAL TRANSPORTATION FUND:							
Aviation Grants (EA)	\$ 6,003	\$ 6,238	\$ 6,238	\$ 6,488	\$ 6,488	\$ 6,748	\$ 6,748
Rail Freight Grants (EA)	10,005	10,396	10,396	10,812	10,812	11,244	11,244
Passenger Rail Grants (EA)	8,004	8,317	8,317	8,650	8,650	8,996	8,996
Ports and Waterways Grants (EA)	10,005	10,396	10,396	10,812	10,812	11,244	11,244
Bicycle and Pedestrian Facilities Grants (EA)	2,001	2,079	2,079	2,162	2,162	2,248	2,248
Statewide Programs Grants (EA)	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Multimodal Administration and Oversight (EA)	3,688	4,317	4,317	4,317	4,317	4,317	4,317
Transfer to Commonwealth Financing Authority (EA)	56,496	59,079	59,752	64,140	65,009	74,118	75,057
PennPORTS-Philadelphia Regional Port Authority Debt Service	4,608	4,609	4,606	4,607	4,608	0	0
TOTAL MULTIMODAL TRANSPORTATION FUND	\$ 140,810	\$ 145,431	\$ 146,101	\$ 151,988	\$ 152,858	\$ 158,915	\$ 159,854

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 219,000 heavy trucks greater than 17,000 pounds and more than 236,000 trailers greater than 10,000 pounds. The number of licensed drivers has remained constant over the past few years at 8.9 million, including 451,000 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. Approximately 530,000 driving knowledge and skills tests were conducted in 2016-17 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 530,000 of the 1.1 million citations issued in 2016-17 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 disqualified 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 109,000 vehicle suspensions were imposed during 2016-17 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 2016-17, over 2.5 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, the department has authorized a limited number of third party entities to administer driver skills testing. In 2016-17, 117 CDL Third Party Testers conducted over 40,000 CDL tests. Expansion to non-commercial Third Party Testers began in May 2016, and over 14,000 non-commercial driver's tests were conducted in the first fifteen months of the eighteen-month pilot. Customers can also process transactions on the department's Internet renewal system. During 2016-17, approximately 5.8 million customers renewed their non-commercial driver's license, photo identification card or vehicle registration via the Internet.

There are currently 271 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. Over 900,000 registrants have taken advantage of optional biennial registration in 2016-17.

This budget proposes a new appropriation to provide state funding to comply with federal homeland security requirements. This will allow Pennsylvania residents an optional driver's license or state identification card that will be accepted for boarding a domestic commercial flight or entering a federal building.

Program: Driver and Vehicle Services (continued)

Program Recommendations:

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

	GENERAL FUND				MOTOR LICENSE FUND
	Vehicle Sales Tax Collections				Driver and Vehicle Services
\$	-2	—to continue current program.	\$	5,134	—to continue current program.
	Voter Registration				Homeland Security - Real ID
\$	-5	—to continue current program.	\$	27,966	—to comply with federal Homeland Security requirements.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Vehicle Sales Tax Collections.....	\$ 977	\$ 1,095	\$ 1,093	\$ 1,093	\$ 1,093	\$ 1,093	\$ 1,093
Voter Registration.....	529	530	525	525	525	525	525
TOTAL GENERAL FUND	\$ 1,506	\$ 1,625	\$ 1,618	\$ 1,618	\$ 1,618	\$ 1,618	\$ 1,618
MOTOR LICENSE FUND:							
Driver and Vehicle Services.....	\$ 154,271	\$ 167,082	\$ 172,216	\$ 165,710	\$ 159,861	\$ 159,861	\$ 159,861
Homeland Security - Real ID.....	0	0	27,966	37,504	30,980	27,945	27,836
TOTAL MOTOR LICENSE FUND.....	\$ 154,271	\$ 167,082	\$ 200,182	\$ 203,214	\$ 190,841	\$ 187,806	\$ 187,697

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

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)	1.38%	1.28%	1.13%	1%	1.06%	1.06%	1%
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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	6	11	12	28	26	19	32
Miles of Interstate reconstruction or restoration	156	74	67	56	32	140	100
Miles of non-Interstate reconstruction or restoration	88	56	117	141	144	180	280
Percentage of Interstate Highway System in good or excellent condition	82.10%	83.10%	84.80%	81.60%	80.90%	81.80%	82.80%
Percentage of Interstate Highway System in poor condition	3.80%	3.20%	2.30%	3.20%	3.20%	3.20%	3.20%
Percentage of National Highway System non-Interstate highways in good or excellent condition	63.30%	62.70%	62.50%	63.70%	65.40%	66.90%	68.40%
Percentage of National Highway System non-Interstate highways in poor condition	15.30%	14.70%	14.60%	13.60%	12.40%	12.10%	11.90%
Bridges rehabilitated/replaced	652	515	652	693	899	677	700
Structurally deficient bridges rehabilitated/replaced	318	220	253	415	556	402	375
Structurally deficient bridges by deck area	11.40%	11.10%	9.50%	9.20%	8.10%	7.50%	7.40%
Number of bridges preserved	193	209	265	216	248	180	200

Highway and Bridge Maintenance

Miles of state maintained highways improved:

Structural restoration	210	158	51	71	70	124	126
Resurfacing	1,187	573	1,707	1,810	1,769	1,811	2,077
Surface repairs	3,559	3,223	3,302	3,410	3,466	3,859	3,914
Total miles of state maintained highways improved	4,956	3,954	5,059	5,291	5,305	5,794	6,117

Program Measures

2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19

Program: Multimodal Transportation

Objective: Support public transportation, intercity bus, intercity rail, rail freight, ports and aviation operations that improve the mobility and quality of life for urban and rural Pennsylvanians, and enhance economic activity throughout the commonwealth.

Mass Transportation

Passengers carried by state-assisted operators	435,300,000	426,900,000	430,200,000	425,700,000	403,788,000	406,151,000	407,857,000
Passengers per vehicle hour	41.40	39.30	39.20	38.50	36.40	36.80	36.90

Older Pennsylvanians Transit

Number of free transit trips	35,460,000	34,650,000	34,060,000	34,580,000	33,457,000	33,369,000	33,369,000
Trips on state-assisted shared ride vehicles	4,090,000	3,900,000	4,090,000	3,920,000	3,707,000	3,744,000	3,781,000

Cost to the commonwealth per trip:

Free transit	\$2.57	\$2.68	\$2.73	\$2.77	\$2.87	\$2.87	\$2.87
State-assisted shared ride vehicles	\$17	\$17.78	\$18.09	\$18.72	\$19.20	\$19.78	\$20.37

Intercity Transportation

Intercity Bus:

Passengers handled	434,412	397,920	377,051	236,309	226,308	207,466	198,045
Subsidy per passenger trip	\$4.59	\$5	\$4.94	\$6.57	\$7	\$6.77	\$7.17

Intercity Rail:

Passengers handled	1,460,548	1,518,624	1,593,951	1,638,969	1,760,512	1,764,913	1,786,974
Subsidy per passenger mile	\$0.20	\$0.11	\$0.12	\$0.11	\$0.10	\$0.10	\$0.09

Aviation:

Runways with a pavement condition index of fair or better	96%	94%	94%	94%	86%	84%	88%
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Program: Driver and Vehicle Services

Objective: Provide exceptional customer service through a customer-focused business approach.

Number of online eGov transactions (in millions)	7.85	8.55	8.42	8.71	8.90	9	10
Percentage of service center customers served within 30 minutes	85%	87%	82%	80.30%	79.90%	80%	80%
Access rate of driver and vehicle services call center	99.20%	99.40%	99.50%	99.60%	99.10%	98.60%	99.50%

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LEGISLATURE

The mission of the General Assembly of Pennsylvania is to formulate and enact the public policy of the commonwealth.

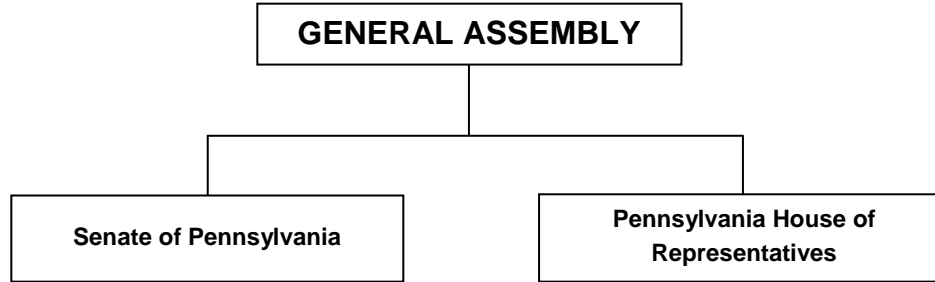
Through legislation and resolution, the General Assembly defines the functions of state government, provides for revenue for the commonwealth and appropriates money for the operation of state agencies and other purposes.

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)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Senate:			
Senators' Salaries.....	\$ 7,586	\$ 8,156	\$ 8,156
Senate President - Expenses.....	307	343	343
Employees of Chief Clerk.....	2,682	2,847	2,847
Salaried Officers and Employees.....	11,860	12,873	12,873
Incidental Expenses.....	3,026	3,105	3,105
Expenses - Senators.....	1,308	1,341	1,341
Legislative Printing and Expenses.....	7,093	7,200	7,200
Committee on Appropriations (R).....	1,318	1,395	0
Committee on Appropriations (D).....	1,319	1,395	0
Committee on Appropriations (R) and (D).....	0	0	2,790
Caucus Operations (R) and (D).....	0	0	74,961
Caucus Operations (R).....	41,635	44,985	0
Caucus Operations (D).....	28,428	29,976	0
Subtotal.....	\$ 106,562	\$ 113,616	\$ 113,616
House of Representatives:			
Members' Salaries, Speaker's Extra Compensation.....	\$ 25,861	\$ 28,493	\$ 28,493
Caucus Operations (R) and (D).....	0	0	121,375
Caucus Operations (R).....	60,375	63,115	0
Caucus Operations (D).....	58,000	58,260	0
Speaker's Office.....	1,810	1,810	1,810
Bi-Partisan Committee, Chief Clerk, Comptroller and EMS.....	14,834	14,834	14,834
Mileage - Representatives, Officers and Employees.....	372	372	372
Chief Clerk and Legislative Journal.....	2,793	4,993	4,993
Speaker.....	20	20	0
Chief Clerk.....	591	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.....	5,069	5,069	5,069
Expenses - Representatives.....	4,251	4,251	4,251
Legislative Printing and Expenses.....	10,674	10,674	10,674
National Legislative Conference - Expenses.....	511	511	511
Committee on Appropriations (R).....	3,223	3,223	3,223
Committee on Appropriations (D).....	3,223	3,223	3,223
Special Leadership Account (R).....	6,045	6,045	6,045
Special Leadership Account (D).....	6,045	6,045	6,045
Subtotal.....	\$ 203,795	\$ 211,627	\$ 211,627
Total - General Government.....	\$ 310,357	\$ 325,243	\$ 325,243
GENERAL FUND TOTAL.....	\$ 310,357	\$ 325,243	\$ 325,243

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
LEGISLATURE							
GENERAL FUND.....	\$ 310,357	\$ 325,243	\$ 325,243	\$ 325,243	\$ 325,243	\$ 325,243	\$ 325,243
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.....	\$ 310,357	\$ 325,243	\$ 325,243	\$ 325,243	\$ 325,243	\$ 325,243	\$ 325,243
ALL PROGRAMS:							
GENERAL FUND.....	\$ 310,357	\$ 325,243	\$ 325,243	\$ 325,243	\$ 325,243	\$ 325,243	\$ 325,243
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 310,357	\$ 325,243	\$ 325,243	\$ 325,243	\$ 325,243	\$ 325,243	\$ 325,243

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)

All appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
TOTAL GENERAL FUND	\$ 310,357	\$ 325,243	\$ 325,243	\$ 325,243	\$ 325,243	\$ 325,243	\$ 325,243

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JUDICIARY

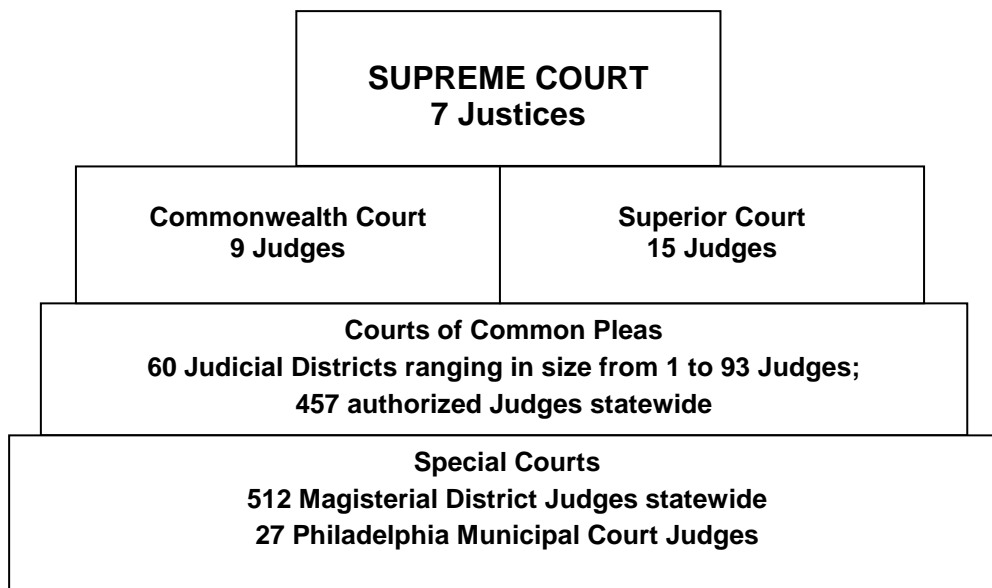
The mission of the judicial system of the commonwealth is to provide citizens with prompt and equitable justice under the law.

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)

2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Available	2018-19 Budget
2,199	2,198	2,203	2,195	2,192	2,197	2,197

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Supreme Court:			
Supreme Court.....	\$ 17,150	\$ 17,150	\$ 17,150
Subtotal.....	\$ 17,150	\$ 17,150	\$ 17,150
Justice Expenses.....	\$ 118	\$ 118	\$ 118
Judicial Center Operations.....	814	814	814
Judicial Council.....	141	141	141
District Court Administrators.....	19,657	19,657	19,657
Supreme Court:			
Interbranch Commission.....	\$ 350	\$ 350	\$ 350
Court Management Education.....	73	73	73
Office of Elder Justice in the Courts.....	496	496	496
Rules Committees.....	1,595	1,595	1,595
Court Administrator.....	11,577	11,577	11,577
(F)Court Improvement Project.....	1,130	1,130	1,130
(F)PA Weighted Caseload Project.....	17	17	0
(F)Smart Defense.....	320	0	0
(F)Adult Drug Court Outcome Evaluation.....	300	300	135
(F)Language Access Grant.....	0	0	50
(F)STOP Violence Against Women (EA).....	370	337	232
Integrated Criminal Justice System.....	2,372	2,372	2,372
(R)Judicial Computer System.....	51,747	57,048	57,048
Unified Judicial System Security.....	2,002	2,002	2,002
Subtotal.....	\$ 72,349	\$ 77,297	\$ 77,060
Superior Court:			
Superior Court.....	\$ 32,377	\$ 32,377	\$ 32,377
Judges Expenses.....	183	183	183
Subtotal.....	\$ 32,560	\$ 32,560	\$ 32,560
Commonwealth Court:			
Commonwealth Court.....	\$ 21,192	\$ 21,192	\$ 21,192
Judges Expenses.....	132	132	132
Subtotal.....	\$ 21,324	\$ 21,324	\$ 21,324
Courts of Common Pleas:			
Courts of Common Pleas.....	\$ 117,739	\$ 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.....	1,103	1,103	1,103
Subtotal.....	\$ 124,155	\$ 124,155	\$ 124,155
Magisterial District Judges:			
Magisterial District Judges.....	\$ 82,802	\$ 82,802	\$ 82,802
Magisterial District Judge Education.....	744	744	744
Subtotal.....	\$ 83,546	\$ 83,546	\$ 83,546
Philadelphia Courts:			
Municipal Court.....	\$ 7,794	\$ 7,794	\$ 7,794
Subtotal.....	\$ 7,794	\$ 7,794	\$ 7,794

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
Judicial Conduct:			
Judicial Conduct Board.....	\$ 2,182	\$ 2,182	\$ 2,182
Court of Judicial Discipline.....	468	468	468
Subtotal.....	<u>\$ 2,650</u>	<u>\$ 2,650</u>	<u>\$ 2,650</u>
Subtotal - State Funds.....	\$ 328,374	\$ 328,374	\$ 328,374
Subtotal - Federal Funds.....	2,137	1,784	1,547
Subtotal - Restricted Revenues.....	51,747	57,048	57,048
Total - General Government.....	<u>\$ 382,258</u>	<u>\$ 387,206</u>	<u>\$ 386,969</u>
Grants and Subsidies:			
Reimbursement of County Costs:			
Juror Cost Reimbursement.....	\$ 1,118	\$ 1,118	\$ 1,118
County Court Reimbursement.....	23,136	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>\$ 27,129</u>	<u>\$ 27,129</u>	<u>\$ 27,129</u>
Total - Grants and Subsidies.....	<u>\$ 27,129</u>	<u>\$ 27,129</u>	<u>\$ 27,129</u>
STATE FUNDS.....	\$ 355,503	\$ 355,503	\$ 355,503
FEDERAL FUNDS.....	2,137	1,784	1,547
RESTRICTED REVENUES.....	51,747	57,048	57,048
GENERAL FUND TOTAL.....	<u>\$ 409,387</u>	<u>\$ 414,335</u>	<u>\$ 414,098</u>

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
STATE JUDICIAL SYSTEM							
GENERAL FUND.....	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,137	1,784	1,547	1,547	1,547	1,547	1,547
OTHER FUNDS.....	51,747	57,048	57,048	57,048	57,048	57,048	57,048
SUBCATEGORY TOTAL.....	\$ 409,387	\$ 414,335	\$ 414,098	\$ 414,098	\$ 414,098	\$ 414,098	\$ 414,098
ALL PROGRAMS:							
GENERAL FUND.....	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,137	1,784	1,547	1,547	1,547	1,547	1,547
OTHER FUNDS.....	51,747	57,048	57,048	57,048	57,048	57,048	57,048
DEPARTMENT TOTAL.....	\$ 409,387	\$ 414,335	\$ 414,098	\$ 414,098	\$ 414,098	\$ 414,098	\$ 414,098

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 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 Municipal Court's Traffic Division, created by Act 17 of 2013 to assume the functions of the former Philadelphia Traffic Court (which was later abolished by constitutional amendment approved by the voters in May 2016), expired on December 31, 2017, with the conclusion of the term of the last remaining judge who had been elected to the Traffic Court and transferred by Act 17 of 2013 to the Municipal Court's Traffic Division.

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 eliminated 33 districts over recent years as a cost-cutting measure. By the end of the process in January 2018, the Supreme Court reduced the count of magisterial districts from 545 districts at the start of the process in January 2010 to 512 effective January 1, 2018, generating recurring savings estimated at \$5.4 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)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Supreme Court	\$ 17,150	\$ 17,150	\$ 17,150	\$ 17,150	\$ 17,150	\$ 17,150	\$ 17,150
Justice Expenses.....	118	118	118	118	118	118	118
Judicial Center Operations	814	814	814	814	814	814	814
Judicial Council.....	141	141	141	141	141	141	141
District Court Administrators.....	19,657	19,657	19,657	19,657	19,657	19,657	19,657
Interbranch Commission.....	350	350	350	350	350	350	350
Court Management Education.....	73	73	73	73	73	73	73
Office of Elder Justice in the Courts	496	496	496	496	496	496	496
Rules Committees	1,595	1,595	1,595	1,595	1,595	1,595	1,595
Court Administrator.....	11,577	11,577	11,577	11,577	11,577	11,577	11,577
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	32,377	32,377	32,377	32,377	32,377	32,377	32,377
Judges Expenses	183	183	183	183	183	183	183
Commonwealth Court.....	21,192	21,192	21,192	21,192	21,192	21,192	21,192
Judges Expenses	132	132	132	132	132	132	132
Courts of Common Pleas	117,739	117,739	117,739	117,739	117,739	117,739	117,739
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.....	1,103	1,103	1,103	1,103	1,103	1,103	1,103
Magisterial District Judges.....	82,802	82,802	82,802	82,802	82,802	82,802	82,802
Magisterial District Judge Education	744	744	744	744	744	744	744
Municipal Court.....	7,794	7,794	7,794	7,794	7,794	7,794	7,794
Judicial Conduct Board.....	2,182	2,182	2,182	2,182	2,182	2,182	2,182
Court of Judicial Discipline	468	468	468	468	468	468	468
Juror Cost Reimbursement.....	1,118	1,118	1,118	1,118	1,118	1,118	1,118
County Court Reimbursement.....	23,136	23,136	23,136	23,136	23,136	23,136	23,136
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
TOTAL GENERAL FUND	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503	\$ 355,503

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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. The office reviews and develops performance-based metrics and evaluates the efficiency of tax credit programs.

Government Support Agencies

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2016-17 ACTUAL	2017-18 AVAILABLE	2018-19 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Legislative Reference Bureau:			
Legislative Reference Bureau - Salaries and Expenses.....	\$ 9,011	\$ 9,011	\$ 9,011
Printing of PA Bulletin and PA Code.....	867	867	867
Subtotal.....	\$ 9,878	\$ 9,878	\$ 9,878
Miscellaneous and Commissions:			
Legislative Budget and Finance Committee.....	1,872	1,919	1,919
Legislative Data Processing Center.....	22,704	25,848	25,848
Joint State Government Commission.....	1,577	1,616	1,616
Local Government Commission.....	1,188	1,218	1,218
Local Government Codes.....	22	23	23
Joint Legislative Air and Water Pollution Control Committee.....	551	565	565
Legislative Audit Advisory Commission.....	264	271	271
Independent Regulatory Review Commission.....	1,998	2,048	2,048
Capitol Preservation Committee.....	766	785	785
Capitol Restoration.....	1,998	2,048	2,048
Commission on Sentencing.....	1,944	1,993	1,993
(F)JAG - Consolidated Project Grants (EA).....	1,280	1,280	0
Center for Rural Pennsylvania.....	1,046	1,072	1,072
Commonwealth Mail Processing Center.....	3,125	3,381	3,381
Legislative Reapportionment Commission.....	756	1,000	1,000
Independent Fiscal Office.....	2,076	2,226	2,226
Subtotal.....	\$ 43,167	\$ 47,293	\$ 46,013
Subtotal - State Funds.....	\$ 51,765	\$ 55,891	\$ 55,891
Subtotal - Federal Funds.....	1,280	1,280	0
Total - General Government.....	\$ 53,045	\$ 57,171	\$ 55,891
STATE FUNDS.....	\$ 51,765	\$ 55,891	\$ 55,891
FEDERAL FUNDS.....	1,280	1,280	0
GENERAL FUND TOTAL.....	\$ 53,045	\$ 57,171	\$ 55,891
OTHER FUNDS:			
JUSTICE REINVESTMENT FUND:			
Commission on Sentencing.....	\$ 359	\$ 0	\$ 0
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 51,765	\$ 55,891	\$ 55,891
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	1,280	1,280	0
AUGMENTATIONS.....	0	0	0
OTHER FUNDS.....	359	0	0
TOTAL ALL FUNDS.....	\$ 53,404	\$ 57,171	\$ 55,891

Program Funding Summary

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GOVERNMENT SUPPORT AGENCIES							
GENERAL FUND.....	\$ 51,765	\$ 55,891	\$ 55,891	\$ 55,891	\$ 55,891	\$ 55,891	\$ 55,891
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,280	1,280	0	0	0	0	0
OTHER FUNDS.....	359	0	0	400	400	400	400
SUBCATEGORY TOTAL.....	\$ 53,404	\$ 57,171	\$ 55,891	\$ 56,291	\$ 56,291	\$ 56,291	\$ 56,291
ALL PROGRAMS:							
GENERAL FUND.....	\$ 51,765	\$ 55,891	\$ 55,891	\$ 55,891	\$ 55,891	\$ 55,891	\$ 55,891
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,280	1,280	0	0	0	0	0
OTHER FUNDS.....	359	0	0	400	400	400	400
DEPARTMENT TOTAL.....	\$ 53,404	\$ 57,171	\$ 55,891	\$ 56,291	\$ 56,291	\$ 56,291	\$ 56,291

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)

All appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
GENERAL FUND:							
Government Support Agencies.....	\$ 51,765	\$ 55,891	\$ 55,891	\$ 55,891	\$ 55,891	\$ 55,891	\$ 55,891

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Commonwealth of Pennsylvania

Governor's Executive Budget

CAPITAL BUDGET

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Program Summary

This section presents the 2018-19 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.

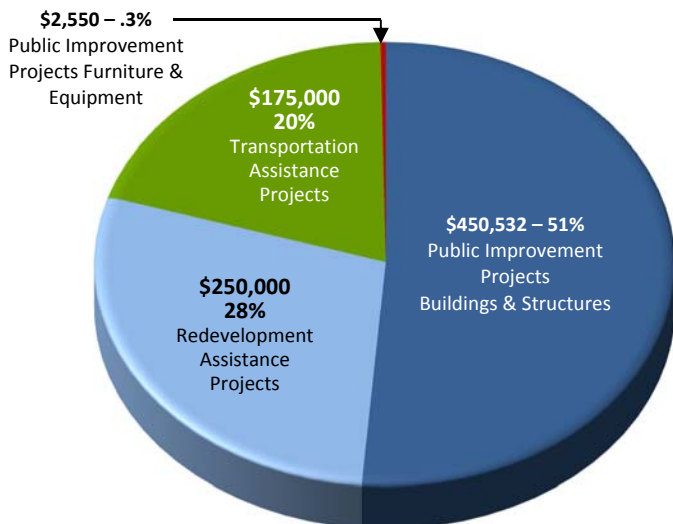
Redevelopment Assistance Projects — this category provides grants for the acquisition of land and the construction of buildings and other property appurtenances for municipal agencies and authorities for economic development and the prevention and elimination of blight.

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.

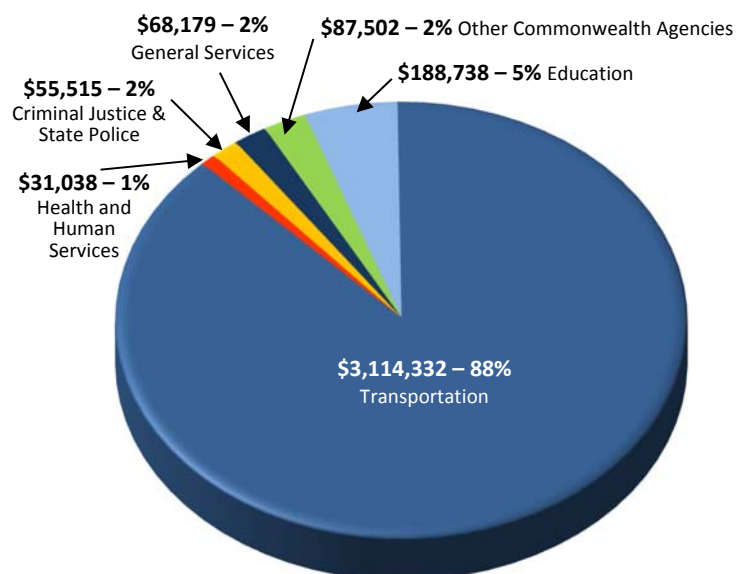
Highway Projects — this category includes the design, purchase of rights-of-way, construction, reconstruction and other improvements to highways and bridges on the state highway system. These projects are designed and constructed by the Department of Transportation.

**2018-19 Estimated Capital Expenditures
Capital Facilities Bond Fund**

(Dollar Amounts in Thousands)



Recommended 2018-19 New Project Authorizations
(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 \$2.9 billion in 2018-19 new project authorizations (all highway projects) is financed by current revenues.

The Capital Budget section consists of the following three subsections.

2018-19 New Project Authorizations — this section itemizes and describes the new capital projects recommended for authorization in 2018-19 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 2019-20 through 2022-23. 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 2018-19 and projects which will be authorized in the future (through 2022-23).

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>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>
GENERAL OBLIGATION BOND FUNDING					
Revenues					
Capital Facilities Bonds:					
Public Improvement Projects - Buildings and Structures..	\$ 650,000	\$ 650,000	\$ 650,000	\$ 650,000	\$ 650,000
Public Improvement Projects - Furniture and Equipment.	10,000	10,000	10,000	10,000	10,000
Redevelopment Assistance Projects.....	175,000	175,000	175,000	175,000	175,000
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.....	-2,500	-2,500	-2,500	-2,500	-2,500
Miscellaneous Revenue.....	5,615	5,615	5,615	5,615	5,615
Change in Available Cash.....	-135,033	-161,534	-110,182	-112,635	-141,778
Total.....	<u>\$ 878,082</u>	<u>\$ 851,581</u>	<u>\$ 902,933</u>	<u>\$ 900,480</u>	<u>\$ 871,337</u>
Expenditures					
Capital Facilities Fund:					
Public Improvement Projects - Buildings and Structures..	\$ 450,532	\$ 424,281	\$ 475,933	\$ 473,480	\$ 446,337
Public Improvement Projects - Furniture and Equipment.	2,550	0	0	0	0
Redevelopment Assistance Projects.....	250,000	250,000	250,000	250,000	250,000
Flood Control Projects.....	0	2,300	2,000	2,000	0
Transportation Assistance Projects.....	175,000	175,000	175,000	175,000	175,000
Total - General Obligation Bonds.....	<u>\$ 878,082</u>	<u>\$ 851,581</u>	<u>\$ 902,933</u>	<u>\$ 900,480</u>	<u>\$ 871,337</u>
FROM CURRENT REVENUES					
Public Improvement Projects - Fish and Boat Fund.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Acquisition, Improvement and Restoration Projects - Keystone Recreation, Park and Conservation Fund.....	31,310	30,000	30,000	30,000	30,000
Acquisition, Rehabilitation and Development Projects Environmental Stewardship Fund.....	3,225	3,000	3,000	3,000	3,000
Highway Projects - Motor License Fund.....	2,918,004	2,957,100	2,961,400	2,975,700	3,021,800
Total Current Revenues.....	<u>\$ 2,952,539</u>	<u>\$ 2,990,100</u>	<u>\$ 2,994,400</u>	<u>\$ 3,008,700</u>	<u>\$ 3,054,800</u>
TOTAL - ALL FUNDS	<u>\$ 3,830,621</u>	<u>\$ 3,841,681</u>	<u>\$ 3,897,333</u>	<u>\$ 3,909,180</u>	<u>\$ 3,926,137</u>

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)

	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Agriculture.....	\$ 14,823	\$ 5,302	\$ 33,142	\$ 33,944	\$ 25,890	\$ 113,101
Conservation and Natural Resources.....	60,294	48,641	63,695	61,369	61,752	295,751
Criminal Justice.....	28,595	31,680	28,417	29,679	22,527	140,898
Education.....	188,738	162,537	147,390	173,924	175,710	848,299
Environmental Protection.....	10,175	18,788	27,456	23,195	18,350	97,964
General Services.....	68,179	37,900	37,838	16,151	24,635	184,703
Health and Human Services.....	31,038	50,276	47,621	49,686	49,791	228,412
Historical and Museum Commission.....	16,057	22,875	23,171	22,419	22,693	107,215
Military and Veterans Affairs.....	20,688	37,139	37,178	33,829	34,528	163,362
State Police.....	26,920	12,031	22,045	21,557	20,768	103,321
Transportation.....	3,114,332	3,160,941	3,176,985	3,191,391	3,219,493	15,863,142
TOTAL.....	\$ 3,579,839	\$ 3,588,110	\$ 3,644,938	\$ 3,657,144	\$ 3,676,137	\$ 18,146,168

RECOMMENDED 2018-19 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.....	\$ 14,823	\$ 0	\$ 0	\$ 0
Conservation and Natural Resources.....	23,209	2,550	0	0
Criminal Justice.....	28,595	0	0	0
Education.....	188,738	0	0	0
Environmental Protection.....	10,175	0	0	0
General Services.....	68,179	0	0	0
Health and Human Services.....	31,038	0	0	0
Historical and Museum Commission.....	16,057	0	0	0
Military and Veterans Affairs.....	20,688	0	0	0
State Police.....	26,920	0	0	0
Transportation.....	21,328	0	175,000	0
TOTAL.....	\$ 449,750	\$ 2,550	\$ 175,000	\$ 0

	Current Revenues		All Funds
	Highway Projects	Public Improvement Projects	
Agriculture.....	\$ 0	\$ 0	\$ 14,823
Conservation and Natural Resources.....	0	49,335	75,094
Criminal Justice.....	0	0	28,595
Education.....	0	0	188,738
Environmental Protection.....	0	0	10,175
General Services.....	0	0	68,179
Health and Human Services.....	0	0	31,038
Historical and Museum Commission.....	0	0	16,057
Military and Veterans Affairs.....	0	0	20,688
State Police.....	0	0	26,920
Transportation.....	2,918,004	0	3,114,332
TOTAL.....	\$ 2,918,004	\$ 49,335	\$ 3,594,639

DEPARTMENT OF AGRICULTURE

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
2018-19 PUBLIC IMPROVEMENT PROJECTS	
Protection and Development of Agricultural Industries.....	\$ 14,823
TOTAL.....	<u>\$ 14,823</u>
SOURCE OF FUNDS	
General Obligation Bond Issues	
Capital Facilities Fund - Buildings and Structures.....	\$ 14,823
TOTAL.....	<u>\$ 14,823</u>

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Total Project Cost
	<u> </u>
2018-19 PUBLIC IMPROVEMENT PROJECTS	
Parks and Forest Management.....	\$ 25,759
TOTAL.....	<u>\$ 25,759</u>
SOURCE OF FUNDS	
General Obligation Bond Issues	
Capital Facilities Fund - Buildings and Structures.....	\$ 23,209
Capital Facilities Fund - Furniture and Equipment.....	<u>2,550</u>
Subtotal General Obligation Bond Issues.....	<u>\$ 25,759</u>
Current Revenues	
Keystone Recreation, Park and Conservation Fund - Improvements and Rehabilitation.....	\$ 31,310
Growing Greener 'Environmental Stewardship Fund - Acquisition, Improvements and Rehabilitation.....	3,225
State Forestry Bridge - Parks and Forest Management.....	8,135
Dirt and Gravel Funds - Acquisition, Improvements and Rehabilitation.....	<u>6,665</u>
Subtotal Current Revenues.....	<u>\$ 49,335</u>
TOTAL.....	<u><u>\$ 75,094</u></u>

Department of Conservation and Natural Resources 2018-19 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)

	<u>Total Project Cost</u>	
<u>BEDFORD COUNTY</u>		
Buchanan State Forest	\$ 561	
CONSTRUCTION: New maintenance headquarters.		
<u>BUCKS COUNTY</u>		
Washington Crossing Historic Park	516	
CONSTRUCTION: Upgrades to park.		
Delaware Canal State Park	843	
DESIGN & CONSTRUCTION: Replacement of bridges along the Delaware Canal.		
<u>CARBON COUNTY</u>		
Hickory Run State Park	240	
CONSTRUCTION & PROJECT CLOSE-OUT: New visitors center with administration facilities and comfort station and demolition of the old center.		
Lehigh Gorge State Park	3,572	
CONSTRUCTION: Rehabilitate White Haven public access area to include trail improvements, parking, comfort station and boat launch.		
<u>CENTER COUNTY</u>		
Penn Nursery and Wood Shop	2,906	
CONSTRUCTION: Replace maintenance shop.		
<u>CLARION COUNTY</u>		
Cook Forest State Park	45	
CONSTRUCTION & PROJECT CLOSE-OUT: Replace office/visitor's center.		
<u>ERIE COUNTY</u>		
Presque Isle State Park	1,500	
CONSTRUCTION: Beach nourishment.		
<u>FRANKLIN COUNTY</u>		
Caledonia State Park	1,176	
CONSTRUCTION: Rehabilitate campground restrooms & shower houses with modern facilities.		
Tuscarora State Forest	1,445	
CONSTRUCTION: Permanent breach at Gunter Valley dam.		
<u>GREEN COUNTY</u>		
Ryerson Station State Park	1,470	
CONSTRUCTION: Campground wash house.		
CONSTRUCTION: Improvements to Ryerson Station State Park.		1,215
DESIGN: Rehabilitate dam.		180
<u>LYCOMING COUNTY</u>		
Forest District 12	90	
DESIGN: Demolition of old building and construct public restrooms and contact station on Pine Creek rail trail.		
Tiadaghton & Tioga State Forest	965	
CONSTRUCTION: Pine Creek trail offices.		

Department of Conservation and Natural Resources 2018-19 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)

	<u>Total Project Cost</u>
<u>MONROE COUNTY</u>	
Tobychanna State Park	\$ 557
DESIGN: Rehabilitate Tobychanna No. 2 dam.	
<u>NORTHUMBERLAND COUNTY</u>	
Shikellamy State Park	709
DESIGN: Fish passageway.	
<u>PHILADELPHIA COUNTY</u>	
Benjamin Rush State Park	191
DESIGN: Park development.	
<u>PIKE COUNTY</u>	
Delaware State Forest	
CONSTRUCTION; Rehabilitate Pecks Pond dam.	1,844
DESIGN: Construct new resource center with storage.	1,552
<u>POTTER COUNTY</u>	
Denton Hill State Park	1,469
DESIGN: Rehabilitate Ski area and improvements to recreational areas.	
<u>VENANGO COUNTY</u>	
Oil Creek State Park	163
DESIGN: Infrastructure construction and other costs related to a three mile trail extension.	
 PROGRAM TOTAL.....	 <u>\$ 23,209</u>

Department of Conservation and Natural Resources 2018-19 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS (ORIGINAL FURNITURE FIXTURES & EQUIPMENT)

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>
<u>ADAMS COUNTY</u>	
Michaux State Forest	\$ 350
ORIGINAL FURNITURE FIXTURES & EQUIPMENT: This project will provide for the furniture and equipping of the New Resource Management Center.	
<u>CAMBRIA COUNTY</u>	
Gallitzin State Forest	300
ORIGINAL FURNITURE FIXTURES & EQUIPMENT: This project will provide for the furniture and equipping of the Babcock Headquarters.	
<u>CLEARFIELD COUNTY</u>	
Moshannon State Forest	150
ORIGINAL FURNITURE FIXTURES & EQUIPMENT: This project will provide for the furniture and equipping of the Dauge Mechanics Shop and Fire Equipment storage.	
<u>CLINTON COUNTY</u>	
Sproul State Forest	150
REHABILITATE WORKSHOP: This project will provide for the rehabilitation of Hyner Workshop including infrastructure.	
Sproul State Forest	150
REHABILITATE MAINTENANCE SHOP: This project will provide for the rehabilitation of Snow Show Forest Maintenance Headquarters.	
<u>DAUPHIN COUNTY</u>	
Weiser State Forest	150
ORIGINAL FURNITURE FIXTURES & EQUIPMENT: This project will provide for the furniture and equipping of the Haldeman Maintenance Headquarters.	
<u>ELK COUNTY</u>	
Elk State Forest	150
ORIGINAL FURNITURE FIXTURES & EQUIPMENT: This project will provide for the furniture and equipping of the Brooks Run Headquarters.	
Elk State Forest	150
ORIGINAL FURNITURE FIXTURES & EQUIPMENT: This project will provide for the furniture and equipping of the Hicks Run Headquarters.	
<u>JUNIATA COUNTY</u>	
Tuscarora State Forest	150
CONSTRUCT HEADQUARTERS: This project will provide for the furniture and equipping of the East Licking Creek Forest Maintenance Headquarters Building.	
<u>LACKAWANNA COUNTY</u>	
Pinchot State Forest	350
CONSTRUCT HEADQUARTERS: This project will provide for the furniture and equipping of the Forestry and Fire Headquarters Building.	

Department of Conservation and Natural Resources 2018-19 Projects

PUBLIC IMPROVEMENT PROJECTS (continued)

FROM CAPITAL FACILITIES BOND FUNDS (ORIGINAL FURNITURE FIXTURES & EQUIPMENT)

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>
 <u>LUZERNE COUNTY</u>	
Divison of Forest Fire Protection	\$ 150
CONSTRUCT HEADQUARTERS: This project will provide for the furniture and equiping of the Hazelton Air Operations.	
 <u>WARREN COUNTY</u>	
Cornplanter State Forest	350
CONSTRUCT HEADQUARTERS: This project will provide for the furniture and equiping of the New Resource Management Center.	
 PROGRAM TOTAL.....	 <u>\$ 2,550</u>

Department of Conservation and Natural Resources 2018-19 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)

	<u>Total Project Cost</u>
<u>BEDFORD COUNTY</u>	
Blue Knob State Park REPLACE WATERLINES: Phase 1.	\$ 200
Shawnee State Park REHABILITATE SEWAGE TREATMENT PLANT: Repairs to Sewage Treatment Plant.	400
<u>BERKS COUNTY</u>	
Nolde Forest Environmental Education Center REHABILITATE SITE: Rehabilitate McConnell Hall.	100
<u>BRADFORD COUNTY</u>	
Mount Pisgah State Park REHABILITATE SEWAGE TREATMENT PLANT: Replace Sewage Treatment Plant with On-Lot Systems.	200
<u>BUCKS COUNTY</u>	
Delaware Canal State Park REPLACE AQUEDUCT: Replace Lumberville Aqueduct.	1,000
Delaware Canal State Park REPAIR AQUEDUCT: Repairs to Tinicum Aqueduct.	350
Delaware Canal State Park REHABILITATE: Augmentation for Replacement of Abutment and Support of Fry's Run (Keinhans) Aqueduct.	250
Neshaminy State Park REPLACEMENT: Replacement of Parkside Lift Station.	200
Tyler State Park REHABILITATE: Rehabilitate Lift Station.	165
Washington Crossing Historic Park REPLACE ROOF: Roof Replacement for Wildflower Preserve Building.	100
Washington Crossing Historic Park REHABILITATE: Rehabilitation of Bowman's Hill Elevator.	125
<u>CENTRE COUNTY</u>	
Bald Eagle State Park AUGMENTATION: Augmentation for Completion of Camping Cottage Loop.	1,000
Bald Eagle State Park REPAIR: Repair Sewage Collection Infiltration System.	200
Bald Eagle State Park REHABILITATE: Rehabilitate Rustic Campground Access Road and Loop Road.	500
Bald Eagle State Park REPLACEMENT: Replace Marina and Courtesy Docks.	2,000

Department of Conservation and Natural Resources 2018-19 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>
<u>CENTRE COUNTY (continued)</u>	
Bald Eagle State Park	\$ 1,500
REPLACEMENT: Replace/Modernize Bathhouse and Food Concession in Main Day Use Area.	
Black Moshannon State Park	250
REHABILITATE: Rehabilitate Retaining Wall and Boat Concessions Access Area.	
Poe Valley State Park	500
REPLACE STRUCTURE: Replace Bridge/Increase Width/Parking on Lower Main Park Road.	
<u>CLARION COUNTY</u>	
Cook Forest State Park	450
REPLACE BRIDGES: Replace Pedestrian Bridges and Realign Trails.	
<u>CLEARFIELD COUNTY</u>	
Moshannon State Forest	4,000
REPAIRS: Repairs to Shaggers Inn Waterfowl Dam.	
<u>CLINTON COUNTY</u>	
Ravensburg State Park	300
REPLACE STRUCTURE: Main Entrance Bridge.	
<u>COLUMBIA COUNTY</u>	
Weiser State Forest	500
CONSTRUCT: Construct South Branch Trail Bridge over South Branch Roaring Creek.	
<u>CUMBERLAND COUNTY</u>	
Pine Grove Furnace State Park	1,000
REHABILITATE HOSTEL: Phase 1.	
<u>JEFFERSON COUNTY</u>	
Clear Creek State Park	300
REPLACE BRIDGES: Replace Five Pedestrian Bridges.	
<u>LUZERNE COUNTY</u>	
Forestry Central office	4,000
CONSTRUCT: Construct New Fire Operations and Tanker Base.	
<u>MCKEAN COUNTY</u>	
Kinzua Bridge State Park	6,000
REHABILITATE: Paint Bridge Structure.	
Kinzua Bridge State Park	500
REPAIR: Repair Bridge Structure.	
<u>MIFFLIN COUNTY</u>	
Reeds Gap State Park	300
STRUCTURE REPLACEMENT: Replace Bridge.	

Department of Conservation and Natural Resources 2018-19 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>
<u>MONROE COUNTY</u>	
Delaware Canal State Forest	\$ 100
CONSTRUCT: Resource Management Center Interpretive Elements.	
Delaware Canal State Forest	300
FURNISH: Resource Management Center Furniture.	
<u>PIKE COUNTY</u>	
Delaware State Forest	220
CONSTRUCT BOX CULVERT: Lost Camp Trail over Unnamed Tributary to Bushkill Creek.	
<u>POTTER COUNTY</u>	
Lyman RunState Park	500
CONSTRUCTION: Construct Park Office Addition.	
Cherry Springs State Park	1,500
REHABILITATE: Astronomy Programming Area.	
Cherry Springs State Park	100
CONSTRUCTION: Construct Access Road.	
<u>SOMERSET COUNTY</u>	
Kooser State Park	350
DREDGING: Dredge Kooser Lake.	
<u>SULLIVAN COUNTY</u>	
Worlds End State Park	400
REPLACEMENT: Replacement of Beach Dam Gate.	
Worlds End State Park	400
REPLACEMENT: Beach Dam Gate Replacement.	
<u>UNION COUNTY</u>	
R.B.Winter State Park	300
STRUCTURE REPLACEMENT: Beach Access Bridge.	
<u>WARREN COUNTY</u>	
Chapman State Park	750
REHABILITATE: Rehabilitate Park Office.	
PROGRAM TOTAL.....	\$ 31,310

Department of Conservation and Natural Resources 2018-19 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)

	Total Project Cost
<u>BUTLER COUNTY</u>	
Moraine State Park	\$ 350
CONSTRUCTION: Construct Solar Array at Sewage Treatment Plant.	
<u>CENTRE COUNTY</u>	
Bald Eagle State Forest	250
CONSTRUCT: Construct Solar Array and Backup Generator at Resource Management Center.	
<u>FAYETTE COUNTY</u>	
Ohiopyle State Park	300
CONSTRUCT: Construct Solar Array and Backup Generator at Resource Management Center.	
<u>LACKAWANNA COUNTY</u>	
Pinchot State Forest	300
CONSTRUCT: Construct Latrines, Moon Lake.	
<u>LUZERNE COUNTY</u>	
Ricketts Glen State Park	300
CONSTRUCT: Construct Full Service Campsites.	
<u>MONTGOMERY COUNTY</u>	
Fort Washington State Park	125
INSTALLATION: 25K Solar Array Installation.	
<u>SOMERSET COUNTY</u>	
Laurel Hill State Park	300
CONSTRUCT: Construct Solar Array at Penn Scenic View.	
<u>VARIOUS STATE PARKS</u>	
CONSTRUCT: Construct Full Service Campsites.	1,000
<u>YORK COUNTY</u>	
Codorus State Park	300
CONSTRUCT: Construct Full Service Campsites.	
 PROGRAM TOTAL.....	\$ 3,225

Department of Conservation and Natural Resources 2018-19 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)

	Total Project Cost
<u>ADAMS COUNTY</u>	
Michaux State Forest	\$ 200
REPLACE BRIDGE: Structure Replacement; Bridge No. 01-0025, Birch Run Road over Birch Run.	
Michaux State Forest	200
REPLACE BRIDGE: Structure Replacement; Bridge No. 01-0028 Ridge Road over Cold Spring Run.	
Michaux State Forest	200
REPLACE BRIDGE: Structure Replacement; Bridge No.01-0027 and Bridge No. 01-0028, Lindsay Lot Road over Griers HollowRoad.	
Michaux State Forest	200
REPLACE BRIDGE: Structure Replacement; Bridge No. 01-0026, Milesburn Road over Burd Run.	
<u>CAMBRIA COUNTY</u>	
Gallitizin State Forest	450
REPLACE BRIDGE: Structure Replacement; Bridge A No.06-0006 & Bridge B No. 06-007, Strip Mine Road over Paint Creek.	
<u>CAMERON COUNTY</u>	
Elk State Forest	300
REPLACE STRUCTURE: Hicks Run Road over East Hicks Run.	
<u>CENTRE COUNTY</u>	
Bald Eagle State Forest	350
REPLACE STRUCTURE: Bridge No. 07-0061, Winter Road over Cherry Run.	
Bald Eagle State Forest	200
REPLACE STRUCTURE: Bridge No. 07-9077, West Enola Road over White Deer Creek.	
Bald Eagle State Forest	180
REPLACE STRUCTURE: Bridge No. 07-0036, Stony Run Road over Stony Run.	
<u>CLEARFIELD COUNTY</u>	
Moshannon State Forest	200
REPLACE STRUCTURE: Dubec Road over Tributary to Moose Creek.	
Moshannon State Forest	200
REPLACE STRUCTURE: Kelly Cellar Road over White Deer Creek.	
<u>CLINTON COUNTY</u>	
Sproul State Forest	250
REPLACE STRUCTURE: Right Branch Hyner Road over Right Branch Hyner.	
<u>FULTON COUNTY</u>	
Buchanan State Forest	200
REPLACE STRUCTURE: Bridge No. 02-0007, Bear Gap Trail Road over Bear Gap Run.	

Department of Conservation and Natural Resources 2018-19 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>
<u>HUNTINGDON COUNTY</u>	
Rothrock State Forest	\$ 300
REPLACE STRUCTURE: Cryole Run.	
Rothrock State Forest	180
REPLACE STRUCTURE: Bridge No. 05-0006, Bear Meadows Road over Galbraith Gap Run.	
Rothrock State Forest	300
REPLACE STRUCTURE: Bridge No. 05-0004, Bear Meadows Road over Sinking Creek.	
<u>LACKAWANNA COUNTY</u>	
Pinchot State Forest	220
REPLACE STRUCTURE: Marina Drive over Unnamed Tributary to Hunlock Creek.	
Pinchot State Forest	600
REPLACE BRIDGE: Bear Creek Boulevard over Laurel Run.	
Pinchot State Forest	220
INSTALL CULVERT: Construct Box Culvert; Marina Drive over Unnamed Tributary to Hulock Creek.	
<u>LYCOMING COUNTY</u>	
Tiadaghton State Forest	300
STRUCTURE REPLACEMENT: This project will replace a structure at Browns Run Road over Browns Run.	
<u>MONROE COUNTY</u>	
Delaware State Forest	220
REPLACE STRUCTURE: Lost Camp Trail over Unnamed Tributary to Bushkill Creek.	
<u>PERRY COUNTY</u>	
Tuscarora State Forest	190
REPLACE STRUCTURE: Bridge No. 03-0041; Narrow Gauge Road over Horse Valley Run.	
Tuscarora State Forest	200
REPLACE STRUCTURE: Bridge No. 03-0040, Bower Mountain Road over Chestnut Run.	
Tuscarora State Forest	200
REPLACE STRUCTURE: Bridge No. 03-0039, Montgomery Trail over Trout Run.	
Tuscarora State Forest	225
REPLACE STRUCTURE: Bridge No. 03-0044, Cowpens Road over South Branch Lauren Run.	
Tuscarora State Forest	200
REPLACE STRUCTURE: Bridge A No. 03-0029, Headwater Haul Road over Blacklog Creek & Bridge B No. 03-0042, Pine Ridge Road over Tributary to Spruce Run.	
<u>POTTER COUNTY</u>	
Susquehannock State Forest	250
REPLACE STRUCTURE: Windfall Road over Slip Hollow.	
Susquehannock State Forest	200
REPLACE STRUCTURE: Red Ridge Road over Windfall Run.	
<u>SULLIVAN COUNTY</u>	
Loyalsock State Forest	300
REPLACE STRUCTURE: Cascade Road.	

Department of Conservation and Natural Resources 2018-19 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)

	Total Project Cost
<u>TIOGA COUNTY</u>	
Tioga State Forest	\$ 250
REPLACE STRUCTURE: Bear Run Trail over Carpenter Run.	
<u>WESTMORELAND COUNTY</u>	
Forbes State Forest	650
INSTALL CULVERT: Construct New Box Culvert 5104-0019; Glade Road over Blue Hole Creek and Two Box Culverts; Glade Road over Untitled Tributary to Blue Hole Creek.	
PROGRAM TOTAL.....	\$ 8,135

Department of Conservation and Natural Resources 2018-19 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)

	Total Project Cost
<u>BEDFORD COUNTY</u>	
Blue Knob State Park	\$ 425
REHABILITATE ROAD: Rehabilitate Main Park Road Extension.	
Blue Knob State Park	700
REHABILITATE ROAD: Rehabilitate Main Park Road.	
<u>CARBON COUNTY</u>	
Hickory Run State Park	910
PAVE ROAD: Repair and Repave Sand spring Road,Campground Road, and Road to Main Day Use Area.	
<u>CENTRE COUNTY</u>	
Bald Eagle State Park	500
REHABILITATE ROAD: Rehabilitate Rustic Campground Access Road and Loop Road.	
<u>CHESTER COUNTY</u>	
Marsh Creek State Park	500
PAVE ROAD: Pave All Existing Roads, Phase 1.	
<u>CRAWFORD COUNTY</u>	
Pymatuning State Park	530
REHABILITATE ROAD: Resurface Roadways; Jamestown Area, Phase 2.	
<u>ERIE COUNTY</u>	
Erie Bluffs State Park	800
REHABILITATE ROAD: Complete Rehabilitation of Elk Creek Access Road.	
<u>LACKAWANNA COUNTY</u>	
Pinchot State Forest	300
ROAD RECLAMATION: Reclaim Asphalt Roads - Moon Lake.	
<u>MONROE COUNTY</u>	
Big Pocono State Park	200
ROAD RECLAMATION: Rehabilitate Park/Forestry Access Road.	
<u>PERRY COUNTY</u>	
Little Buffalo State Park	300
PAVE ROAD: East Area Paving.	
<u>SOMERSET COUNTY</u>	
Laurel Hill State Park	800
REHABILITATE ROAD: Seal Coat Main Park Road and Campground Roads.	
<u>TIOGA COUNTY</u>	
Hills Creek State Park	200
PAVE ROAD: Pave Main Park Road from Office to Campground.	
Hills Creek State Park	150
PAVE ROAD: Pave Modern Cabin/Maintenance Access Road.	
<u>WARREN COUNTY</u>	
Chapman State Park	350
PAVE ROADS: Pave Park Roads.	
PROGRAM TOTAL.....	<u>\$ 6,665</u>

DEPARTMENT OF CRIMINAL JUSTICE

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Total Project Cost
	<hr/>
2018-19 PUBLIC IMPROVEMENT PROJECTS	
Institutionalization of Offenders.....	\$ 28,595
TOTAL.....	<hr/> <u>\$ 28,595</u>
 SOURCE OF FUNDS	
General Obligation Bond Issues	
Capital Facilities Fund - Buildings and Structures.....	\$ 28,595
Capital Facilities Fund - Furniture and Equipment.....	<hr/> 0
Subtotal General Obligation Bond Issues.....	<hr/> 28,595
Other Revenues	
Buildings and Structures.....	\$ 0
TOTAL.....	<hr/> <u>\$ 28,595</u>

Department of Criminal Justice 2018-19 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>
<u>ALLEGHENY COUNTY</u>	
State Correctional Institution at Pittsburgh	\$ 20
RENOVATE INSTITUTION: Design of the reconstruction and stabilization of the perimeter wall.	
State Correctional Institution at Rockview	
RENOVATE INSTITUTION: Complete construction and project close-out of additions & alterations to housing.	566
RENOVATE INSTITUTION: Complete construction and project close-out of the water softening system for the reservoir.	281
RENOVATE INSTITUTION: Upgrades to reservoir to met dam safety regulations construction.	1,856
RENOVATE INSTITUTION: Design of additional fencing and/or replacement of fencing.	96
RENOVATE INSTITUTION: Design for the expansion of parking and repavement of roads and parking lots.	14
<u>CLEARFIELD COUNTY</u>	
Quehanna Motivational Boot Camp	816
RENOVATE INSTITUTION: Complete construction and project close-out of roof replacement.	
<u>CRAWFORD COUNTY</u>	
State Correctional Institution at Cambridge Springs	31
RENOVATE INSTITUTION: Design for the installation of perimeter lighting.	
<u>DELAWARE COUNTY</u>	
State Correctional Institution at Chester	2,402
RENOVATE INSTITUTION: Replacement of roofs on various buildings construction.	
<u>ERIE COUNTY</u>	
State Correctional Institution at Albion	224
RENOVATE INSTITUTION: Complete construction and project close-out for the replacement of roofs on various buildings.	
<u>FOREST COUNTY</u>	
State Correctional Institution at Forest	
RENOVATE INSTITUTION: Complete construction and project close-out for the repair and/or replacement of the HTHW piping distribution system.	612
RENOVATE INSTITUTION: Perimeter security system replacement construction.	1,201
RENOVATE INSTITUTION: Design of upgrades and/or replacement of the institution's intercom system.	14
<u>GREENE COUNTY</u>	
State Correctional Institution at Greene	126
RENOVATE INSTITUTION: Design of the replacement of the perimeter intrusion system.	
<u>LANCASTER COUNTY</u>	
Elizabethtown Training Academy	16
RENOVATE INSTITUTION: Design of boiler plant renovations.	
<u>LUZERNE COUNTY</u>	
State Correctional Institution at Retreat	850
RENOVATE INSTITUTION: Complete construction and project close-out for the replacement of buried perimeter intrusion system.	

Department of Criminal Justice 2018-19 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)

	<u>Total Project Cost</u>
<u>MERCER COUNTY</u>	
State Correctional Institution at Mercer	
RENOVATE INSTITUTION: Complete construction and project close-out for the expansion of the kitchen.	\$ 990
RENOVATE INSTITUTION: Complete construction and project close-out for the replacement of the perimeter intrusion system around the entire perimeter of the institution.	357
RENOVATE INSTITUTION: Design of the replacement of rubber roofing on all housing units.	15
<u>MONTGOMERY COUNTY</u>	
State Correctional Institution at Phoenix	
RENOVATE INSTITUTION: Complete construction and project close-out for a gas line.	51
<u>NORTHUMBERLAND COUNTY</u>	
State Correctional Institution at Coal	
RENOVATE INSTITUTION: Water loop replacement construction.	616
RENOVATE INSTITUTION: Rubber roofing replacement on inmate housing construction.	2,940
<u>SCHUYLKILL COUNTY</u>	
State Correctional Institution at Frackville	
RENOVATE INSTITUTION: Complete construction and project close-out for the replacement of door control systems.	800
State Correctional Institution at Mahanoy	
RENOVATE INSTITUTION: Complete construction and project close-out for improvements to the intrusion detection system.	189
RENOVATE INSTITUTION: Face block & infrastructure repairs on housing units construction.	10,488
RENOVATE INSTITUTION: Complete construction and project close-out for rubber roofing and metal roofing replacement on inmate housing units.	1,205
RENOVATE INSTITUTION: Design the replacement of the alarm system.	17
RENOVATE INSTITUTION: Design for the expansion of parking and repavement of roads and parking lots.	16
<u>SOMERSET COUNTY</u>	
State Correctional Institution at Laurel Highlands	
RENOVATE INSTITUTION: Complete construction and project close-out for the replacement of door control systems.	831
State Correctional Institution at Somerset	
RENOVATE INSTITUTION: Complete construction and project close-out for the replacement of door control systems.	831
RENOVATE INSTITUTION: Design of renovations to the distribution switchgear.	60
<u>WAYNE COUNTY</u>	
State Correctional Institution at Waymart	
RENOVATE INSTITUTION: Design of boiler plant renovations.	64
 PROGRAM TOTAL.....	 <u>\$ 28,595</u>

DEPARTMENT OF EDUCATION

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
2017-18 PUBLIC IMPROVEMENT PROJECTS	
Higher Education - State-Related Universities.....	\$ 94,703
Higher Education - State System of Higher Education.....	94,035
Educational Support Services.....	0
TOTAL.....	<u>\$ 188,738</u>
SOURCE OF FUNDS	
General Obligation Bond Issues	
Capital Facilities Fund - Buildings and Structures.....	\$ 188,738
Capital Facilities Fund - Furniture and Equipment.....	0
Subtotal General Obligation Bond Issues.....	188,738
TOTAL.....	<u>\$ 188,738</u>

Department of Education 2018-19 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)

	<u>Total Project Cost</u>
<u>ALLEGHENY COUNTY</u>	
University of Pittsburgh	
CONSTRUCTION FUNDING: Provide funding for project 1103-67 Phase 2, Renovation of Hillman Library.	\$ 3,999
CONSTRUCTION FUNDING: Provide funding for project 1103-74 Phase 2, Renovations to Chevron Science Center.	1,110
DESIGN FUNDING: Provide funding for project 1103-77 Phase 2, Clapp, Langley & Crawford Complex Renovations.	2,800
CONSTRUCTION FUNDING: Provide funding for project 1103-385 Phase 2, Salk Hall Addition.	7,441
CONSTRUCTION FUNDING: Provide funding for project 1103-65 Phase 4, Cathedral of Learning.	4,100
<u>CENTRE COUNTY</u>	
Pennsylvania State University	
CONSTRUCTION FUNDING: Provide funding for project 800-301, Recital Hall and Music Renovation - University Park.	507
CONSTRUCTION AND PROJECT CLOSE-OUT FUNDING: Provide funding for completion of project 800-300, Chilled Water Expansion - University Park.	5,297
DESIGN AND CONSTRUCTION FUNDING: Provide funding for College of Engineering Research and Instructional	13,007
DESIGN FUNDING: Provide funding for Construction of Physics Building.	10,000
<u>CHESTER COUNTY</u>	
Lincoln University	
CONSTRUCTION FUNDING: Provide funding for project 1101-48 Phase 1, Renovate John Miller Dickey Hall.	533
DESIGN FUNDING: Provide funding for project 1101-50 Phase 1, Renovate and Expand Azikiwe-Nkrumah Hall.	375
DESIGN AND CONSTRUCTION FUNDING: Provide funding for project 1101-51 Phase 1, Renovate and Expand Amos Hall for Information Technology and Museum.	1,300
DESIGN FUNDING: Provide funding for renovation to Vail Hall.	7,792
<u>LANCASTER COUNTY</u>	
Thaddeus Stevens College of Technology	
CONSTRUCTION AND PROJECT CLOSE-OUT FUNDING: Provide funding for project 417-44 Phase 1, Technology Center.	4,773
DESIGN FUNDING: Provide funding for Upgrades to Electrical System.	400
DESIGN FUNDING: Provide funding for a Community Learning Center.	200
<u>MONTGOMERY COUNTY</u>	
Pennsylvania State University	
DESIGN AND CONSTRUCTION FUNDING: Provide funding for project 800-302, Academic Building - Abington Campus.	11,069
<u>PHILADELPHIA COUNTY</u>	
Temple University	
CONSTRUCTION FUNDING: Provide funding for project 1104-68 Phase 1, Library and Classroom Building.	20,000
 PROGRAM TOTAL.....	 <u>\$ 94,703</u>

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)

	Total Project Cost
<u>BERKS COUNTY</u>	
Kutztown University	\$ 761
DESIGN FUNDING: Provide funding for DeFrancesco Education Building Renovation.	
<u>BUTLER COUNTY</u>	
Slippery Rock University	
CONSTRUCTION FUNDING: Provide funding for project 413-51 Phase 1, New Performing Arts Center.	911
DESIGN AND CONSTRUCTION FUNDING: Provide funding for project 413-52 Phase 1, McKay Building	1,532
DESIGN FUNDING: Provide funding for the Student Success Center renovation.	580
<u>CHESTER COUNTY</u>	
West Chester University	
DESIGN FUNDING: Provide funding for the Sturzebecker Health Science Center addition.	870
<u>CLARION COUNTY</u>	
Clarion University	
CONSTRUCTION FUNDING: Provide funding for project 404-63 Phase 1, ADA Compliance Upgrades, Phase 1.	537
<u>CLINTON COUNTY</u>	
Lock Haven University	
DESIGN AND CONSTRUCTION FUNDING: Provide funding for project 409-63 Phase 1, Renovation & Upgrade to Campus Electrical Infrastructure.	4,778
<u>COLUMBIA COUNTY</u>	
Bloomsburg University	
CONSTRUCTION FUNDING: Provide funding for project 401-61 Phase 1, Waller Administration Building.	1,306
<u>CUMBERLAND COUNTY</u>	
Shippensburg University	
CONSTRUCTION FUNDING: Provide funding for project 412-55 Phase 1, Renovation of Electrical Distribution Center.	208
<u>DELAWARE COUNTY</u>	
Cheyney University	
CONSTRUCTION AND PROJECT CLOSE-OUT FUNDING: Provide funding for completion of project 403-83 Phase 1, Browne Hall Renovation.	126
DESIGN FUNDING: Provide funding for Cope Hall Renovation/Addition.	375
DESIGN AND CONSTRUCTION FUNDING: Provide funding for project 403-85 Phase 1, Deferred Maintenance Repairs, Phase 1.	1,814
<u>INDIANA COUNTY</u>	
Indiana University	
DESIGN AND CONSTRUCTION FUNDING: Provide funding for project 407-73 Phase 1, Weyandt/Walsh Hall Renovation or Replacement.	46,198
DESIGN FUNDING: Provide funding for the demolition of Foster Hall.	143
<u>MONROE COUNTY</u>	
East Stroudsburg University	
CONSTRUCTION FUNDING: Provide funding for project 405-58 Phase 1, Information Commons Construction.	29,601

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)

	<u>Total Project Cost</u>
<u>TIOGA COUNTY</u>	
Mansfield University	
DESIGN AND CONSTRUCTION FUNDING: Provide funding for project 410-59 Phase 1, Deferred Maintenance Needs and Capital Renewal Repairs.	\$ 4,295
 PROGRAM TOTAL.....	 <u>\$ 94,035</u>

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

**Total
Project
Cost**

2018-19 PUBLIC IMPROVEMENT PROJECTS

Environmental Protection and Management..... \$ 10,175

SOURCE OF FUNDS

General Obligation Bond Issues

Capital Facilities Fund - Buildings and Structures..... \$ 10,175

TOTAL..... \$ 10,175

Department of Environmental Protection 2018-19 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)

	Total Project Cost
<u>ALLEGHENY COUNTY</u>	
Streets Run Flood Protection	\$ 577
DESIGN FUNDING: Provide design funding for project 183-18 phase 1, Flood Protection Project.	
Pitcairn	4,010
CONSTRUCTION FUNDING: Provide funding for project 184-33, Flood Control - Concrete Channel Protection.	
<u>BEDFORD COUNTY</u>	
Hyndman 2	40
DESIGN FUNDING: Provide funds for project 183-8, Phase 2, Flood Control.	
<u>BUTLER COUNTY</u>	
Butler 1	25
DESIGN FUNDING: Provide funds for project 183-21 Phase 1, Sullivan Run Flood Protection.	
<u>CAMBRIA COUNTY</u>	
N. B. Little Conemaugh River	20
DESIGN FUNDING: Provide design funding for project 183-22, Wilmore Flood Protection.	
<u>CLEARFIELD COUNTY</u>	
Coalport	50
DESIGN FUNDING: Provide design funding for project 182-14, Flood Control.	
<u>FAYETTE COUNTY</u>	
Dunbar	58
CONSTRUCTION FUNDING: Provide construction funds for project 180-23, Phase 1, Flood Control - Channel Improvements Project	
<u>FULTON COUNTY</u>	
Well Stream Channels	2,629
CONSTRUCTION FUNDING: Provide construction funds for project 193-40, Construct 2 Stream Channels.	
<u>JEFFERSON COUNTY</u>	
Weisner Hollow Slurry Dam Reclamation	90
DESIGN FUNDING: Provide funds to regrade a stream channel and close off a coal refuse channel, including the overflow channels.	
<u>LACKAWANNA COUNTY</u>	
Meadow Brook	276
DESIGN FUNDING: Provide design funding for project 184-22 Phase 3, Additional Funding.	
Rushbrook Creek	45
DESIGN FUNDING: Provide design funding for project 181-21, Flood Control.	
<u>LUZERNE COUNTY</u>	
Lackawanna River	20
DESIGN FUNDING: Provide design funds for rehabilitation of flood protection.	
Plymouth - Brown Creek Dam	40
DESIGN FUNDING: Provide design funding for rehabilitation.	
<u>MONTOUR COUNTY</u>	
Danville 2	50
DESIGN FUNDING: Provide design funding for project 181-5, Flood Control.	

Department of Environmental Protection 2018-19 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS (continued)

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

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<u>PHILADELPHIA COUNTY</u>	
Flat Rock Dam Facilities	\$ 28
DESIGN FUNDING: Provide design funding for rehabilitation of canal wall upstream of dam and install erosion control materials around the dam and canal.	
<u>SCHUYLKILL COUNTY</u>	
New Kernsville Dam	13
DESIGN FUNDING: Provide design funding to rehabilitate facilities.	
Auburn Dam	14
DESIGN FUNDING: Provide design funding to rehabilitate facilities.	
Tamaqua Dam	19
DESIGN FUNDING: Provide design funding to rehabilitate facilities.	
<u>WESTMORELAND COUNTY</u>	
Jeannette 2	2,121
CONSTRUCTION FUNDING: Provide construction funds for project 182-7 Phase 2, Flood Control.	
Greater Greensburg Area	50
DESIGN FUNDING: Provide design funding for project 183-10, Flood Protection.	
 PROGRAM TOTAL.....	 <u>\$ 10,175</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.....	\$ 68,174
TOTAL.....	<u>\$ 68,174</u>

SOURCE OF FUNDS

General Obligation Bond Issues

Capital Facilities Fund - Buildings and Structures.....	\$ 68,174
Capital Facilities Fund - Furniture and Equipment.....	0
TOTAL.....	<u>\$ 68,174</u>

Department of General Services 2018-19 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

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<u>DAUPHIN COUNTY</u>	
Capitol Complex - Central Plant	\$ 62
STUDY FUNDING: Provide funding for project 948-90, Phase 1, Central Plant Study.	
DESIGN AND CONSTRUCTION FUNDING: Provide funding for steam tunnel repairs.	562
Capitol Complex	
CONSTRUCTION AND PROJECT CLOSE-OUT FUNDING: Provide funding for completion of project 948-81 Phase 2, Limited Interior Column Renovations.	54
DESIGN AND CONSTRUCTION FUNDING: Provide funding for project 948-81 Phase 3, Rehabilitation and Improvements Program.	3,546
Capitol Complex - East Wing	
DESIGN AND CONSTRUCTION FUNDING: Provide funding for project 948-81 Phase 3, Replace Moduline Diffusers.	350
DESIGN AND CONSTRUCTION FUNDING: Provide funding for project 948-81 Phase 3, Replace Clothe Ceilings.	864
Finance Building	
DESIGN AND CONSTRUCTION FUNDING: Provide funding to replace the parapet roof.	679
STUDY FUNDING: Provide funding for a study to install HVAC from the Central Plant.	300
Forum Building	
DESIGN FUNDING: Provide funding for project 948-84 Phase 1, Elevators.	421
CONSTRUCTION AND CLOSE-OUT FUNDING: Provide funding for completion of project 948-76 Phase 4, Theatrical Lighting Upgrades.	253
DESIGN AND CONSTRUCTION FUNDING: Provide funding for project 948-82, Phase 1, Improvements to the Forum Building.	30,186
Irvis Building	5,562
DESIGN AND CONSTRUCTION FUNDING: Provide funding for renovations and elevators upgrades.	
Judicial Building	742
DESIGN AND CONSTRUCTION FUNDING: Provide funding for a water intrusion project.	
22nd & Forster Streets	582
DESIGN AND CONSTRUCTION FUNDING: Provide funding to replace the chiller.	
Commonwealth Owned Properties	1,264
DESIGN AND CONSTRUCTION FUNDING: Provide funding for Utility Service Separation and Connection Work.	
DGS Annex	505
DESIGN FUNDING: Provide funding for work to effectuate the closure and sale of the Annex.	
<u>BERKS COUNTY</u>	
Reading State Office Building	638
CONSTRUCTION FUNDING: Provide funding for project 944-4 Phase 1, Replace Coal Boilers.	
<u>ERIE COUNTY</u>	
Warner Theater	8,293
DESIGN AND CONSTRUCTION FUNDING: Provide funding for project 655-8, Construction, Infrastructure, and Other Related Development Costs.	
<u>PHILADELPHIA COUNTY</u>	
Family Court Building	13,311
CONSTRUCTION FUNDING: Provide funding for project 928-1 Phase 2, Family Court - 7th Floor Fit Out.	
Capitol Complex -State Museum	
PROGRAM TOTAL.....	<u>\$ 68,174</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>
2017-18 PUBLIC IMPROVEMENT PROJECTS	
Human Services.....	\$ 31,038
TOTAL.....	<u>\$ 31,038</u>
SOURCE OF FUNDS	
General Obligation Bond Issues	
Capital Facilities Fund - Buildings and Structures.....	\$ 31,038
Capital Facilities Fund - Furniture and Equipment.....	0
TOTAL.....	<u>\$ 31,038</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)

	<u>Total Project Cost</u>
<u>FRANKLIN COUNTY</u>	
South Mountain Center	\$ 302
DESIGN FUNDING: Provide funding for project 557-21 Phase 1, Provide for Breach of Carbaugh Dam and Land Restoration.	
DESIGN AND CONSTRUCTION FUNDING: Provide funding for project 557-21 Phase 2, Provide for Breach of Carbaugh Dam and Land Restoration.	302
<u>HUNTINGDON COUNTY</u>	
Youth Forestry Camp - Trough Creek State Park	171
CONSTRUCTION AND PROJECT CLOSE-OUT FUNDING: Provide funding for completion of project 594-2, Install HVAC.	
<u>LACKAWANNA COUNTY</u>	
Clarks Summit State Hospital	54
CONSTRUCTION AND PROJECT CLOSE-OUT FUNDING: Provide funding for completion of project 502-32 Phase 1, Replace Boilers.	
<u>LUZERNE COUNTY</u>	
White Haven Center	110
DESIGN FUNDING: Provide funding for project 581-14, Upgrade Existing Facility to Comply with Emissions Requirements.	
<u>MONTGOMERY COUNTY</u>	
Norristown State Hospital	3,444
CONSTRUCTION FUNDING: Provide funding for project 509-35 Phase 1, Upgrade HVAC System.	
DESIGN AND CONSTRUCTION FUNDING: Provide funding for New Forensic Building.	19,460
<u>MONTOUR COUNTY</u>	
Danville State Hospital	60
DESIGN FUNDING: Provide funding for project 503-24, Install New Electrical Service.	
<u>SNYDER COUNTY</u>	
Selinsgrove Center	4,049
CONSTRUCTION FUNDING: Provide funding for project 553-34 Phase 3, Replace Water Distribution.	
<u>VENANGO COUNTY</u>	
Polk Center	340
CONSTRUCTION FUNDING: Provide funding for project 552-33, Renovation to Treatment Plant.	
DESIGN AND CONSTRUCTION FUNDING: Provide funding for project 552-38 Phase 1, New HVAC & Controls.	717
DESIGN AND CONSTRUCTION FUNDING: Provide funding for project 552-39, Upgrade Fire Alarm System.	743
<u>WESTMORELAND COUNTY</u>	
Torrance State Hospital	1,226
CONSTRUCTION FUNDING: Provide funding for project 513-33 Phase 1, Upgrade Boilers.	
DESIGN FUNDING: Provide funding for project 513-34, Wastewater Treatment Plant.	60
 PROGRAM TOTAL.....	 <u>\$ 31,038</u>

HISTORICAL AND MUSEUM COMMISSION

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

		Total Project Cost
 2018-19 PUBLIC IMPROVEMENT PROJECTS		
State Historic Preservation.....	\$	16,057
TOTAL.....		\$ 16,057
 SOURCE OF FUNDS		
General Obligation Bond Issues		
Capital Facilities Fund - Buildings and Structures.....	\$	16,057
TOTAL.....		\$ 16,057

Historical and Museum Commission 2018-19 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>
<u>BEAVER COUNTY</u>	
Old Economy Village	\$ 206
CONSTRUCTION AND PROJECT CLOSE-OUT FUNDING: Provide funding for completion of project 947-14, Facilities Upgrades.	
<u>BERKS COUNTY</u>	
Daniel Boone Homestead	1,498
CONSTRUCTION FUNDING: Provide funding for project 973-7, Energy Improvements.	
<u>BUCKS COUNTY</u>	
Pennsbury Manor	115
CONSTRUCTION AND PROJECT CLOSE-OUT FUNDING: Provide funding for completion of project 971-9 for rehabilitation of up to 23 buildings and development of infrastructure throughout the site.	
Pennsbury Manor	281
CONSTRUCTION FUNDING: Provide funding for project 971-10, for upgrades to HVAC systems with geothermal system and other energy saving equipment.	
<u>CENTRE COUNTY</u>	
Military Museum	2,686
CONSTRUCTION FUNDING: Provide funding for project 977-9 Phase 1, for upgrades to infrastructure, sewage system, HVAC, geothermal system, and energy saving equipment.	
<u>DAUPHIN COUNTY</u>	
State Archives	5,284
CONSTRUCTION FUNDING: Provide funding for project 987-1 Phase 1, New Archives Building.	
State Museum	276
CONSTRUCTION AND PROJECT CLOSE-OUT FUNDING: Provide funding for completion of project 946-12 Phase 5, Infrastructure Upgrades and Renovations (Escalators).	
<u>ERIE COUNTY</u>	
Erie Maritime Museum	2,637
CONSTRUCTION FUNDING: Provide funding for project 974-9, Restore US Brig Niagara.	
<u>LANCASTER COUNTY</u>	
Railroad Museum	3,074
CONSTRUCTION FUNDING: Provide funding for project 980-9, Round House.	
 PROGRAM TOTAL.....	 <u>\$ 16,057</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>
2018-19 PUBLIC IMPROVEMENT PROJECTS	
State Military Readiness.....	\$ 16,888
Veterans Homes.....	3,800
TOTAL.....	<u>\$ 20,688</u>
SOURCE OF FUNDS	
General Obligation Bond Issues	
Capital Facilities Fund - Buildings and Structures.....	\$ 16,193
Other Revenues	
Federal Funds.....	\$ 4,495
TOTAL.....	<u>\$ 20,688</u>

Department of Military and Veterans Affairs 2018-19 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>
<u>BEAVER COUNTY</u>		
<i>Beaver Falls Readiness Center</i>		
REHABILITATE READINESS CENTER: Design and construction funds for the rehabilitation of the readiness center.	State Fed.	\$ 582
<u>CARBON COUNTY</u>		
<i>Lehigh Readiness Center</i>		
REHABILITATE READINESS CENTER: Construction funds for rehabilitation for the readiness center.	State Fed.	912 500
<u>CHESTER COUNTY</u>		
<i>Phoenixville Readiness Center</i>		
REHABILITATE READINESS CENTER: Construction funds for the rehabilitation of the readiness center.	State Fed.	832 100
<i>Spring City Readiness Center</i>		
REHABILITATE READINESS CENTER: Design funds for the rehabilitation of the readiness center.	State Fed.	550
<u>CLEARFIELD COUNTY</u>		
<i>Clearfield Readiness Center</i>		
NEW CENTER: Construction funds for the construction of a new facility.	State Fed.	500
<u>CLINTON COUNTY</u>		
<i>Lock Haven Readiness Center</i>		
REHABILITATE READINESS CENTER: Design funds for the rehabilitation of the readiness center.	State Fed.	99
<u>CRAWFORD COUNTY</u>		
<i>Cambridge Springs Maintenance Shop</i>		
REHABILITATE MAINTENANCE SHOP: Design funds to expand/repair parking for maintenance shop.	State Fed.	262
<u>DAUPHIN COUNTY</u>		
<i>Harrisburg Military Post-Readiness Center</i>		
REHABILITATE READINESS CENTER: Design funds for the rehabilitation of the readiness center.	State Fed.	90 90
<i>Hershey Readiness Center</i>		
REHABILITATE READINESS CENTER: Construction and Project close-out funds for the rehabilitation of the readiness center.	State Fed.	197 250
<i>Williamstown Readiness Center</i>		
REHABILITATE READINESS CENTER: Design funds for rehabilitation of the readiness center.	State Fed.	160

Department of Military and Veterans Affairs 2018-19 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>
<u>LAWRENCE COUNTY</u>		
<i>New Castle Maintenance Shop</i>		
REHABILITATE MAINTENANCE SHOP: Design funds for the rehabilitation of the maintenance shop.	State Fed.	\$ 100
<u>LEBANON COUNTY</u>		
<i>FTIG Readiness Center</i>		
REHABILITATE READINESS CENTER: Construction and project close-out funds for rehabilitation of headquarters.	State Fed.	713
NEW POLICE STATION: Design and construction funds for new police station.	State Fed.	1,372 981
REHABILITATE READINESS CENTER: Design funds for rehabilitation of CAB.	State Fed.	325
<u>LUZERNE COUNTY</u>		
<i>Nanicoke Readiness Center</i>		
REHABILITATE READINESS CENTER: Construction funds for the renovations of the readiness center.	State Fed.	1,311
<i>Wilkes-Barre Readiness Center</i>		
REHABILITATE READINESS CENTER: Design funds for the rehabilitation of the readiness center.	State Fed.	733
<u>MERCER COUNTY</u>		
<i>Grove City Readiness Center</i>		
REHABILITATE READINESS CENTER: Design and Construction funds for the rehabilitation of the readiness center.	State Fed.	1,373 200
<i>Hermitage Readiness Center</i>		
REHABILITATE READINESS CENTER: Design funds for the rehabilitation of the readiness center.	State Fed.	80
<u>PHILADELPHIA</u>		
<i>Lancaster Avenue Readiness Center</i>		
REHABILITATE READINESS CENTER: Design and Construction funds for the rehabilitation and infrastructure upgrades and associated facilities for the readiness center.	State Fed.	993 100
<u>SOMERSET COUNTY</u>		
<i>Friedens Readiness Center</i>		
REHABILITATE READINESS CENTER: Design funds for rehabilitation of the readiness center.	State Fed.	225 225

Department of Military and Veterans Affairs 2018-19 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>
<u>WESTMORELAND COUNTY</u>		
<i>Mount Pleasant Readiness Center</i>		
REHABILITATE READINESS CENTER: Design funds for the rehabilitation of the readiness center.	State	\$ 301
	Fed.	
<u>YORK COUNTY</u>		
<i>Combined Readiness Center</i>		
NEW COMBINED CENTER: Construction and project close-out funds for the construction of a new facility.	State	683
	Fed.	2,049
Total State.....		\$ 12,393
Total Federal.....		4,495
PROGRAM TOTAL.....		<u>\$ 16,888</u>

Department of Military and Veterans Affairs 2018-19 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>
<u>BLAIR COUNTY</u>		
<i>Holidaysburg Veterans Home</i>		
VETERANS HOME: Design funds for renovations and general repairs to the veterans home.	State Fed.	\$ 335
<u>CHESTER COUNTY</u>		
<i>Southeastern Veterans Center</i>		
NEW MAINTENANCE BUILDING: Construction and project close-out funds for the completion of the new facility.	State Fed.	631
VETERANS CENTER: Design and Construction funds for the renovations and general repairs of the veterans center.	State Fed.	1,847
<u>LACKAWANNA COUNTY</u>		
<i>Gino J. Merli Veterans' Center</i>		
VETERANS CENTER: Design funds for renovations and general repairs including replacement of roof at the veterans center.	State Fed.	342
<u>PHILADELPHIA COUNTY</u>		
<i>Delaware Valley Veterans Home</i>		
VETERANS HOME: Construction and project-close-out funds for renovations of the veterans home.	State Fed.	645
Total State.....		\$ 3,800
Total Federal.....		
PROGRAM TOTAL.....		<u>\$ 3,800</u>

STATE POLICE

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

Total
Project
Cost

2018-19 PUBLIC IMPROVEMENT PROJECTS

Public Protection and Law Enforcement.....	\$ 26,920
TOTAL.....	<u>\$ 26,920</u>

SOURCE OF FUNDS

General Obligation Bond Issues

Capital Facilities Fund - Buildings and Structures.....	\$ 26,920
Capital Facilities Fund - Furniture and Equipment.....	0
TOTAL.....	<u>\$ 26,920</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)

	Total Project Cost
<u>DAUPHIN COUNTY</u>	
PSP Headquarters	\$ 2,286
DESIGN AND CONSTRUCTION FUNDING: Provide funding for project 236-1 Phase 1, Renovations.	
<u>ERIE COUNTY</u>	
Erie Headquarters	6,348
CONSTRUCTION FUNDING: Provide funding for project 218-3 Phase 1, New Headquarters Building.	
<u>WESTMORELAND COUNTY</u>	
Greensburg Headquarters	3,362
CONSTRUCTION FUNDING: Provide funding for project 210-5, New Headquarters.	
DNA Laboratory	14,924
DESIGN AND CONSTRUCTION FUNDING: Provide funding for project 210-4 Phase 1, New DNA Lab.	
 PROGRAM TOTAL.....	\$ 26,920

DEPARTMENT OF TRANSPORTATION

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
2018-19 PUBLIC IMPROVEMENT PROJECTS	
State Highway, Bridge & Administration Construction/Reconstruction.....	\$ 2,631,500
State Highway, Bridge & Administration Construction/Reconstruction.....	<u>\$ 2,631,500</u>
HIGHWAY AND BRIDGE PROJECTS	
State Highway and Bridge Maintenance.....	\$ 338,504
TRANSPORTATION ASSISTANCE PROJECTS	
Urban Mass Transportation.....	\$ 61,460
Rail Freight Transportation.....	113,540
Subtotal.....	<u>\$ 175,000</u>
 TOTAL.....	 <u><u>\$ 3,145,004</u></u>
SOURCE OF FUNDS	
General Obligation Bond Issues	
Capital Facilities Fund - Public Improvement Projects.....	\$ 52,000
Capital Facilities Fund - Transportation Assistance.....	175,000
Subtotal.....	<u>\$ 227,000</u>
Current Revenues	
Motor License Fund.....	\$ 2,918,004
Federal Funds.....	0
Local Funds.....	0
Subtotal.....	<u>\$ 2,918,004</u>
 TOTAL.....	 <u><u>\$ 3,145,004</u></u>

Department of Transportation 2018-19 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)

	<u>Total Project Cost</u>
<u>CAMERON COUNTY</u>	
Bridge Beam Facility	\$ 3,000
RENOVATE AND EXPAND: This project will provide for the renovation & expansion bridge beam facility to meet program requirements.	
<u>CRAWFORD COUNTY</u>	
Bridge Beam Facility	3,000
RENOVATE AND EXPAND: This project will provide for the renovation & expansion bridge beam facility to meet program requirements.	
<u>FULTON COUNTY</u>	
Bridge Beam Facility	6,000
RENOVATE AND EXPAND: This project will provide for the renovation & expansion bridge beam facility to meet program requirements.	
<u>MERCER COUNTY</u>	
Bridge Beam Facility	3,000
RENOVATE AND EXPAND: This project will provide for the renovation & expansion bridge beam facility to meet program requirements.	
<u>NORTHUMBERLAND COUNT</u>	
Bridge Beam Facility	3,000
RENOVATE AND EXPAND: This project will provide for the renovation & expansion bridge beam facility to meet program requirements.	
<u>WARREN COUNTY</u>	
Bridge Beam Facility	3,000
RENOVATE AND EXPAND: This project will provide for the renovation & expansion bridge beam facility to meet program requirements.	
<u>VARIOUS COUNTIES</u>	
Bridge Beam Facility	9,000
CONSTRUCT NEW: This project will provide for the design and construction of three new bridge beam fabrication facilities in areas to be determined.	
<u>DAUPHIN COUNTY</u>	
Sign Shop Facility	10,000
CONSTRUCT NEW, UPGRADE OR REPLACE: This project will provide for the construction or renovation of facility. May include: site acquisition and development, design and construction of buildings and utility work.	
Fleet Management Division	12,000
CONSTRUCT NEW, UPGRADE OR REPLACE: This project will provide for the construction or renovation of facility. May include: site acquisition and development, design and construction of buildings and utility work.	
 PROGRAM TOTAL.....	 <u><u>\$ 52,000</u></u>

Department of Transportation 2018-19 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)

	Total Project Cost
<u>ALL 67 COUNTIES</u>	
Vehicle Wash Facility CONSTRUCT NEW OR RETROFIT: This project will provide for the new construction or retrofitting of four (4) facilities and may include; site work, utilities and equipment. \$6,000 per county.	\$ 402,000
General Storage Building CONSTRUCT NEW: This project will provide for the construction of five (5) general storage buildings. \$3,500 per county.	234,500
Fuel Island Facility CONSTRUCT NEW OR RETROFIT: This project will provide for the new construction or retrofitting of five (5) facilities including site work, utilities and equipment. \$15,000 per county.	1,005,000
Hazardous Material Containment Facility CONSTRUCT NEW OR RETROFIT: This project will provide for the new construction or retrofitting of four (4) facilities including site work, utilities and equipment. \$10,000 per county.	670,000
Salt Storage Shed CONSTRUCT NEW: This project will provide for the construction of five (5) salt storage buildings. \$4,000 per county.	268,000
PROGRAM TOTAL.....	\$ 2,579,500

Department of Transportation 2018-19 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)

	Total Project Cost
<u>ALLEGHENY COUNTY</u>	
Drilling Inspection INSPECTION/CONSULTATION: For Geotechnical drilling for landslides district wide.	\$ 200
ADA Curve Ramp 2018 ADA CURB RAMP PROJECT: Install ADA curm ramps at various locations districtwide.	250
ADA Curve Ramp 2019 ADA CURB RAMP PROJECT: Construct ADA curb ramps from the previous year District 11 group locations.	2,080
Park Paving COUNTY PARK PAVING: Widening the shoulders, paving, signage installation and bike markings at 12,000 cares of Allegheny County owned parks.	2,100
Two Way Conversion WILKINSBURG BOROUGH: Two way conversion on Woods Street and Bicycle Lane on Ross Avenue in Borough of Wilkinsburg.	204
Road Slide OAK MANOR ROAD SLIDE: Harrison Township slide correction on SR 1032, Oak Manor Road, SEG 70 IN Harrison Township.	700
Slide Remediation HARRISON TOWNSHIPSLIDE REMEDIATION: On SR 1037, Saxonburg Boulevard in Harrison Township.	925
Roadmap Project ACCELERATED ROADMAP PROJECT: Turtle Creek Borough, Wilmerding Borough, Monroeville Borough, Pitcairn Borough, Trafford Borough resurfacing on SR 130, from segmenty 252 to segment 342 in Turtel Creek, Pitcairn and Wilmerding Borough's.	3,325
Road Overlay RESURFACE ROAD: SR 2040/Keenan Drive to Curry Hollow Center, Pleasant Hills Borough left turn lane, mill overlay on SR 2040, Lebanon Church Road, from Keenan Drive to Curry Hollow Center in Pleasant Hills Borough.	5,948
Adaptive Traffic Signal System INSTALL ADAPTIVE TRAFFIC SIGNAL: This project will provide for the installment of an adaptive traffic signal system on Lebanon Church Road. Pleasant Hills Borough, West Mifflin Borough along state route 2040.	428
Road Slide LARIMER AVENUE SLIDE: Wilkins Township slide remediation on SR 2065.	480
Road Slide INDIANA ROAD SLIDE: Penn Hills Township slide correction on SR 2070.	200
Road Overlay RESURFACE ROAD: US 22/Turpike to Westmoreland County, Monroeville Borough mill and overlay on SR 22, William Penn highway from the PA Turnpike to the Westmoreland County line.	100
Sewer Separation SEWER AND SANITARY SEWER SEPARATION: On Ravine Street, about 750 feet north of SR 28 to the Alcosan outfall into the Allegheny River approximately 1000 feet sound on SR 28 in O'Hara Township.	750
Road Overlay RESURFACE ROAD: On SR 28, mill and overlay on Highland Park to RIDC Park.	2,096

Department of Transportation 2018-19 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)

	Total Project Cost
<u>ALLEGHENY COUNTY (continued)</u>	
Road Construction	\$ 3,965
ROAD CONSTRUCTION: Preconstruction of PA 28 from Bull Creek to the Butler County line in Harrison, Fawn Townships and Tarentum Borough.	
Road Overlay	8,200
RESURFACE ROAD: PA 286/Sandune-Logans, Murrysville Borough, begins at Presque Isle drive and end just north of Logans Ferry road. Widening with bitumous to add a center turn lane; milling and resurfacing; shoulder.	
Road Overlay	5,075
RESURFACE ROAD: On SR 286 (Golden Mile highway) from segment 40 to segment 90 in Plum Borough.	
Road Slide	948
PINEY FORK ROAD SLIDE: On SR 3014 ,segment 20, Piney Fork road in South Park Township.	
Road Slide	480
NOBLESTOWN ROAD SLIDE REMEDIATION: On SR 3048, Noblestown road in Collier Township.	
Road Slide	350
STEBENVILLE PIKE SLIDE REMEDIATION: On SR 3066, Steubenville Pike in North Fayette Township.	
Road Slide	200
ROCHESTER SLIDE REMEDIATION: On SR 4011, Rochester road in McCandless Township.	
Road Construction	865
ROAD IMPROVEMENT: Adding an additional turn lane at McKnight Road and Siebert Road and install sidewalk.	
Road Slide	300
REDGATE ROAD SLIDE: On SR 4028, Redgate Road, segment 20 in Aleppo Township.	
Road Construction	980
ROAD IMPROVEMENT: Widening for additional lanes and intersection improvement of SR 50/I-79, from Mayer steet to Great Southern shopping center and from 1-79 to Thoms Run Road in Collier Township.	
Road Overlay	100
RESURFACE ROAD: Mill and overlay on SR 51 (Saw Mill Run Boulevard) from segment 400 to segment 430.	
Adaptive Traffic Signal System	108
INSTALL ADAPTIVE TRAFFIC SIGNAL: This project will provide for the installment of an adaptive traffic signal system along PA Route 60 - Steubenville Pike from Lorish/Haddock Road to the I-79 off-ramp in Robinson Township.	
Road Construction	10,775
ROAD IMPROVEMENT: Widening on I-79, from South Pointe/Henderson exit in Cecil Township Washington County to Bridgevill exit in South Fayette Township and Bridgeville Borough.	
<u>ARMSTRONG COUNTY</u>	
Road Overlay	371
RESURFACE: Rayburn Township along SR 28 from SR 85 to T-568 (Crissman Road).	
<u>BEAVER COUNTY</u>	
Road Slide	80
REDGATE ROAD SLIDE: Independence Township on SR 151, Bocktown Road, segment 90.	
Road Overlay	100
RESURFACE ROAD: Mill and overlay, patch and overlay and bridge preservation on SR 18, 5th Street to 7th Avenue and 7th Street bridge.	
Road Construction	2,244
RELOCATING AND REALIGNMENT: SR 288 (Zelienople Road) and SR 1001 (Lake Road).	

Department of Transportation 2018-19 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)

	Total Project Cost
<u>BEAVER COUNTY (continued)</u>	
Road Construction	\$ 3,071
REALIGNMENT AND RECONSTRUCTION: To upgrade a portion of SR 30 (Lincoln Highway) to meet current design standards.	
Road Slide	210
CHAPEL ROAD SLIDE: Center Township correction on SR 3005, on segment 0060.	
Road Overlay	2,060
RESURFACE ROAD: Mill and overlay on PA 3007, Broadhead Road from Frankfort Road to Allegheny County line in the city of Aliquippa.	
Road Slide	550
MOFFETT MILL ROAD SLIDE II: Slide correction on SR 3010, Moffett Mill Road, segment 80.	
Road Slide	725
BRADY'S RUN ROAD SLIDE REMEDIATION: On SR 4012, Brady's Run Road in Brighton Township.	
Road Overlay	100
RESURFACE ROAD: Mill and overlay on SR 51, Constitution Boulevard from Braden School Road to 8th Street in Fallston Borough.	
<u>BERKS COUNTY</u>	
Slab Stabilization	376
SLAB STABILIZATION: On US 222 in Spring and Bern Townships.	
Road Rehabilitation	2,136
REHABILITATE VARIOUS ROADS: Concrete patching and resurfacing of route 222 and adjoining ramps from Wyomissing Borough line to route 222 and 422 interchange.	
Road Construction	320
REALIGNMENT AND RECONSTRUCTION: Addition of an auxiliary lane along route 222 southbound between the Broadcasting Road and routes 222/422 interchanges in Spring Township and Wyomissing Brough.	
Road Rehabilitation	900
REHABILITATE VARIOUS ROADS: Concrete patching and diamond grinding route 222 from route 61 to business route 222 (5th street highway).	
Road Rehabilitation	904
REHABILITATE VARIOUS ROADS: Concrete patching and bituminous overlay of SR 3422 (business 422-Penn Avenue) from route 422 to Fourth Avenue in the boroughs of Wyomissing and West Reading.	
Road Overlay	800
RESURFACE ROAD: Resurfacing and guide rail upgrades to SR 4028 (old route 22) in Greenwich Township.	
Road Overlay	1,000
RESURFACE ROAD: Resurfacing and guide rail upgrades to SR 4040 from Bethel Township line to SR 4028, ST. Michaels Road in Upper Tulpehocken.	
Adaptive Traffic Signal System	600
INSTALL ADAPTIVE TRAFFIC SIGNAL: This project will provide for the installment of an closed loop traffic responsive or adaptive traffic signal system on 11 intersections between Pineland Road to route 422 Bus. on SR 422 Ben Franklin Highway in Amity Township.	
Road Rehabilitation	300
REHABILITATE VARIOUS ROADS: Upgrade of the existing concrete barrier and fence system on SR 724 from SR 724 Fort Valley Stream Road to Kennel Road to better withstand the debris and rocks that fall down the slope in Cumru Township.	

Department of Transportation 2018-19 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>
<u>BERKS COUNTY (continued)</u>	
Road Construction	\$ 192
CONSTRUCTION: Intersection improvement, Maiden Creek Township, improve the safety and operation of the existing skewed SR 0073 intersection with SR 1005.	
<u>BRADFORD COUNTY</u>	
Road Construction	30
RPM CONTRACT: 2017-18 PRM contract, region wide.	
Road Construction	30
RPM CONTRACT: 2018-19 PRM contract, region wide.	
<u>CARBON COUNTY</u>	
Rock Slide	928
ROCK SLIDE REMEDIATION: On SR 209 rock face risk reduction segment 230/offset 0150 to segment 230/offset 3000 (Mansion House Hill).	
<u>CENTRE COUNTY</u>	
Road Rehabilitation	873
REHABILITATE VARIOUS ROADS: Valley Vista Drive corridor upgrades.	
Road Construction	235
CONSTRUCTION: Intersection improvement, Centre Hall Borough SR 144/192/2006 intersection.	
Road Construction	245
ROAD IMPROVEMENTS: College Township, State College Borough SR 3011, Branch Road at SR 3014, South Atherton Street.	
Road Overlay	850
RESURFACE ROAD: Resurfacing to SR 477 segment 0010 to 0040.	
Road Overlay	600
RESURFACE ROAD: Resurfacing to SR 0080 segment 0030 to 0060.	
<u>CLARION COUNTY</u>	
Road Overly	2,472
RESURFACE ROAD: Preventative maintenance and resurfacing along PA 36 from PA 66 to SR 208 Washington and Farmington Township.	
Road Overly	6,432
RESURFACE ROAD: Restoration, rehabilitation and resurfacing along PA 66 from PA 66 from US 322 to 0.55 miles south of T-578 (Lawn Drive), Paint and Knox Townships.	
Road Overly	3,863
RESURFACE ROAD: Preventative maintenance and resurfacing along SR 68 from East Brady to Maple Grove, Brady and Madison Townships.	
<u>CLEARFIELD COUNTY</u>	
Road Overly	600
RESURFACE ROAD: Resurfacing along SR 453 segment 0390 to 0420.	
Road Overly	600
RESURFACE ROAD: Resurfacing along SR 53.	
Road Overly	600
RESURFACE ROAD: Resurfacing along SR 830 segment 0010 to 0020.	

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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)

	Total Project Cost
<u>CLINTON COUNTY</u>	
Signal Improvements	\$ 207
SIGNAL IMPROVEMENTS: Signal improvements city of Lock Haven (8 locations).	
Road Construction	1,225
ROAD IMPROVEMENTS: Reconstruction of Shoemaker Road, Wayne Township.	
<u>COLUMBIA COUNTY</u>	
Road Construction	77
RPM CONTRACT: 2017-18 PRM contract, various routes in the SEDA-COG region.	
Road Construction	77
RPM CONTRACT: 2018-19 PRM contract, various routes in the SEDA-COG region.	
<u>ELK COUNTY</u>	
Road Overlay	850
RESURFACE ROAD: Resurfacing along SR 219 at Summit and Ridgway.	
Highway Restoration	512
RESTORATION: SR 3002 and Township Road 307 Ridgway and Spring Creek Townships.	
<u>INDIANA COUNTY</u>	
Road Overlay	2,356
RESURFACE ROAD: Resurfacing along SR 210 from SR 954 to SR 85 North.	
Road Overlay	2,295
RESURFACE ROAD: Preventative maintenance and resurfacing along US 22 from SR 56 to SR 403.	
<u>JEFFERSON COUNTY</u>	
Road Overlay	3,764
RESURFACE ROAD: Resurfacing and preventative maintenance along SR 36 from SR 4003 to SR 949.	
<u>JUNIATA COUNTY</u>	
Road Construction	246
ROAD IMPROVEMENTS: Reconstruction of Bunker Hill Road, T-321, between SR 3021 and T-315.	
Bridge Improvements	1,275
BRIDGE IMPROVEMENTS: SR 2012 over Trib Stony Run.	
<u>LAWRENCE COUNTY</u>	
Road Slide	425
SLIDE REMEDIATION: On SR 3004-L03, Wurtemberg Road in Wayne Township.	
<u>LEHIGH COUNTY</u>	
Road Overlay	1,540
RESURFACE ROAD: Resurfacing US 22 309 to I-78 split.	
Road Enhancements	680
INSTALL SAFETY IMPROVEMENTS: This project will provide for SR 29 from Buckeye Road to route 100 safety improvements.	
<u>LYCOMING COUNTY</u>	
Road Construction	30
RPM CONTRACT: 2018 Install/replace RPMS on various routes.	
Road Construction	30
RPM CONTRACT: 2019 Install/replace RPMS on various routes.	
Road Overlay	680
RESURFACE ROAD: Resurfacing Mosquito Creek to SR 654.	

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Program: State Highway and Bridge Maintenance - Highway

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(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<u>LYCOMING COUNTY (continued)</u>	
Road Overlay RESURFACE ROAD: Resurfacing Broad Steet to I-80.	\$ 370
Road Overlay RESURFACE ROAD: Resurfacing SR 3014 (Mill Lane) from Fox Street to Lycoming Creek Road.	205
<u>MCKEAN COUNTY</u>	
Signal Improvements SIGNAL IMPROVEMENTS: Signal improvements city of Bradford SR 346 and 4009 (3 locations).	63
Highway Restoration RESTORATION: US Route 6, Port Allegany Borough.	2,043
<u>MIFFLIN COUNTY</u>	
Signal Improvements SIGNAL IMPROVEMENTS: Signal improvements Third Street (5 signalized intersections).	240
Road Enhancements INSTALL SAFETY IMPROVEMENTS: High friction surface safety improvements US Route 22 (5 locations).	130
Road Enhancements TRANSPORTATION PROJECT: Keystone Healthcare Development transportation project.	425
<u>MONROE COUNTY</u>	
Road Construction ROAD CONSTRUCTION: PA 115 widening, Tunkhannock Township SR 115, from SR 903 to Hullman Drive.	11,516
<u>MONTOUR COUNTY</u>	
Road Overlay RESURFACE ROAD: Preventative maintenance and resurfacing from Stump Road to Klondike Road SR 80.	680
Road Overlay RESURFACE ROAD: Concrete patching and resurfacing on SR 80 Klondike Road to Trib to Mauses Creek.	6,410
<u>NORTHAMPTON COUNTY</u>	
Road Rehabilitation REHABILITATE VARIOUS ROADS: This project will provide for the rehabilitation of various roads SR 2017, SR 2019 and SR 8010.	853
Road Overlay RESURFACE ROAD: Resurface/restoration 22 from Farmersville Road to 512.	2,500
Adaptive Traffic Signal System ADAPTIVE TRAFFIC SIGNAL: This project will provide for the installment of adaptive traffic signal system on SR 248.	260
Road Construction CONSTRUCTION: City of Bethlehem, Linden Street.	1,340
Road Construction CONSTRUCTION: Bridge deck rehabilitation PA 33.	100
Adaptive Traffic Signal System ADAPTIVE TRAFFIC SIGNAL: This project will provide for the installment of adaptive traffic signal system on SR 512, Center Steet to Jaindl Boulevard.	520
<u>NORTHUMBERLAND COUNTY</u>	
Road Overlay RESURFACE ROAD: Microsurface/restoration from SR 147 to SR 45 to Muddy Run.	900

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(Dollar Amounts in Thousands)

	<u>Total Project Cost</u>
<u>NORTHUMBERLAND COUNTY (continued)</u>	
Road Overlay	\$ 1,100
RESURFACE ROAD: Microsurface/restoration from Riverside to Sunbury Road.	
<u>POTTER COUNTY</u>	
Road Overlay	3,150
RESURFACE ROAD: Highway resurfacing various routes.	
Road Overlay	600
RESURFACE ROAD: Highway resurfacing SR 6.	
<u>SCHUYLKILL COUNTY</u>	
Road Overlay	8,090
RESURFACE ROAD: Highway resurfacing Titus Road North.	
<u>TIOGA COUNTY</u>	
Road Overlay	430
RESURFACE ROAD: Resurfacing Mountaintop Road to SR 2016.	
 TOTAL STATE FUNDS.....	 \$ 145,723
TOTAL FEDERAL FUNDS.....	0
TOTAL LOCAL FUNDS.....	0
 PROGRAM TOTAL.....	 <u>\$ 145,723</u>

Department of Transportation 2018-19 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM MOTOR LICENSE FUNDS

Program: State Highway and Bridge Maintenance - Bridge

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(Dollar Amounts in Thousands)

	Total Project Cost
<u>ALLEGHENY COUNTY</u>	
Construct a New Pedestrian Bridge	\$ 1,400
CONSTRUCT BRIDGE: This project will construct a new pedestrian bridge on SR 837.	
Rehabilitate Bridge on 28th Street	953
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on 28th street over N-S RR.	
Rehabilitate Bridge on Old Freeport Road	47
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Old Freeport Road over Squaw Run.	
Rehabilitate Bridge on Universal Road	47
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Universal Road over Plum Creek upper branch.	
Rehabilitate Bridge on Wible Run Road	47
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Wible Run Road over Wible Run Creek.	
Rehabilitate Bridge on Old Painters Road	47
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Old Painters Run Road over Painters Run.	
Rehabilitate Bridge on Abers Creek Road	47
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Abers Creek Road over Abers Creek.	
Rehabilitate Bridge on Cavitt Road	47
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Cavitt Road over Abers Creek.	
Rehabilitate Bridge on Jacks Run Road	1,205
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Jacks Run Road bridge no. 4.	
Rehabilitate Bridge on SR 136	288
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 136 bridge over Becketts Run.	
Rehabilitate Bridge on McFarren Street Bridge	967
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Mcfarren street over Nine Mile Run.	
Rehabilitate Bridge on SR 2027	3,500
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 2027 over CSX, Local, & Yough Road.	
Rehabilitate Bridge on SR 366	3,100
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 366 over NS RR, 4th Ave., Ross Street.	
Rehabilitate Bridge on SR 978	1,000
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 978 over North Bra. of Robinson Run.	
Rehabilitate Bridge on Shenot Road	240
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Shenot Road bridge over Branch Brush Creek.	

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Program: State Highway and Bridge Maintenance - Bridge

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(Dollar Amounts in Thousands)

	Total Project Cost
<u>ALLEGHENY COUNTY (continued)</u>	
Rehabilitate Bridge on I-376	\$ 315
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on I-376 over Commercial Street & Nine Mile.	
Rehabilitate Bridge on I-376	75
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on I-376 over SR 8010 ramp.	
Rehabilitate Bridge on I-376	75
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on I-376 over Braddock ave.	
Rehabilitate Bridge on NSCR	35
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on NSRC, Amtrak, and pat over Parkway East.	
Rehabilitate Bridge on SR 3015	750
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 3015 over Lick Run Creek.	
Rehabilitate Bridge on SR 65	1,100
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 65 bridge over Spruce Run Cricle.	
Rehabilitate Bridge on Forbes	500
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Ramp H over Forbes, Diamond, & 6th Avenue.	
Rehabilitate Bridge on Larimer Avenue	420
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Larimer Avenue.	
Rehabilitate Bridge on Mcintyre Road	1,500
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Mcintyre Road Bridge over Pine Creek.	
Rehabilitate Bridge on Presto Sygan Road	400
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Presto Sygan Road Bridge over Branch Millers Run.	
Rehabilitate Bridge on SR 910	1,210
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 910 over Deer Creek.	
Rehabilitate Bridge on SR 1015	1,190
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 1015 over Little Deer Creek.	
Rehabilitate Bridge on SR 1005	1,252
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 1005 over NS RR.	
Rehabilitate Bridge on SR 910	605
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 910 over Deer Creek.	
<u>ARMSTRONG COUNTY</u>	
Rehabilitate Bridge on SR 56	2,455
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 56 over tributary to Kiskiminetas River (2981).	
Rehabilitate Bridge on SR 56	2,455
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 56 over tributary to Kiskiminetas River (2982).	
Rehabilitate Bridge on SR 56	2,455
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 56 over Sugar Hollow Run.	

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Program: State Highway and Bridge Maintenance - Bridge

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(Dollar Amounts in Thousands)

	Total Project Cost
<u>BEAVER COUNTY</u>	
Rehabilitate Bridge on US 30	\$ 2,310
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over on US 30 over Racoon Creek.	
Rehabilitate Bridge on SR 56	106
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 65 Rochester Monaca Bridge.	
Rehabilitate Bridge on SR 56	2,200
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 65 over Branch Bennett Run.	
Rehabilitate Bridge on Brady Run Road	1,960
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Brady Run Road over McElroy Run.	
Rehabilitate Bridge on SR 18	1,430
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 18 over NSC, CSX, Beaver River (3449).	
Rehabilitate Bridge on SR 18	1,430
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 18 over NSC, CSX, Beaver River (3450).	
<u>BERKS COUNTY</u>	
Rehabilitate Bridge on County Line Road	528
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on County Line Road Bridge over NW Perkiomen Creek.	
Rehabilitate Bridge on Mill Road	371
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Mill Road over Conestoga Creek.	
Rehabilitate Bridge on Penn Avenue	1,450
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Penn Avenue over Maiden Creek.	
Rehabilitate Bridge on High Boulevard	401
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on High Boulevard over Angelica Creek.	
Rehabilitate Bridge on Rock Hollow Road	435
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Rock Hollow Road over Hay Creek.	
Rehabilitate Bridge on PA 61	2,750
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on PA 61 over tributary to Schuylkill River.	
Rehabilitate Bridge on US 222	6,500
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on US 222 NB over Tulpehocken Creek.	
Rehabilitate Bridge on SR 2010	780
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 2010 over Norfolk/Southern RR.	
Rehabilitate Bridge on SR 1015	682
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 1015 over tributary to Mill Creek.	
Rehabilitate Bridge on SR 1015	600
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 1015 over Stoney Run.	

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Program: State Highway and Bridge Maintenance - Bridge

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(Dollar Amounts in Thousands)

	Total Project Cost
<u>BERKS COUNTY (continued)</u>	
Rehabilitate Bridge on SR 1018	\$ 840
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 1018 over Maiden Creek.	
Rehabilitate Bridge on Forgedale Road	236
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Forgedale Road over Bieber Creek.	
Rehabilitate Bridge on Centennial Road	310
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Centennial Road over Glen Run.	
Rehabilitate Bridge on SR 1026	1,306
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 1026 over west branch of Pine Creek.	
Rehabilitate Bridge on SR 1035	682
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 1035 over Toad Creek.	
Rehabilitate Bridge on SR 143	335
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 143 over Kistler Creek.	
Rehabilitate Bridge on PA 183	1,690
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on PA 183 over Little Northkill Creek (4759).	
Rehabilitate Bridge on PA 183	1,690
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on PA 183 over tributary Little Northkill Creek (4760).	
Rehabilitate Bridge on SR 2032	1,022
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 2032 over trib.to West Swamp Creek.	
Rehabilitate Bridge on SR 2034	240
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 2034 over Antietam Creek.	
Rehabilitate Bridge on SR 2036	780
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 2036 over Manatawny Creek.	
Rehabilitate Bridge on SR Weavertown Road	449
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Weavertown Road over Monocacy Creek.	
Rehabilitate Bridge on SR 2041	240
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 2041 over Monocacy Creek.	
Rehabilitate Bridge on Route 22	1,200
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Old Route 22 over Northkill Creek.	
Rehabilitate Bridge on Route 22	1,632
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Old Route 22 over Birch Creek (53243).	
Rehabilitate Bridge on Route 22	1,632
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Old Route 22 over Birch Creek (53244).	

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(Dollar Amounts in Thousands)

	Total Project Cost
<u>BERKS COUNTY (continued)</u>	
Rehabilitate Bridge on Route 22	\$ 1,632
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Old Route 22 over trib. Birch Creek.	
Rehabilitate Bridge on Route 22	1,632
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Old route 22 over Mollhead Creek (53246).	
Rehabilitate Bridge on Route 22	1,632
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Old route 22 trib. Mollhead Creek (53247).	
Rehabilitate Bridge on Route 22	1,385
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Old route 22 over Northkill Creek.	
Rehabilitate Bridge on SR 3008	300
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 3008 over Plum Creek.	
Rehabilitate Bridge on SR 3024	909
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 3024 over trib.to Allegheny Creek.	
Rehabilitate Bridge on SR 3036	240
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 3036 over Norfolk Southern RR.	
Rehabilitate Bridge on Charming Forge Road	217
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Charming Forge Road over Mill Race.	
Rehabilitate Bridge on SR 4021	840
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 4021 over Irish Creek.	
Rehabilitate Bridge on PA 418	790
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Pa 418 over Tulpehocken Creek.	
Rehabilitate Bridge on PA 419	1,450
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Pa 419 over Mill Creek (4818).	
Rehabilitate Bridge on PA 419	2,135
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Pa 419 over tributary Mill Creek (4815).	
Rehabilitate Bridge on Penn Avenue	2,665
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Penn avenue over Cacoosing Creek.	
Rehabilitate Bridge on SR 501	1,835
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 501 over tributary Swatara Creek.	
Rehabilitate Bridge on PA 61	1,528
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on PA 61 over Reading/Northern RR.	
Rehabilitate Bridge on PA 61	1,528
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on PA 61 over Kaerchers Creek.	
Rehabilitate Bridge on PA 61	1,528
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on PA 61 over Mill Creek.	

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(Dollar Amounts in Thousands)

	Total Project Cost
<u>BERKS COUNTY (continued)</u>	
Rehabilitate Bridge on SR 61	\$ 3,968
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 61 over SR 4028.	
Rehabilitate Bridge on SR 61	2,750
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 61 over US 0222.	
Rehabilitate Bridge on SR 662	1,306
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 662 over Branch Creek.	
Rehabilitate Bridge on PA 82	87
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on PA 82 over Hay Creek.	
<u>CAMERON COUNTY</u>	
Rehabilitate Bridge on SR 2001	1,000
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 2001 over Sinnemahoning Creek.	
<u>CARBON COUNTY</u>	
Rehabilitate Bridge on SR 2004	504
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 2004 over Mill Creek.	
Rehabilitate Bridge on PA 248	784
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on PA 248 WB over PA 248 EB.	
Rehabilitate Bridge on SR 3005	480
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 3005 over Mahoning Creek.	
Rehabilitate Bridge on I 80	1,176
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on I 80 over Shingle Mill Run.	
Rehabilitate Bridge on SR 895	840
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 895 over Lehigh River.	
Rehabilitate Bridge on SR 903	2,520
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 903 over Mud Run.	
Rehabilitate Bridge on PA 93	336
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on PA 93 over Beisle Run.	
<u>CENTRE COUNTY</u>	
Rehabilitate Bridge on SR 4004	650
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 4004 over tributary Wallace Run.	
Rehabilitate Bridge on SR 504	650
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 504 over One Mile Run.	
<u>CLEARFIELD COUNTY</u>	
Rehabilitate Bridge on SR 1004	1,408
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 1004 over Branch Montgomery Run.	
Rehabilitate Bridge on SR 4018	460
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 4018 over Bennett Branch.	
Rehabilitate Bridge on SR 729	1,625
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 729 over Little Muddy Run.	

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(Dollar Amounts in Thousands)

	Total Project Cost
<u>CLEARFIELD COUNTY (continued)</u>	
Rehabilitate Bridge on T-899, Bottom Road	\$ 400
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on T-899, Bottom Road over Laborde Branch.	
<u>CLINTON COUNTY</u>	
Rehabilitate Bridge on SR 120	350
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 120 over Grimes Run.	
<u>ELK COUNTY</u>	
Rehabilitate Bridge on SR 255	1,200
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 255 over Powers Run.	
Rehabilitate Bridge on SR 555	1,090
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 555 over Caledonia Run.	
<u>INDIANA COUNTY</u>	
Rehabilitate Bridge on Conemaugh River	473
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on tributary to Conemaugh River.	
<u>JEFFERSON COUNTY</u>	
Rehabilitate Bridge on SR 2001	584
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 2001 over Ugly Run.	
Rehabilitate Bridge on SR 3039	402
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 3039 over tributary to Five Mile Run.	
<u>JUNIATA COUNTY</u>	
Rehabilitate Bridge on SR 2003	925
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 2003 over Doe Run (20125).	
Rehabilitate Bridge on SR 2003	650
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 2003 over Doe Run (20126).	
Rehabilitate Bridge on SR 235	154
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 235 over Stoney Run.	
<u>LAWRENCE COUNTY</u>	
Rehabilitate Bridge on SR 3001	1,760
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 3001 over Deer Creek.	
Rehabilitate Bridge on SR 3001	2,500
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 3001 over branch of Hickory Run.	
Rehabilitate Bridge on SR 1015	2,420
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 1015 over Jamison Run.	
Rehabilitate Bridge on SR 2009	2,500
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 2009 over Funk Run.	
Rehabilitate Bridge on SR 3002	1,750
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 3002 over Honey Creek.	

Department of Transportation 2018-19 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>
<u>LAWRENCE COUNTY (continued)</u>	
Rehabilitate Bridge on McCartney Road	\$ 184
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on McCartney Road over tributary to Slippery Rock Creek.	
Rehabilitate Bridge on SR 1012	1,315
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 1012 over branch Big Run.	
<u>LEHIGH COUNTY</u>	
Rehabilitate Bridge on SR 1004	8,008
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 1004 over Lehigh River.	
Rehabilitate Bridge on SR 1007	303
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 1007 over tributary to Lehigh River.	
Rehabilitate Bridge on Front Street	523
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Front street bridge over RR.	
Rehabilitate Bridge on SR 143	727
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 143 over tributary Ontelaunee Creek (23097).	
Rehabilitate Bridge on SR 143	727
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 143 over Ontelaunee Creek (23102).	
Rehabilitate Bridge on SR 143	544
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 143 over tributary to Ontelaunee Creek (23100).	
Rehabilitate Bridge on SR 145	2,812
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 145 over Jordan Creek.	
Rehabilitate Bridge on SR 145	750
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 145 over Ironton RR/bike path.	
Rehabilitate Bridge on SR 2014	1,014
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 2015 over tributary to Cedar Creek.	
Rehabilitate Bridge on SR 2024	795
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 2024 over tributary to Saucon Creek.	
Rehabilitate Bridge on SR 2025	1,590
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 2025 over Indian Creek.	
Rehabilitate Bridge on SR 2027	544
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 2027 over branch of Hosensack Creek.	
Rehabilitate Bridge on SR 2029	1,106
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 2029 over Saucon Creek (23309).	

Department of Transportation 2018-19 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)

	Total Project Cost
<u>LEHIGH COUNTY (continued)</u>	
Rehabilitate Bridge on SR 2029	\$ 1,106
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 2029 over tributary Saucon Creek (23310).	
Rehabilitate Bridge on Adams Road	1,478
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Adams road over SR 0078.	
Rehabilitate Bridge on Keck Road	998
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Kecks road over SR 78.	
Rehabilitate Bridge on SR 4009	1,032
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 4009 over Mill Creek.	
Rehabilitate Bridge on SR 4014	544
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 4014 over tributary to Mill Creek.	
Rehabilitate Bridge on SR 873	3,512
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 873 over Lehigh river & N/S RR.	
<u>LYCOMING COUNTY</u>	
Rehabilitate Bridge on SR 1003	140
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 1003 over Jackson Hollow Run.	
<u>MCKEAN COUNTY</u>	
Rehabilitate Bridge on SR 321	700
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 321 over tributary to Hubert Run.	
Rehabilitate Bridge on SR 346	700
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 346 over Meadow Branch.	
<u>MIFFLIN COUNTY</u>	
Rehabilitate Bridge on SR 1002	626
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 1002 over Dry Creek.	
Rehabilitate Bridge on SR 22	950
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 22 over PA 22.	
Rehabilitate Bridge on T-420	380
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on T-420 over Kish Creek.	
<u>MONROE COUNTY</u>	
Rehabilitate Bridge on Silver Valley Road	294
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Silver Valley road over McMichael Creek.	
Rehabilitate Bridge on US 209	1,034
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on US 209 over Appenzell Creek.	
Rehabilitate Bridge on SR 1017	348
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 1017 over Buckhill Creek.	
Rehabilitate Bridge on SR 2004	504
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 2004 over McMichael Creek.	
Rehabilitate Bridge on US 209	224
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on US209 Business (SR 1012).	

Department of Transportation 2018-19 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)

	Total Project Cost
<u>MONROE COUNTY (continued)</u>	
Rehabilitate Bridge on US 209	\$ 224
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on US 209 over Lake Creek.	
Rehabilitate Bridge on SR 3004	1,350
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 3004 over Meixell Creek.	
Rehabilitate Bridge on SR 3005	280
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 3005 over Weir Creek.	
Rehabilitate Bridge on SR 3005	448
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 3005 Pohopoco Creek.	
Rehabilitate Bridge on SR 715	500
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 715 over McMichaels Creek.	
Rehabilitate Bridge on I-80	112
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on I-80 over SR 2005.	
<u>NORTHAMPTON COUNTY</u>	
Rehabilitate Bridge on SR 1001	727
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 1001 over Bushkill Creek.	
Rehabilitate Bridge on SR 1002	544
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 1002 over Shoeneck Creek.	
Rehabilitate Bridge on SR 1004	544
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 1004 over tributary to Delaware river.	
Rehabilitate Bridge on SR 1039	990
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 1039 over tributary to Delaware river (28701).	
Rehabilitate Bridge on SR 1039	990
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 1039 over tributary to Delaware river (28702).	
Rehabilitate Bridge on US 191	750
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 191 over Bushkill Creek.	
Rehabilitate Bridge on SR 2006	360
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 2006 over Freys Run.	
Rehabilitate Bridge on Farmversville Road	735
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Farmersville road over SR 22.	
Rehabilitate Bridge on SR 2032	750
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 2032 over Bushkill Creek.	
Rehabilitate Bridge on SR 2042	750
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 2042 over PA 33.	
Rehabilitate Bridge on SR 3007	727
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 3007 over Nancy Run.	
Rehabilitate Bridge on SR 3007	727
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 3007 over Lehigh river-Norfolk/Sout.	

Department of Transportation 2018-19 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)

	Total Project Cost
<u>NORTHAMPTON COUNTY (continued)</u>	
Rehabilitate Bridge on SR 3017	\$ 910
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 3017 over Dry Run.	
Rehabilitate Bridge on SR 3018	860
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 3018 over tributary to Catasauqua Creek.	
Rehabilitate Bridge on SR 3020	727
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 3020 over PA 33.	
Rehabilitate Bridge on SR 4007	990
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 4007 over tributary to Hokendauqua Creek (28783).	
Rehabilitate Bridge on SR 4007	990
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 4007 over tributary to Hokendauqua Creek (28784).	
Rehabilitate Bridge on SR 4019	990
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 4019 over tributary to Bushkill Creek.	
Rehabilitate Bridge on SR 4019	990
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 4019 over Horn Creek.	
Rehabilitate Bridge on SR 512	544
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 512 over Brush Meadow Creek.	
Rehabilitate Bridge on SR 611	1,570
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 611 over tributary to Delaware river.	
Rehabilitate Bridge on SR 611	727
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 611 over Slateford Creek.	
Rehabilitate Bridge on SR 611	530
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 611 over Oughoughton Creek.	
Rehabilitate Bridge on SR 987	2,325
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 987 over L. & N.E. R.R. (abolished).	
<u>NORTHUMBERLAND COUNTY</u>	
Rehabilitate Bridge on SR 54	500
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 54 over mine entrance.	
<u>POTTER COUNTY</u>	
Rehabilitate Bridge on SR 1022	520
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 1022 over Pine Creek.	
Rehabilitate Bridge on SR 3011	700
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 3011 over Allegheny river.	
<u>SCHUYLKILL COUNTY</u>	
Rehabilitate Bridge on SR 2009	262
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 2009 over Red Creek.	
Rehabilitate Bridge on SR 209	56
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on US 209 over Norwegian Creek.	

Department of Transportation 2018-19 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>
<u>SCHUYLKILL COUNTY (continued)</u>	
Rehabilitate Bridge on SR 4022	\$ 788
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 4022 over tributary to Mahantango Creek (30839).	
Rehabilitate Bridge on SR 4022	788
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 4022 over tributary to Mahantango Creek (48057).	
Rehabilitate Bridge on SR 443	978
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 443 over Mill Creek.	
Rehabilitate Bridge on Pa 54	112
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on PA 54 over Pine Creek.	
Rehabilitate Bridge on PA 61	112
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on PA 61 over Rattling Run.	
Rehabilitate Bridge on PA 61	112
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on PA 61 over Mahanoy Creek.	
Rehabilitate Bridge on SR 4022	788
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on SR 4022 over tributary to Mahantango Creek.	
TOTAL STATE FUNDS.....	\$ 192,781
TOTAL FEDERAL FUNDS.....	0
TOTAL LOCAL FUNDS.....	0
PROGRAM TOTAL.....	<u>\$ 192,781</u>

Department of Transportation 2018-19 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>
<u>VARIOUS COUNTIES</u>	
(Bucks, Chester, Delaware, Montgomery, and Philadelphia)	
Southeastern Pennsylvania Transportation Authority	\$ 50,000
URBANIZED AREA FORMULA PROGRAM OF PROJECTS: To provide state funds to match federal capital funding to replace buses and rehabilitate or replace various facilities and infrastructure to bring them to improve the system and bring assets to a state of good repair.	
Southeastern Pennsylvania Transportation Authority	60,000
FEDERAL STATE OF GOOD REPAIR PROGRAM: To provide state funds to match federal capital funding to rehabilitate or replace existing facilities and infrastructure to bring them to a state of good repair.	
Southeastern Pennsylvania Transportation Authority	4,000
BUS AND BUS FACILITIES PROGRAM: To provide state funds to match federal capital funding to rehabilitate or replace existing bus facilities and vehicles to bring them to a state of good repair.	
Southeastern Pennsylvania Transportation Authority	10,000
BUS PURCHASE FLEX PROGRAM: To provide 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.	
Southeastern Pennsylvania Transportation Authority	10,000
FEDERAL GRANT PROGRAM: Projects include but are not limited to: vehicle purchases and overhauls; signal system modernization; accessibility, stations and parking; new payment technologies, system improvements and state of good repair initiatives.	
Southeastern Pennsylvania Transportation Authority	45,000
INFRASTRUCTURE SAFETY RENEWAL PROGRAM (ISRP): To provide state funds to rehabilitate or replace existing facilities and infrastructure to bring them to a state of good repair.	
Southeastern Pennsylvania Transportation Authority	20,000
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.	
Southeastern Pennsylvania Transportation Authority	50,000
SYSTEM IMPROVEMENT PROGRAM: This program will provide for state funds to improve transit service in Southeastern Pennsylvania.	
TOTAL STATE FUNDS.....	\$ 249,000
PROGRAM TOTAL.....	<u>\$ 249,000</u>

Department of Transportation 2018-19 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>
<u>ALLEGHENY COUNTY</u>	
Port Authority of Allegheny County LIGHT RAIL VEHICLE PROCUREMENT.	\$ 310,000
Port Authority of Allegheny County NEW OPERATING FACILITY.	150,000
PROGRAM TOTAL.....	<u>\$ 460,000</u>

FORECAST OF FUTURE NEW PROJECT AUTHORIZATIONS

State Funds

This table provides a summary of the estimated level of future authorizations by department from bond funds and current revenue sources.

(Dollar Amounts in Thousands)

	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
Agriculture.....	\$ 5,302	\$ 33,142	\$ 33,944	\$ 25,890
Conservation and Natural Resources.....	48,641	63,695	61,369	61,752
Criminal Justice.....	31,680	28,417	29,679	22,527
Education.....	162,537	147,390	173,924	175,710
Environmental Protection.....	18,788	27,456	23,195	18,350
General Services.....	37,900	37,838	16,151	24,635
Health and Human Services.....	50,276	47,621	49,686	49,791
Historical and Museum Commission.....	22,875	23,171	22,419	22,693
Military and Veterans Affairs.....	37,139	37,178	33,829	34,528
State Police.....	12,031	22,045	21,557	20,768
Transportation.....	3,160,941	3,176,985	3,191,391	3,219,493
TOTAL.....	<u>\$ 3,588,110</u>	<u>\$ 3,644,938</u>	<u>\$ 3,657,144</u>	<u>\$ 3,676,137</u>

Forecast of Future Projects

This section contains estimated authorizations (State funds only) for future Capital Budgets from 2019-20 through 2022-23. 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.

2019-20	2020-21	2021-22	2022-23
Estimated	Estimated	Estimated	Estimated

\$ 5,302	\$ 33,142	\$ 33,944	\$ 25,890
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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.

15,641	30,695	28,369	28,752
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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.

31,680	28,417	29,679	22,527
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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.

162,537	147,390	173,924	175,710
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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 and equipment authorizations.

18,788	27,456	23,195	18,350
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General Services

PUBLIC IMPROVEMENT PROJECTS: Provides for the construction, renovation and improvements to state office buildings and facilities.

37,900	37,838	16,151	24,635
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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, centers and youth development centers. Also may include original furniture and equipment authorizations.

50,276	47,621	49,686	49,791
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Forecast of Future Projects

(Dollar Amounts in Thousands)

FROM CAPITAL FACILITIES BOND FUNDS (continued)	2019-20	2020-21	2021-22	2022-23
	Estimated	Estimated	Estimated	Estimated
Historical and Museum Commission 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.	\$ 22,875	\$ 23,171	\$ 22,419	\$ 22,693
Military and Veterans Affairs 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.	37,139	37,178	33,829	34,528
State Police PUBLIC IMPROVEMENT PROJECTS: Provides for renovation, expansion and construction of troop headquarters/station facilities and driver examination facilities. Also may include original furniture equipment authorizations.	12,031	22,045	21,557	20,768
Transportation 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.	28,841	40,585	40,691	22,693
Transportation 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.	175,000	175,000	175,000	175,000
CAPITAL FACILITIES BOND FUNDS				
Total — Public Improvement Program.....	\$ 423,010	\$ 475,538	\$ 473,444	\$ 446,337
Total — Transportation Assistance Program.....	175,000	175,000	175,000	175,000
SUBTOTAL— CAPITAL FACILITIES BOND FUNDS.....	\$ 598,010	\$ 650,538	\$ 648,444	\$ 621,337

Forecast of Future Projects

(Dollar Amounts in Thousands)

	2019-20 <u>Estimated</u>	2020-21 <u>Estimated</u>	2021-22 <u>Estimated</u>	2022-23 <u>Estimated</u>
FROM CURRENT REVENUES				
Conservation and Natural Resources	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
PUBLIC IMPROVEMENT PROJECTS — KEYSTONE RECREATION, PARK AND CONSERVATION FUND: Provides for the rehabilitation, repair and development of state park and forest facilities which are critical for visitor safety and environmental protection or essential for facility operation.				
Conservation and Natural Resources	3,000	3,000	3,000	3,000
PUBLIC IMPROVEMENT PROJECTS — ENVIRONMENTAL STEWARDSHIP FUND: Provides for the acquisition, rehabilitation and development of open space, forests, parks and scenic environments.				
Transportation	\$ 2,957,100	\$ 2,961,400	\$ 2,975,700	\$ 3,021,800
HIGHWAY PROJECTS — MOTOR LICENSE FUND: Provides for the purchase of right-of-way, construction, and reconstruction of highways and bridges on the commonwealth road system and major federally designated safety projects.				
CURRENT REVENUES				
Total – Public Improvement Program.....	\$ 33,000	\$ 33,000	\$ 33,000	\$ 33,000
Total – Highway Program.....	2,957,100	2,961,400	2,975,700	3,021,800
SUBTOTAL – CURRENT REVENUES.....	\$ 2,990,100	\$ 2,994,400	\$ 3,008,700	\$ 3,054,800
TOTAL – ALL PROGRAMS.....	\$ 3,588,110	\$ 3,644,938	\$ 3,657,144	\$ 3,676,137

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	2018-19	2019-20	2020-21	2021-22	2022-23
	Estimated	Estimated	Estimated	Estimated	Estimated
Executive Offices.....	\$ 782	\$ 1,271	\$ 395	\$ 36	\$ 0
Agriculture.....	14,823	5,302	33,142	33,944	25,890
Conservation and Natural Resources.....	60,294	48,641	63,695	61,369	61,752
Community and Economic Development.....	250,000	250,000	250,000	250,000	250,000
Criminal Justice.....	28,595	31,680	28,417	29,679	22,527
Education.....	188,738	162,537	147,390	173,924	175,710
Environmental Protection.....	10,175	21,088	29,456	25,195	18,350
General Services.....	68,179	37,900	37,838	16,151	24,635
Health and Human Services.....	31,038	50,276	47,621	49,686	49,791
Historical and Museum Commission.....	16,057	22,875	23,171	22,419	22,693
Military and Veterans Affairs.....	20,688	37,139	37,178	33,829	34,528
State Police.....	26,920	12,031	22,045	21,557	20,768
Transportation.....	3,114,332	3,160,941	3,176,985	3,191,391	3,219,493
TOTAL - ALL STATE FUNDS.....	\$ 3,830,621	\$ 3,841,681	\$ 3,897,333	\$ 3,909,180	\$ 3,926,137

Estimate of Capital Expenditures

This table provides estimated capital expenditures by department for currently authorized capital projects, projects recommended in this budget and potential future authorizations.

(Dollar Amounts in Thousands)

	<u>2018-19 Estimated</u>	<u>2019-20 Estimated</u>	<u>2020-21 Estimated</u>	<u>2021-22 Estimated</u>	<u>2022-23 Estimated</u>
CAPITAL FACILITIES BOND FUNDS					
Executive Offices					
Public Improvement Projects					
Projects in 2018-19 Budget					
Buildings and Structures.....	\$ 782	\$ 0	\$ 0	\$ 0	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2019-23)					
Buildings and Structures.....	0	1,271	395	36	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - EXECUTIVE OFFICES.....	<u>\$ 782</u>	<u>\$ 1,271</u>	<u>\$ 395</u>	<u>\$ 36</u>	<u>\$ 0</u>
Agriculture					
Public Improvement Projects					
Projects in 2018-19 Budget					
Buildings and Structures.....	\$ 14,823	\$ 0	\$ 0	\$ 0	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2019-23)					
Buildings and Structures.....	0	5,302	33,142	33,944	25,890
Furniture and Equipment.....	0	0	0	0	0
TOTAL - AGRICULTURE.....	<u>\$ 14,823</u>	<u>\$ 5,302</u>	<u>\$ 33,142</u>	<u>\$ 33,944</u>	<u>\$ 25,890</u>
Conservation and Natural Resources					
Public Improvement Projects					
Projects in 2018-19 Budget					
Buildings and Structures.....	\$ 23,209	\$ 0	\$ 0	\$ 0	\$ 0
Furniture and Equipment.....	2,550	0	0	0	0
Future Projects (2019-23)					
Buildings and Structures.....	0	15,641	30,695	28,369	28,752
Furniture and Equipment.....	0	0	0	0	0
TOTAL - CONSERVATION AND NATURAL RESOURCES.....	<u>\$ 25,759</u>	<u>\$ 15,641</u>	<u>\$ 30,695</u>	<u>\$ 28,369</u>	<u>\$ 28,752</u>
Community and Economic Development					
Public Improvement Projects					
Projects in 2018-19 Budget					
Buildings and Structures.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2019-23)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Subtotal.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Redevelopment Assistance Projects					
Projects Currently Authorized					
Acquisition and Construction.....	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>
TOTAL - COMMUNITY AND ECONOMIC DEVELOPMENT.....	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	<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>	<u>2022-23</u> <u>Estimated</u>
Criminal Justice					
Public Improvement Projects					
Projects in 2018-19 Budget					
Buildings and Structures.....	\$ 28,595	\$ 0	\$ 0	\$ 0	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2019-23)					
Buildings and Structures.....	0	31,680	28,417	29,679	22,527
Furniture and Equipment.....	0	0	0	0	0
TOTAL CRIMINAL JUSTICE.....	<u>\$ 28,595</u>	<u>\$ 31,680</u>	<u>\$ 28,417</u>	<u>\$ 29,679</u>	<u>\$ 22,527</u>
Education					
Public Improvement Projects					
Projects in 2018-19 Budget					
Buildings and Structures.....	\$ 188,738	\$ 0	\$ 0	\$ 0	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2019-23)					
Buildings and Structures.....	0	162,537	147,390	173,924	175,710
Furniture and Equipment.....	0	0	0	0	0
TOTAL - EDUCATION.....	<u>\$ 188,738</u>	<u>\$ 162,537</u>	<u>\$ 147,390</u>	<u>\$ 173,924</u>	<u>\$ 175,710</u>
Environmental Protection					
Public Improvement Projects					
Projects in 2018-19 Budget					
Buildings and Structures.....	\$ 10,175	\$ 0	\$ 0	\$ 0	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2019-23)					
Buildings and Structures.....	0	18,788	27,456	23,195	18,350
Furniture and Equipment.....	0	0	0	0	0
Subtotal	<u>\$ 10,175</u>	<u>\$ 18,788</u>	<u>\$ 27,456</u>	<u>\$ 23,195</u>	<u>\$ 18,350</u>
Flood Control Projects					
Projects Currently Authorized					
Structures and Improvements.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Projects in 2018-19 Budget					
Structures and Improvements.....	0	0	0	0	0
Future Projects (2019-23)					
Structures and Improvements.....	0	2,300	2,000	2,000	0
Subtotal	<u>\$ 0</u>	<u>\$ 2,300</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 0</u>
TOTAL - ENVIRONMENTAL PROTECTION.....	<u>\$ 10,175</u>	<u>\$ 21,088</u>	<u>\$ 29,456</u>	<u>\$ 25,195</u>	<u>\$ 18,350</u>
General Services					
Public Improvement Projects					
Projects in 2018-19 Budget					
Buildings and Structures.....	\$ 68,179	\$ 0	\$ 0	\$ 0	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2019-23)					
Buildings and Structures.....	0	37,900	37,838	16,151	24,635
Furniture and Equipment.....	0	0	0	0	0
TOTAL - GENERAL SERVICES.....	<u>\$ 68,179</u>	<u>\$ 37,900</u>	<u>\$ 37,838</u>	<u>\$ 16,151</u>	<u>\$ 24,635</u>

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	<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>	<u>2022-23</u> <u>Estimated</u>
Health and Human Services					
Public Improvement Projects					
Projects in 2018-19 Budget					
Buildings and Structures.....	\$ 31,038	\$ 0	\$ 0	\$ 0	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2019-23)					
Buildings and Structures.....	0	50,276	47,621	49,686	49,791
Furniture and Equipment.....	0	0	0	0	0
TOTAL - HUMAN SERVICES.....	<u>\$ 31,038</u>	<u>\$ 50,276</u>	<u>\$ 47,621</u>	<u>\$ 49,686</u>	<u>\$ 49,791</u>
Historical and Museum Commission					
Public Improvement Projects					
Projects in 2018-19 Budget					
Buildings and Structures.....	\$ 16,057	\$ 0	\$ 0	\$ 0	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2019-23)					
Buildings and Structures.....	0	22,875	23,171	22,419	22,693
Furniture and Equipment.....	0	0	0	0	0
TOTAL - HISTORICAL AND MUSEUM	<u>\$ 16,057</u>	<u>\$ 22,875</u>	<u>\$ 23,171</u>	<u>\$ 22,419</u>	<u>\$ 22,693</u>
Military and Veterans Affairs					
Public Improvement Projects					
Projects in 2018-19 Budget					
Buildings and Structures.....	\$ 20,688	\$ 0	\$ 0	\$ 0	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2019-23)					
Buildings and Structures.....	0	37,139	37,178	33,829	34,528
Furniture and Equipment.....	0	0	0	0	0
TOTAL - MILITARY AND VETERANS AFFAIRS.....	<u>\$ 20,688</u>	<u>\$ 37,139</u>	<u>\$ 37,178</u>	<u>\$ 33,829</u>	<u>\$ 34,528</u>
State Police					
Public Improvement Projects					
Projects in 2018-19 Budget					
Buildings and Structures.....	\$ 26,920	\$ 0	\$ 0	\$ 0	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2019-23)					
Buildings and Structures.....	0	12,031	22,045	21,557	20,768
Furniture and Equipment.....	0	0	0	0	0
TOTAL - STATE POLICE	<u>\$ 26,920</u>	<u>\$ 12,031</u>	<u>\$ 22,045</u>	<u>\$ 21,557</u>	<u>\$ 20,768</u>
Transportation					
Public Improvement Projects					
Projects in 2018-19 Budget					
Buildings and Structures.....	\$ 21,328	\$ 0	\$ 0	\$ 0	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2019-23)					
Buildings and Structures.....	0	28,841	40,585	40,691	22,693
Furniture and Equipment.....	0	0	0	0	0
Subtotal.....	<u>\$ 21,328</u>	<u>\$ 28,841</u>	<u>\$ 40,585</u>	<u>\$ 40,691</u>	<u>\$ 22,693</u>

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	<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>	<u>2022-23</u> <u>Estimated</u>
Transportation (continued)					
Transportation Assistance Projects					
Projects Currently Authorized					
Mass Transit, Rail and Air.....	\$ 79,000	\$ 28,000	\$ 24,800	\$ 54,480	\$ 79,000
Projects in 2018-19 Budget					
Mass Transit, Rail and Air.....	96,000	131,000	115,200	66,200	96,000
Future Projects (2019-23)					
Mass Transit, Rail and Air.....	0	16,000	35,000	54,320	0
Subtotal.....	<u>\$ 175,000</u>	<u>\$ 175,000</u>	<u>\$ 175,000</u>	<u>\$ 175,000</u>	<u>\$ 175,000</u>
TOTAL - TRANSPORTATION.....	<u>\$ 196,328</u>	<u>\$ 203,841</u>	<u>\$ 215,585</u>	<u>\$ 215,691</u>	<u>\$ 197,693</u>
TOTAL - CAPITAL FACILITIES BOND FUNDS					
Public Improvement Projects					
Buildings and Structures.....	\$ 450,532	\$ 424,281	\$ 475,933	\$ 473,480	\$ 446,337
Furniture and Equipment.....	2,550	0	0	0	0
Redevelopment Assistance Projects					
Acquisition and Construction.....	250,000	250,000	250,000	250,000	250,000
Flood Control Projects					
Structures and Improvements.....	0	2,300	2,000	2,000	0
Transportation Assistance Projects.....					
Mass Transit, Rail and Air.....	175,000	175,000	175,000	175,000	175,000
TOTAL.....	<u>\$ 878,082</u>	<u>\$ 851,581</u>	<u>\$ 902,933</u>	<u>\$ 900,480</u>	<u>\$ 871,337</u>
CURRENT REVENUES					
KEYSTONE RECREATION, PARK AND CONSERVATION FUND					
Conservation and Natural Resources					
Keystone Recreation, Park and Conservation Projects - Acquisition, Improvements and Restoration.....					
Projects in 2018-19 Budget	\$ 31,310	\$ 0	\$ 0	\$ 0	\$ 0
Future Projects (2019-23)	0	30,000	30,000	30,000	30,000
Subtotal.....	<u>\$ 31,310</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>
ENVIRONMENTAL STEWARDSHIP FUND					
Conservation and Natural Resources					
Environmental Stewardship Projects - Acquisition, Rehabilitation and Development					
Projects in 2018-19 Budget	\$ 3,225	\$ 0	\$ 0	\$ 0	\$ 0
Future Projects (2019-23)	0	3,000	3,000	3,000	3,000
Subtotal.....	<u>\$ 3,225</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>
TOTAL - CONSERVATION AND NATURAL RESOURCES.....	<u>\$ 34,535</u>	<u>\$ 33,000</u>	<u>\$ 33,000</u>	<u>\$ 33,000</u>	<u>\$ 33,000</u>
MOTOR LICENSE FUND					
Transportation					
Highway and Bridge Projects					
Projects in 2018-19 Budget	\$ 2,918,004	\$ 0	\$ 0	\$ 0	\$ 0
Future Projects (2019-23)	0	2,957,100	2,961,400	2,975,700	3,021,800
TOTAL - TRANSPORTATION.....	<u>\$ 2,918,004</u>	<u>\$ 2,957,100</u>	<u>\$ 2,961,400</u>	<u>\$ 2,975,700</u>	<u>\$ 3,021,800</u>

Estimate of Capital Expenditures

TOTAL - CURRENT REVENUES

Acquisition, Improvement and Restoration Projects						
Keystone Recreation, Park and Conservation Fund.....	\$ 31,310	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	
Acquisition, Rehabilitation and Development Projects						
Environmental Stewardship Fund.....	3,225	3,000	3,000	3,000	3,000	
Highway and Bridge Projects						
Motor License Fund	2,918,004	2,957,100	2,961,400	2,975,700	3,021,800	
TOTAL - CURRENT REVENUES.....	\$ 2,952,539	\$ 2,990,100	\$ 2,994,400	\$ 3,008,700	\$ 3,054,800	
TOTAL - ALL STATE FUNDS.....	\$ 3,830,621	\$ 3,841,681	\$ 3,897,333	\$ 3,909,180	\$ 3,926,137	

Totals may not add due to rounding.

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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.

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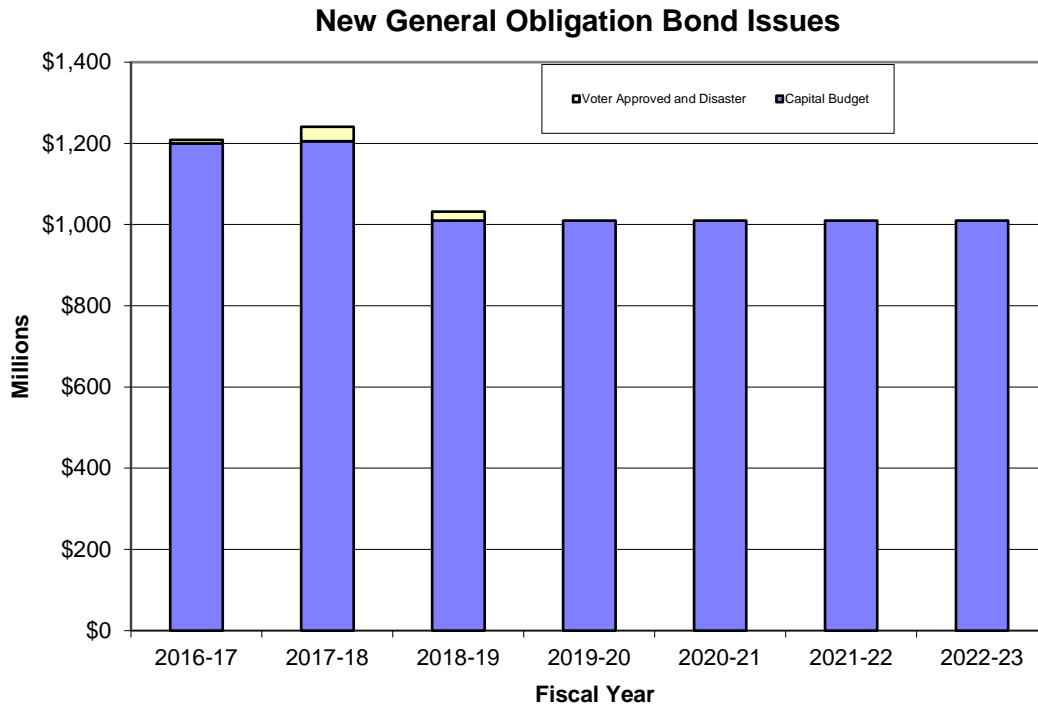
DEBT AUTHORIZED, ISSUED AND OUTSTANDING

The following statement reflects the debt of the commonwealth as of December 31, 2017. Issues for which all authorized debt has been previously issued and for which said debt has been completely redeemed are not included. The Constitution permits capital budget debt to be issued without voter approval but subject to a debt limit. Except for debt issued for disaster recovery purposes, all other debt requires voter approval.

	(Dollar Amounts in Thousands)		
	Total Debt Authorized	Original Debt Issued	Debt Outstanding
Debt Subject to Constitutional Limit			
Capital Budget.....	\$ 161,490,365	\$ 26,200,955	\$ 6,691,001
Capital Budget Refunding Bonds Outstanding.....	NA	NA	3,746,705
Less: Capital Debt Fund Balance.....	NA	NA	0
Subtotal.....	<u>\$ 161,490,365</u>	<u>\$ 26,200,955</u>	<u>\$ 10,437,706</u>
Debt Not Subject to Constitutional Limit - Voter Approved and Disaster			
Disaster Relief.....	\$ 192,708	\$ 170,800	\$ 0
Disaster Relief 1996.....	110,000	26,000	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	288,500	0
PENNVEST- 1988 & 1992 Referenda.....	650,000	634,000	75,620
PENNVEST- 2008 Referendum.....	400,000	364,400	245,450
Agricultural Conservation Easement.....	100,000	100,000	0
Local Criminal Justice.....	200,000	197,000	0
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	44,625
Growing Greener.....	625,000	599,000	159,009
Persian Gulf Conflict Veterans' Compensation.....	20,000	7,000	0
Refunding Bonds Outstanding.....	NA	NA	533,165
Less: Non-capital Sinking Fund Balances.....	NA	NA	-5,243
Subtotal.....	<u>\$ 3,852,708</u>	<u>\$ 3,543,400</u>	<u>\$ 1,052,626</u>
TOTAL.....	<u><u>\$ 165,343,073</u></u>	<u><u>\$ 29,744,355</u></u>	<u><u>\$ 11,490,332</u></u>

GENERAL OBLIGATION BOND ISSUES 2016-17 Through 2022-23

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.

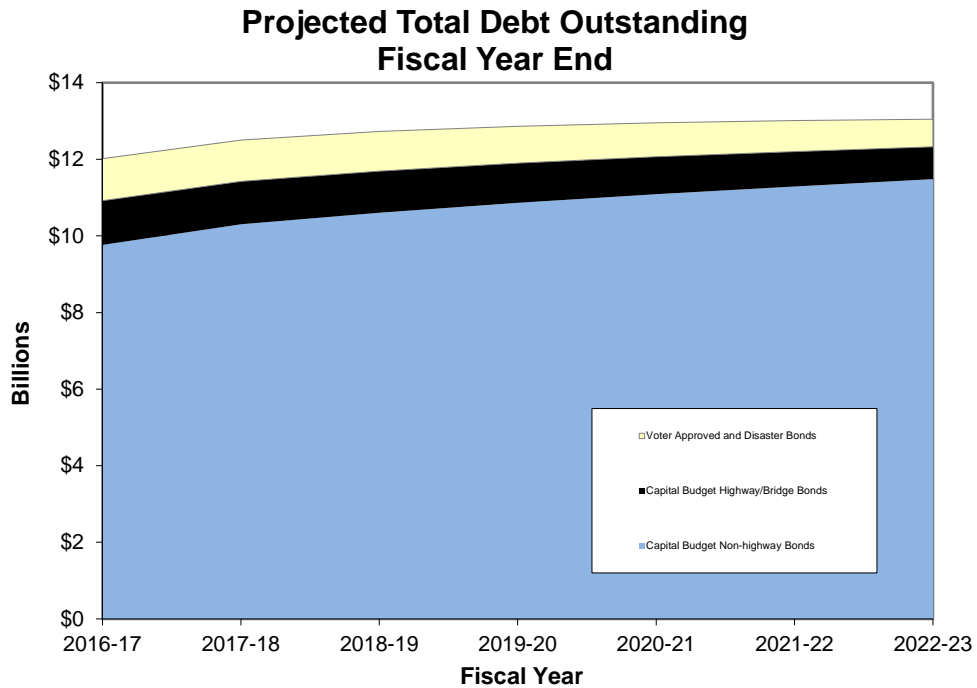


(Dollar Amounts in Thousands)

General Obligation Bond Issues	2016-17 Actual	2017-18 Estimated	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
Capital Budget							
Buildings and Structures.....	\$ 750,000	\$ 680,000	\$ 650,000	\$ 650,000	\$ 650,000	\$ 650,000	\$ 650,000
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.....	275,000	175,000	175,000	175,000	175,000	175,000	175,000
Transportation Assistance.....	175,000	350,000	175,000	175,000	175,000	175,000	175,000
Bridge Projects.....	0	0	0	0	0	0	0
Subtotal.....	<u>\$ 1,200,000</u>	<u>\$ 1,205,000</u>	<u>\$ 1,010,000</u>	<u>\$ 1,010,000</u>	<u>\$ 1,010,000</u>	<u>\$ 1,010,000</u>	<u>\$ 1,010,000</u>
Voter Approved and Disaster							
PENNVEST -- 1988, 1992 & 2008 Ref.....	\$ 0	\$ 16,000	\$ 15,600	\$ 0	\$ 0	\$ 0	\$ 0
Water and Wastewater Referendum.....	8,725	0	0	0	0	0	0
Growing Greener Referendum.....	0	20,000	6,000	0	0	0	0
Subtotal.....	<u>\$ 8,725</u>	<u>\$ 36,000</u>	<u>\$ 21,600</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL.....	<u><u>\$ 1,208,725</u></u>	<u><u>\$ 1,241,000</u></u>	<u><u>\$ 1,031,600</u></u>	<u><u>\$ 1,010,000</u></u>	<u><u>\$ 1,010,000</u></u>	<u><u>\$ 1,010,000</u></u>	<u><u>\$ 1,010,000</u></u>

GENERAL OBLIGATION DEBT OUTSTANDING 2016-17 Through 2022-23

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)].

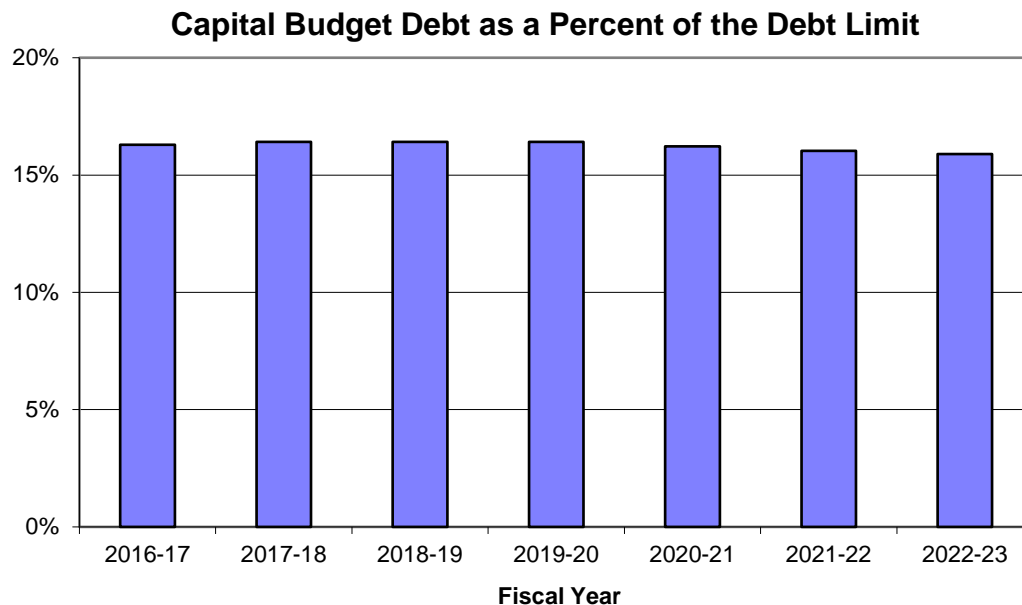


(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Estimated	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
Fiscal Year End Debt Outstanding							
Capital Budget Non-Highway Bonds....	\$ 9,765,298	\$ 10,305,276	\$10,604,356	\$ 10,860,525	\$ 11,085,631	\$ 11,285,699	\$ 11,480,330
Capital Budget Highway/Bridge Bonds.	1,154,002	1,120,461	1,086,286	1,035,460	981,989	916,660	847,892
Voter Approved and Disaster Bonds....	1,096,356	1,076,664	1,036,314	962,078	885,577	805,010	718,343
TOTAL.....	\$ 12,015,655	\$ 12,502,401	\$12,726,956	\$ 12,858,063	\$ 12,953,197	\$ 13,007,369	\$ 13,046,565

CONSTITUTIONAL DEBT LIMIT 2016-17 Through 2022-23

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)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Estimated	Budget	Estimated	Estimated	Estimated	Estimated

Debt Limit Projection

Capital Budget Debt Subject to Constitutional Debt Limit:

Outstanding Debt

Beginning of Fiscal Year*	\$ 10,427,979	\$ 10,915,347	\$ 11,421,784	\$ 11,686,689	\$ 11,892,032	\$ 12,063,667	\$ 12,198,405
Debt to be Issued**	1,761,825	2,033,475	1,010,000	1,010,000	1,010,000	1,010,000	1,010,000
Debt to be Retired***	-1,274,457	-1,527,038	-745,095	-804,657	-838,365	-875,262	-884,137

Outstanding Debt

End of Fiscal Year*	<u>\$ 10,915,347</u>	<u>\$ 11,421,784</u>	<u>\$ 11,686,689</u>	<u>\$ 11,892,032</u>	<u>\$ 12,063,667</u>	<u>\$ 12,198,405</u>	<u>\$ 12,324,268</u>
Debt Limit (from below)	66,991,778	69,620,432	71,190,074	72,483,168	74,397,204	76,091,812	77,559,796
Capital Budget Debt as a percent of Debt Limit	16.3%	16.4%	16.4%	16.4%	16.2%	16.0%	15.9%

Calculation of Debt Limit:

Average Tax Revenues

Previous Five Years	\$ 38,281,016	\$ 39,783,104	\$ 40,680,042	\$ 41,418,953	\$ 42,512,688	\$ 43,481,035	\$ 44,319,884
Debt Limit (1.75 times revenues)	<u>66,991,778</u>	<u>69,620,432</u>	<u>71,190,074</u>	<u>72,483,168</u>	<u>74,397,204</u>	<u>76,091,812</u>	<u>77,559,796</u>

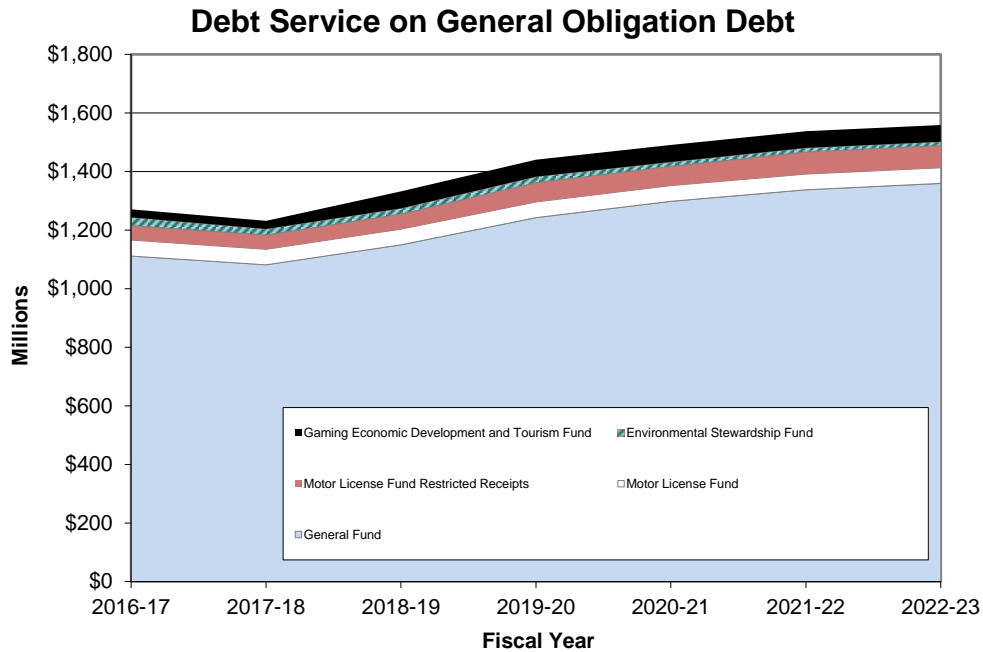
* Actual year amount is net of June 30 Capital Debt Fund balance.

** Actual year amount includes refunding bonds of \$472,215,000. Current fiscal year amount includes refunding bonds of \$828,475,000.

*** Actual year amount includes \$608,580,000 in bonds refunded. Current fiscal year amount includes \$854,270,000 in bonds refunded.

DEBT SERVICE ON GENERAL OBLIGATION DEBT 2016-17 Through 2022-23

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.



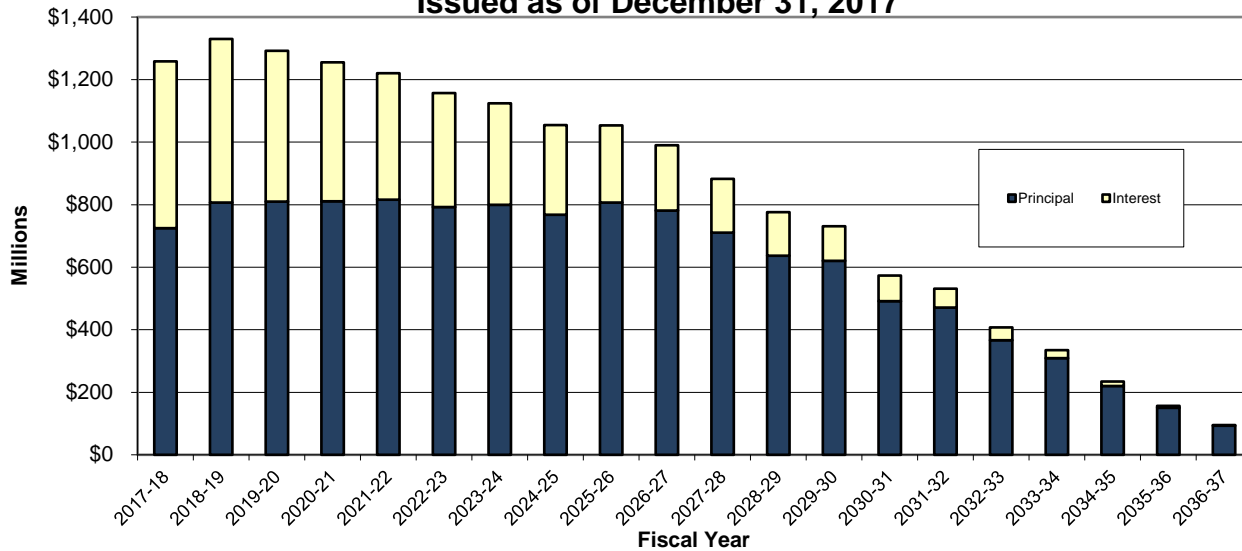
	(Dollar Amounts in Thousands)						
	2016-17 Actual	2017-18 Estimated	2018-19 Budget	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
General Fund							
Capital Budget Non-Highway.....	\$ 1,074,014	\$1,051,240	\$1,123,579	\$ 1,211,738	\$1,270,392	\$1,299,522	\$ 1,327,897
Voter Approved and Disaster.....	37,371	30,145	26,421	30,893	27,671	38,117	31,452
Subtotal.....	<u>\$ 1,111,385</u>	<u>\$1,081,385</u>	<u>\$1,150,000</u>	<u>\$ 1,242,631</u>	<u>\$1,298,063</u>	<u>\$1,337,639</u>	<u>\$ 1,359,349</u>
Environmental Stewardship Fund							
Growing Greener II.....	\$ 29,289	\$ 20,871	\$ 20,053	\$ 20,220	\$ 14,984	\$ 15,073	\$ 13,911
Gaming Economic Development and Tourism Fund							
Pennsylvania Convention Center.....	\$ 26,787	\$ 28,000	\$ 58,000	\$ 58,000	\$ 58,000	\$ 56,786	\$ 56,786
Motor License Fund*							
Capital Budget -- Highways.....	\$ 36,334	\$ 35,581	\$ 35,620	\$ 35,661	\$ 35,736	\$ 35,779	\$ 35,826
Capital Budget.....	17,815	17,815	17,815	17,748	17,633	17,633	17,633
Subtotal.....	<u>\$ 54,149</u>	<u>\$ 53,396</u>	<u>\$ 53,435</u>	<u>\$ 53,409</u>	<u>\$ 53,369</u>	<u>\$ 53,412</u>	<u>\$ 53,459</u>
Motor License Fund Restricted Rec.							
Highway Bridge Improvement -- Cap. Bdgt....	49,263	48,305	51,054	65,780	65,903	75,114	75,324
TOTAL.....	<u><u>\$ 1,270,873</u></u>	<u><u>\$1,231,957</u></u>	<u><u>\$1,332,542</u></u>	<u><u>\$ 1,440,040</u></u>	<u><u>\$1,490,319</u></u>	<u><u>\$1,538,024</u></u>	<u><u>\$ 1,558,829</u></u>

*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, 2017

Fiscal year principal and interest payments on general obligation bonds issued as of the end of calendar year 2017 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, 2017



General Obligation Bond Annual Debt Service

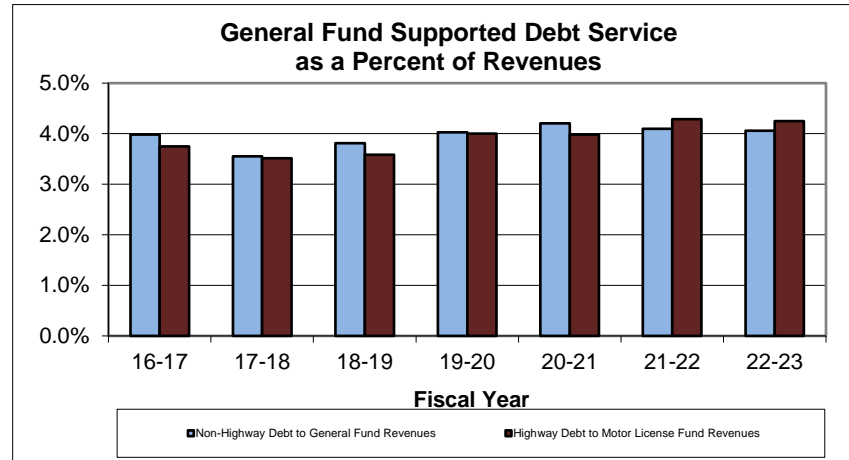
(Dollar Amounts in Thousands)

Fiscal Year	Capital Budget (Non-highway)			Capital Budget (Highway)			Voter Approved and Disaster			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
2017-18	\$ 640,812	\$ 432,609	\$ 1,073,421	\$ 31,956	\$ 51,928	\$ 83,884	\$ 51,952	\$ 48,923	\$ 100,875	\$ 1,258,180
2018-19	710,920	420,925	1,131,845	34,175	52,498	86,673	61,950	49,340	111,290	1,329,809
2019-20	686,351	385,427	1,071,778	50,826	50,615	101,440	72,494	46,003	118,497	1,291,716
2020-21	683,002	352,968	1,035,970	53,471	48,167	101,638	74,672	42,547	117,219	1,254,827
2021-22	671,909	319,758	991,667	65,330	45,561	110,891	78,647	38,974	117,620	1,220,179
2022-23	639,406	286,365	925,771	68,768	42,381	111,149	84,651	35,045	119,696	1,156,616
2023-24	637,014	254,954	891,968	72,745	39,001	111,745	89,862	30,762	120,623	1,124,337
2024-25	598,995	224,822	823,817	76,788	35,073	111,861	92,103	26,331	118,433	1,054,111
2025-26	629,629	193,960	823,589	79,342	31,199	110,541	97,309	21,549	118,858	1,052,987
2026-27	601,751	164,448	766,199	86,238	27,525	113,763	93,306	16,937	110,243	990,205
2027-28	544,766	136,597	681,363	90,811	23,232	114,043	74,439	12,753	87,191	882,597
2028-29	488,852	111,211	600,063	86,991	18,600	105,591	61,167	9,374	70,541	776,195
2029-30	475,401	88,900	564,301	84,263	14,254	98,517	61,156	6,685	67,841	730,659
2030-31	389,825	67,632	457,457	62,085	10,233	72,318	39,920	3,758	43,678	573,453
2031-32	389,946	50,535	440,481	50,858	7,826	58,684	29,611	2,113	31,724	530,889
2032-33	305,840	34,203	340,043	43,253	5,661	48,913	16,843	1,133	17,976	406,932
2033-34	265,574	21,061	286,635	38,427	3,854	42,281	5,334	448	5,782	334,698
2034-35	179,989	11,373	191,362	37,109	2,322	39,431	3,178	211	3,389	234,181
2035-36	108,526	4,508	113,034	38,984	1,079	40,063	3,340	84	3,424	156,521
2036-37	92,580	1,389	93,969	0	0	0	685	10	695	94,664

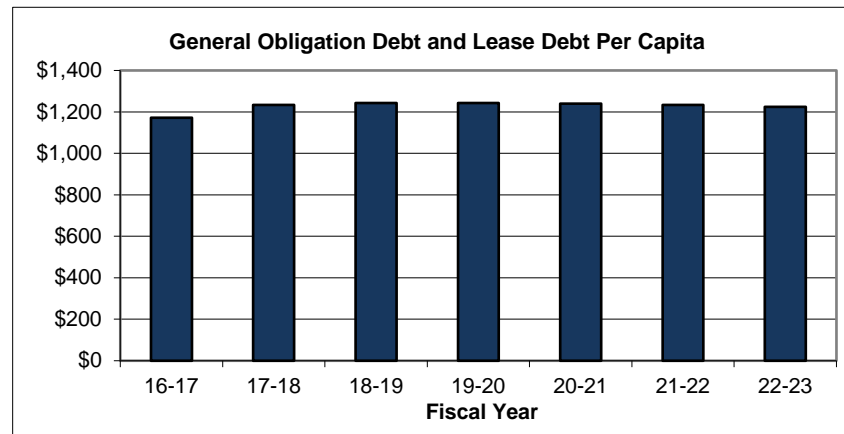
TRENDS IN DEBT SERVICE AND DEBT RATIOS 2016-17 Through 2022-23

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.

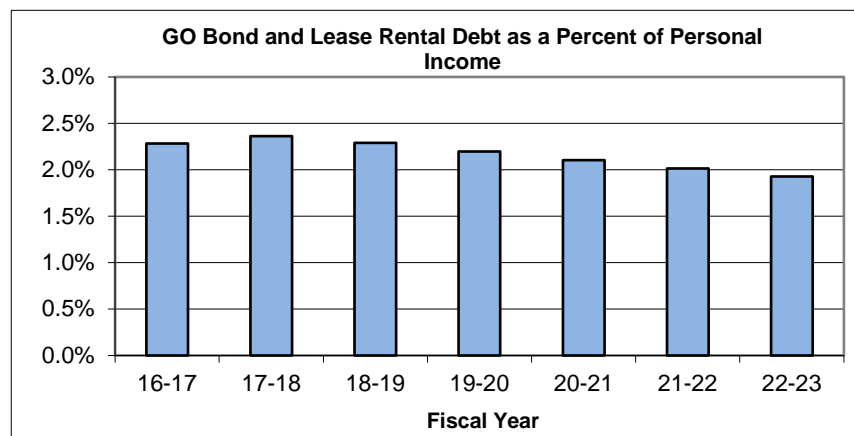
General Fund debt service as a percent of revenues remains below Standard & Poors criteria of 5% for issuers considered to have a "low debt burden."



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
12/31/17
(in millions)**

<p>Commonwealth Financing Authority Created to promote health, safety, employment, business opportunities, economic activity and the general welfare of the commonwealth. Debt service on the bonds is paid from revenues of the authority.</p>	\$ 2,314.9
<p>Delaware River Joint Toll Bridge Commission Created by Pennsylvania and New Jersey to construct, operate and maintain bridges crossing the upper Delaware River. Debt service on the bonds is paid from tolls and other revenues of the commission.</p>	713.5
<p>Delaware River Port Authority Created by Pennsylvania and New Jersey to control and operate bridges crossing the Delaware River, it may construct or acquire other bridges, tunnels and other projects for port improvement and development. The authority operates a rapid transit system, which it constructed. Debt service on the bonds is paid from tolls, fares, rents and other revenue of the authority.</p>	1,455.0
<p>Pennsylvania Economic Development Financing Authority Created to offer pooled bond issues of both taxable and tax-exempt bonds on behalf of local industrial and commercial development authorities for economic development projects. Debt service on the bonds is paid by loan interest and repayments and other authority revenues.</p>	6,032.9
<p>Pennsylvania Higher Education Assistance Agency Makes or guarantees student loans for graduate and undergraduate programs to students or parents, lending institutions or postsecondary institutions. Debt service on the bonds is paid by loan interest and repayments and by other agency revenues.</p>	4,557.3
<p>Pennsylvania Higher Educational Facilities Authority Acquires, constructs, improves and leases (as lessor) college facilities and makes loans to colleges and universities within the commonwealth. Debt service on the bonds is paid from rentals and from loan repayments collected for the use of the facilities.</p>	6,129.7
<p>Pennsylvania Housing Finance Agency Makes construction and permanent mortgage loans to qualified borrowers for the purchase and construction of multi and single family housing for low and moderate income persons or families. Debt service on the bonds is paid from mortgage loan interest and repayments and further secured by a "moral obligation" of the Commonwealth.</p>	2,946.6
<p>Pennsylvania Industrial Development Authority Makes mortgage loans to local nonprofit industrial development agencies for the financing of industrial development projects. Debt service on the bonds is paid from loan interest and repayments and other authority revenues.</p>	239.1
<p>Pennsylvania Infrastructure Investment Authority Provides low interest rate loans and grants for constructing new and for improving existing water supply and sewage disposal systems. Loans and grants are available to local governments and, in certain circumstances, to private companies. The bonds are secured by principal repayments and interest payments on loans.</p>	87.7
<p>Pennsylvania Turnpike Commission Constructs, maintains and operates the Pennsylvania Turnpike. Debt service on the bonds is paid from tolls and other revenue sources of the commission.</p>	12,169.6
<p>Philadelphia Regional Port Authority Operates port facilities in Bucks and Delaware counties, and the City of Philadelphia. Debt service on the bonds is paid by a pledge of the authority's revenues, rentals and receipts.</p>	12.8
<p>State Public School Building Authority Constructs, improves, equips and makes loans to local school districts for school facilities. Debt service on the bonds is paid from rentals collected for the use of the facilities and from loan repayments.</p>	2,794.9
<p>TOTAL.....</p>	<p><u>\$ 39,454.0</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.

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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	Multimodal Transportation Fund
Administration Fund	Municipalities Financial Recovery Revolving Aid Fund
Agricultural College Land Scrip Fund	Non-Coal Surface Mining Conservation and Reclamation Fund
Agricultural Conservation Easement Purchase Fund	Nutrient Management Fund
Anthracite Emergency Bond Fund	Oil and Gas Lease Fund
Automobile Theft Prevention Trust Fund	Patient Safety Trust Fund
Banking Fund	Pennsylvania Economic Revitalization Fund
Ben Franklin Tech Development Authority Fund	Pennsylvania eHealth Partnership Fund
Boat Fund	Pennsylvania Gaming Economic Development and Tourism Fund
Broadband Outreach and Aggregation Fund	Pennsylvania Historical & Museum Commission Trust Fund
Budget Stabilization Reserve Fund	Pennsylvania Race Horse Development Trust Fund
Capitol Restoration Trust Fund	Pennsylvania Veterans Memorial Trust Fund
Catastrophic Loss Benefits Continuation Fund	PENNVEST Bond Authorization Fund
Children’s Trust Fund	PENNVEST Drinking Water Revolving Fund
Cigarette Fire Safety & Firefighter Protection Act Enforcement Fund	PENNVEST Fund
Clean Air Fund	PENNVEST Water Pollution Control Revolving Fund
Coal Lands Improvement Fund	Persian Gulf Conflict Veterans’ Comp Bond Fund
Community College Capital Fund	Pharmaceutical Assistance Fund
Compulsive and Problem Gambling Treatment Fund	Philadelphia Regional Port Authority Fund
Conrad Weiser Memorial Park Trust Fund	PlanCon Bond Projects Fund
Conservation District Fund	Port of Pittsburgh Commission Fund
DNA Detection Fund	Property Tax Relief Fund
Educational Assistance Program Fund	Public Transportation Assistance Fund
Emergency Medical Services Operating Fund	Public Transportation Trust Fund
Energy Development Fund	Racing Fund
Environmental Education Fund	Real Estate Recovery Fund
Environmental Stewardship Fund	Recycling Fund
Fantasy Contest Fund	Remining Financial Assurance Fund
Farm Products Show Fund	Self-Insurance Guaranty Fund
Fire Insurance Tax Fund	Solid Waste-Resource Recovery Development Fund
Fish Fund	Special Administration Fund
Game Fund	State College Experimental Farm Fund
Gov Robert P. Casey Memorial Organ & Tissue Donation Awareness Trust Fund	State Gaming Fund
Growing Greener Bond Fund	State Insurance Fund
Hazardous Material Response Fund	State School Fund
Hazardous Sites Cleanup Fund	State Treasury Armory Fund
Higher Education Assistance Fund	Storage Tank Fund
Highway Beautification Fund	Substance Abuse Education & Demand Reduction
HOME Investment Trust Fund	Surface Mining Conservation and Reclamation Fund
Homeowners Assistance Settlement Fund	Tobacco Settlement Fund
Housing Affordability and Rehabilitation Enhancement Fund	Treasury Initiative Support Fund
Industrial Development Fund	Unconventional Gas Well Fund
Industrial Sites Cleanup Fund	Underground Storage Tank Indemnification Fund
Insurance Fraud Prevention Trust Fund	Uninsured Employers Guaranty Fund
Insurance Regulation and Oversight Fund	Video Gaming 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
Motor Vehicle Transaction Recovery 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
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
PSERS – Defined Contribution Fund
Rightful Owners' Claims Payment Fund
School Employees' Retirement Fund
SERS – Defined Contribution 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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 0	\$ 540	\$ 498
Receipts:			
Account Deposits.....	\$ 0	\$ 5	\$ 10
Transfer from General Fund.....	1,500	1,130	1,130
Interest	1	0	0
Total Receipts.....	<u>1,501</u>	<u>1,135</u>	<u>1,140</u>
Total Funds Available	<u>\$ 1,501</u>	<u>\$ 1,675</u>	<u>\$ 1,638</u>
Disbursements:			
Treasury.....	\$ 961	\$ 1,177	\$ 1,130
Total Disbursements.....	<u>-961</u>	<u>-1,177</u>	<u>-1,130</u>
Cash Balance, Ending	<u>\$ 540</u>	<u>\$ 498</u>	<u>\$ 508</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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 81,261	\$ 74,715	\$ 76,346
Receipts:			
Federal Receipts.....	\$ 3,614	\$ 18,155	\$ 11,400
Interest.....	1,503	1,628	1,628
Total Receipts.....	<u>5,117</u>	<u>19,783</u>	<u>13,028</u>
Total Funds Available	<u>\$ 86,378</u>	<u>\$ 94,498</u>	<u>\$ 89,374</u>
Disbursements:			
Environmental Protection.....	\$ 11,663	\$ 18,152	\$ 18,191
Total Disbursements.....	<u>-11,663</u>	<u>-18,152</u>	<u>-18,191</u>
Cash Balance, Ending	<u>\$ 74,715</u>	<u>\$ 76,346</u>	<u>\$ 71,183</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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 10,214	\$ 18,235	\$ 13,977
Receipts:			
Federal Unemployment Trust Fund.....	\$ 167,168	\$ 216,078	\$ 212,059
Federal — Other Funds.....	7,693	10,450	10,450
Interest.....	29	29	29
Other.....	1,393	0	0
Total Receipts	176,283	226,557	222,538
Total Funds Available	\$ 186,497	\$ 244,792	\$ 236,515
Disbursements:			
Labor and Industry.....	\$ 168,262	\$ 230,815	\$ 232,219
Total Disbursements	-168,262	-230,815	-232,219
Cash Balance, Ending	\$ 18,235	\$ 13,977	\$ 4,296

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 624	\$ 629	\$ 637
Receipts:			
Transfer from General Fund.....	\$ 51,813	\$ 52,313	\$ 52,313
Interest.....	34	8	8
Total Receipts	51,847	52,321	52,321
Total Funds Available	\$ 52,471	\$ 52,950	\$ 52,958
Disbursements:			
Agriculture.....	\$ 51,813	\$ 52,313	\$ 52,313
Treasury.....	29	0	0
Total Disbursements	-51,842	-52,313	-52,313
Cash Balance, Ending	\$ 629	\$ 637	\$ 645

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 29,214	\$ 34,669	\$ 29,834
Receipts:			
Transfer of Cigarette Tax.....	\$ 25,485	\$ 25,485	\$ 25,485
Transfer from Environmental Stewardship Fund.....	10,659	9,488	11,037
Interest.....	323	494	494
Total Receipts.....	<u>36,467</u>	<u>35,467</u>	<u>37,016</u>
Total Funds Available	\$ 65,681	\$ 70,136	\$ 66,850
Disbursements:			
Agriculture.....	\$ 31,012	\$ 40,302	\$ 40,000
Total Disbursements.....	<u>-31,012</u>	<u>-40,302</u>	<u>-40,000</u>
Cash Balance, Ending	\$ 34,669	\$ 29,834	\$ 26,850

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 670	\$ 687	\$ 484
Receipts:			
Operator Payments.....	\$ 11	\$ 10	\$ 10
Interest	5	8	8
Total Receipts	<u>16</u>	<u>18</u>	<u>18</u>
Total Funds Available	\$ 686	\$ 705	\$ 502
Disbursements:			
Environmental Protection	\$ -1	\$ 221	\$ 221
Total Disbursements	<u>1</u>	<u>-221</u>	<u>-221</u>
Cash Balance, Ending	\$ 687	\$ 484	\$ 281

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 7	\$ 8	\$ 119
Receipts:			
Assessments.....	\$ 6,990	\$ 7,100	\$ 7,100
Interest	1	1	1
Total Receipts	<u>6,991</u>	<u>7,101</u>	<u>7,101</u>
Total Funds Available	<u>\$ 6,998</u>	<u>\$ 7,109</u>	<u>\$ 7,220</u>
Disbursements:			
Automobile Theft Prevention Authority.....	\$ 6,990	\$ 6,990	\$ 7,190
Total Disbursements	<u>-6,990</u>	<u>-6,990</u>	<u>-7,190</u>
Cash Balance, Ending	<u>\$ 8</u>	<u>\$ 119</u>	<u>\$ 30</u>

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. The Institution Resolution Restricted Account is 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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 27,382	\$ 35,259	\$ 41,366
Receipts:			
Licenses and Fees.....	\$ 26,769	\$ 28,996	\$ 28,996
Fines and Penalties.....	445	450	450
Interest.....	485	683	683
Other.....	27	26	26
Total Receipts	<u>27,726</u>	<u>30,155</u>	<u>30,155</u>
Total Funds Available	<u>\$ 55,108</u>	<u>\$ 65,414</u>	<u>\$ 71,521</u>
Disbursements:			
Banking and Securities.....	\$ 19,849	\$ 24,048	\$ 24,463
Total Disbursements	<u>-19,849</u>	<u>-24,048</u>	<u>-24,463</u>
Cash Balance, Ending	<u>\$ 35,259^a</u>	<u>\$ 41,366^a</u>	<u>\$ 47,058^a</u>

^a Ending cash balance includes the following amounts in the Institution Resolution Restricted Account: 2016-17 Actual is \$9,500,000, 2017-18 Available is \$11,500,000 and 2018-19 Estimated is \$13,500,000.

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.

The Ben Franklin Centers support and execute the commonwealth technology by building on regional strengths, capitalizing on new opportunities and addressing the specific needs of our diverse communities. Funds available will be curtailed significantly during the next fiscal year after exhausting supplemental funds through a prior three-year initiative that securitized Insurance Premiums Tax proceeds to provide additional funds for technology investment. Act 52 of 2013 provided \$29 million annually through Innovate in PA to augment the existing Ben Franklin Technology Partner Programs. These augmentations will end after the 2017-18 fiscal year.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 14,041	\$ 23,091	\$ 25,756
Receipts:			
Transfer from General Fund.....	\$ 14,500	\$ 14,500	\$ 14,500
Innovate in PA Tax Credit Sale Proceeds.....	29,000 ^a	29,000 ^a	0
Interest on Escrow.....	219	200	200
Loan Principal and Interest Repayments.....	2,460	2,500	2,500
Interest.....	239	494	494
Other.....	112	100	100
Total Receipts	<u>46,530</u>	<u>46,794</u>	<u>17,794</u>
Total Funds Available	\$ 60,571	\$ 69,885	\$ 43,550
Disbursements:			
Community and Economic Development.....	\$ 37,480 ^a	\$ 44,129 ^a	\$ 21,000
Total Disbursements	<u>-37,480</u>	<u>-44,129</u>	<u>-21,000</u>
Cash Balance, Ending	\$ 23,091	\$ 25,756	\$ 22,550

^a Act 52 of 2013 Section 1811-F authorizes funding (approximately \$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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 3,850	\$ 2,290	\$ 1,814
Receipts:			
Employer Contributions	\$ 0	\$ 1,237	\$ 1,259
Interest.....	14	29	29
Total Receipts	14	1,266	1,288
Total Funds Available	\$ 3,864	\$ 3,556	\$ 3,102
Disbursements:			
State Employees' Retirement System.....	\$ 1,574	\$ 1,742	\$ 1,805
Total Disbursements	-1,574	-1,742	-1,805
Cash Balance, Ending	\$ 2,290	\$ 1,814	\$ 1,297

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 25,531	\$ 44,881	\$ 48,765
Receipts:			
Licenses and Fees.....	\$ 8,205	\$ 6,990	\$ 6,990
Fines and Penalties.....	289	200	200
Transfer from Motor License Fund.....	20,323	11,130	11,130
Transfer from Liquid Fuels Tax Fund.....	207	108	103
Federal Receipts.....	6,697	6,127	3,384
Interest.....	711	902	902
Other.....	60	32	32
Total Receipts	36,492	25,489	22,741
Total Funds Available	\$ 62,023	\$ 70,370	\$ 71,506
Disbursements:			
Fish and Boat Commission.....	\$ 17,142	\$ 21,605	\$ 24,654
Total Disbursements	-17,142	-21,605	-24,654
Cash Balance, Ending	\$ 44,881	\$ 48,765	\$ 46,852

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 5	\$ 0	\$ 0
Receipts:			
Interest.....	\$ -5	\$ 0	\$ 0
Total Receipts	<u>-5</u>	<u>0</u>	<u>0</u>
Total Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Disbursements:			
Community and Economic Development.....	\$ 0	\$ 0	\$ 0
Total Disbursements	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance, Ending	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

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 was no surplus for fiscal year 2016-17. This budget proposes to reinstate the transfer of 25 percent of the 2017-18 and 2018-19 General Fund surplus to the Budget Stabilization Reserve Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 244	\$ 475	\$ 476
Receipts:			
Transfer from General Fund.....	\$ 0	\$ 0	\$ 13,823
Interest	231	1	151
Total Receipts	<u>231</u>	<u>1</u>	<u>13,974</u>
Total Funds Available	<u>\$ 475</u>	<u>\$ 476</u>	<u>\$ 14,450</u>
Disbursements:			
Transfer to General Fund.....	\$ 0	\$ 0	\$ 0
Total Disbursements	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance, Ending	<u><u>\$ 475</u></u>	<u><u>\$ 476</u></u>	<u><u>\$ 14,450</u></u>

Capital Debt Fund

Principal and interest payments on bonds issued for purposes of capital budget projects are paid from this fund. Annual appropriations from various funds for payment of interest and principal due on general obligation bonds 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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 26,701	\$ 3,953	\$ 2,230
Receipts:			
Transfer from Other Funds.....	\$ 1,204,213	\$ 1,226,941	\$ 1,286,068
Refunding Bond Maturing Escrow Funds.....	1,549,920	2,064,576	755,572
Build America Bond Federal Subsidies.....	10,615	16,615	19,443
Interest on Securities.....	153	270	50
Total Receipts	<u>2,764,901</u>	<u>3,308,402</u>	<u>2,061,133</u>
Total Funds Available	\$ 2,791,602	\$ 3,312,355	\$ 2,063,363
Disbursements:			
Treasury.....	\$ 1,237,729	\$ 1,197,549	\$ 1,304,937
Transfer to General Fund.....	0	48,000	0
Refunding Bond Maturing Escrow Funds.....	1,549,920	2,064,576	755,572
Total Disbursements	<u>-2,787,649</u>	<u>-3,310,125</u>	<u>-2,060,509</u>
Cash Balance, Ending	\$ 3,953	\$ 2,230	\$ 2,854

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 398,250	\$ 970,389	\$ 1,146,733
Receipts:			
Sale of Bonds.....	\$ 1,200,503	\$ 1,205,500	\$ 1,010,000
Premium on Sale of Bonds.....	155,094	0	0
Interest on Securities	8,691	11,244	12,000
Other	26,196	25,000	25,000
Total Receipts	<u>1,390,484</u>	<u>1,241,744</u>	<u>1,047,000</u>
Total Funds Available	\$ 1,788,734	\$ 2,212,133	\$ 2,193,733
Disbursements:			
Community and Economic Development.....	\$ 221,286	\$ 270,000	\$ 270,000
Conservation & Natural Resources.....	1,764	400	400
General Services.....	231,254	600,000	600,000
Transportation.....	346,402	175,000	175,000
Treasury.....	1,324	1,000	1,000
Other.....	16,315	19,000	19,000
Total Disbursements	<u>-818,345</u>	<u>-1,065,400</u>	<u>-1,065,400</u>
Cash Balance, Ending	\$ 970,389	\$ 1,146,733	\$ 1,128,333

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 429	\$ 432	\$ 428
Receipts:			
Contribution & Sales.....	\$ 0	\$ 1	\$ 1
Interest.....	3	5	5
Total Receipts	<u>3</u>	<u>6</u>	<u>6</u>
Total Funds Available	<u>\$ 432</u>	<u>\$ 438</u>	<u>\$ 434</u>
Disbursements:			
Capitol Preservation Committee.....	\$ 0	\$ 10	\$ 25
Total Disbursements	<u>0</u>	<u>-10</u>	<u>-25</u>
Cash Balance, Ending	<u>\$ 432</u>	<u>\$ 428</u>	<u>\$ 409</u>

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 83,178	\$ 80,921	\$ 76,704
Receipts:			
Interest	\$ 2,153	\$ 2,133	\$ 2,133
Other	577	500	500
Total Receipts	<u>2,730</u>	<u>2,633</u>	<u>2,633</u>
Total Funds Available	<u>\$ 85,908</u>	<u>\$ 83,554</u>	<u>\$ 79,337</u>
Disbursements:			
Insurance	\$ 4,987	\$ 6,850	\$ 6,822
Total Disbursements	<u>-4,987</u>	<u>-6,850</u>	<u>-6,822</u>
Cash Balance, Ending	<u>\$ 80,921</u>	<u>\$ 76,704</u>	<u>\$ 72,515</u>

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 1,520	\$ 1,528	\$ 1,195
Receipts:			
Marriage/Divorce Surcharge.....	\$ 1,076	\$ 1,076	\$ 1,076
Children's Trust Fund Donations.....	26	26	26
Interest.....	13	18	18
Total Receipts	<u>1,115</u>	<u>1,120</u>	<u>1,120</u>
Total Funds Available	<u>\$ 2,635</u>	<u>\$ 2,648</u>	<u>\$ 2,315</u>
Disbursements:			
Health and Human Services.....	\$ 1,107	\$ 1,453	\$ 1,400
Total Disbursements	<u>-1,107</u>	<u>-1,453</u>	<u>-1,400</u>
Cash Balance, Ending	<u>\$ 1,528</u>	<u>\$ 1,195</u>	<u>\$ 915</u>

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. Pursuant to the enabling legislation, fund money may only be appropriated by the General Assembly to the Department of Revenue and the Office of Attorney General for the purpose of processing, testing, enforcement and oversight activities related to this act.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 476	\$ 499	\$ 351
Receipts:			
Fees.....	\$ 20	\$ 100	\$ 19
Interest.....	3	6	6
Total Receipts	<u>23</u>	<u>106</u>	<u>25</u>
Total Funds Available	<u>\$ 499</u>	<u>\$ 605</u>	<u>\$ 376</u>
Disbursements:			
Attorney General.....	\$ 0	\$ 254	\$ 50
Total Disbursements	<u>0</u>	<u>-254</u>	<u>-50</u>
Cash Balance, Ending	<u>\$ 499</u>	<u>\$ 351</u>	<u>\$ 326</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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
State Tax Share.....	\$ 3,634	\$ 12,500	\$ 12,500
Local Tax Share.....	145	0	0
Total Receipts	<u>3,779</u>	<u>12,500</u>	<u>12,500</u>
Total Funds Available	<u>\$ 3,779</u>	<u>\$ 12,500</u>	<u>\$ 12,500</u>
Disbursements:			
Treasury.....	\$ 3,779	\$ 12,500	\$ 12,500
Total Disbursements	<u>-3,779</u>	<u>-12,500</u>	<u>-12,500</u>
Cash Balance, Ending	<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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 43,100	\$ 39,913	\$ 29,464
Receipts:			
Fines and Penalties.....	\$ 2,745	\$ 1,425	\$ 1,425
Fees.....	18,178	17,079	17,725
Interest.....	1,158	1,141	1,141
Other.....	510	856	635
Total Receipts	<u>22,591</u>	<u>20,501</u>	<u>20,926</u>
Total Funds Available	<u>\$ 65,691</u>	<u>\$ 60,414</u>	<u>\$ 50,390</u>
Disbursements:			
Environmental Protection	\$ 25,778	\$ 30,950	\$ 27,247
Total Disbursements	<u>-25,778</u>	<u>-30,950</u>	<u>-27,247</u>
Cash Balance, Ending	<u>\$ 39,913</u>	<u>\$ 29,464</u>	<u>\$ 23,143</u>

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 105,404	\$ 109,998	\$ 112,508
Receipts:			
Premiums Collected.....	\$ 5,862	\$ 5,700	\$ 5,900
Interest.....	2,494	2,656	2,656
Total Receipts	<u>8,356</u>	<u>8,356</u>	<u>8,556</u>
Total Funds Available	<u>\$ 113,760</u>	<u>\$ 118,354</u>	<u>\$ 121,064</u>
Disbursements:			
Environmental Protection	\$ 3,762	\$ 5,846	\$ 5,906
Total Disbursements	<u>-3,762</u>	<u>-5,846</u>	<u>-5,906</u>
Cash Balance, Ending	<u>\$ 109,998</u>	<u>\$ 112,508</u>	<u>\$ 115,158</u>

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 2,761	\$ 2,769	\$ 2,203
Receipts:			
Interest	\$ 21	\$ 34	\$ 26
Total Receipts	<u>21</u>	<u>34</u>	<u>26</u>
Total Funds Available	<u>\$ 2,782</u>	<u>\$ 2,803</u>	<u>\$ 2,229</u>
Disbursements:			
Environmental Protection	\$ 13	\$ 100	\$ 175
Transfer to General Fund	0	500	0
Total Disbursements	<u>-13</u>	<u>-600</u>	<u>-175</u>
Cash Balance, Ending	<u>\$ 2,769</u>	<u>\$ 2,203</u>	<u>\$ 2,054</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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 5,587	\$ 5,092	\$ 2,677
Receipts:			
Transfer from General Fund.....	\$ 48,869	\$ 48,869	\$ 50,694
Interest.....	186	248	248
Total Receipts.....	<u>49,055</u>	<u>49,117</u>	<u>50,942</u>
Total Funds Available	<u>\$ 54,642</u>	<u>\$ 54,209</u>	<u>\$ 53,619</u>
Disbursements:			
Education.....	\$ 49,550	\$ 51,532	\$ 51,794
Total Disbursements.....	<u>-49,550</u>	<u>-51,532</u>	<u>-51,794</u>
Cash Balance, Ending	<u>\$ 5,092</u>	<u>\$ 2,677</u>	<u>\$ 1,825</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, including addiction related to compulsive and problem gambling. Act 42 of 2017 expanded gaming to include a new category of slot machine licenses, interactive gaming and airport gaming. The act amends program funding to include .002 multiplied by the various gaming revenues, as specified in the act, for either compulsive and problem gambling related programs or for drug and alcohol addiction treatment services.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 8,151	\$ 7,113	\$ 5,561
Receipts:			
Transfer from the State Gaming Fund - Drug and Alcohol.....	\$ 3,000	\$ 3,000	\$ 3,127
Transfer from the State Gaming Fund.....	4,612	4,602	4,927
Transfer of Fantasy Contest Tax.....	0	0	52
Transfer from the Video Gaming Fund.....	0	0	15
Interest	87	152	119
Total Receipts	<u>7,699</u>	<u>7,754</u>	<u>8,240</u>
Total Funds Available	<u>\$ 15,850</u>	<u>\$ 14,867</u>	<u>\$ 13,801</u>
Disbursements:			
Drug and Alcohol Programs.....	\$ 8,737	\$ 9,306	\$ 9,150
Total Disbursements	<u>-8,737</u>	<u>-9,306</u>	<u>-9,150</u>
Cash Balance, Ending	<u>\$ 7,113</u>	<u>\$ 5,561</u>	<u>\$ 4,651</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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 74	\$ 75	\$ 76
Receipts:			
Interest	\$ 1	\$ 1	\$ 1
Total Receipts	<u>1</u>	<u>1</u>	<u>1</u>
Total Funds Available	<u>\$ 75</u>	<u>\$ 76</u>	<u>\$ 77</u>
Disbursements:			
Historical and Museum Commission	\$ 0	\$ 0	\$ 0
Total Disbursements	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance, Ending	<u>\$ 75</u>	<u>\$ 76</u>	<u>\$ 77</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. The Conservation Districts are delegated legal authority for permitting, inspections and enforcement for many state water programs to assist the commonwealth in meeting its regulatory obligations.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 5,655	\$ 5,793	\$ 4,455
Receipts:			
Transfer from General Fund.....	\$ 3,375	\$ 3,375	\$ 3,375
Transfer from Unconventional Gas Well Fund.....	3,822	3,917	4,015
Interest.....	30	71	71
Total Receipts	<u>7,227</u>	<u>7,363</u>	<u>7,461</u>
Total Funds Available	<u>\$ 12,882</u>	<u>\$ 13,156</u>	<u>\$ 11,916</u>
Disbursements:			
Environmental Protection.....	\$ 4,291	\$ 5,089	\$ 4,514
Agriculture.....	2,798	3,612	2,877
Total Disbursements	<u>-7,089</u>	<u>-8,701</u>	<u>-7,391</u>
Cash Balance, Ending	<u>\$ 5,793</u>	<u>\$ 4,455</u>	<u>\$ 4,525</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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 29,674	\$ 16,515	\$ 17,011
Receipts:			
Employee Contributions	\$ 139,907	\$ 144,104	\$ 148,427
Sale or Purchase of Securities.....	3,943	18,111	18,654
Interest.....	471 ^a	485 ^a	500 ^a
Total Receipts	<u>144,321</u>	<u>162,700</u>	<u>167,581</u>
Total Funds Available	\$ 173,995	\$ 179,215	\$ 184,592
Disbursements:			
Benefits and Rollovers.....	\$ 149,631	\$ 154,120	\$ 158,744
Fees and Expenses	7,849	8,084	8,327
Total Disbursements	<u>-157,480</u>	<u>-162,204</u>	<u>-167,071</u>
Cash Balance, Ending	\$ 16,515	\$ 17,011	\$ 17,521

^a Includes interest earned on funds controlled by SERS and the Treasury Department.

Deferred Compensation Fund — Short-Term Portfolio

Act 81 of 1987 established the Commonwealth Deferred Compensation Program. The program enables commonwealth employees to defer a portion of their salaries into a retirement savings plan. Available for the employees' investment selection is the Treasury Short-Term Money Market Account. In order to maintain the identity of the investments and deferred compensation contributions, the Deferred Compensation Fund - Short-Term Portfolio was established.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 61,105	\$ 66,603	\$ 68,201
Receipts:			
Transfers from Deferred Compensation Fund.....	\$ 14,038	\$ 14,319	\$ 14,605
Interest	555	830	830
Total Receipts	<u>14,593</u>	<u>15,149</u>	<u>15,435</u>
Total Funds Available	\$ 75,698	\$ 81,752	\$ 83,636
Disbursements:			
State Employees' Retirement System	\$ 9,095	\$ 13,551	\$ 13,822
Total Disbursements	<u>-9,095</u>	<u>-13,551</u>	<u>-13,822</u>
Cash Balance, Ending	\$ 66,603	\$ 68,201	\$ 69,814

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 8,099	\$ 7,606	\$ 4,516
Receipts:			
Assessments.....	\$ 2,192	\$ 2,000	\$ 2,000
Interest.....	63	95	95
Total Receipts	<u>2,255</u>	<u>2,095</u>	<u>2,095</u>
Total Funds Available	\$ 10,354	\$ 9,701	\$ 6,611
Disbursements:			
State Police.....	\$ 2,748	\$ 5,185	\$ 6,222
Total Disbursements	<u>-2,748</u>	<u>-5,185</u>	<u>-6,222</u>
Cash Balance, Ending	\$ 7,606	\$ 4,516	\$ 389

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 704	\$ 1	\$ 1
Receipts:			
Transfer from General Fund.....	\$ 12,500	\$ 12,500	\$ 13,000
Interest.....	18	18	18
Total Receipts	<u>12,518</u>	<u>12,518</u>	<u>13,018</u>
Total Funds Available	\$ 13,222	\$ 12,519	\$ 13,019
Disbursements:			
Military and Veterans Affairs.....	\$ 13,221	\$ 12,518	\$ 13,000
Total Disbursements	<u>-13,221</u>	<u>-12,518</u>	<u>-13,000</u>
Cash Balance, Ending	\$ 1	\$ 1	\$ 19

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.

The Tax Reform Code of 1971, as amended by Act 43 of 2017, imposes a 12 percent tax on the sale of consumer fireworks in Pennsylvania. One-sixth of the fireworks tax collected in a fiscal year, not to exceed \$2,000,000, shall be transferred from the General Fund as follows: 75 percent for the purpose of making grants under the Emergency Medical Services Grant program (35 PA.C.S. CH. 78 SUBCH. C) and 25 percent to a special account for volunteer firefighter training.

This budget proposes the consolidation of the Department of Human Services and the Department of Health into a new Department of Health and Human Services.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 11,895	\$ 10,861	\$ 8,651
Receipts:			
Fines	\$ 11,271	\$ 11,996	\$ 11,996
Fireworks Tax	0	0	375
Interest	301	325	259
Other	0	174	0
Total Receipts	<u>11,572</u>	<u>12,495</u>	<u>12,630</u>
Total Funds Available	\$ 23,467	\$ 23,356	\$ 21,281
Disbursements:			
Health and Human Services.....	\$ 12,606	\$ 14,705	\$ 14,075
Total Disbursements	<u>-12,606</u>	<u>-14,705</u>	<u>-14,075</u>
Cash Balance, Ending	\$ 10,861	\$ 8,651	\$ 7,206

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 2,275	\$ 1,960	\$ 1,731
Receipts:			
Vending Stand Equipment Rentals	\$ 195	\$ 241	\$ 241
Vending Machine Receipts	306	466	466
Interest	16	26	26
Other	411	0	0
Total Receipts	<u>928</u>	<u>733</u>	<u>733</u>
Total Funds Available	\$ 3,203	\$ 2,693	\$ 2,464
Disbursements:			
Labor and Industry.....	\$ 1,243	\$ 962	\$ 800
Total Disbursements	<u>-1,243</u>	<u>-962</u>	<u>-800</u>
Cash Balance, Ending	\$ 1,960	\$ 1,731	\$ 1,664

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. Under statute, if the Energy Development Authority determines that funds held for the credit of the fund are more than the amount needed to carry out the purposes of the enabling law, then the authority must transfer the excess money to the General Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 3,895	\$ 3,973	\$ 3,348
Receipts:			
Interest	\$ 100	\$ 92	\$ 78
Other	262	0	0
Total Receipts	<u>362</u>	<u>92</u>	<u>78</u>
Total Funds Available	\$ 4,257	\$ 4,065	\$ 3,426
Disbursements:			
Environmental Protection.....	\$ 284	\$ 217	\$ 172
Transfer to General Fund.....	0	500	0
Total Disbursements	<u>-284</u>	<u>-717</u>	<u>-172</u>
Cash Balance, Ending	\$ 3,973	\$ 3,348	\$ 3,254

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 1,289	\$ 1,285	\$ 535
Receipts:			
Transfers from Other Funds.....	\$ 839	\$ 990	\$ 992
Interest.....	12	24	24
Total Receipts	<u>851</u>	<u>1,014</u>	<u>1,016</u>
Total Funds Available	<u>\$ 2,140</u>	<u>\$ 2,299</u>	<u>\$ 1,551</u>
Disbursements:			
Conservation and Natural Resources.....	\$ 249	\$ 291	\$ 254
Environmental Protection	606	1,473	753
Total Disbursements	<u>-855</u>	<u>-1,764</u>	<u>-1,007</u>
Cash Balance, Ending	<u>\$ 1,285</u>	<u>\$ 535</u>	<u>\$ 544</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 and Act 44 of 2017 modified this transfer. The dollars and interest generated by this fund are specifically designated for implementing the programs found in 27 Pa. Code Chapter 61. The fund is also used to service debt for the Growing Greener program.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 86,973	\$ 103,462	\$ 10,632
Receipts:			
Licenses and Fees.....	\$ 68,466	\$ 65,000	\$ 65,000
Transfer from Marcellus Legacy Fund.....	26,205	28,063	29,241
Interest.....	1,942	2,290	2,290
Total Receipts	96,613	95,353	96,531
Total Funds Available	\$ 183,586	\$ 198,815	\$ 107,163
Disbursements:			
Treasury:			
Debt Service for Growing Greener.....	\$ 29,289	\$ 20,871	\$ 20,053
Agriculture:			
Agricultural Conservation Easement Program.....	10,878	11,248	11,037
Conservation and Natural Resources:			
Community Conservation Grants.....	4,589	13,722	4,300
Park and Forest Facility Rehabilitation.....	3,867	33,828	13,831
Natural Diversity Conservation Grants.....	209	1,160	300
Environmental Protection:			
Watershed Protection and Restoration.....	17,285	89,342	28,602
Infrastructure Investment Authority:			
Stormwater, Water and Sewer Grants	14,007	18,012	18,125
Total Disbursements	-80,124	-188,183	-96,248
Cash Balance, Ending	\$ 103,462	\$ 10,632	\$ 10,915

Fantasy Contest Fund

As a result of Act 42 of 2017, the Fantasy Contest Fund was administratively established to receive all assessments from licensees for the administration and enforcement of fantasy contests provided by the Gaming Control Board and Department of Revenue.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Licensee Deposit Accounts.....	\$ 0	\$ 0	\$ 1,900
Total Receipts	0	0	1,900
Total Funds Available	\$ 0	\$ 0	\$ 1,900
Disbursements:			
Administrative Appropriations:			
Gaming Control Board.....	\$ 0	\$ 0	\$ 400
Revenue	0	0	1,459
Total Disbursements	0	0	-1,859
Cash Balance, Ending	\$ 0	\$ 0	\$ 41

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 Trust 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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 8,055	\$ 2,991	\$ 2,147
Receipts:			
Transfer from PA Race Horse Development Trust Fund.....	\$ 5,000	\$ 5,000	\$ 5,000
Rentals.....	3,082	3,000	3,000
Parking.....	2,149	2,416	2,416
Exhibit Fees.....	405	355	355
Service Charges.....	818	767	767
Concession.....	951	889	1,160
Interest.....	41	32	32
Other.....	154	197	197
Total Receipts	12,600	12,656	12,927
Total Funds Available	\$ 20,655	\$ 15,647	\$ 15,074
Disbursements:			
Agriculture.....	\$ 12,664	\$ 13,500	\$ 13,438
Loan Repayment to General Fund.....	5,000	0	0
Total Disbursements	-17,664	-13,500	-13,438
Cash Balance, Ending	\$ 2,991	\$ 2,147	\$ 1,636

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 80,363	\$ 75,099	\$ 76,780
Receipts:			
Tax Payable to Municipalities.....	\$ 75,885	\$ 76,644	\$ 77,410
Total Receipts	<u>75,885</u>	<u>76,644</u>	<u>77,410</u>
Total Funds Available	<u>\$ 156,248</u>	<u>\$ 151,743</u>	<u>\$ 154,190</u>
Disbursements:			
Auditor General.....	\$ 81,149	\$ 74,963	\$ 75,713
Total Disbursements	<u>-81,149</u>	<u>-74,963</u>	<u>-75,713</u>
Cash Balance, Ending	<u>\$ 75,099</u>	<u>\$ 76,780</u>	<u>\$ 78,477</u>

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 68,839	\$ 72,714	\$ 49,206
Receipts:			
Licenses and Fees.....	\$ 25,525	\$ 26,164	\$ 26,164
Fines and Penalties.....	351	400	400
Restricted Funds.....	2,880	3,000	3,000
Federal Receipts.....	8,540	9,372	7,466
H2O PA Program.....	0	11,000	11,000
Interest.....	1,431	1,572	1,572
Sale of Goods.....	151	151	151
Sale of Publications.....	8	10	10
Other.....	1,376	1,056	1,056
Total Receipts	<u>40,262</u>	<u>52,725</u>	<u>50,819</u>
Total Funds Available	<u>\$ 109,101</u>	<u>\$ 125,439</u>	<u>\$ 100,025</u>
Disbursements:			
Fish and Boat Commission.....	\$ 36,387	\$ 76,233	\$ 53,710
Total Disbursements	<u>-36,387</u>	<u>-76,233</u>	<u>-53,710</u>
Cash Balance, Ending	<u>\$ 72,714</u>	<u>\$ 49,206</u>	<u>\$ 46,315</u>

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 44,455	\$ 51,961	\$ 37,353
Receipts:			
Licenses and Fees.....	\$ 42,577	\$ 37,089	\$ 36,372
Fines and Penalties.....	1,623	1,605	1,605
Gas and Oil Leases.....	19,403	21,500	30,000
Federal Receipts.....	26,410	27,965	29,481
Habitat License Fee Transfer.....	7,500	7,500	7,500
Interest.....	1,027	1,408	1,408
Sale of Goods.....	1,587	321	346
Sale of Wood Products.....	10,257	10,000	10,250
Sale of Publications.....	622	451	450
Other.....	1,261	2,342	1,899
Total Receipts	112,267	110,181	119,311
Total Funds Available	\$ 156,722	\$ 162,142	\$ 156,664
Disbursements:			
Game Commission.....	\$ 104,761	\$ 124,789	\$ 125,099
Total Disbursements	-104,761	-124,789	-125,099
Cash Balance, Ending	\$ 51,961	\$ 37,353	\$ 31,565

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 Department of Human Services and the Department of Health into a new Department of Health and Human Services.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 1,405	\$ 1,153	\$ 694
Receipts:			
Donations - State Income Tax Forms	\$ 11	\$ 11	\$ 11
Donations - Driver's License Applicants	260	260	260
Donations - Motor Vehicle Registrations	494	415	415
Donations - Private	2	2	2
Interest	10	13	8
Total Receipts	<u>777</u>	<u>701</u>	<u>696</u>
Total Funds Available	<u>\$ 2,182</u>	<u>\$ 1,854</u>	<u>\$ 1,390</u>
Disbursements:			
Education.....	\$ 288	\$ 200	\$ 190
Health and Human Services.....	741	960	584
Total Disbursements	<u>-1,029</u>	<u>-1,160</u>	<u>-774</u>
Cash Balance, Ending	<u>\$ 1,153</u>	<u>\$ 694</u>	<u>\$ 616</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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 15,354	\$ 1,633	\$ 8,523
Receipts:			
Referendum Bonds.....	\$ 0	\$ 20,000	\$ 6,000
Interest.....	77	75	50
Total Receipts	<u>77</u>	<u>20,075</u>	<u>6,050</u>
Total Funds Available	\$ 15,431	\$ 21,708	\$ 14,573
Disbursements:			
Treasury	\$ 0	\$ 23	\$ 13
Agriculture:			
Purchase of County Easements.....	0	257	0
Community and Economic Development:			
Main Street Downtown Development.....	6	1,000	844
Industrial Sites Reuse.....	1,512	602	238
Conservation and Natural Resources:			
Parks & Recreation Improvements.....	766	560	234
State Parks/Forest Projects.....	6,798	5,500	5,190
Open Space Conservation.....	185	108	0
Environmental Protection:			
Authority Projects.....	2,570	1,500	728
Environmental Improvement Projects.....	1,070	2,750	272
Acid Mine Drainage Abatement.....	552	525	110
Fish and Boat Commission:			
Capital Improvement Projects.....	52	350	263
Game Commission:			
Capital Improvement Projects.....	287	10	0
Total Disbursements	<u>-13,798</u>	<u>-13,185</u>	<u>-7,892</u>
Cash Balance, Ending	\$ 1,633	\$ 8,523	\$ 6,681

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from Environmental Stewardship Fund.....	\$ 29,289	\$ 20,871	\$ 20,053
Build America Bond Federal Subsidies.....	3,887	466	1,300
Total Receipts	<u>33,177</u>	<u>21,338</u>	<u>21,353</u>
Total Funds Available	<u>\$ 33,177</u>	<u>\$ 21,338</u>	<u>\$ 21,353</u>
Disbursements:			
Treasury.....	\$ 33,177	\$ 21,338	\$ 21,353
Total Disbursements	<u>-33,177</u>	<u>-21,338</u>	<u>-21,353</u>
Cash Balance, Ending	<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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 2,462	\$ 1,976	\$ 1,418
Receipts:			
Toxic Chemical Release Form Fee	\$ 951	\$ 950	\$ 950
Chemical Inventory Fee	364	375	375
Interest	51	53	53
Other	-116	25	25
Total Receipts	<u>1,250</u>	<u>1,403</u>	<u>1,403</u>
Total Funds Available	<u>\$ 3,712</u>	<u>\$ 3,379</u>	<u>\$ 2,821</u>
Disbursements:			
Emergency Management.....	\$ 1,685	\$ 1,941	\$ 1,900
Labor and Industry.....	51	20	60
Total Disbursements	<u>-1,736</u>	<u>-1,961</u>	<u>-1,960</u>
Cash Balance, Ending	<u>\$ 1,976</u>	<u>\$ 1,418</u>	<u>\$ 861</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 and Act 44 of 2017 modified this transfer. The Capital Stock and Franchise Tax was eliminated on January 1, 2016.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Total Cash Balance, Beginning	\$ 71,838	\$ 78,378	\$ 43,180
Receipts:			
Capital Stock and Franchise Tax.....	\$ 40,000	\$ 4,100	\$ 0
Transfer from Marcellus Legacy Fund.....	8,102	19,032	19,621
Hazardous Waste Fee.....	1,735	1,600	1,600
Cost Recovery.....	694	1,520	1,520
Interest.....	1,127	1,382	1,382
Other.....	1	0	0
Total Receipts	<u>51,659</u>	<u>27,634</u>	<u>24,123</u>
Total Funds Available	\$ 123,497	\$ 106,012	\$ 67,303
Disbursements:			
Environmental Protection.....	\$ 40,119	\$ 57,832	\$ 47,103
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
Total Disbursements	<u>-45,119</u>	<u>-62,832</u>	<u>-52,103</u>
Cash Balance, Ending	\$ 78,378	\$ 43,180	\$ 15,200

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 57,042	\$ 30,695	\$ 24,538
Receipts:			
Transfer from General Fund	\$ 321,289	\$ 321,789	\$ 321,289
Investment Earnings	936	900	900
Federal Revenue.....	1,608	1,638	1,565
Other.....	103,155	107,550	107,550
Total Receipts	<u>426,988</u>	<u>431,877</u>	<u>431,304</u>
Total Funds Available	\$ 484,030	\$ 462,572	\$ 455,842
Disbursements:			
Higher Education Assistance Agency.....	\$ 453,335	\$ 438,034	\$ 430,977
Total Disbursements	<u>-453,335</u>	<u>-438,034</u>	<u>-430,977</u>
Cash Balance, Ending	\$ 30,695	\$ 24,538	\$ 24,865

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 703	\$ 642	\$ 563
Receipts:			
Licenses and Fees.....	\$ 325	\$ 332	\$ 332
Interest.....	5	8	8
Total Receipts	<u>330</u>	<u>340</u>	<u>340</u>
Total Funds Available	\$ 1,033	\$ 982	\$ 903
Disbursements:			
Transportation.....	\$ 391	\$ 419	\$ 408
Total Disbursements	<u>-391</u>	<u>-419</u>	<u>-408</u>
Cash Balance, Ending	\$ 642	\$ 563	\$ 495

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. The Historical Preservation Fund is designated for projects of the Historical and Museum Commission for which they have agreements to complete over a period of several fiscal years.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 5,658	\$ 8,180	\$ 9,067
Receipts:			
Admission Fees.....	\$ 1,273	\$ 1,200	\$ 1,250
Interest	50	40	40
Other.....	3,440 ^a	1,500 ^a	300
Total Receipts	<u>4,763</u>	<u>2,740</u>	<u>1,590</u>
Total Funds Available	<u>\$ 10,421</u>	<u>\$ 10,920</u>	<u>\$ 10,657</u>
Disbursements:			
Historical and Museum Commission.....	\$ 2,241 ^b	\$ 1,853 ^b	\$ 2,305 ^b
Total Disbursements	<u>-2,241</u>	<u>-1,853</u>	<u>-2,305</u>
Cash Balance, Ending	<u>\$ 8,180</u>	<u>\$ 9,067</u>	<u>\$ 8,352</u>

^a \$3,000,000 of 2016-17 Actual and \$1,500,000 of 2017-18 Available reflects revenue received as outlined in the Shell agreement.

^b \$225,067.04 of 2016-17 Actual, \$124,593.87 of 2017-18 Available, and \$690,000 of 2018-19 Budget reflects expenditures related to projects as outlined in the Shell agreement.

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 9	\$ 42	\$ 0
Receipts:			
Federal Revenue.....	\$ 1,107	\$ 3,645	\$ 3,000
HOME Program Income.....	313	489	500
Total Receipts	<u>1,420</u>	<u>4,134</u>	<u>3,500</u>
Total Funds Available	<u>\$ 1,429</u>	<u>\$ 4,176</u>	<u>\$ 3,500</u>
Disbursements:			
Community and Economic Development.....	\$ 1,387	\$ 4,176	\$ 3,500
Total Disbursements	<u>-1,387</u>	<u>-4,176</u>	<u>-3,500</u>
Cash Balance, Ending	<u>\$ 42</u>	<u>\$ 0</u>	<u>\$ 0</u>

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 7,460	\$ 612	\$ 0
Receipts:			
Interest.....	\$ 15	\$ 6	\$ 0
Total Receipts	<u>15</u>	<u>6</u>	<u>0</u>
Total Funds Available	<u>\$ 7,475</u>	<u>\$ 618</u>	<u>\$ 0</u>
Disbursements:			
Pennsylvania Housing Finance Agency.....	\$ 6,068	\$ 7	\$ 0
Attorney General.....	458	610	0
Transfer to Access to Justice Account.....	337	1	0
Total Disbursements	<u>-6,863</u>	<u>-618</u>	<u>0</u>
Cash Balance, Ending	<u>\$ 612</u>	<u>\$ 0</u>	<u>\$ 0</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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 3	\$ 5,776	\$ 121
Receipts:			
Transfer from Unconventional Gas Well Fund.....	\$ 5,716	\$ 5,000	\$ 5,000
Transfer from the General Fund - Realty Transfer Tax.....	12,668	12,200	24,900
Interest.....	57	47	47
Total Receipts	<u>18,441</u>	<u>17,247</u>	<u>29,947</u>
Total Funds Available	<u>\$ 18,444</u>	<u>\$ 23,023</u>	<u>\$ 30,068</u>
Disbursements:			
Pennsylvania Housing Finance Agency.....	\$ 12,668	\$ 22,902	\$ 30,068
Total Disbursements	<u>-12,668</u>	<u>-22,902</u>	<u>-30,068</u>
Cash Balance, Ending	<u>\$ 5,776</u>	<u>\$ 121</u>	<u>\$ 0</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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 47	\$ 47	\$ 0
Receipts:			
Interest.....	\$ 0	\$ 0	\$ 0
Total Receipts	<u>0</u>	<u>0</u>	<u>0</u>
Total Funds Available	<u>\$ 47</u>	<u>\$ 47</u>	<u>\$ 0</u>
Disbursements:			
Transfer to General Fund.....	\$ 0	\$ 47	\$ 0
Total Disbursements	<u>0</u>	<u>-47</u>	<u>0</u>
Cash Balance, Ending	<u>\$ 47</u>	<u>\$ 0</u>	<u>\$ 0</u>

Industrial Sites Cleanup Fund

Act 2 of 1995 created the Industrial Sites Cleanup Fund to provide grants and loans to political subdivisions, local economic development agencies and others who, as part of an economic development strategy, undertake voluntary cleanup of property contaminated by industrial activity. Act 6 of 2000 allows the Department of Community and Economic Development to provide performance-based loans, which may be forgiven if performance measures are met. Also, Act 6 expanded the program to include remediation of non-hazardous waste or debris. Revenue to the fund consists of transfers from the Hazardous Sites Cleanup Fund, any funds appropriated by the General Assembly, interest earnings and loan repayments. Grants and loans are prioritized based on the benefit of the project to the public health and safety, the cost effectiveness of the project, the economic distress of the area and the potential of the project to result in economic development. Revenue to the fund is primarily derived through transfers from the Hazardous Sites Cleanup Fund. This revenue source ended with the full phase-out of the Capital Stock and Franchise Tax. A replacement revenue source must be identified.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 18,209	\$ 18,201	\$ 12,756
Receipts:			
Loan Principal and Interest Repayments.....	\$ 367	\$ 830	\$ 400
Transfer from Hazardous Sites Cleanup Fund.....	2,000	2,000	2,000
Interest.....	365	424	424
Total Receipts	<u>2,732</u>	<u>3,254</u>	<u>2,824</u>
Total Funds Available	<u>\$ 20,941</u>	<u>\$ 21,455</u>	<u>\$ 15,580</u>
Disbursements:			
Community and Economic Development.....	\$ 2,740	\$ 8,699	\$ 5,614
Total Disbursements	<u>-2,740</u>	<u>-8,699</u>	<u>-5,614</u>
Cash Balance, Ending	<u>\$ 18,201</u>	<u>\$ 12,756</u>	<u>\$ 9,966</u>

Insurance Fraud Prevention Trust Fund

The Insurance Fraud Prevention Trust Fund was created by Act 166 of 1994. The purpose of the fund is to finance activities in the commonwealth to prevent, combat and reduce insurance fraud, 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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 4,997	\$ 4,117	\$ 3,383
Receipts:			
Assessments, Fines and Penalties.....	\$ 14,331	\$ 14,683	\$ 15,078
Interest.....	52	67	67
Total Receipts	14,383	14,750	15,145
Total Funds Available	\$ 19,380	\$ 18,867	\$ 18,528
Disbursements:			
Insurance Fraud Prevention Authority.....	\$ 15,263	\$ 15,484	\$ 15,426
Total Disbursements	-15,263	-15,484	-15,426
Cash Balance, Ending	\$ 4,117	\$ 3,383	\$ 3,102

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 68,987	\$ 70,668	\$ 72,434
Receipts:			
Interest	\$ 1,680	\$ 1,766	\$ 1,766
Total Receipts	1,680	1,766	1,766
Total Funds Available	\$ 70,667	\$ 72,434	\$ 74,200
Disbursements:			
Insurance	\$ -1	\$ 0	\$ 0
Total Disbursements	1	0	0
Cash Balance, Ending	\$ 70,668	\$ 72,434	\$ 74,200

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 16,499	\$ 25,665	\$ 22,773
Receipts:			
Licenses and Fees.....	\$ 33,065	\$ 33,065	\$ 32,088
Interest.....	92	244	244
Other.....	1,006	931	931
Return to General Fund.....	0	-1,919	0
Total Receipts	34,163	32,321	33,263
Total Funds Available	\$ 50,662	\$ 57,986	\$ 56,036
Disbursements:			
Insurance	\$ 24,997	\$ 28,461	\$ 28,886
Transfer to General Fund	0	6,752	0
Total Disbursements	-24,997	-35,213	-28,886
Cash Balance, Ending	\$ 25,665	\$ 22,773	\$ 27,150

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 suspend transfers to the Job Training Fund beginning in FY 2016-17. Until such time as sufficient revenues become available, all Special Administration Fund revenues will be used for the administration of unemployment compensation.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 356	\$ 359	\$ 363
Receipts:			
Interest.....	\$ 3	\$ 4	\$ 4
Total Receipts	3	4	4
Total Funds Available	\$ 359	\$ 363	\$ 367
Disbursements:			
Labor and Industry.....	\$ 0	\$ 0	\$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	\$ 359	\$ 363	\$ 367

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 2,177	\$ 9,157	\$ 244
Receipts:			
Transfer from General Fund.....	\$ 9,614	\$ 0	\$ 0
Interest.....	78	61	6
Total Receipts	<u>9,692</u>	<u>61</u>	<u>6</u>
Total Funds Available	\$ 11,869	\$ 9,218	\$ 250
Disbursements:			
PA Commission on Crime and Delinquency.....	\$ 1,814	\$ 8,974	\$ 250
PA Commission on Sentencing.....	359	0	0
Criminal Justice.....	539	0	0
Total Disbursements	<u>-2,712</u>	<u>-8,974</u>	<u>-250</u>
Cash Balance, Ending	\$ 9,157	\$ 244	\$ 0

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. Uses of this fund were specifically approved through a voter referendum. Any balance in the fund is committed for eligible projects.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Total Cash Balance, Beginning	\$ 133,698	\$ 145,109	\$ 10,161
Receipts:			
Realty Transfer Tax.....	\$ 86,406	\$ 92,200	\$ 100,300
Interest.....	2,932	3,491	3,491
Total Receipts	<u>89,338</u>	<u>95,691</u>	<u>103,791</u>
Total Funds Available	\$ 223,036	\$ 240,800	\$ 113,952
Disbursements:			
Conservation and Natural Resources.....	\$ 48,468	\$ 168,034	\$ 67,464
Education.....	20,726	29,259	22,834
Historical and Museum Commission.....	8,733	33,346	13,493
Total Disbursements	<u>-77,927</u>	<u>-230,639</u>	<u>-103,791</u>
Cash Balance, Ending	\$ 145,109	\$ 10,161	\$ 10,161

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 57	\$ 0	\$ 0
Receipts:			
Interest.....	\$ 0	\$ 0	\$ 0
Total Receipts	<u>0</u>	<u>0</u>	<u>0</u>
Total Funds Available	<u>\$ 57</u>	<u>\$ 0</u>	<u>\$ 0</u>
Disbursements:			
Environmental Protection	\$ 57	\$ 0	\$ 0
Total Disbursements	<u>-57</u>	<u>0</u>	<u>0</u>
Cash Balance, Ending	<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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 6,185	\$ 3,859	\$ 3,859
Receipts:			
Tax on Gasoline	\$ 24,285	\$ 24,364	\$ 23,624
Tax on Diesel Fuel	6,407	6,392	6,266
Total Receipts	<u>30,692</u>	<u>30,756</u>	<u>29,890</u>
Total Funds Available	<u>\$ 36,877</u>	<u>\$ 34,615</u>	<u>\$ 33,749</u>
Disbursements:			
Transfer to Boat Fund.....	\$ 207	\$ 108	\$ 103
Transportation.....	32,811	30,648	29,787
Total Disbursements.....	<u>-33,018</u>	<u>-30,756</u>	<u>-29,890</u>
Cash Balance, Ending	<u>\$ 3,859</u>	<u>\$ 3,859</u>	<u>\$ 3,859</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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 2,345	\$ 2,389	\$ 2,449
Receipts:			
License Fees.....	\$ 4,463	\$ 4,530	\$ 4,575
Total Receipts	4,463	4,530	4,575
Total Funds Available	<u>\$ 6,808</u>	<u>\$ 6,919</u>	<u>\$ 7,024</u>
Disbursements:			
Liquor Control Board.....	\$ 4,419	\$ 4,470	\$ 4,517
Total Disbursements	-4,419	-4,470	-4,517
Cash Balance, Ending	<u>\$ 2,389</u>	<u>\$ 2,449</u>	<u>\$ 2,507</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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 5,108	\$ 4,011	\$ 0
Receipts:			
Philadelphia Cigarette Tax Collections.....	\$ 48,184	\$ 46,400	\$ 45,100
Act 84 of 2016 Collection Adjustment.....	0	10,600	12,419
Interest.....	22	25	21
Offset Department of Revenue Collection Costs.....	-805	-840	-810
Total Receipts	47,401	56,185	56,730
Total Funds Available	<u>\$ 52,509</u>	<u>\$ 60,196</u>	<u>\$ 56,730</u>
Disbursements:			
Distribution to the Philadelphia School District.....	\$ 48,498	\$ 60,196	\$ 56,730
Total Disbursements	-48,498	-60,196	-56,730
Cash Balance, Ending	<u>\$ 4,011</u>	<u>\$ 0</u>	<u>\$ 0</u>

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 40	\$ 0	\$ 0
Receipts:			
Transfer from General Fund	\$ 80	\$ 0	\$ 0
Total Receipts	<u>80</u>	<u>0</u>	<u>0</u>
Total Funds Available	<u>\$ 120</u>	<u>\$ 0</u>	<u>\$ 0</u>
Disbursements:			
Treasury.....	\$ 120	\$ 0	\$ 0
Total Disbursements	<u>-120</u>	<u>0</u>	<u>0</u>
Cash Balance, Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Local Government Capital Project Loan Fund

This fund was created in 1990 to assist municipal governments in acquiring equipment and facilities by providing low-interest loans to those governments which find conventional loan costs to be prohibitive. Loans are provided at a rate of 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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 3,740	\$ 3,896	\$ 3,027
Receipts:			
Loan Principal and Interest Repayments.....	\$ 217	\$ 225	\$ 225
Interest	29	47	47
Total Receipts	<u>246</u>	<u>272</u>	<u>272</u>
Total Funds Available	<u>\$ 3,986</u>	<u>\$ 4,168</u>	<u>\$ 3,299</u>
Disbursements:			
Community and Economic Development.....	\$ 90	\$ 1,141	\$ 1,000
Total Disbursements	<u>-90</u>	<u>-1,141</u>	<u>-1,000</u>
Cash Balance, Ending	<u>\$ 3,896</u>	<u>\$ 3,027</u>	<u>\$ 2,299</u>

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, 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. The fund balance does not reflect substantial loan commitments for outstanding offers extended for business expansion projects.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 41,877	\$ 59,465	\$ 21,612
Receipts:			
Loan Principal and Interest Repayments.....	\$ 21,727	\$ 13,000	\$ 13,000
Loan Service Fees.....	60	60	60
Interest.....	638	954	954
Other.....	4	5	5
Total Receipts	22,429	14,019	14,019
Total Funds Available	\$ 64,306	\$ 73,484	\$ 35,631
Disbursements:			
Community and Economic Development.....	\$ 4,841	\$ 51,872	\$ 11,778
Total Disbursements	-4,841	-51,872	-11,778
Cash Balance, Ending	\$ 59,465	\$ 21,612	\$ 23,853

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. Federal liability could be created by a transfer from the Manufacturing Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 23,523	\$ 29,682	\$ 24,037
Receipts:			
Sale of Products.....	\$ 76,942	\$ 80,900	\$ 81,975
Interest.....	557	706	706
Total Receipts	77,499	81,606	82,681
Total Funds Available	\$ 101,022	\$ 111,288	\$ 106,718
Disbursements:			
Department of Criminal Justice.....	\$ 71,340	\$ 87,251	\$ 80,702
Total Disbursements	-71,340	-87,251	-80,702
Cash Balance, Ending	\$ 29,682	\$ 24,037	\$ 26,016

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, 2016-17 and 2017-18 Fiscal Codes modified the transfers from the Oil and Gas Lease Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 31,650	\$ 6,366	\$ 426
Receipts:			
Transfer from Unconventional Gas Well Fund.....	\$ 62,046	\$ 80,635	\$ 92,414
Transfer from Oil and Gas Lease Fund.....	25,000	35,000	35,000
Interest.....	82	84	84
Total Receipts	<u>87,128</u>	<u>115,719</u>	<u>127,498</u>
Total Funds Available	\$ 118,778	\$ 122,085	\$ 127,924
Disbursements:			
Public Utility Commission:			
County Grants.....	\$ 9,307	\$ 12,095	\$ 13,862
Transfer to Commonwealth Financing Authority.....	25,983	16,127	18,483
Transfer to Commonwealth Financing Authority-H2O.....	16,239	10,079	11,552
Environmental Protection.....	3,308	6,025	0
Infrastructure Investment Authority.....	7,756	10,079	11,552
Transfer to Highway Bridge Improvement.....	15,512	20,159	23,104
Transfer to Environmental Stewardship Fund.....	26,205	28,063	29,241
Transfer to Hazardous Sites Cleanup Fund.....	8,102	19,032	19,621
Total Disbursements	<u>-112,412</u>	<u>-121,659</u>	<u>-127,415</u>
Cash Balance, Ending	\$ 6,366	\$ 426	\$ 509

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 111,106	\$ 103,550	\$ 95,236
Receipts:			
Assessments.....	\$ 174,354	\$ 190,000	\$ 190,000
Interest	2,100	1,881	1,881
Other.....	362	0	0
Total Receipts	<u>176,816</u>	<u>191,881</u>	<u>191,881</u>
Total Funds Available	\$ 287,922	\$ 295,431	\$ 287,117
Disbursements:			
Insurance.....	\$ 183,264	\$ 199,580	\$ 197,160
Assessment Relief Payment.....	1,108	615	0
Total Disbursements	<u>-184,372</u>	<u>-200,195</u>	<u>-197,160</u>
Cash Balance, Ending	\$ 103,550^a	\$ 95,236^a	\$ 89,957^a

^a 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 Department of Human Services and Department of Health into a new Department of Health and Human Services.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 0	\$ 51,868	\$ 9,230
Receipts:			
Loan from the General Fund.....	\$ 3,000	\$ 0	\$ 0
Grower/Process Application and Permit Fees.....	4,150	4,000	2,200
Dispensary Application and Permit Fees.....	2,935	1,815	1,510
Application and Permit Fees Collected in Advance.....	44,040	19,190	17,480
Patient Identification Card Fees.....	0	1,810	3,864
Gross Receipts Tax.....	0	857	5,372
Interest	70	236	281
Total Receipts	54,195	27,908	30,707
Total Funds Available	\$ 54,195	\$ 79,776	\$ 39,937
Disbursements:			
Loan Repayment to the General Fund.....	\$ 0	\$ 0	\$ 3,000
Refund Permit Fees Collected in Advance.....	0	63,230	17,480
Health and Human Services.....	2,327	7,316	10,559
Total Disbursements	-2,327	-70,546	-31,039
Cash Balance, Ending	\$ 51,868	\$ 9,230	\$ 8,898

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 4,006	\$ 3,906	\$ 3,417
Receipts:			
License and Fees	\$ 2,431	\$ 2,431	\$ 2,431
Fines and Penalties.....	8	10	10
Interest.....	25	42	42
Total Receipts	<u>2,464</u>	<u>2,483</u>	<u>2,483</u>
Total Funds Available	\$ 6,470	\$ 6,389	\$ 5,900
Disbursements:			
Milk Marketing Board.....	\$ 2,564	\$ 2,972	\$ 2,840
Total Disbursements	<u>-2,564</u>	<u>-2,972</u>	<u>-2,840</u>
Cash Balance, Ending	\$ 3,906	\$ 3,417	\$ 3,060

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 80	\$ 100	\$ 78
Receipts:			
Fines and Penalties.....	\$ 19	\$ 12	\$ 12
Interest.....	1	1	1
Total Receipts	<u>20</u>	<u>13</u>	<u>13</u>
Total Funds Available	\$ 100	\$ 113	\$ 91
Disbursements:			
Environmental Protection	\$ 0	\$ 35	\$ 1
Total Disbursements	<u>0</u>	<u>-35</u>	<u>-1</u>
Cash Balance, Ending	\$ 100	\$ 78	\$ 90

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 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. Current law provides that funds in excess of the amounts necessary to carry out the purposes of the enabling act can be transferred to the General Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 3,818	\$ 4,094	\$ 3,556
Receipts:			
Loan Principal and Interest Repayments.....	\$ 804	\$ 800	\$ 800
Interest.....	29	50	50
Other.....	5	10	10
Total Receipts	838	860	860
Total Funds Available	\$ 4,656	\$ 4,954	\$ 4,416
Disbursements:			
Community and Economic Development.....	\$ 562	\$ 1,398	\$ 1,330
Total Disbursements	-562	-1,398	-1,330
Cash Balance, Ending	\$ 4,094	\$ 3,556	\$ 3,086

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 47,969	\$ 46,395	\$ 42,065
Receipts:			
NCAA - Penn State Settlement.....	\$ 24	\$ 0	\$ 0
Interest	1,107	975	900
Total Receipts	1,131	975	900
Total Funds Available	\$ 49,100	\$ 47,370	\$ 42,965
Disbursements:			
PA Commission on Crime and Delinquency.....	\$ 2,705	\$ 5,305	\$ 4,800
Total Disbursements	-2,705	-5,305	-4,800
Cash Balance, Ending	\$ 46,395	\$ 42,065	\$ 38,165

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 2,269	\$ 2,309	\$ 2,360
Receipts:			
Title & Registration Fees.....	\$ 32	\$ 35	\$ 35
Interest	18	28	28
Total Receipts	<u>50</u>	<u>63</u>	<u>63</u>
Total Funds Available	\$ 2,319	\$ 2,372	\$ 2,423
Disbursements:			
Transportation.....	\$ 10	\$ 12	\$ 20
Total Disbursements	<u>-10</u>	<u>-12</u>	<u>-20</u>
Cash Balance, Ending	<u>\$ 2,309</u>	<u>\$ 2,360</u>	<u>\$ 2,403</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.

The Pennsylvania Constitution restricts the use of Motor License Fund revenues and the issuance of bonds utilized by PTC to make these payments. In 2017, applications for this program funding totaled more than \$240 million – far in excess of the amount available to be distributed through the Commonwealth Financing Authority.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 138,251	\$ 188,735	\$ 0
Receipts:			
Pennsylvania Turnpike Commission.....	\$ 30,000	\$ 30,000	\$ 30,000
Motor Vehicle Fees.....	74,561	80,283	81,086
Oil Company Franchise Tax.....	35,000	35,000	35,000
Interest.....	1,236	130	0
Other.....	14	15	15
Total Receipts.....	<u>140,811</u>	<u>145,428</u>	<u>146,101</u>
Total Funds Available	\$ 279,062	\$ 334,163	\$ 146,101
Disbursements:			
Transportation.....	\$ 38,851	\$ 242,588	\$ 86,349
Transfer to Commonwealth Financing Authority.....	51,476	91,575	59,752
Total Disbursements.....	<u>-90,327</u>	<u>-334,163</u>	<u>-146,101</u>
Cash Balance, Ending	<u>\$ 188,735</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.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 276,720	\$ 282,476	\$ 281,224
Receipts:			
Foreign Casualty Insurance Premiums Tax.....	\$ 275,905	\$ 276,674	\$ 264,291
Foreign Fire Insurance Premiums Tax.....	15,375	14,296	14,439
Interest	1,219	1,219	1,231
Total Receipts	<u>292,499</u>	<u>292,189</u>	<u>279,961</u>
Total Funds Available	\$ 569,219	\$ 574,665	\$ 561,185
Disbursements:			
Auditor General.....	\$ 286,743 ^a	\$ 293,441 ^b	\$ 279,961 ^c
Total Disbursements	<u>-286,743</u>	<u>-293,441</u>	<u>-279,961</u>
Cash Balance, Ending	<u>\$ 282,476</u>	<u>\$ 281,224</u>	<u>\$ 281,224</u>

^a Includes post-retirement payment of \$1,633,900 as authorized by Act 147 of 1988.

^b Includes post-retirement payment of \$1,486,000 as authorized by Act 147 of 1988.

^c Includes post-retirement payment of \$1,346,178 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. Fund balance does not reflect commitments to distressed municipalities.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 14,550	\$ 10,886	\$ 3,106
Receipts:			
Transfer from General Fund.....	\$ 3,000	\$ 2,550	\$ 2,550
Loan Principal and Interest Repayments.....	549	550	550
Interest	111	153	153
Total Receipts	<u>3,660</u>	<u>3,253</u>	<u>3,253</u>
Total Funds Available	\$ 18,210	\$ 14,139	\$ 6,359
Disbursements:			
Community and Economic Development.....	\$ 7,324	\$ 11,033	\$ 6,350
Total Disbursements	<u>-7,324</u>	<u>-11,033</u>	<u>-6,350</u>
Cash Balance, Ending	<u>\$ 10,886</u>	<u>\$ 3,106</u>	<u>\$ 9</u>

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 0	\$ 3	\$ 0
Receipts:			
State Tax Share.....	\$ 78,486	\$ 78,500	\$ 79,500
State Tax Share Return	-16,284	-31,900	-22,000
Local Tax Share.....	2,203	2,277	2,306
Interest.....	3	0	0
Total Receipts	<u>64,408</u>	<u>48,877</u>	<u>59,806</u>
Total Funds Available	\$ 64,408	\$ 48,880	\$ 59,806
Disbursements:			
Treasury.....	\$ 64,405	\$ 48,880	\$ 59,806
Total Disbursements	<u>-64,405</u>	<u>-48,880</u>	<u>-59,806</u>
Cash Balance, Ending	\$ 3	\$ 0	\$ 0

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 9,782	\$ 8,705	\$ 6,733
Receipts:			
Licenses and Fees.....	\$ 1,815	\$ 1,800	\$ 1,980
Penalties.....	157	141	142
Interest.....	239	222	222
Collateral.....	198	0	0
Forfeiture.....	52	0	0
Payment in Lieu of Bonds.....	171	90	90
Other.....	55	0	0
Total Receipts	<u>2,687</u>	<u>2,253</u>	<u>2,434</u>
Total Funds Available	\$ 12,469	\$ 10,958	\$ 9,167
Disbursements:			
Environmental Protection	\$ 3,764	\$ 4,225	\$ 3,885
Total Disbursements	<u>-3,764</u>	<u>-4,225</u>	<u>-3,885</u>
Cash Balance, Ending	\$ 8,705	\$ 6,733	\$ 5,282

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 1,820	\$ 1,491	\$ 386
Receipts:			
Transfer from General Fund.....	\$ 2,714	\$ 2,714	\$ 2,714
Interest.....	19	11	11
Fees.....	53	33	33
Fines	15	23	23
Total Receipts	<u>2,801</u>	<u>2,781</u>	<u>2,781</u>
Total Funds Available	\$ 4,621	\$ 4,272	\$ 3,167
Disbursements:			
Agriculture	\$ 1,051	\$ 1,218	\$ 1,049
Environmental Protection	2,079	2,668	2,073
Total Disbursements	<u>-3,130</u>	<u>-3,886</u>	<u>-3,122</u>
Cash Balance, Ending	\$ 1,491	\$ 386	\$ 45

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 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, and Act 44 of 2017 modified the annual transfers to the Marcellus Legacy Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 23,525	\$ 28,612	\$ 3,793
Receipts:			
Rents and Royalties.....	\$ 79,144	\$ 80,000	\$ 80,000
Interest.....	636	808	808
Other.....	99	100	100
Total Receipts	<u>79,879</u>	<u>80,908</u>	<u>80,908</u>
Total Funds Available	\$ 103,404	\$ 109,520	\$ 84,701
Disbursements:			
Conservation and Natural Resources.....	\$ 49,792	\$ 59,436	\$ 37,045
State Parks Operations.....	0	7,739	7,555
State Forests Operations.....	0	3,552	4,198
Transfer to Marcellus Legacy Fund.....	25,000	35,000	35,000
Total Disbursements	<u>-74,792</u>	<u>-105,727</u>	<u>-83,798</u>
Cash Balance, Ending	\$ 28,612	\$ 3,793	\$ 903

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 4,678	\$ 6,960	\$ 9,562
Receipts:			
Surcharges.....	\$ 9,671	\$ 10,334	\$ 8,000
Interest	43	95	95
Other	623	606	200
Total Receipts	10,337	11,035	8,295
Total Funds Available	\$ 15,015	\$ 17,995	\$ 17,857
Disbursements:			
Patient Safety Authority.....	\$ 8,055	\$ 8,433	\$ 9,400
Total Disbursements	-8,055	-8,433	-9,400
Cash Balance, Ending	\$ 6,960	\$ 9,562	\$ 8,457

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.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 0	\$ 2	\$ 0
Receipts:			
Interest/Interest Transfer to General Fund.....	\$ 2	\$ -2	\$ 0
Total Receipts	2	-2	0
Total Funds Available	\$ 2	\$ 0	\$ 0
Disbursements:			
Transfer to General Fund.....	\$ 0	\$ 0	\$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	\$ 2	\$ 0	\$ 0

Pennsylvania eHealth Partnership Fund

This fund was established by Act 121 of 2012 and administered by the Pennsylvania eHealth Partnership Authority. The Authority developed, established and maintained a health information exchange that complied with federal and state law. The Authority expired on July 5, 2017.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 2,215	\$ 1,991	\$ 0
Receipts:			
Interest.....	\$ 16	\$ 12	\$ 0
Total Receipts	<u>16</u>	<u>12</u>	<u>0</u>
Total Funds Available	<u>\$ 2,231</u>	<u>\$ 2,003</u>	<u>\$ 0</u>
Disbursements:			
Pennsylvania eHealth Partnership Authority.....	\$ 240	\$ 0	\$ 0
Transfer to General Fund.....	0	2,003	0
Total Disbursements	<u>-240</u>	<u>-2,003</u>	<u>0</u>
Cash Balance, Ending	<u>\$ 1,991</u>	<u>\$ 0</u>	<u>\$ 0</u>

Pennsylvania Gaming Economic Development and Tourism Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, established the Pennsylvania Gaming Economic Development and Tourism Fund (GEDTF) to receive a daily assessment of 5 percent of each licensed gaming entity's gross terminal revenue. Act 42 of 2017 increased the daily assessment to 5.5 percent effective January 1, 2018 with an additional .5 percent going to the Casino Marketing and Capital Development Account within the GEDTF fund. In addition, a 6 percent assessment from new satellite casino gross terminal revenue will be deposited in the GEDTF. 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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 2,923	\$ 2,155	\$ 7,867
Receipts:			
Gross Terminal Revenue Assessments.....	\$ 115,044	\$ 122,308	\$ 140,590
PCCA Debt Service Contribution.....	0	7,500	13,500
Build America Bonds Federal Interest Subsidy.....	8,906	8,770	8,604
Casino Marketing & Development Assessments.....	0	9,077	13,656
Interest.....	198	258	275
Total Receipts	<u>124,148</u>	<u>147,913</u>	<u>176,625</u>
Total Funds Available	<u>\$ 127,071</u>	<u>\$ 150,068</u>	<u>\$ 184,492</u>
Disbursements:			
Community and Economic Development.....	\$ 67,997	\$ 85,877	\$ 118,856
General Services.....	640	222	5,130 ^a
Transfer to Commonwealth Financing Authority.....	56,279	56,102	55,915
Total Disbursements	<u>-124,916</u>	<u>-142,201</u>	<u>-179,901</u>
Cash Balance, Ending	<u>\$ 2,155</u>	<u>\$ 7,867</u>	<u>\$ 4,591</u>

^a Includes a \$4.233M remaining pledge installment owed by a casino operator that is due on April 1, 2018. 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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 185	\$ 186	\$ 188
Receipts:			
Interest.....	\$ 1	\$ 2	\$ 2
Total Receipts	<u>1</u>	<u>2</u>	<u>2</u>
Total Funds Available	<u>\$ 186</u>	<u>\$ 188</u>	<u>\$ 190</u>
Disbursements:			
Historical and Museum Commission.....	\$ 0	\$ 0	\$ 0
Total Disbursements	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance, Ending	<u>\$ 186</u>	<u>\$ 188</u>	<u>\$ 190</u>

Pennsylvania Infrastructure Bank

This fund was established by Act 57 of 1997 to make loans to, or enter into leases with, qualified borrowers to finance the costs of transportation projects. Acts 165 and 7A of 2004 expanded this program to include financing of rail freight infrastructure. Receipts are derived from loan repayments and interest earnings.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 46,520	\$ 51,868	\$ 33,152
Receipts:			
Loan Principal and Interest Repayments.....	\$ 18,197	\$ 17,647	\$ 16,864
Interest.....	0	1,132	876
Other.....	16	5	0
Total Receipts	<u>18,213</u>	<u>18,784</u>	<u>17,740</u>
Total Funds Available	<u>\$ 64,733</u>	<u>\$ 70,652</u>	<u>\$ 50,892</u>
Disbursements:			
Transportation.....	\$ 12,865	\$ 30,000	\$ 30,000
Transfer to General Fund.....	0	7,500	0
Total Disbursements	<u>-12,865</u>	<u>-37,500</u>	<u>-30,000</u>
Cash Balance, Ending	<u>\$ 51,868</u>	<u>\$ 33,152</u>	<u>\$ 20,892</u>

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Total Cash Balance, Beginning	\$ 2,004,485	\$ 2,321,903	\$ 2,500,485
Receipts:			
Contributions.....	\$ 93,606	\$ 77,590	\$ 80,694
Interest.....	23,537	24,773	26,073
Premium / Discount on Sale of Securities.....	45,774	80,368	84,587
Net Investment Adjustment.....	259,669	111,536	117,392
Total Receipts	422,586	294,267	308,746
Total Funds Available	\$ 2,427,071	\$ 2,616,170	\$ 2,809,231
Disbursements:			
Municipal Retirement Board.....	\$ 105,168	\$ 115,685	\$ 127,253
Total Disbursements	-105,168	-115,685	-127,253
Cash Balance, Ending	\$ 2,321,903	\$ 2,500,485	\$ 2,681,978

Pennsylvania Race Horse Development Trust 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. Act 42 of 2017 converted it to a Trust Fund. 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 and amendments 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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 2,080	\$ 3,821	\$ 2,878
Receipts:			
Assessments.....	\$ 236,473	\$ 237,620	\$ 238,070
Interest.....	87	102	102
Total Receipts	236,560	237,722	238,172
Total Funds Available	\$ 238,640	\$ 241,543	\$ 241,050
Disbursements:			
Revenue.....	\$ 204,456	\$ 207,070	\$ 203,560
Agriculture.....	14,415	15,711	14,659
Transfer to Farm Products Show Fund.....	5,000	5,000	5,000
Transfer to State Racing Fund.....	10,948	10,884	14,846
Total Disbursements	-234,819	-238,665	-238,065
Cash Balance, Ending	\$ 3,821	\$ 2,878	\$ 2,985

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 566	\$ 437	\$ 94
Receipts:			
Public and Private Donations.....	\$ 6	\$ 9	\$ 9
Interest	4	5	5
Total Receipts	10	14	14
Total Funds Available	\$ 576	\$ 451	\$ 108
Disbursements:			
Military and Veterans Affairs.....	\$ 139	\$ 357	\$ 108
Total Disbursements	-139	-357	-108
Cash Balance, Ending	\$ 437	\$ 94	\$ 0

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 6,083	\$ 5,844	\$ 0
Receipts:			
Interest.....	\$ 45	\$ 71	\$ 0
Total Receipts	45	71	0
Total Funds Available	\$ 6,128	\$ 5,915	\$ 0
Disbursements:			
Infrastructure Investment Authority.....	\$ 284	\$ 5,915	\$ 0
Total Disbursements	-284	-5,915	0
Cash Balance, Ending	\$ 5,844	\$ 0	\$ 0

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 166,455	\$ 179,911	\$ 114,497
Receipts:			
Federal Funds.....	\$ 28,055	\$ 57,719	\$ 57,000
Transfer from PENNVEST Water Pollution Control Revolving Fund.....	37,668	20,000	20,000
Transfer from Trustee Account.....	0	15,000	20,000
Loan Principal and Interest Repayments.....	8,232	23,904	13,800
Interest.....	3,646	4,177	4,177
Total Receipts	<u>77,601</u>	<u>120,800</u>	<u>114,977</u>
Total Funds Available	\$ 244,056	\$ 300,711	\$ 229,474
Disbursements:			
Infrastructure Investment Authority.....	\$ 64,145	\$ 186,214	\$ 190,500
Total Disbursements	<u>-64,145</u>	<u>-186,214</u>	<u>-190,500</u>
Cash Balance, Ending	\$ 179,911	\$ 114,497	\$ 38,974

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 264,095	\$ 284,000	\$ 255,198
Receipts:			
Revolving Loan Payments.....	\$ 94,758	\$ 154,200	\$ 148,200
Transfer from Environmental Stewardship Fund.....	14,007	15,583	17,820
Transfer from Marcellus Legacy Fund.....	7,756	10,079	11,552
Interest.....	5,988	6,531	6,531
Other.....	111	32	22
Total Receipts	<u>122,620</u>	<u>186,425</u>	<u>184,125</u>
Total Funds Available	\$ 386,715	\$ 470,425	\$ 439,323
Disbursements:			
Infrastructure Investment Authority:			
Grants.....	\$ 0	\$ 100	\$ 2,000
Administration.....	2,646	4,445	4,248
Growing Greener Grants.....	10,036	10,802	12,900
Revenue Bond Loan Pool.....	0	10	10
Marcellus Grants.....	11,036	13,014	11,552
Revolving Loans and Administration.....	78,997	185,410	105,000
State Conditional Fund.....	0	1,446	1,000
Total Disbursements	<u>-102,715</u>	<u>-215,227</u>	<u>-136,710</u>
Cash Balance, Ending	\$ 284,000	\$ 255,198	\$ 302,613

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 2,310	\$ 2,694	\$ 7,447
Receipts:			
Interest.....	\$ 33	\$ 56	\$ 155
Non-Revolving Loan Repayments.....	13,853	13,853	13,853
Total Receipts	13,886	13,909	14,008
Total Funds Available	\$ 16,196	\$ 16,603	\$ 21,455
Disbursements:			
Treasury.....	\$ 13,502	\$ 9,156	\$ 8,128
Total Disbursements	-13,502	-9,156	-8,128
Cash Balance, Ending	\$ 2,694	\$ 7,447	\$ 13,327

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 584,234	\$ 733,927	\$ 577,211
Receipts:			
Federal Funds.....	\$ 57,281	\$ 110,500	\$ 110,500
Loan Principal and Interest Repayments.....	145,009	143,500	150,500
Interest.....	13,636	16,161	16,161
Total Receipts	215,926	270,161	277,161
Total Funds Available	\$ 800,160	\$ 1,004,088	\$ 854,372
Disbursements:			
Infrastructure Investment Authority.....	\$ 66,233	\$ 426,877	\$ 402,000
Total Disbursements	-66,233	-426,877	-402,000
Cash Balance, Ending	\$ 733,927	\$ 577,211	\$ 452,372

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 2,107	\$ 2,069	\$ 1,995
Receipts:			
Interest.....	\$ 16	\$ 25	\$ 25
Total Receipts	16	25	25
Total Funds Available	\$ 2,123	\$ 2,094	\$ 2,020
Disbursements:			
Military and Veterans Affairs.....	\$ 54	\$ 99	\$ 51
Total Disbursements	-54	-99	-51
Cash Balance, Ending	\$ 2,069	\$ 1,995	\$ 1,969

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 343	\$ 0	\$ 0
Total Receipts	343	0	0
Total Funds Available	\$ 343	\$ 0	\$ 0
Disbursements:			
Treasury.....	\$ 343	\$ 0	\$ 0
Total Disbursements	-343	0	0
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

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 consolidates the Department of Human Services and the Department of Health into a new Department of Health and Human Services.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 27,669	\$ 56,883	\$ 11,145
Receipts:			
Transfer from Lottery Fund	\$ 169,000	\$ 155,000 ^a	\$ 140,000
Interest	359	524	500
Disease Specific Programs.....	4,797	4,900	4,900
Special Pharmaceutical Services	40,894	90,337	74,984
Auto Cat Program.....	789	790	790
Workers' Compensation Security Fund Program.....	2,361	2,370	2,370
Other.....	759	780	780
Total Receipts	<u>218,959</u>	<u>254,701</u>	<u>224,324</u>
Total Funds Available	\$ 246,628	\$ 311,584	\$ 235,469
Disbursements:			
Aging.....	\$ 173,755	\$ 160,921	\$ 143,127
Health and Human Services.....	12,818 ^b	136,358 ^b	79,884 ^b
Insurance.....	3,172 ^b	3,160 ^b	3,160 ^b
Total Disbursements	<u>-189,745</u>	<u>-300,439</u>	<u>-226,171</u>
Cash Balance, Ending	\$ 56,883	\$ 11,145	\$ 9,298

^a Includes recommended supplemental appropriation of \$30,000,000.

^b Expenditures from restricted accounts in the Department of Aging.

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 441	\$ 356	\$ 718
Receipts:			
Transfer from Philadelphia Regional Port Authority.....	\$ 8,150	\$ 8,700	\$ 8,200
Interest.....	6	6	6
Total Receipts	<u>8,156</u>	<u>8,706</u>	<u>8,206</u>
Total Funds Available	<u>\$ 8,597</u>	<u>\$ 9,062</u>	<u>\$ 8,924</u>
Disbursements:			
Philadelphia Regional Port Operations.....	\$ 8,241	\$ 8,344	\$ 8,448
Total Disbursements	<u>-8,241</u>	<u>-8,344</u>	<u>-8,448</u>
Cash Balance, Ending	<u>\$ 356</u>	<u>\$ 718</u>	<u>\$ 476</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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 140	\$ 143	\$ 137
Receipts:			
Assessments.....	\$ 3,937	\$ 3,939	\$ 2,935
Interest.....	3	4	4
Total Receipts	<u>3,940</u>	<u>3,943</u>	<u>2,939</u>
Total Funds Available	<u>\$ 4,080</u>	<u>\$ 4,086</u>	<u>\$ 3,076</u>
Disbursements:			
Philadelphia Parking Authority.....	\$ 3,937	\$ 3,949	\$ 2,935
Total Disbursements	<u>-3,937</u>	<u>-3,949</u>	<u>-2,935</u>
Cash Balance, Ending	<u>\$ 143</u>	<u>\$ 137</u>	<u>\$ 141</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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 937	\$ 6	\$ 6
Receipts:			
Sale of Medallions.....	\$ 0	\$ 2,000	\$ 200
Interest.....	2	0	0
Total Receipts	<u>2</u>	<u>2,000</u>	<u>200</u>
Total Funds Available	<u>\$ 939</u>	<u>\$ 2,006</u>	<u>\$ 206</u>
Disbursements:			
Philadelphia Parking Authority.....	\$ 933	\$ 2,000	\$ 200
Total Disbursements	<u>-933</u>	<u>-2,000</u>	<u>-200</u>
Cash Balance, Ending	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ 6</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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 0	\$ 168,147	\$ 316,730
Receipts:			
School Construction Bond Proceeds.....	\$ 735,394	\$ 403,894	\$ 0
Total Receipts.....	<u>735,394</u>	<u>403,894</u>	<u>0</u>
Total Funds Available	<u>\$ 735,394</u>	<u>\$ 572,041</u>	<u>\$ 316,730</u>
Disbursements:			
Education.....	\$ 567,247	\$ 255,311	\$ 148,584
Total Disbursements.....	<u>-567,247</u>	<u>-255,311</u>	<u>-148,584</u>
Cash Balance, Ending	<u>\$ 168,147</u>	<u>\$ 316,730</u>	<u>\$ 168,146</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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 2,530	\$ 2,381	\$ 2,517
Receipts:			
State Grants.....	\$ 750	\$ 750	\$ 750
Federal Grants.....	1,506	4,963	4,000
Interest	18	27	27
Other	0	2	2
Total Receipts	<u>2,274</u>	<u>5,742</u>	<u>4,779</u>
Total Funds Available	\$ 4,804	\$ 8,123	\$ 7,296
Disbursements:			
Port of Pittsburgh Commission.....	\$ 2,423	\$ 5,606	\$ 5,000
Total Disbursements	<u>-2,423</u>	<u>-5,606</u>	<u>-5,000</u>
Cash Balance, Ending	\$ 2,381	\$ 2,517	\$ 2,296

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. Act 42 of 2017 provides additional monies to the Property Tax Relief Fund through the expansion of gaming in the commonwealth.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 472,653	\$ 459,643	\$ 450,948
Receipts:			
Transfer from State Gaming Fund.....	\$ 749,703	\$ 753,118	\$ 841,071
Property Tax Relief Reserve Fund Loan Repayment.....	6,382	6,385	6,385
Interest.....	1,805	1,802	1,802
Total Receipts	<u>757,890</u>	<u>761,305</u>	<u>849,258</u>
Total Funds Available	<u>\$ 1,230,543</u>	<u>\$ 1,220,948</u>	<u>\$ 1,300,206</u>
Disbursements:			
Property Tax Relief Payments:			
Education:			
General Property Tax Relief.....	\$ 595,000	\$ 595,000	\$ 595,000
Sterling Act.....	22,900	24,300	24,300
Subtotal: Education Property Tax Relief Payments.....	<u>617,900</u>	<u>619,300</u>	<u>619,300</u>
Revenue:			
Expanded Prop Tax/Rent Rebate/Senior Tax Reductions.....	120,700	118,500	112,500
Cities and High-Burden.....	27,300	27,200	27,300
Subtotal: Revenue Property Tax Relief Payments.....	<u>148,000</u>	<u>145,700</u>	<u>139,800</u>
Total Property Tax Relief Disbursements.....	<u>765,900</u>	<u>765,000</u>	<u>759,100</u>
Emergency Management:			
Volunteer Company Grants.....	5,000	5,000	5,000
Total Disbursements.....	<u>-770,900</u>	<u>-770,000</u>	<u>-764,100</u>
Cash Balance, Ending	<u>\$ 459,643</u> ^a	<u>\$ 450,948</u> ^b	<u>\$ 536,106</u> ^c

^a 2016-17 Actual includes a balance of \$11,500,839 in the Property Tax Relief Reserve Account.

^b 2017-18 Available includes a balance of \$3,192,265 in the Property Tax Relief Reserve Account.

^c 2018-19 Estimated includes a balance of \$9,576,765 in the Property Tax Relief Reserve Account.

PSERS - Defined Contribution Fund

This fund was created to meet the provisions of Act 5 of 2017 to provide for receipt and accounting of member and employer contributions, investment of those funds and payment of defined contribution benefits to retired school employees hired on or after July 1, 2019. 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. Earnings from investments provide additional revenue and pay for the associated expenses of the Public School Employees' Retirement Board.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 20
Receipts:			
Contributions	\$ 0	\$ 6,801	\$ 4,950
Interest.....	0	20	20
Total Receipts	0	6,821	4,970
Total Funds Available	\$ 0	\$ 6,821	\$ 4,990
Disbursements:			
Public School Employees' Retirement Board	\$ 0	\$ 6,801	\$ 4,950
Total Disbursements	0	-6,801	-4,950
Cash Balance, Ending	\$ 0	\$ 20	\$ 40

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 8,769	\$ 8,713	\$ 8,943
Receipts:			
Tire Fee, Rental Fee and Lease Tax.....	\$ 134,655	\$ 139,500	\$ 144,500
Sales and Use Tax.....	100,284	104,500	107,900
Interest.....	160	230	230
Total Receipts	235,099	244,230	252,630
Total Funds Available	\$ 243,868	\$ 252,943	\$ 261,573
Disbursements:			
Transportation:			
Grants.....	\$ 214,064	\$ 219,984	\$ 230,190
Transfer to Public Transportation Trust Fund.....	21,091	24,016	22,210
Total Disbursements	-235,155	-244,000	-252,400
Cash Balance, Ending	\$ 8,713	\$ 8,943	\$ 9,173

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.

Effective in 2022, Act 89 eliminates \$400 million in annual transfers from the Turnpike Commission to support mass transit operations. The fund balance does not reflect substantial commitments for public transportation operating and capital.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 533,066	\$ 474,237	\$ 335,430
Receipts:			
Sales and Use Tax.....	\$ 465,944	\$ 483,794	\$ 501,189
Pennsylvania Turnpike Commission.....	420,000	420,000	420,000
Transfer from Lottery Fund.....	0	191,814	95,907
Transfer from Public Transportation Assistance Fund.....	21,091	24,016	22,210
Motor Vehicle Fees.....	215,903	268,774	271,462
Vehicle Code Fines	33,110	35,716	35,716
Interest.....	7,285	2,000	2,000
Total Receipts	1,163,333	1,426,114	1,348,484
Total Funds Available	\$ 1,696,399	\$ 1,900,351	\$ 1,683,914
Disbursements:			
Transportation.....	\$ 1,222,162	\$ 1,564,921	\$ 1,625,259
Total Disbursements	-1,222,162	-1,564,921	-1,625,259
Cash Balance, Ending	\$ 474,237	\$ 335,430	\$ 58,655

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 4,646	\$ 6,237	\$ 4,297
Receipts:			
Reimbursements to General Services.....	\$ 351,779	\$ 591,000	\$ 608,792
Reimbursements to Executive Offices.....	78,355	67,000	69,000
Interest.....	71	60	62
Total Receipts	430,205	658,060	677,854
Total Funds Available	\$ 434,851	\$ 664,297	\$ 682,151
Disbursements:			
General Services.....	\$ 353,783	\$ 593,000	\$ 610,790
Executive Offices.....	74,831	67,000	69,000
Total Disbursements	-428,614	-660,000	-679,790
Cash Balance, Ending	\$ 6,237	\$ 4,297	\$ 2,361

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 114 of 2016 which repealed and restructured the Race Horse Industry Reform Act (Act 93 of 1983 and subsequent amendments) and provided funding for promotional costs. Licensed racing corporations who annually conduct at least 100 days of racing continue to remit wagering taxes at the rate of 1.5 percent. 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 114 provided temporary funding from the Pennsylvania Race Horse Development Trust Fund to cover the cost of the drug testing program. This provision will terminate June 30, 2020. A permanent funding solution must be identified.

Act 114 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 Trust Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 29,113	\$ 32,880	\$ 29,982
Receipts:			
Admission and Wagering.....	\$ 9,181	\$ 8,446	\$ 7,770
Licenses and Fees.....	1,911	2,240	1,956
Fines and Penalties.....	283	100	100
Transfers from PA Race Horse Development Trust Fund.....	10,948	10,884	14,846
Other.....	1,220	1,220	1,220
Restricted Revenues.....	33,798	35,000	38,700
Interest.....	455	573	573
Total Receipts	57,796	58,463	65,165
Total Funds Available	\$ 86,909	\$ 91,343	\$ 95,147
Disbursements:			
Agriculture.....	\$ 17,588	\$ 25,977	\$ 22,899
Revenue.....	58	384	244
Agriculture - Restricted Funds.....	36,383	35,000	38,700
Total Disbursements	-54,029	-61,361	-61,843
Cash Balance, Ending	\$ 32,880	\$ 29,982	\$ 33,304

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 561	\$ 575	\$ 467
Receipts:			
Additional License Fees	\$ 58	\$ 60	\$ 75
Interest	4	7	7
Total Receipts	<u>62</u>	<u>67</u>	<u>82</u>
Total Funds Available	\$ <u>623</u>	\$ <u>642</u>	\$ <u>549</u>
Disbursements:			
State	\$ 48	\$ 175	\$ 150
Total Disbursements	<u>-48</u>	<u>-175</u>	<u>-150</u>
Cash Balance, Ending	\$ <u>575</u>	\$ <u>467</u>	\$ <u>399</u>

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. The fund balance does not reflect commitments directly impacting local governments as well as the Pennsylvania Recycling Markets Center at Pennsylvania State University.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 84,644	\$ 86,607	\$ 64,452
Receipts:			
Recycling Fees	\$ 38,399	\$ 38,000	\$ 38,000
Interest	1,949	2,036	2,036
Transfer from Hazardous Sites Cleanup Fund	1,000	1,000	1,000
Transfer from Public Ed/Tech Assistance	500	500	500
Other	1,751	0	0
Total Receipts	<u>43,599</u>	<u>41,536</u>	<u>41,536</u>
Total Funds Available	\$ <u>128,243</u>	\$ <u>128,143</u>	\$ <u>105,988</u>
Disbursements:			
Environmental Protection	\$ 41,636	\$ 63,691	\$ 52,614
Total Disbursements	<u>-41,636</u>	<u>-63,691</u>	<u>-52,614</u>
Cash Balance, Ending	\$ <u>86,607</u>	\$ <u>64,452</u>	\$ <u>53,374</u>

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 11,818	\$ 12,440	\$ 9,434
Receipts:			
Client Fees	\$ 22,097	\$ 20,750	\$ 20,750
Interest.....	94	168	168
Perkins Grant.....	42	0	0
PHEAA Grants.....	68	96	96
Labor and Industry	69	40	40
Other.....	1,440	1,193	1,193
Total Receipts	<u>23,810</u>	<u>22,247</u>	<u>22,247</u>
Total Funds Available	<u>\$ 35,628</u>	<u>\$ 34,687</u>	<u>\$ 31,681</u>
Disbursements:			
Labor and Industry.....	\$ 23,188	\$ 23,253	\$ 28,907
Transfer to General Fund	0	2,000	0
Total Disbursements	<u>-23,188</u>	<u>-25,253</u>	<u>-28,907</u>
Cash Balance, Ending	<u>\$ 12,440</u>	<u>\$ 9,434</u>	<u>\$ 2,774</u>

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 4,353	\$ 4,346	\$ 4,295
Receipts:			
Operator Annual Fee.....	\$ 98	\$ 110	\$ 110
Interest.....	34	53	53
Total Receipts	<u>132</u>	<u>163</u>	<u>163</u>
Total Funds Available	<u>\$ 4,485</u>	<u>\$ 4,509</u>	<u>\$ 4,458</u>
Disbursements:			
Environmental Protection	\$ 139	\$ 214	\$ 200
Total Disbursements	<u>-139</u>	<u>-214</u>	<u>-200</u>
Cash Balance, Ending	<u>\$ 4,346</u>	<u>\$ 4,295</u>	<u>\$ 4,258</u>

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 555	\$ 6	\$ 13
Receipts:			
Transfers from Unclaimed Property Accounts.....	\$ 46	\$ 575	\$ 582
Interest.....	2	2	2
Total Receipts	<u>48</u>	<u>577</u>	<u>584</u>
Total Funds Available	<u>\$ 603</u>	<u>\$ 583</u>	<u>\$ 597</u>
Disbursements:			
Treasury Payments to Claimants.....	\$ 597	\$ 570	\$ 580
Total Disbursements.....	<u>-597</u>	<u>-570</u>	<u>-580</u>
Cash Balance, Ending	<u>\$ 6</u>	<u>\$ 13</u>	<u>\$ 17</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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 49,956,622	\$ 53,279,079	\$ 55,794,079
Receipts:			
Transfer from General Fund —			
Employer Contribution (non-school entities).....	\$ 23,520	\$ 26,000	\$ 27,000
Transfers from State Retirement System.....	11,015	11,000	10,000
Contributions of School Employees.....	1,013,847	1,015,000	1,032,000
Contributions of Employers.....	3,920,238	4,355,000	4,642,000
Net Investment Adjustment.....	4,996,026	3,863,000	4,045,000
Total Receipts	9,964,646	9,270,000	9,756,000
Total Funds Available	\$ 59,921,268	\$ 62,549,079	\$ 65,550,079
Disbursements:			
Treasury	\$ 0	\$ 250	\$ 250
Public School Employees' Retirement Board	6,642,189	6,754,750	6,927,750
Total Disbursements	-6,642,189	-6,755,000	-6,928,000
Cash Balance, Ending	\$ 53,279,079	\$ 55,794,079	\$ 58,622,079

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 72,465	\$ 68,323	\$ 64,038
Receipts:			
Assessments.....	\$ 1,077	\$ 130	\$ 130
Workmen's Compensation Transfers.....	1,063	395	395
Interest.....	1,405	1,512	1,512
Internal Interest Transfers.....	-1,493	0	0
Total Receipts	2,052	2,037	2,037
Total Funds Available	\$ 74,517	\$ 70,360	\$ 66,075
Disbursements:			
Labor and Industry.....	\$ 6,194	\$ 6,322	\$ 6,000
Total Disbursements	-6,194	-6,322	-6,000
Cash Balance, Ending	\$ 68,323	\$ 64,038	\$ 60,075

SERS - Defined Contribution Fund

This fund was created to meet the provisions of Act 5 of 2017 to provide for receipt and accounting of member and employer contributions, investment of those funds and payment of defined contribution benefits to eligible members of the State Employees' Retirement System. Participation in the defined contribution plan is mandatory for most new state employees hired on or after January 1, 2019 and available to employees of non-state, 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. Employers pay 100 percent of the employer share of contributions to the fund. 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.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 20
Receipts:			
Contributions.....	\$ 0	\$ 5,269	\$ 14,301
Interest.....	0	20	20
Total Receipts	0	5,289	14,321
Total Funds Available	\$ 0	\$ 5,289	\$ 14,341
Disbursements:			
Benefits and Expenses.....	\$ 0	\$ 5,269	\$ 4,901
Total Disbursements	0	-5,269	-4,901
Cash Balance, Ending	\$ 0	\$ 20	\$ 9,440

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. The fund balance does not reflect commitments for business expansion.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 28,216	\$ 27,535	\$ 9,375
Receipts:			
Loan Principal and Interest Repayments.....	\$ 9,958	\$ 10,000	\$ 10,000
Interest.....	445	539	539
Other.....	35	150	35
Total Receipts	<u>10,438</u>	<u>10,689</u>	<u>10,574</u>
Total Funds Available	\$ 38,654	\$ 38,224	\$ 19,949
Disbursements:			
Community and Economic Development.....	\$ 11,119	\$ 28,849	\$ 15,000
Total Disbursements	<u>-11,119</u>	<u>-28,849</u>	<u>-15,000</u>
Cash Balance, Ending	\$ 27,535	\$ 9,375	\$ 4,949

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 445	\$ 448	\$ 0
Receipts:			
Interest.....	\$ 3	\$ 3	\$ 0
Total Receipts	<u>3</u>	<u>3</u>	<u>0</u>
Total Funds Available	\$ 448	\$ 451	\$ 0
Disbursements:			
Transfer to General Fund.....	\$ 0	\$ 451	\$ 0
Total Disbursements	<u>0</u>	<u>-451</u>	<u>0</u>
Cash Balance, Ending	\$ 448	\$ 0	\$ 0

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 6,928	\$ 4,776	\$ 200
Receipts:			
Penalty and Interest Collections.....	\$ 12,026	\$ 10,000	\$ 9,905
Interest.....	90	95	95
Total Receipts	<u>12,116</u>	<u>10,095</u>	<u>10,000</u>
Total Funds Available	<u>\$ 19,044</u>	<u>\$ 14,871</u>	<u>\$ 10,200</u>
Disbursements:			
Labor and Industry.....	\$ 14,268	\$ 14,671	\$ 10,000
Total Disbursements	<u>-14,268</u>	<u>-14,671</u>	<u>-10,000</u>
Cash Balance, Ending	<u>\$ 4,776</u>	<u>\$ 200</u>	<u>\$ 200</u>

State College Experimental Farm Fund

Act 56, approved May 13, 1887, authorized the sale of the eastern and western experimental farms which were purchased with federal land grant monies in 1862. These farms were sold for \$17,000 in 1888 and the proceeds were placed in this fund to be invested in bonds of the commonwealth at 6 percent per annum with the interest serving as an ongoing revenue to this fund. Interest earned is disbursed to the Pennsylvania State University.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 24	\$ 24	\$ 0
Receipts:			
Interest.....	\$ 0	\$ 0	\$ 0
Total Receipts	<u>0</u>	<u>0</u>	<u>0</u>
Total Funds Available	<u>\$ 24</u>	<u>\$ 24</u>	<u>\$ 0</u>
Disbursements:			
Transfer to General Fund.....	\$ 0	\$ 24	\$ 0
Total Disbursements	<u>0</u>	<u>-24</u>	<u>0</u>
Cash Balance, Ending	<u>\$ 24</u>	<u>\$ 0</u>	<u>\$ 0</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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 25,677,011	\$ 27,600,396	\$ 28,539,069
Receipts:			
Contributions of Employees.....	\$ 425,073	\$ 381,500	\$ 389,000
Contributions of Employers.....	1,712,992	2,000,320	2,085,298
Transfer to Annuity Reserve Account.....	10,443	10,443	10,443
Directed Commissions.....	133	133	133
Net Investment Adjustment.....	3,064,829	2,001,029	2,069,083
Other.....	11,656	11,656	11,656
Total Receipts	<u>5,225,126</u>	<u>4,405,081</u>	<u>4,565,613</u>
Total Funds Available	\$ 30,902,137	\$ 32,005,477	\$ 33,104,682
Disbursements:			
Treasury.....	\$ 29	\$ 150	\$ 150
Benefits and Expenses.....	3,301,712	3,466,258	3,605,195
Total Disbursements	<u>-3,301,741</u>	<u>-3,466,408</u>	<u>-3,605,345</u>
Cash Balance, Ending	\$ 27,600,396	\$ 28,539,069	\$ 29,499,337

State Gaming Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, established the State Gaming Fund to receive gaming license fees and 34 percent of the gross terminal revenue (GTR) generated by licensed gaming facilities. Act 42 of 2017 expanded gaming in the commonwealth to include a new category of slot machine licenses, interactive gaming and airport gaming. The fund receives 52 percent of gross interactive gaming revenue (GIGR) generated through simulated slot machines and 14 percent of GIGR generated through simulated table games. Fund revenues are annually distributed to various programs and the remainder is transferred to the Property Tax Relief Fund. Also, licensed gaming facilities deposit an additional 4 percent of GTR for slot machines, 2 percent of gross table game revenue and 2 percent of GIGR into the fund for local share distributions where gaming facilities are located.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 152,800	\$ 136,329	\$ 123,921
Receipts:			
State Tax Revenue.....	\$ 782,299	\$ 796,676	\$ 885,651
Licensee Deposit Accounts.....	64,175	68,892	78,103
Local Share Assessment.....	146,344	146,012	176,914
Interest.....	931	948	1,054
Other	6,707	5,765	4,510
Total Receipts	<u>1,000,456</u>	<u>1,018,293</u>	<u>1,146,232</u>
Total Funds Available	\$ 1,153,256	\$ 1,154,622	\$ 1,270,153
Disbursements:			
Revenue:			
Transfer to Compulsive and Problem Gambling Treatment Fund.....	\$ 4,612	\$ 4,602	\$ 4,927
Transfer to Compulsive and Problem Gambling Treatment Fund - Drug and Alcohol.....	3,000	3,000	3,127
Payment in Lieu of Taxes:			
Conservation and Natural Resources.....	5,255	5,261	5,278
Fish and Boat Commission.....	17	40	40
Game Commission.....	3,597	3,686	3,686
Emergency Management:			
Volunteer Company Grants.....	25,000	25,000	25,000
Community and Economic Development:			
Transfer to CFA.....	0	1,235	21,119
Gaming Control Board:			
Local Law Enforcement Grants.....	2,591	-1,221	0
Transfer to Casino Marketing and Development.....	0	3,221	2,000
Local Share Assessment Distribution:			
Revenue.....	118,525	117,256	123,260
Community and Economic Development.....	29,959	29,638	33,185
Education.....	1,222	1,209	1,580
Administrative Appropriations:			
Gaming Control Board.....	39,676	43,867	46,163
Revenue	5,886	8,046	8,267
State Police.....	26,722	31,282	29,115
Attorney General.....	1,162	1,461	1,340
Transfer to Property Tax Relief Fund.....	749,703	753,118	841,071
Total Disbursements	<u>-1,016,927</u>	<u>-1,030,701</u>	<u>-1,149,158</u>
Cash Balance, Ending	\$ 136,329^a	\$ 123,921^a	\$ 120,995^a

^a Ending cash balance includes the following restricted balances: 2016-17 Actual is \$134,512,000, 2017-18 Available is \$121,187,000 and 2018-19 Estimated is \$116,684,000.

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 6,347	\$ 5,777	\$ 3,894
Receipts:			
Recovered Damages.....	\$ 0	\$ 600	\$ 694
Interest	410	417	417
Other	103	0	0
Total Receipts	<u>513</u>	<u>1,017</u>	<u>1,111</u>
Total Funds Available	\$ 6,860	\$ 6,794	\$ 5,005
Disbursements:			
General Services.....	\$ 1,083	\$ 2,900	\$ 1,675
Total Disbursements	<u>-1,083</u>	<u>-2,900</u>	<u>-1,675</u>
Cash Balance, Ending	\$ 5,777	\$ 3,894	\$ 3,330

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 1,001	\$ 968	\$ 944
Receipts:			
Revenue from Operations.....	\$ 63	\$ 62	\$ 62
Interest.....	8	12	12
Total Receipts	<u>71</u>	<u>74</u>	<u>74</u>
Total Funds Available	\$ 1,072	\$ 1,042	\$ 1,018
Disbursements:			
General Services.....	\$ 104	\$ 98	\$ 70
Total Disbursements	<u>-104</u>	<u>-98</u>	<u>-70</u>
Cash Balance, Ending	\$ 968	\$ 944	\$ 948

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 666	\$ 672	\$ 0
Receipts:			
Interest.....	\$ 6	\$ 5	\$ 0
Total Receipts	<u>6</u>	<u>5</u>	<u>0</u>
Total Funds Available	<u>\$ 672</u>	<u>\$ 677</u>	<u>\$ 0</u>
Disbursements:			
Transfer to General Fund.....	\$ 0	\$ 677	\$ 0
Total Disbursements	<u>0</u>	<u>-677</u>	<u>0</u>
Cash Balance, Ending	<u>\$ 672</u>	<u>\$ 0</u>	<u>\$ 0</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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 77,463	\$ 198,691	\$ 157,107
Receipts:			
Fees, Fines and Penalties.....	\$ 28,534	\$ 28,200	\$ 28,200
Expired License Auction Proceeds.....	2,554	16,300	12,000
Sale of Goods.....	2,031,304	2,097,300	2,168,600
Liquor Sales Taxes.....	512,807	530,242	548,271
Lottery Commissions.....	159	630	750
Recovered Losses and Damages.....	1,510	1,436	1,436
Interest.....	2,225	2,699	2,699
Other.....	64	64	64
Total Receipts	2,579,157	2,676,871	2,762,020
Total Funds Available	\$ 2,656,620	\$ 2,875,562	\$ 2,919,127
Disbursements:			
Health and Human Services.....	\$ 1,053	\$ 2,500	\$ 2,500
Liquor Control Board	1,699,266	1,967,764	2,022,796
State Police.....	28,107	32,849	31,479
Transfer of Liquor Sales Taxes to General Fund.....	512,807	530,242	548,271
Transfer to General Fund.....	216,696	185,100	185,100
Total Disbursements	-2,457,929	-2,718,455	-2,790,146
Cash Balance, Ending	\$ 198,691	\$ 157,107	\$ 128,981

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 3,696	\$ 3,312	\$ 2,031
Receipts:			
Armory Rentals.....	\$ 290	\$ 300	\$ 450
Sale of Armories and Land.....	16	326	1,162
Interest.....	27	39	29
Other.....	211	210	0
Total Receipts	<u>544</u>	<u>875</u>	<u>1,641</u>
Total Funds Available	\$ 4,240	\$ 4,187	\$ 3,672
Disbursements:			
Military and Veterans Affairs.....	\$ 928	\$ 1,856	\$ 1,400
Transfer to General Fund.....	0	300	0
Total Disbursements	<u>-928</u>	<u>-2,156</u>	<u>-1,400</u>
Cash Balance, Ending	\$ 3,312	\$ 2,031	\$ 2,272

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 1,455,911	\$ 1,422,030	\$ 1,422,040
Receipts:			
Premiums.....	\$ 187,662	\$ 185,000	\$ 175,000
Interest.....	42,407	50,000	50,000
Net Investment Adjustment.....	-13,645	35,000	35,000
Other.....	2,989	3,000	3,000
Total Receipts	<u>219,413</u>	<u>273,000</u>	<u>263,000</u>
Total Funds Available	\$ 1,675,324	\$ 1,695,030	\$ 1,685,040
Disbursements:			
Labor and Industry.....	\$ 249,489	\$ 268,490	\$ 293,022
Premium Tax Payment to General Fund.....	3,805	4,500	4,500
Total Disbursements	<u>-253,294</u>	<u>-272,990</u>	<u>-297,522</u>
Cash Balance, Ending	\$ 1,422,030	\$ 1,422,040	\$ 1,387,518

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. Act 61 of 2017 authorized an increase, from \$3,000,000 to \$7,000,000 in the reimbursement that could be requested from the Underground Storage Tank Indemnification Funds' (USTIF) to the Storage Tank Fund for costs associated with investigating, determining responsibility, overseeing remediation and third party response and closing out cases of spills and leaks, as well as for inspecting, determining compliance and taking enforcement action against owners of storage tanks.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 5,320	\$ 2,109	\$ 2,330
Receipts:			
Registration Fees.....	\$ 3,077	\$ 3,050	\$ 3,030
Federal Funds - EPA.....	1,369	4,905	4,740
Fines and Penalties.....	838	566	570
Interest.....	29	29	29
Reimbursement from USTIF.....	2,954	7,000	7,000
Cost Recovery Reimbursements/Settlements.....	29	1,200	3
Other.....	21	0	0
Total Receipts	8,317	16,750	15,372
Total Funds Available	\$ 13,637	\$ 18,859	\$ 17,702
Disbursements:			
Environmental Protection.....	\$ 11,528	\$ 16,529	\$ 14,494
Total Disbursements	-11,528	-16,529	-14,494
Cash Balance, Ending	\$ 2,109	\$ 2,330	\$ 3,208

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. The Community Drug Program, within the Office of Attorney General, is to receive 10 percent of the grant monies available for annual award through the Executive Offices. The fund balance does not reflect commitments for local drug and alcohol treatment and education providers and social services agencies.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 10,398	\$ 9,704	\$ 4,893
Receipts:			
Assessments.....	\$ 3,207	\$ 3,269	\$ 3,269
Interest.....	245	220	220
Other.....	65	0	0
Total Receipts.....	<u>3,517</u>	<u>3,489</u>	<u>3,489</u>
Total Funds Available	\$ 13,915	\$ 13,193	\$ 8,382
Disbursements:			
Executive Offices.....	\$ 4,211	\$ 8,300	\$ 8,300
Total Disbursements.....	<u>-4,211</u>	<u>-8,300</u>	<u>-8,300</u>
Cash Balance, Ending	\$ 9,704	\$ 4,893	\$ 82

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. Five percent of the fines and penalties collected in one fiscal year is transferred to the Environmental Education Fund in the subsequent fiscal year. The remaining 95 percent, up to a maximum of \$500,000, is transferred to the Reclamation Fee O & M Trust Account. 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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 61,783	\$ 65,387	\$ 59,750
Receipts:			
Licenses and Fees.....	\$ 300	\$ 300	\$ 300
Fines and Penalties.....	2,636	200	200
Transfer to Environmental Education Fund.....	-9	-124	-10
Reclamation Fee O & M Trust Account.....	-178	-500	-190
Interest.....	1,661	1,718	1,718
Forfeiture of Bonds.....	1,511	0	0
Other.....	1,315	350	350
Total Receipts	7,236	1,944	2,368
Total Funds Available	\$ 69,019	\$ 67,331	\$ 62,118
Disbursements:			
Environmental Protection.....	\$ 3,632	\$ 7,581	\$ 6,830
Total Disbursements	-3,632	-7,581	-6,830
Cash Balance, Ending	\$ 65,387	\$ 59,750	\$ 55,288

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 84	\$ 0	\$ 0
Receipts:			
Interest.....	\$ -84	\$ 0	\$ 0
Total Receipts	-84	0	0
Total Funds Available	\$ 0	\$ 0	\$ 0
Disbursements:			
Treasury.....	\$ 0	\$ 0	\$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

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 2017-18, the Master Settlement Agreement (MSA) funds anticipated to be received in April 2018 are to be allocated as follows: 13 percent for home and community-based services, 4.5 percent for tobacco use prevention and cessation activities, 12.6 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.

This budget proposes to allocate funds for 2018-19 based on the anticipated April 2019 MSA payment. The distribution of funds is 30 percent for Medicaid benefits for workers with disabilities, 12.6 percent for health and related research, 4.5 percent for tobacco use prevention and cessation, 8.18 percent for uncompensated care and 43.72 percent for health-related purposes.

This budget proposes the consolidation of the Department of Human Services and the Department of Health into a new Department of Health and Human Services.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 135,041	\$ 110,920	\$ 55,882
Receipts:			
Gross Settlements.....	\$ 348,057	\$ 362,616	\$ 358,614
Strategic Contributions.....	21,406	0	0
Federal Receipts.....	168,691	271,720	149,317
Interest.....	30	10	10
Other.....	1,040	2,200	2,000
Total Receipts	<u>539,224</u>	<u>636,546</u>	<u>509,941</u>
Total Funds Available	\$ 674,265	\$ 747,466	\$ 565,823
Disbursements:			
Transfer to General Fund.....	\$ 28,500	\$ 0	\$ 0
Aging:			
(F)Medical Assistance - Community Services (EA).....	0	-1,403	0
Community and Economic Development:			
Life Sciences Greenhouses.....	3,111	3,276	3,000
Health and Human Services:			
Tobacco Use Prevention and Cessation (EA).....	14,572	22,772	16,138
Health Research - Health Priorities (EA).....	39,960	82,161	45,185
Health Research - National Cancer Institute (EA).....	4,645	6,249	3,586
Medical Care for Workers with Disabilities (EA).....	97,903	109,798	107,585
(F)Medical Assistance - Workers with Disabilities (EA).....	105,469	117,904	117,218
Uncompensated Care (EA).....	25,980	54,955	29,334
(F)Medical Assistance - Uncompensated Care (EA).....	26,903	64,096	32,099
Home and Community-Based Services (EA).....	40,197	47,140	0
(F)Medical Assistance - Community Services (EA).....	43,165	50,702	0
Medical Assistance - Long-Term Care.....	132,940	133,934	20,908
Medical Assistance - Community HealthChoices.....	0	0	132,878
Total Disbursements	<u>-563,345</u>	<u>-691,584</u>	<u>-507,931</u>
Cash Balance, Ending	\$ 110,920	\$ 55,882	\$ 57,892

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 7,345	\$ 8,017	\$ 8,076
Receipts:			
Program Funding.....	\$ 2,084	\$ 1,500	\$ 1,400
Interest.....	108	109	110
Total Receipts	<u>2,192</u>	<u>1,609</u>	<u>1,510</u>
Total Funds Available	\$ 9,537	\$ 9,626	\$ 9,586
Disbursements:			
Treasury.....	\$ 1,520	\$ 1,550	\$ 1,597
Total Disbursements.....	<u>-1,520</u>	<u>-1,550</u>	<u>-1,597</u>
Cash Balance, Ending	\$ 8,017	\$ 8,076	\$ 7,989

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 1,743,213	\$ 1,715,292	\$ 1,705,303
Receipts:			
Application Fees	\$ 1,781	\$ 1,817	\$ 1,853
Tuition Unit Purchases.....	204,997	209,097	213,279
Investment Earnings.....	666	9,956	10,155
Net Investment Adjustment.....	0	9,245	9,430
Total Receipts	<u>207,444</u>	<u>230,115</u>	<u>234,717</u>
Total Funds Available	\$ 1,950,657	\$ 1,945,407	\$ 1,940,020
Disbursements:			
Treasury.....	\$ 235,365	\$ 240,104	\$ 244,906
Total Disbursements	<u>-235,365</u>	<u>-240,104</u>	<u>-244,906</u>
Cash Balance, Ending	\$ 1,715,292	\$ 1,705,303	\$ 1,695,114

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 2,041,230	\$ 2,403,373	\$ 2,575,793
Receipts:			
Tuition Investment Purchases.....	\$ 307,875	\$ 246,300	\$ 247,532
Net Investment Adjustment.....	222,624	111,312	55,656
Total Receipts	<u>530,499</u>	<u>357,612</u>	<u>303,188</u>
Total Funds Available	\$ 2,571,729	\$ 2,760,985	\$ 2,878,981
Disbursements:			
Treasury.....	\$ 168,356	\$ 185,192	\$ 203,711
Total Disbursements	<u>-168,356</u>	<u>-185,192</u>	<u>-203,711</u>
Cash Balance, Ending	\$ 2,403,373	\$ 2,575,793	\$ 2,675,270

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 13,956	\$ 21,167	\$ 618
Receipts:			
Impact Fee Revenues.....	\$ 172,737	\$ 219,921	\$ 249,566
Interest.....	425	309	309
Total Receipts	<u>173,162</u>	<u>220,230</u>	<u>249,875</u>
Total Funds Available	\$ 187,118	\$ 241,397	\$ 250,493
Disbursements:			
Public Utility Commission.....	\$ 91,885	\$ 123,996	\$ 138,637
Emergency Management.....	1,353	6,860	1,500
Environmental Protection.....	0	12,000	6,000
Fish and Boat Commission.....	1,100	2,106	1,000
Transportation.....	29	6,265	1,000
Transfer to Conservation District Fund.....	3,822	3,917	4,015
Transfer to Marcellus Legacy Fund.....	62,046	80,635	92,414
Transfer to Housing Affordability and Rehabilitation Enhancement Fund.....	<u>5,716</u>	<u>5,000</u>	<u>5,000</u>
Total Disbursements	<u>-165,951</u>	<u>-240,779</u>	<u>-249,566</u>
Cash Balance, Ending	\$ 21,167	\$ 618	\$ 927

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 72 of 2013 changed the repayment of the \$100 million loan to the General Fund to before July 1, 2029. As of December 2017, \$67.5 million is still owed in principal and an additional \$15.544 million is owed in interest to the fund from the prior loan to the General Fund. Act 61 of 2017 increases the reimbursement to the Storage Tank Fund from \$3,000,000 to \$7,000,000, annually and extended authority for the Underground Storage Tank Environmental Cleanup Program and the Underground Storage Tank Pollution Prevention Program until June 30, 2022.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 214,105	\$ 238,496	\$ 229,483
Receipts:			
Gallon Fee	\$ 52,462	\$ 53,000	\$ 53,000
Tank Capacity Fee	6,210	6,000	6,000
Investment Income	1,081	1,049	1,049
Net Investment Adjustment	13,795	0	0
Loan Repayments from General Fund.....	0	0	7,000
Other.....	419	400	400
Total Receipts	73,967	60,449	67,449
Total Funds Available	\$ 288,072	\$ 298,945	\$ 296,932
Disbursements:			
Environmental Protection	\$ 2,735	\$ 6,477	\$ 5,396
Insurance	46,841	62,985	58,759
Total Disbursements	-49,576	-69,462	-64,155
Cash Balance, Ending	\$ 238,496	\$ 229,483	\$ 232,777

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 1,814	\$ 1,901	\$ 0
Receipts:			
Regular Unemployment Compensation Program.....	\$ 2,029,140	\$ 2,001,100	\$ 2,000,000
Other.....	44,389	42,000	42,000
Total Receipts	2,073,529	2,043,100	2,042,000
Total Funds Available	\$ 2,075,343	\$ 2,045,001	\$ 2,042,000
Disbursements:			
Labor and Industry.....	\$ 2,073,442	\$ 2,045,001	\$ 2,042,000
Total Disbursements	-2,073,442	-2,045,001	-2,042,000
Cash Balance, Ending	\$ 1,901	\$ 0	\$ 0

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, transfers to the Special Administration Fund, and transfers to the Service and Infrastructure Improvement 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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 18,103	\$ 44,069	\$ 0
Receipts:			
Contributions from Employers and Employees.....	\$ 2,551,373	\$ 2,583,000	\$ 2,539,500
Other.....	50,053	40,000	40,000
Total Receipts	2,601,426	2,623,000	2,579,500
Total Funds Available	\$ 2,619,529	\$ 2,667,069	\$ 2,579,500
Disbursements:			
Labor and Industry.....	\$ 2,537,818	\$ 2,615,108	\$ 2,544,850
Service and Infrastructure Improvement Fund.....	37,642	51,961	34,650
Total Disbursements	-2,575,460	-2,667,069	-2,579,500
Cash Balance, Ending	\$ 44,069	\$ 0	\$ 0

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 5,791	\$ 1,783	\$ 0
Receipts:			
Contributions from Employers.....	\$ 513,137	\$ 532,000	\$ 543,000
Total Receipts	<u>513,137</u>	<u>532,000</u>	<u>543,000</u>
Total Funds Available	\$ 518,928	\$ 533,783	\$ 543,000
Disbursements:			
Labor and Industry.....	\$ 517,145	\$ 533,783	\$ 543,000
Total Disbursements	<u>-517,145</u>	<u>-533,783</u>	<u>-543,000</u>
Cash Balance, Ending	\$ 1,783	\$ 0	\$ 0

Uninsured Employers Guaranty Fund

This fund was created by Act 147 of 2006, amending the Pennsylvania Workers' Compensation Act. The purpose of this fund is to pay claimants, or their dependents, workers' compensation benefits where the employer liable for the payments failed to insure or self-insure its workers' compensation liability at the time the injuries took place. Funding will then be maintained by assessments on insurers and self-insured employers. Assessments are limited to 0.1% of the total compensation paid by all insurers or self-insured employers during the previous calendar year. Projected expenditures are dependent upon claim volume, the merits of such claims and associated claims costs. The 2015-16 Fiscal Code provided a \$6.1 million transfer from the Workmen's Compensation Administration Fund to keep the fund solvent. In addition loans from the fund were necessary in both 2015-16 and 2016-17. An additional loan is also anticipated for 2017-18. This budget assumes successful enactment of legislation that will turn loans into transfers and also generate increased revenues in amounts sufficient to sustain the fund on a long-term basis.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 4,788	\$ 4,403	\$ 2,666
Receipts:			
Assessments/Self-Insurer's Security.....	\$ 2,921	\$ 3,061	\$ 7,305
Loan from Workmen's Compensation Administration Fund.....	5,000	5,000	0
Interest.....	29	50	50
Other.....	582	574	580
Total Receipts	<u>8,532</u>	<u>8,685</u>	<u>7,935</u>
Total Funds Available	\$ 13,320	\$ 13,088	\$ 10,601
Disbursements:			
Labor and Industry.....	\$ 8,917	\$ 10,422	\$ 10,155
Total Disbursements	<u>-8,917</u>	<u>-10,422</u>	<u>-10,155</u>
Cash Balance, Ending	\$ 4,403	\$ 2,666	\$ 446

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 1,990	\$ 2,067	\$ 1,739
Receipts:			
Contributions - Plates, Drivers License and Registration.....	\$ 1,744	\$ 1,600	\$ 1,600
Interest.....	18	27	27
Other.....	19	0	0
Total Receipts	<u>1,781</u>	<u>1,627</u>	<u>1,627</u>
Total Funds Available	<u>\$ 3,771</u>	<u>\$ 3,694</u>	<u>\$ 3,366</u>
Disbursements:			
Military and Veterans Affairs:			
Grants and Assistance.....	\$ 1,704	\$ 1,955	\$ 1,755
Total Disbursements	<u>-1,704</u>	<u>-1,955</u>	<u>-1,755</u>
Cash Balance, Ending	<u>\$ 2,067</u>	<u>\$ 1,739</u>	<u>\$ 1,611</u>

Video Gaming Fund

Act 42 of 2017 established the Video Gaming Fund to receive all license fees provided for in the act and 42 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 General Fund. Also, all licensed gaming terminal operators deposit an additional 10 percent of GTR into the fund for local share distributions where the gaming terminals are located.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
State Tax Revenue.....	\$ 0	\$ 0	\$ 3,047
Licensee Deposit Accounts.....	0	0	5,098
Local Share Assessment.....	0	0	73
Total Receipts	<u>0</u>	<u>0</u>	<u>8,218</u>
Total Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,218</u>
Disbursements:			
Revenue:			
Transfer to Compulsive and Problem Gambling Treatment Fund.....	\$ 0	\$ 0	\$ 15
Local Share Assessment Distribution: Revenue.....	0	0	73
Administrative Appropriations:			
Gaming Control Board.....	0	0	2,000
Revenue	0	0	3,014
Transfer to General Fund.....	0	0	3,047
Total Disbursements	<u>0</u>	<u>0</u>	<u>-8,149</u>
Cash Balance, Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 69</u>

Vocational Rehabilitation Fund

This fund, administered by the State Board of Vocational Rehabilitation in the Department of Labor and Industry, was created to provide vocational rehabilitation services to any person who has a disability, mental or physical, which constitutes a handicap to employment or to 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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 3,991	\$ 3,440	\$ 3,191
Receipts:			
Transfer from General Fund.....	\$ 47,473	\$ 44,889	\$ 45,626
Federal Vocational Rehabilitation Funds.....	147,465	203,179	159,291
Interest.....	194	409	409
Other.....	1,160	0	0
Total Receipts	<u>196,292</u>	<u>248,477</u>	<u>205,326</u>
Total Funds Available	\$ 200,283	\$ 251,917	\$ 208,517
Disbursements:			
Labor and Industry.....	\$ 196,843	\$ 248,726	\$ 204,917
Total Disbursements	<u>-196,843</u>	<u>-248,726</u>	<u>-204,917</u>
Cash Balance, Ending	\$ 3,440	\$ 3,191	\$ 3,600

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 50,739	\$ 48,670	\$ 47,172
Receipts:			
Loan Principal and Interest Repayments.....	\$ 14,528	\$ 17,500	\$ 17,500
Interest.....	983	1,002	1,002
Penalty Charges.....	5	0	0
Other.....	1,924	0	0
Total Receipts	<u>17,440</u>	<u>18,502</u>	<u>18,502</u>
Total Funds Available	\$ 68,179	\$ 67,172	\$ 65,674
Disbursements:			
Office of State Fire Commissioner.....	\$ 10,509	\$ 20,000	\$ 20,000
Transfer to General Fund.....	9,000	0	0
Total Disbursements	<u>-19,509</u>	<u>-20,000</u>	<u>-20,000</u>
Cash Balance, Ending	\$ 48,670	\$ 47,172	\$ 45,674

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 7,161	\$ 9	\$ 6,602
Receipts:			
Referendum Bonds.....	\$ 0	\$ 16,000	\$ 15,600
Interest.....	25	0	0
Total Receipts	<u>25</u>	<u>16,000</u>	<u>15,600</u>
Total Funds Available	<u>\$ 7,186</u>	<u>\$ 16,009</u>	<u>\$ 22,202</u>
Disbursements:			
Infrastructure Investment Authority.....	\$ 7,177	\$ 9,407	\$ 6,545
Total Disbursements	<u>-7,177</u>	<u>-9,407</u>	<u>-6,545</u>
Cash Balance, Ending	<u>\$ 9</u>	<u>\$ 6,602</u>	<u>\$ 15,657</u>

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 24,655	\$ 22,260	\$ 21,319
Total Receipts	<u>24,655</u>	<u>22,260</u>	<u>21,319</u>
Total Funds Available	<u>\$ 24,655</u>	<u>\$ 22,260</u>	<u>\$ 21,319</u>
Disbursements:			
Treasury.....	\$ 24,655	\$ 22,260	\$ 21,319
Total Disbursements	<u>-24,655</u>	<u>-22,260</u>	<u>-21,319</u>
Cash Balance, Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Water Supply and Wastewater Treatment Fund

Act 218 of 2004 established the Water Supply and Wastewater Infrastructure Capitalization Program. Funding for the program is generated from the \$250 million bond issue approved by the electorate in 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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 22,975	\$ 27,961	\$ 8,773
Receipts:			
Sale of Bonds.....	\$ 8,718	\$ 0	\$ 0
Premium on Sale of Bonds.....	1,133	0	0
Interest.....	221	341	341
Total Receipts	<u>10,072</u>	<u>341</u>	<u>341</u>
Total Funds Available	\$ 33,047	\$ 28,302	\$ 9,114
Disbursements:			
Community and Economic Development.....	\$ 3,185	\$ 19,529	\$ 0
Infrastructure Investment Authority.....	1,897	0	0
Bond Issuing Expense.....	4	0	0
Total Disbursements	<u>-5,086</u>	<u>-19,529</u>	<u>0</u>
Cash Balance, Ending	\$ 27,961	\$ 8,773	\$ 9,114

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 12,293	\$ 7,885	\$ 5,102
Total Receipts	<u>12,293</u>	<u>7,885</u>	<u>5,102</u>
Total Funds Available	\$ 12,293	\$ 7,885	\$ 5,102
Disbursements:			
Treasury.....	\$ 12,293	\$ 7,885	\$ 5,102
Total Disbursements	<u>-12,293</u>	<u>-7,885</u>	<u>-5,102</u>
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

Wild Resource Conservation Fund

This fund was created by Act 170 of 1982. Revenue is derived primarily from tax rebate check-offs and voluntary contributions. The fund collects information relating to population, distribution, habitat needs, limiting factors and other biological and ecological data to classify plants and to determine necessary management measures. These management measures include promotion of a statewide system of private wild plant sanctuaries; permitting of removal, collection or transplanting of endangered or threatened plant species; and regulation of the digging, harvesting, sale and exploitation of designated species.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 230	\$ 246	\$ 189
Receipts:			
Tax Check-Offs.....	\$ 64	\$ 63	\$ 63
License Plate Sales.....	30	24	25
Interest.....	2	3	3
Other.....	2	1	1
Total Receipts	<u>98</u>	<u>91</u>	<u>92</u>
Total Funds Available	\$ 328	\$ 337	\$ 281
Disbursements:			
Conservation and Natural Resources.....	\$ 82	\$ 148	\$ 132
Total Disbursements	<u>-82</u>	<u>-148</u>	<u>-132</u>
Cash Balance, Ending	\$ 246	\$ 189	\$ 149

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.

Act 16A of 2016 authorized a transfer to the General Fund in the amount of \$165 million. Act 44 of 2017 delayed the repayment of this transfer until 2019-20.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 816,723	\$ 687,917	\$ 667,335
Receipts:			
Assessments and Receipts	\$ 5,374	\$ 5,000	\$ 5,000
Net Investment Adjustment.....	53,596	0	0
Interest	241	235	235
Other.....	112	183	183
Total Receipts	<u>59,323</u>	<u>5,418</u>	<u>5,418</u>
Total Funds Available	\$ 876,046	\$ 693,335	\$ 672,753
Disbursements:			
Insurance	\$ 23,129	\$ 26,000	\$ 26,000
Transfer to General Fund.....	165,000 ^a	0	0
Total Disbursements	<u>-188,129</u>	<u>-26,000</u>	<u>-26,000</u>
Cash Balance, Ending	\$ 687,917	\$ 667,335	\$ 646,753

^a Act 16A of 2016 transferred \$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 and 2016-17 Fiscal Years, it was necessary to make transfers and/or loans from the Workmen's Compensation Administration Fund to the Uninsured Employers Guarantee Fund to keep the fund solvent. Depending on claim and other expenditure activity, additional loans or transfers may be necessary in 2017-18.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 71,767	\$ 79,399	\$ 70,652
Receipts:			
Assessments.....	\$ 81,219	\$ 78,356	\$ 71,318
Fines and Penalties.....	5	25	25
Other.....	925	311	350
Total Receipts.....	<u>82,149</u>	<u>78,692</u>	<u>71,693</u>
Total Funds Available	\$ 153,916	\$ 158,091	\$ 142,345
Disbursements:			
Community and Economic Development.....	\$ 488	\$ 281	\$ 275
Labor and Industry.....	69,029	82,158	71,515
Loan to Uninsured Employers Guaranty Fund.....	5,000	5,000	0
Total Disbursements.....	<u>-74,517</u>	<u>-87,439</u>	<u>-71,790</u>
Cash Balance, Ending	\$ 79,399	\$ 70,652	\$ 70,555

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 3,439	\$ 4,205	\$ 2,349
Receipts:			
Assessments.....	\$ 22,067	\$ 16,491	\$ 23,695
Interest.....	84	52	52
Other.....	-25	23	23
Total Receipts	<u>22,126</u>	<u>16,566</u>	<u>23,770</u>
Total Funds Available	\$ 25,565	\$ 20,771	\$ 26,119
Disbursements:			
Labor and Industry.....	\$ 21,360	\$ 18,422	\$ 23,500
Total Disbursements	<u>-21,360</u>	<u>-18,422</u>	<u>-23,500</u>
Cash Balance, Ending	\$ 4,205	\$ 2,349	\$ 2,619

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)

	2016-17 Actual	2017-18 Available	2018-19 Estimated
Cash Balance, Beginning	\$ 50,417	\$ 73,809	\$ 13,407
Receipts:			
Assessments	\$ 312,290	\$ 313,800	\$ 315,000
Interest.....	606	300	300
Total Receipts	<u>312,896</u>	<u>314,100</u>	<u>315,300</u>
Total Funds Available	\$ 363,313	\$ 387,909	\$ 328,707
Disbursements:			
Emergency Management:			
Administration.....	\$ 2,479	\$ 6,893	\$ 6,300
Grants.....	287,025	367,609	308,700
Total Disbursements	<u>-289,504</u>	<u>-374,502</u>	<u>-315,000</u>
Cash Balance, Ending	\$ 73,809	\$ 13,407	\$ 13,707

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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.

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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.

<i>Department</i>	<i>2016-17 Actual</i>	<i>2017-18 Available</i>	<i>2018-19 Budget</i>	<i>Difference Budget vs. Available</i>
Governor's Office	68	68	68	
Executive Offices	1,594	3,196	3,196	
Lieutenant Governor's Office	14	14	14	
Agriculture	585	557	573	16
Banking and Securities	225	215	215	
Civil Service Commission	90	87	87	
Community and Economic Development	308	282	282	
Conservation and Natural Resources	1,360	1,269	1,271	2
Criminal Justice	15,715	16,699	16,699	
Probation and Parole Board	1,311			
Education	531	500	500	
Emergency Management Agency	196	189	189	
Environmental Hearing Board	12	12	12	
Environmental Protection	2,542	2,449	2,482	33
Fish and Boat Commission	381	381	381	
Game Commission	686	686	686	
General Services	956	884	884	
Health and Human Services *			17,261	17,261
Human Services *	16,862	16,372		-16,372
Health *	1,293	1,178		-1,178
Drug and Alcohol Programs	79	77	77	
Aging	100	85	84	-1
Historical and Museum Commission	196	184	184	
Infrastructure Investment Authority	28	31	31	
Insurance	244	241	248	7
Labor and Industry	4,693	4,197	4,197	
Liquor Control Board	3,395	3,219	3,219	
Military and Veterans Affairs	2,543	2,457	2,462	5
Milk Marketing Board	24	22	22	
Municipal Employees' Retirement	32	32	32	
Public Utility Commission	503	509	516	7
Revenue	1,952	1,746	1,746	
School Employees' Retirement System	310	323	335	12
State	487	465	465	
State Employees' Retirement System	187	184	192	8
State Police	6,584	6,446	6,446	
Transportation	11,523	11,305	11,305	
TOTAL ALL DEPARTMENTS	77,609	76,561	76,361	-200

* The Department of Health and the Department of Human Services complement transfers to the Department of Health and Human Services (2018-19).

Summary of 2018-19 Complement Changes

The following is a detailed listing, by department, of the recommended authorized salaried complement changes (on a full-time equivalent basis) for 2018-19. It reflects proposed eliminations, new positions and transfers between appropriations and agencies.

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
AGRICULTURE		
General Fund:		
General Government Operations.....	13	NEW: For Spotted Lanternfly interdiction and eradication.
Federal Funds:		
Food Establishment Inspections (F).....	3	NEW: For Food Establishment Inspections.
DEPARTMENT TOTAL	16	
CONSERVATION AND NATURAL RESOURCES		
General Fund:		
General Government Operations.....	2	NEW: For Environmental Initiatives.
EDUCATION		
Federal Funds:		
School Improvement Grants (F).....	-2	TRANSFERRED: To Student Support and Academic Enrichment - Administration (F).
Student Support and Academic Enrichment - Administration (F).....	2	TRANSFERRED: From School Improvement Grants (F).
DEPARTMENT TOTAL	0	
ENVIRONMENTAL PROTECTION		
General Fund:		
Environmental Protection Management.....	16	NEW: For Air Quality (7), for Waterways Engineering and Wetlands (4) and for Clean Water (5).
Environmental Protection Operations.....	17	NEW: For Clean Water (14), for District Mining (3).
DEPARTMENT TOTAL	33	
HEALTH AND HUMAN SERVICES		
General Fund:		
General Government Operations.....	1,106	TRANSFERRED: From the Department of Health (114), from the Department of Human Services (991). NEW: For Statewide Toxicologist (1).
County Administration - Statewide.....	869	TRANSFERRED: From the Department of Human Services.
County Assistance Offices.....	6,633	TRANSFERRED: From the Department of Human Services.
Children's Health Insurance Administration.....	25	TRANSFERRED: From the Department of Human Services.
Achieving Better Care - MAP Program.....	7	TRANSFERRED: From the Department of Health.
Quality Assurance.....	300	NEW: For inspections and certifications (8). TRANSFERRED: From the Department of Health (292).
Vital Statistics.....	77	NEW: For processing birth certificates (9). TRANSFERRED: From the Department of Health (68).
State Laboratory.....	35	TRANSFERRED: From the Department of Health.
State Health Care Centers.....	213	TRANSFERRED: From the Department of Health.
Health Innovation.....	3	TRANSFERRED: From the Department of Health.
Sexually Transmitted Disease Screening and Treatment.....	8	TRANSFERRED: From the Department of Health.
Child Support Enforcement.....	95	TRANSFERRED: From the Department of Human Services.
New Directions.....	368	TRANSFERRED: From the Department of Human Services.
Mental Health Services.....	3,449	TRANSFERRED: From the Department of Human Services.
Intellectual Disabilities - State Centers.....	2,814	TRANSFERRED: From the Department of Human Services.
Youth Development Institutions and Forestry Camps.....	633	TRANSFERRED: From the Department of Human Services.
Vital Statistics Improvement Administration.....	3	TRANSFERRED: From the Department of Health.
General Fund Total	16,638	
Federal Funds:		
Refugees and Persons Seeking Asylum - Administration (F).....	22	TRANSFERRED: From the Department of Human Services.
Developmental Disabilities - Basic Support (F).....	9	TRANSFERRED: From the Department of Human Services.
MHSBG - Administration (F).....	4	TRANSFERRED: From the Department of Human Services.
LIHEABG - Administration (F).....	6	TRANSFERRED: From the Department of Human Services.
CCDFBG - Administration (F).....	139	TRANSFERRED: From the Department of Human Services.

Summary of 2018-19 Complement Changes

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
Health Assessment (F).....	3	TRANSFERRED: From the Department of Health.
Primary Care Cooperative Agreements (F).....	1	TRANSFERRED: From the Department of Health.
TB - Administration and Operation (F).....	9	TRANSFERRED: From the Department of Health.
Health Statistics (F).....	1	TRANSFERRED: From the Department of Health.
Disease Control Immunization Program (F).....	49	TRANSFERRED: From the Department of Health.
Survey and Follow-up - Sexually Transmitted Diseases (F).....	3	TRANSFERRED: From the Department of Health.
Epidemiology and Laboratory Surveillance and Response (F).....	19	TRANSFERRED: From the Department of Health.
Cooperative Health Statistics (F).....	13	TRANSFERRED: From the Department of Health.
Lead - Administration and Operation (F).....	2	TRANSFERRED: From the Department of Health.
AIDS Health Education - Administration and Operation (F).....	22	TRANSFERRED: From the Department of Health.
MCHSBG - Administration and Operation (F).....	59	TRANSFERRED: From the Department of Health.
PHHSBG - Administration and Operation (F).....	16	TRANSFERRED: From the Department of Health.
WIC Administration and Operation (F).....	52	TRANSFERRED: From the Department of Health.
HIV Care - Administration and Operation (F).....	12	TRANSFERRED: From the Department of Health.
Family Health Special Projects (F).....	2	TRANSFERRED: From the Department of Health.
HIV / AIDS Surveillance (F).....	3	TRANSFERRED: From the Department of Health.
Preventive Health Special Projects (F).....	7	TRANSFERRED: From the Department of Health.
Cancer Prevention and Control (F).....	20	TRANSFERRED: From the Department of Health.
Sexual Violence Prevention and Education (F).....	1	TRANSFERRED: From the Department of Health.
Food Emergency Response (F).....	1	TRANSFERRED: From the Department of Health.
Behavioral Risk Factor Surveillance System (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).....	4	TRANSFERRED: From the Department of Health.
SABG - DDAP Support Services (F).....	1	TRANSFERRED: From the Department of Health.
Public Health Emergency Preparedness and Response (F).....	75	TRANSFERRED: From the Department of Health.
Federal Funds Total	<u>579</u>	
Tobacco Settlement Fund:		
Tobacco Use Prevention and 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.
Medical Marijuana Program Fund:		
General Operations.....	37	NEW: For Implementation of Medical Marijuana Program (13). TRANSFERRED: From the Department of Health (24).
Special Funds Total	<u>44</u>	
DEPARTMENT TOTAL	<u>17,261</u>	
HUMAN SERVICES		
General Fund:		
General Government Operations.....	-991	TRANSFERRED: To the Department of Health and Human Services.
County Administration - Statewide.....	-869	TRANSFERRED: To the Department of Health and Human Services.
Child Support Enforcement.....	-95	TRANSFERRED: To the Department of Health and Human Services.
New Directions.....	-368	TRANSFERRED: To the Department of Health and Human Services.
Mental Health Services.....	-3,449	TRANSFERRED: To the Department of Health and Human Services.
Intellectual Disabilities - State Centers.....	-3,128	TRANSFERRED: To Health and Human Services (-2,814). Eliminated Positions (-314).
Youth Development Institutions and Forestry Camps.....	-633	TRANSFERRED: To the Department of Health and Human Services.
County Assistance Offices.....	-6,633	TRANSFERRED: To the Department of Health and Human Services.
Children's Health Insurance Administration.....	-25	TRANSFERRED: To the Department of Health and Human Services.
General Fund Total	<u>-16,191</u>	
Federal Funds:		
Refugees and Persons Seeking Asylum - Administration (F).....	-23	TRANSFERRED: To Health & Human Services (-22). Eliminated position (-1).
Developmental Disabilities - Basic Support (F).....	-9	TRANSFERRED: To the Department of Health and Human Services.
MHSBG - Administration (F).....	-4	TRANSFERRED: To the Department of Health and Human Services.
LIHEABG - Administration (F).....	-6	TRANSFERRED: To the Department of Health and Human Services.
CCDFBG - Administration (F).....	-139	TRANSFERRED: To the Department of Health and Human Services.
Federal Funds Total	<u>-181</u>	
DEPARTMENT TOTAL	<u>-16,372</u>	

Summary of 2018-19 Complement Changes

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
HEALTH		
General Fund:		
General Government Operations.....	-114	TRANSFERRED: To the Department of Health and Human Services.
Quality Assurance.....	-292	TRANSFERRED: To the Department of Health and Human Services.
Vital Statistics.....	-68	TRANSFERRED: To the Department of Health and Human Services.
State Laboratory.....	-35	TRANSFERRED: To the Department of Health and Human Services.
State Health Care Centers.....	-213	TRANSFERRED: To the Department of Health and Human Services.
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.....	-7	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>-743</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).....	-19	TRANSFERRED: To the Department of Health and Human Services.
Cooperative Health Statistics (F).....	-13	TRANSFERRED: To the Department of Health and Human Services.
Lead - Administration and Operation (F).....	-2	TRANSFERRED: To the Department of Health and Human Services.
AIDS Health Education - Administration and Operation (F).....	-22	TRANSFERRED: To the Department of Health and Human Services.
MCHSBG - Administration and Operation (F).....	-59	TRANSFERRED: To the Department of Health and Human Services.
PHHSBG - Administration and Operation (F).....	-16	TRANSFERRED: To the Department of Health and Human Services.
WIC Administration and Operation (F).....	-52	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).....	-2	TRANSFERRED: To the Department of Health and Human Services.
HIV / AIDS Surveillance (F).....	-3	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).....	-5	Eliminated positions.
Cancer Prevention and Control (F).....	-20	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.
Live Healthy (F).....	-8	TRANSFERRED: To the Department of Health and Human Services.
Prescription Drug Monitoring (F).....	-4	TRANSFERRED: To the Department of Health and Human Services.
SABG - DDAP Support Services (F).....	-1	TRANSFERRED: To the Department of Health and Human Services.
Public Health Emergency Preparedness and Response (F).....	-75	TRANSFERRED: To the Department of Health and Human Services.
Federal Funds Total	<u>-404</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.....	-24	TRANSFERRED: To the Department of Health and Human Services.
Special Funds Total	<u>-31</u>	
DEPARTMENT TOTAL	<u><u>-1,178</u></u>	
DRUG AND ALCOHOL PROGRAMS		
General Fund:		
General Government Operations.....	<u>2</u>	TRANSFERRED: From SABG - Administration & Operation (F).
Federal Funds:		
SABG - Administration and Operation (F).....	<u>-2</u>	TRANSFERRED: To General Government Operations.
DEPARTMENT TOTAL	<u><u>0</u></u>	

Summary of 2018-19 Complement Changes

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
AGING		
Pharmaceutical Assistance Fund:		
Administration of PACE.....	<u>-1</u>	Eliminated position.
INSURANCE		
Insurance Regulation and Oversight Fund:		
General Government Operations.....	<u>7</u>	NEW: Expansion of Regulation, Analysis and Licensing.
MILITARY AND VETERANS AFFAIRS		
General Fund:		
Veterans Homes.....	<u>5</u>	NEW: For regulations issued by the Center for Medicare and Medicaid Services.
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM		
School Employees' Retirement Fund:		
Administration - Public School Employees'		
Retirement Board.....	<u>12</u>	NEW: For Act 5 Implementation.
PUBLIC UTILITY COMMISSION		
General Fund:		
General Government Operations.....	<u>7</u>	NEW: For administration and enforcement of Pittsburgh Water Wastewater Authority.
STATE EMPLOYEES' RETIREMENT SYSTEM		
State Employees' Retirement Fund:		
Administration - State Employees' Retirement		
Board.....	<u>8</u>	NEW: For Act 5 Implementation (5); For SERS Administration (3).
GRAND TOTAL		<u>-200</u>

FILLED SALARIED COMPLEMENT BY AGENCY

The following is a summary, by department, of the commonwealth's filled salaried complement levels.

<i>Department</i>	<i>December 2016</i>	<i>January 2017</i>	<i>January 2018</i>	<i>Difference Current Dec. 2016</i>
Governor's Office	60	59	58	-2
Executive Offices	1,449	1,447	2,964	1,515 *
Lieutenant Governor's Office	13	13	12	-1
Agriculture	558	554	539	-19
Banking and Securities	189	188	193	4
Civil Service Commission	87	86	85	-2
Community and Economic Development	285	290	266	-19
Conservation and Natural Resources	1,312	1,314	1,228	-84
Criminal Justice	15,603	15,650	16,563	960
Probation and Parole Board	1,261	1,246		-1,261
Education	441	445	420	-21
Emergency Management Agency	180	182	169	-11
Environmental Hearing Board	10	11	11	1
Environmental Protection	2,409	2,414	2,294	-115
Fish and Boat Commission	376	374	366	-10
Game Commission	660	656	627	-33
General Services	875	873	841	-34
Human Services	16,255	16,335	15,309	-946
Health	1,159	1,157	1,028	-131
Drug and Alcohol Programs	69	69	61	-8
Aging	93	93	85	-8
Historical and Museum Commission	179	176	177	-2
Infrastructure Investment Authority	28	28	30	2
Insurance	226	226	227	1
Labor and Industry	4,501	4,055	3,818	-683
Liquor Control Board	3,119	3,150	3,173	54
Military and Veterans Affairs	2,388	2,395	2,343	-45
Milk Marketing Board	22	22	20	-2
Municipal Employees' Retirement	25	26	26	1
Public Utility Commission	459	459	457	-2
Revenue	1,863	1,867	1,625	-238
School Employees' Retirement System	290	292	297	7
State	459	469	431	-28
State Employees' Retirement System	169	171	163	-6
State Police	6,081	6,059	5,921	-160
Transportation	11,354	11,360	11,153	-201
eHealth Partnership Authority	7	1		-7
TOTAL ALL DEPARTMENTS	74,514	74,212	72,980	-1,534

* Filled position increase due to position transfers to Executive Office for Human Resources and Information Technology Shared Services.



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/).

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SELECTED DATA ON THE COMMONWEALTH OF PENNSYLVANIA

General

The Commonwealth of Pennsylvania (the “commonwealth” or “Pennsylvania”) is one of the most populous states, ranking sixth behind California, Texas, Florida, New York 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. The largest Metropolitan Statistical Areas (“MSAs”) in the commonwealth are those that include the cities of Philadelphia and Pittsburgh, which together contain the majority of the state’s total population. The population of Pennsylvania, 12.8 million people in 2016, 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 Middle Atlantic region comprised of persons 45 or over. The following tables present the population trend from 2012 to 2016 and the age distribution of the population for 2016.

Population Trends Pennsylvania, Middle Atlantic Region and the United States 2012-2016

<u>Total Population (in thousands)</u>				<u>Total Population as a % of 2012 base</u>		
<u>As of July 1</u>	<u>PA</u>	<u>Middle Atlantic Region^(a)</u>	<u>United States</u>	<u>PA</u>	<u>Middle Atlantic Region^(a)</u>	<u>United States</u>
2012.....	12,772	41,248	317,633	100%	100%	100%
2013.....	12,781	41,354	319,798	100%	100%	101%
2014.....	12,791	41,434	322,098	100%	100%	101%
2015.....	12,792	41,475	324,370	100%	101%	102%
2016.....	12,784	41,474	326,539	100%	101%	103%

^(a) Middle Atlantic Region: Pennsylvania, New York and New Jersey.

Source: U.S. Department of Commerce, Bureau of the Census

Population by Age Group - 2016 Pennsylvania, Middle Atlantic Region and the United States

<u>Age</u>	<u>PA</u>	<u>Middle Atlantic Region^(a)</u>	<u>United States</u>
Under 5 Years.....	5.6%	5.8%	6.2%
5 -24 Years.....	24.6%	24.9%	26.2%
25-44 Years.....	24.7%	26.1%	26.3%
45-64 years.....	27.7%	27.3%	26.1%
65 years and over.....	17.4%	16.0%	15.3%

^(a) Middle Atlantic Region: Pennsylvania, New York and New Jersey.

Source: U.S. Department of Commerce, Bureau of the Census

Employment

Non-agricultural employment in Pennsylvania over the five years ending in 2016 increased at an average annual rate of 0.69 percent compared with a 1.27 percent rate for the Middle Atlantic region and 1.84 percent rate for the U.S. The following table shows employment trends from 2012 through 2016.

**Non-Agricultural Establishment Employment Trends
Pennsylvania, Middle Atlantic Region and the United States
2012-2016**

<u>Calendar Year</u>	<u>Total Establishment Employment (thousands)</u>			<u>Total Establishment Employment as a % of 2012 base</u>		
	<u>PA</u>	<u>Middle Atlantic Region ^(a)</u>	<u>U.S.</u>	<u>PA</u>	<u>Middle Atlantic Region ^(a)</u>	<u>U.S.</u>
2012.....	5,726	18,412	134,171	100%	100%	100%
2013.....	5,740	18,608	136,379	100%	101%	102%
2014.....	5,788	18,853	138,937	101%	102%	104%
2015.....	5,834	19,108	141,813	102%	104%	106%
2016.....	5,887	19,364	144,306	103%	105%	108%

^(a) Middle Atlantic Region: Pennsylvania, New York and New Jersey

Non-manufacturing employment in Pennsylvania has increased in recent years and reached 91 percent of total employment by 2016. Consequently, manufacturing employment constitutes a diminished share of total employment within the commonwealth. Manufacturing, contributing 9 percent of 2016 non-agricultural employment, has fallen behind the services sector, the trade sector and the government sector as the 4th largest single source of employment within the commonwealth. In 2016, the services sector accounted for 50 percent of all non-agricultural employment while the trade sector accounted for 15 percent. The following table shows trends in employment by sector for Pennsylvania from 2012 through 2016.

**Non-Agricultural Establishment Employment by Sector
Pennsylvania
2012-2016
(in thousands)**

	Calendar Year									
	2012		2013		2014		2015		2016	
	Employees	%	Employees	%	Employees	%	Employees	%	Employees	%
Manufacturing:										
Durable.....	347.6	6%	346.1	6%	346.7	6%	346.0	6%	335.3	6%
Non-Durable.....	219.7	4%	218.5	4%	220.9	4%	221.6	4%	223.0	4%
Total Manufacturing	567.3	10%	564.6	10%	567.6	10%	567.6	10%	558.3	9%
Non-Manufacturing:										
Trade (a).....	853.7	15%	852.5	15%	855.2	15%	856.3	15%	853.6	15%
Finance (b).....	309.4	5%	313.1	5%	315.3	5%	316.3	5%	316.7	5%
Services (c).....	2,758.0	48%	2,783.2	48%	2,817.9	49%	2,855.2	49%	2,915.2	50%
Government.....	732.3	13%	720.4	13%	711.1	12%	704.6	12%	704.6	12%
Utilities.....	244.1	4%	246.8	4%	254.2	4%	265.4	5%	274.5	5%
Construction.....	224.3	4%	223.9	4%	228.8	4%	235.3	4%	238.9	4%
Mining.....	37.1	1%	36.0	1%	37.7	1%	33.9	1%	24.9	0%
Total Non-Manufacturing	5,158.9	90%	5,175.8	90%	5,220.2	90%	5,266.9	90%	5,328.3	91%
Total Employees (d) (e)	5,726.1	100%	5,740.4	100%	5,787.8	100%	5,834.5	100%	5,886.6	100%

(a) Wholesale Trade
 (b) Finance, insurance and real estate
 (c) Includes transportation, communications, electric, gas and sanitary services
 (d) Discrepancies due to rounding
 (e) Does not include workers involved in labor-management disputes
 Source: US Bureau of Labor and Statistics

The following table presents the percentages of non-agricultural employment in various sectors in Pennsylvania and the United States in 2016.

**Non-Agricultural Establishment Employment by Sector
Pennsylvania and the United States**

	2016 Calendar Year	
	Pennsylvania	United States
Manufacturing.....	9.5%	8.6%
Trade (a).....	14.5	15.0
Finance (b).....	5.4	5.7
Services.....	49.5	46.3
Government.....	12.0	15.4
Utilities (c).....	4.7	3.5
Construction.....	4.1	4.7
Mining.....	0.4	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 percent of Pennsylvania manufacturing employment but only 1.3 percent of total Pennsylvania non-agricultural employment in 2016. The following table shows trends in manufacturing employment by industry for Pennsylvania from 2012 through 2016.

Manufacturing Establishment Employment by Industry
Pennsylvania
2012-2016
(In Thousands)

	Calendar Year									
	2012	%	2013	%	2014	%	2015	%	2016	%
Durable Goods:										
Primary Metals.....	39.7	7.0	39.4	7.0	38.9	6.9	37.7	6.6	35.3	6.3
Fabricated Metals.....	81.7	14.4	80.8	14.3	81.1	14.3	81.6	14.4	79.2	14.2
Machinery (excluding electrical)	48.8	8.6	48.5	8.6	48.1	8.5	47.0	8.3	43.8	7.8
Electrical Equipment.....	26.0	4.6	26.0	4.6	26.0	4.6	26.0	4.6	26.1	4.7
Transportation Equipment.....	39.1	6.9	38.9	6.9	39.0	6.9	39.4	6.9	36.7	6.6
Furniture Related Products.....	15.1	2.7	15.1	2.7	15.1	2.7	15.1	2.7	15.1	2.7
Other Durable Goods.....	97.2	17.1	97.4	17.2	98.5	17.4	99.2	17.5	99.1	17.8
Total Durable Goods.....	347.6	61.3	346.1	61.3	346.7	61.1	346.0	61.0	335.3	60.1
Non-Durable Goods:										
Pharmaceutical/Medicine.....	19	3.3	17.9	3.2	17.5	3.1	17.7	3.1	17.8	3.2
Food Products.....	67.1	11.8	67.8	12.0	69.6	12.3	69.6	12.3	69.9	12.5
Chemical Products.....	41.2	7.3	40.6	7.2	39.9	7.0	40.1	7.1	40	7.2
Printing and Publishing.....	25.5	4.5	24.8	4.4	24.7	4.4	24.3	4.3	24.3	4.4
Plastics/Rubber Products.....	35.2	6.2	35.3	6.3	36.1	6.4	37.1	6.5	38.5	6.9
Other Non-Durable Goods.....	31.7	5.6	32.1	5.7	33.1	5.8	32.8	5.8	32.5	5.8
Total Non-Durable Goods.....	219.7	38.7	218.5	38.7	220.9	38.9	221.6	39.0	223.0	39.9
Total Manufacturing Employees (a).....	567.3	100.0	564.6	100.0	567.6	100.0	567.6	100.0	558.3	100.0

(a) Discrepancies due to rounding

Source: U.S. Department of Labor, Bureau of Labor Statistics

Unemployment

During 2016, Pennsylvania had an annual unemployment rate of 5.4 percent. This represents a significant drop since 2012 when the unemployment rate was 7.8 percent. The following table represents the annual unemployment rate in Pennsylvania, the Middle Atlantic Region, and the United States from 2012 through 2016.

Annual Average Unemployment Rate
Pennsylvania, Middle Atlantic Region and the United States
2012-2016

<u>Calendar Year</u>	<u>PA</u>	<u>Middle Atlantic Region^(a)</u>	<u>United States</u>
2012.....	7.8%	8.5%	8.2%
2013.....	7.4	7.8	7.4
2014.....	5.8	6.3	6.2
2015.....	5.3	5.5	5.3
2016.....	5.4	5.1	4.9

(a) Middle Atlantic Region: Pennsylvania, New York, New Jersey.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

The following table presents the thirty largest non-governmental employers in Pennsylvania:

**Commonwealth of Pennsylvania
Thirty Largest Non-Governmental Employers
4th Quarter, 2016**

<u>Company</u>	<u>Rank</u>	<u>Company</u>	<u>Rank</u>
Wal-Mart Associates Inc.....	1	Home Depot USA Inc.....	16
Trustees of the University of PA.....	2	Vanguard Group Inc.....	17
United Parcel Service Inc.....	3	Milton S Hershey Medical Center.....	18
Giant Food Stores LLC.....	4	Wawa Inc.....	19
Pennsylvania State University.....	5	Temple University.....	20
UPMC Presbyterian Shadyside.....	6	Merck Sharp & Dohme Corporation.....	21
PNC Bank NA.....	7	Sheetz Inc.....	22
University of Pittsburgh.....	8	Western Penn Allegheny Health.....	23
Weis Markets Inc.....	9	American Airlines Inc.....	24
Lowe's Home Centers LLC.....	10	Pennsylvania CVS Pharmacy LLC.....	25
Comcast Cablevision Corp (PA).....	11	Thomas Jefferson University Hospital.....	26
Giant Eagle Inc.....	12	Heartland Employment Services LLC.....	27
The Children's Hospital of Pennsylvania.....	13	Wegmans Food Markets Inc.....	28
Amazon.com DEDC LLC.....	14	East Penn Manufacturing Company.....	29
Target Corporation.....	15	Bayada Home Health Care Inc.....	30

Source: Pennsylvania Department of Labor & Industry

Personal Income

Personal income in the commonwealth for 2016 was \$656 billion, an increase of 3 percent over the previous year. During the same period, national personal income increased by 4 percent. Based on the 2016 personal income estimates, per capita income was at \$51,275 in the commonwealth compared to per capita income in the United States of \$49,571. The following tables represent annual personal income data and per capita income from 2012 through 2016.

Personal Income Pennsylvania, Mideast Region and the United States 2012-2016

Year	Total Personal Income Dollars in Millions			Total Personal Income As a % of 2012 Base		
	PA	Mideast Region ^(a)	U.S. ^(b)	PA	Mideast Region ^(a)	U.S. ^(b)
2012.....	586,000	2,527,000	13,904,485,000	0%	0%	0%
2013.....	589,000	2,552,000	14,068,960,000	1%	1%	1%
2014.....	614,000	2,661,000	14,801,624,000	5%	5%	6%
2015.....	637,000	2,766,000	15,463,981,000	9%	9%	11%
2016.....	656,000	2,851,000	16,017,781,000	12%	13%	15%

^(a) Mideast Region: Pennsylvania, New York, New Jersey, Maryland, District of Columbia, and Delaware

^(b) Sum of States

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Per Capita Income Pennsylvania, Mideast Region and the United States 2012-2016

Calendar Year	Per Capita Income			As a % of U.S.	
	PA	Mideast Region ^(a)	U.S.	PA	Mideast Region ^(a)
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%
2016.....	51,275	59,334	49,571	103%	120%

^(a) Mideast Region: Pennsylvania, New York, New Jersey, Maryland, District of Columbia, and Delaware.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The following table presents growth rates in personal income and selected components of personal income for Pennsylvania, the Mideast Region and the United States from 2012 through 2016.

**Annual Growth Rates
Personal Income and Selected Components of Personal Income
Pennsylvania, Mideast Region and the United States**

<u>Calendar Year</u>	<u>Pennsylvania</u>	<u>Mideast Region</u> ^(a)	<u>United States</u>
Total Personal Income			
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
2016.....	2.9	3.6	4.6
Manufacturing			
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
2016.....	1.4	1.2	2.8
Trade ^(b)			
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
2016.....	1.3	2.6	2.8
Finance ^(c)			
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
2016.....	3.5	4.1	4.6
Services ^(d)			
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
2016.....	6.4	7.0	6.7
Utilities			
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
2016.....	2.9	3.7	4.4
Construction			
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
2016.....	4.8	6.3	7.3
Mining			
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
2016.....	-20.5	-7.4	-13.6

(a) Mideast Region: Delaware, District of Columbia, Maryland, Pennsylvania, New York, and New Jersey.

(b) Wholesale and retail trade.

(c) Finance and insurance.

(d) Includes Forestry, Fishing, and related activities, Transportation and warehousing, and Information

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The commonwealth's average hourly wage rate of \$19.29 for manufacturing and production workers is below the national average of \$20.43 for 2016. The following table presents the average hourly wage rates for 2012 through 2016.

**Average Hourly Wages
Production Workers on Manufacturing Payrolls
Pennsylvania and the United States
2012-2016**

<u>Calendar Year</u>	<u>PA</u>	<u>U.S.</u>
2012.....	\$ 18.26	\$19.08
2013.....	19.16	19.30
2014.....	19.02	19.56
2015.....	18.95	19.91
2016.....	19.29	20.43

Source: U.S. Department of Labor, Bureau of Labor and 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
2012-2016**

<u>Year</u>	<u>Market Value</u> ^(a)	<u>Assessed Valuation</u>	<u>Rate of Assessed Valuation to Market</u> <u>Value</u> ^(a)
2012.....	\$ 753,344,175,841	\$ 452,361,346,637	60.0%
2013.....	781,362,158,748	499,743,087,376	64.0
2014.....	801,633,782,130	591,554,200,204	73.8
2015.....	810,805,701,762	599,081,315,279	73.9
2016.....	839,594,528,100	599,849,032,792	71.4

^(a) Value adjusted for difference between regular assessment and preferential assessment permitted on certain farm and forestlands.

Source: Annual Certifications by the State Tax Equalization Board.

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